City Life PCC Limited

Annual Report and Consolidated Audited Financial Statements

For the year ended 31 December 2011

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Officers and professional advisers

Directors
Mr Anthony Arthur Hall (Chairman)
Mr Paul Duquemin
Dr Katrina Tarizzo

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Sir William Place
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Principal Manager
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Guernsey GY4 6LH

Designated Custodian
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St Peter Port
Guernsey GY1 3WE

Administrator and Secretary to the Fund
Ardel Fund Services Limited
PO Box 175
Frances House
Sir William Place
St Peter Port
Guernsey GY1 4HQ

Promoter and Co-Distributor
Stratton Street Capital LLP
30 Charles II Street
London
SW1Y 4AE

Auditors to the Fund
Ernst & Young LLP
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4AF

Investment Advisor & Administrator (Poland Geared Growth Cell)
Skarbiec Asset Management Holdings SA
UI. Nowogrodzka 47A
Warsaw 00-695

Sponsor (CISX Listing)
Mourant Ozannes Securities Limited
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP

Fund Manager (Poland Geared Growth Cell)
Skarbiec TFI SA
UI Nowogtradzka
Warsaw 00-695

Legal Adviser as to Guernsey Law
Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP

Investment Advisor (Romanian Cell)
Sapphire Capital Partners LLP (resigned 22 August 2011)
Riversdale House
7 Roughfort Road
Newtonabbey
Belfast
BT36 4RE

Company Summary

The Company

City Life PCC Limited (formerly Curzon Capital PCC Limited) (the "Company" or the "Scheme") was established as a protected cell company on 13 June 2005 and is governed by the provisions of the Companies (Guernsey) Law, 2008, and subsequent amendments. The Scheme has been authorised by the Guernsey Financial Services Commission as a Class B Scheme under The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

Objective

The Poland Geared Growth cell provides a listed, debt-geared, diversified exposure to the Polish residential and commercial property markets through the acquisition of property mainly in Poland's cities with the investment objective of generating rental income and long-term capital growth.

The Romanian Geared Growth cell is in the process of being wound up.

Management

As per the Management Agreement dated 15 February 2010 the Board appointed Stratton Street Capital (CI) Limited as Principal Manager. The appointment can be terminated by either party by giving not less than three months notice. The Principal Manager could also resign by giving no less than 30 days notice in writing if the Company shall commit any breach of the provisions of the Management Agreement and shall not have remedied such breach within thirty days after the service of notice requiring the same to be remedied. Further details of the Management Agreement are detailed in the notes to the financial statements.

Capital Structure

On incorporation the authorised capital of the Scheme was £50,100 divided into 100 Management Shares of £0.0001 each and 500,999,900 Unclassified Shares of £0.0001 each. Unclassified Shares may be issued as Redeemable Ordinary Shares of any Cell of the Scheme or as Nominal Shares. All issued Shares are in Registered form.

The 2 Management Shares in issue were issued at par and are beneficially owned by the Principal Manager.

CISX Listing

The Scheme was admitted to the official list of the Channel Islands Stock Exchange ("CISX") on 2 June 2006. An initial application was made for the listing of up to 25 million Shares of the Poland Geared Growth cell by way of an offer for subscription. On the 20 July 2007 an application was made, and accepted, for the listing of an additional 25 million shares.

Shares of the Romanian Geared Growth Cell are listed on the official list of the CISX but have been suspended with effect from 1 July 2011.

Chairman's statement

Dear Shareholders

Poland Geared Growth Cell

Poland has continued to be one of the very few shining stars of the Eurozone with impressive GDP growth of 4.3% in 2011, as compared to 1.5% for the Eurozone as a whole and a mere 0.7% for the UK. The only countries that exceeded this growth rate in 2011 were the three Baltic States, but each of these also suffered from double digit declines in 2009, when Poland was the only member of the Eurozone not to suffer a recession recording growth of 1.7%. Of all the member states, only Slovakia has a slightly better GDP growth than Poland since 2005.

Against this background, I am pleased to report that year on year, the value of the underlying Polish property portfolio has marginally increased by 0.4%, after adjusting for sales of approximately PLN11m, in the year to PLN263m (£49m), thus demonstrating the relative resilience of the Cell's existing property portfolio in these difficult economic times.

However, when calculating the value of the Polish Zloty based fund in Sterling terms, the trading NAV fell from 94.92 pence per share at the 31st December 2010 to 75.57 pence per share at the 31st December 2011, such fall being primarily the decrease in the value of the Polish Zloty exchange rate against sterling over the year. The Zloty strengthened in the first six months of 2011 from 4.62 to 4.41, and ended the year at a low of 5.36, thus weakening some 16% over the full year due to the continued financial crisis in the Eurozone.

Sales from the non-core part of the portfolio continued over the year, from completed developments where the rental market and/or long term growth outlook looked less favourable. Ongoing sales have contributed to improving the liquidity of the Cell overall, as well as having permitted the initiation of partial redemption payments to those investors first in the queue to redeem. Since partial redemptions were started in July 2011, the Cell has been able to pay out £1.25m to date. Whilst this is still a relatively small proportion of the total redemption queue it demonstrates one of the many positive steps that the Cell has taken over the year.

As for capital appreciation, the Polish Residential market is anticipated to remain flat for the current year, but return to modest growth from 2013 onwards. In the interim, efforts continue to be made to increase the Cell's income so that it contributes as fully as possible to the running costs. In this regard, the core rental portfolio has continued to provide stable cash flows with annual increases based on Polish inflation helping to boost rental yields. Currently, only one of the nine developments is not fully let out on almost a continuous basis. Plus, the Investment Adviser continues to sell non-core property assets to generate liquidity and reduce property maintenance costs. These efforts should reduce the cost drag of the Cell to better position it for future growth.

The availability of credit for both mortgages and developers remains difficult, but Polish banks, with a reported tier one capital ratio of 12% are relatively solid in comparison to their Western European counterparts. This is probably in no short measure due to their relative conservatism in the last decade. During 2011, the Cell was able to source a PLN15m loan secured on one of our prestige developments, PlatinumTowers (Hilton), which is perhaps an indicator that financing is available for quality assets backed with solid cash flows.

In addition to the completed developments mentioned above, the Cell also has five developments where construction work did not begin due to liquidity reasons and even here much progress has been made over the year. The land plots for four of the developements have been acquired from the developers; the apartments have been redesigned to appeal to today's prospective tenants/purchasers; and most require only external bank financing for the construction works to commence. Agreement has been reached to acquire the fifth developement and completion is expected in the near future. Once completed, some of these units will be added to the core portfolio and others sold.

Whilst looking for ways to speed up the process of satisfying redemption requests within the confines of the Cell's cash flows without losing sight of our long term objective of capital growth for the majority of investors who are invested in the Cell for the long term, a number of investment opportunities are being considered. It is too early to report on any of these in detail here, but suffice to say that there seems to be a pick up in market activity more recently and the chance for an established fund like ours to benefit from some interesting early stage investments.

Even though the Cell does not actually convert the Polish Zloty into sterling when the share price is calculated, the biggest driver of the Cell's sterling share price performance, at least in the short term, remains the Polish zloty/sterling exchange rate which continues to be adversely affected by uncertainty and volatility in the Eurozone. Whilst Poland has committed to joining the single currency, there appears to be no definitive date by which it must commit to do so. Whilst the Cell would ideally look to hedge this currency risk, the liquidity needed to settle the forward foreign exchange contracts each quarter (bearing in mind the relatively illiquid property portfolio) means that potentially the Cell would be replacing a currency risk with an insolvency risk.

The fundamental demographics of Poland have not significantly changed since the Cell was launched. The long term shortage of quality accommodation remains underpinned by domestic demand. Whilst like a number of countries, the credit crunch put paid to an overheating real estate market which has struggled to recover, Poland looks particularly well placed to benefit when and if there is a sustainable recovery.

In conclusion, therefore, the Cell has made significant steps forward in freeing up liquidity to start making partial redemption payments; repositioned the portfolio so that assets are either generating income or available to be sold; taken, or in the process of taking, control of the five undeveloped sites for building out; and seeking out new investment opportunities that will be to the long term benefit of the Cell's shareholders. I feel confident that the Cell is well positioned to take advantage of any upturn in the Polish property market.

Romania Geared Growth Cell

On the 29th June 2011, the Board of Directors announced that in view of the difficult market conditions in Romania and the relatively small size of the Cell in relation to its running costs it was in the best interests of shareholders that an orderly disposal of the Cell's assets took place and that any capital was returned to shareholders.

Chairman's statement (continued)

Romania Geared Growth Cell (continued)

This decision was taken after a period of careful consideration by the Board of the ongoing economic viability of the Cell and the possible ways of preserving and enhancing shareholder value. Unfortunately, though efforts were made to increase the size of the Cell, the option of re-capitalising the Cell was not possible as existing shareholders did not wish to add further cash and no outside investment was forthcoming, so with deep regret there were no other alternatives available. Consequently, on the 1st July 2011, the official listing of the Cell on the Channel Island Stock Exchange was suspended.

All of the apartments within the four developments owned by the Cell were subsequently sold during the second half of the year and this has then allowed the orderly liquidation of the subsidiaries of the Cell to begin in 2012. This process of liquidation is currently well advanced and it is the belief of the Board that we will be in a position to make a final distribution to all shareholders at the end of September 2012.

Anthony Hall
Chairman

Date : 26 June 2012

Board of Directors

Mr Anthony Hall

Mr Hall was joint CEO and Managing Director of Rea Brothers Group Plc between 1988 and 1995 and subsequently became Chairman of Rea Brothers (Guernsey) Limited before his retirement in 1996. He was the Chairman of the Association of Guernsey Banks in 1994, he is a Fellow of the Institute of Directors, and an associate of the Chartered Institute of Bankers and holds a number of directorships of offshore equity, equity derivative, bond and hedge funds. His wide experience of investment funds and his long career in offshore banking makes him ideally suited to act as Chairman of the Scheme's board of directors. Mr Hall is a Guernsey resident.

Mr Paul Duquemin

Mr Duquemin is Managing Director of Ardel Fund Services Limited (formerly Bachmann Fund Administration Limited). Prior to joining Ardel in 2005, Mr Duquemin had been a director of BISYS Fund Services (Guernsey) Limited. He has over 20 years experience in offshore finance, mostly in fund administration with Rothschild Asset Management and BISYS Fund Services. He is a member of the Institute of Directors and holds the IOD Diploma in Company Direction. He also currently holds a number of directorships of offshore funds and companies. Mr Duquemin is a Guernsey resident.

Dr Katrina Tarizzo

Dr Katrina Tarizzo PhD acts as a Director and a major shareholder for several companies involved in financial services, property and container shipping. She is a Doctoral graduate of the London Business School and has a wealth of international business experience. She was a founding Director of The Share Centre Limited, an FSA regulated retail stockbroker; a founding Director and major shareholder of Johnson Fry Privatisations Limited (part of Johnson Fry PLC and now Legg Mason) involved in IPOs for the UK and French privatisation programmes and a Director of Connaught St. Michaels Registrars Limited which subsequently became part of IRG, now Capita IRG. Dr Tarizzo is a UK resident.

Directors' report

The Directors present their annual report and consolidated audited financial statements of City Life PCC Limited, which is incorporated in Guernsey, for the year ended 31 December 2011.

Incorporation

The Company was incorporated on 13 June 2005 and commenced operations on 27 March 2006.

Principal activity

The Poland Geared Growth cell provides a listed, debt-geared, diversified exposure to the Polish residential and commercial property markets through the acquisition of property mainly in Poland's cities with the investment objective of generating rental income and long-term capital growth. The investment strategy reflects the many economic and demographic changes occurring in Poland that should, in the Investment Adviser's view, drive up property prices and underpin rental yields. This cell was listed on the Channel Islands Stock Exchange on 2 June 2006

The Directors formally resolved to wind up the Romanian Geared Growth Cell on 27 June 2011.

The Romania Geared Growth cell was listed on the Channel Islands Stock Exchange on 22 August 2008. On the 29 June 2011 the Directors resolved to suspend the shares of the Romanian Geared Growth Cell.

Results and dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 11.

A review of the activities, performance and outlook for the Company is included in the Chairmans Statement on pages 4 to 5.

The Directors do not intend to declare a dividend for the year (2010: Nil).

Listing requirements

Throughout the accounting period the Company complied with the conditions set out in the Channel Islands Stock Exchange Rules for Companies.

Directors

The Directors during the year and to date were as stated on page 2.

Directors shall not be subject to retirement by rotation at least every three years. No person shall be or become incapable of being appointed as a director by reason of having attained the age of 70 or any other age and no director will be required to vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age.

Directors Statement

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware having taken all the steps the directors ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of the information.

Directors' fees

During the year the Directors received remuneration in the form of fees as stated in note 12.

There are no service contracts in existence between the Company and any of the Directors.

Directors' interests

Dr Katrina Tarizzo indirectly owns 119,742.07 (2010: 119,742,07) and Tony Hall directly owns 63,492.06 (2010: 63,492.06) redeemable ordinary shares of the Poland Geared Growth Cell. Paul Duquemin is Managing Director of the Administrator. The fees paid to Ardel Fund Services Limited are disclosed in note 7 to the financial statements.

Corporate Governance

It is the Company's policy to follow best practice on good corporate governance applicable to the Company in line with the code of Corporate Governance, issued by the Guernsey Financial Services Commission.

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the next Annual General Meeting.

By order of the board	Date : 26 June 2012
Anthony Hall	Paul Duquemin
Chairman	Director

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable Guernsey Law and generally acceptable accounting principles.

Guernsey company law requires the Directors to prepare financial statements for each financial period which gives a true and fair view of the state of affairs of the Group and of the profit and loss of the Group for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company or 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 Group and which enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008 and The Collective Investment Schemes (Class B) Rules 1990. They are also 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

During the year ended 31 December 2011, Stratton Street Capital (CI) Limited, the Principal Manager, in our opinion did manage City Life PCC Limited (the Company):

a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the principal documents, by the scheme particulars and by The Protection of Investors (Bailiwick of Guernsey) Law 1987 as amended; and

b) in accordance with the provisions of the principal documents and the Collective Investment Schemes (Class B) Rules 1990.

BNP Paribas Trust Company (Guernsey) Limited

Date: 26 June 2012

Independent auditor's report to the members of City Life PCC Limited

We have audited the consolidated financial statements of City Life PCC Limited for the year ended 31 December 2011 which comprise the consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Net Assets attributable to Holders of Redeemable Ordinary Shares, the Consolidated Statement of Cash Flows and the related notes 1 to 35. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

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 Paragraph 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008, the Collective Investment Schemes (Class B) Rules, 1990 and the principal documents.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP
Guernsey, Channel Islands
Date : 26 June 2012

Consolidated statement of comprehensive income
for the year ended 31 December 2011

	Notes	Poland Geared Growth Cell Year ended 31 December 2011 GBP	Romania Geared Growth Cell Year ended 31 December 2011 GBP	Total Year ended 31 December 2011 GBP	Total Year ended 31 December 2010 GBP
Income					
Bank interest receivable		6,737	573	7,310	14,757
Unrealised loss on completed investment properties	19	(2,022,866)	681,473	(1,341,393)	(450,654)
Gain / (loss) on sale of completed investment property		87,704	(1,504,821)	(1,417,117)	(426,304)
Impairment on investment property	18	(718,714)	-	(718,714)	(326,689)
Rental income	13	740,897	15,639	756,536	453,319
Commissions received		46,136	-	46,136	34,248
Other income		497,870	2,284	500,154	212,025
Total loss		(1,362,236)	(804,852)	(2,167,088)	(489,298)
Expenditure					
Loan and bank interest paid	26/28	519,552	(567)	518,985	449,442
Administration fees	7	278,847	66,486	345,333	486,728
Management fees	8	720,585	14,703	735,288	790,424
Trail fees	9	191,255	-	191,255	226,190
Custodian fees	11	52,000	16,933	68,933	74,761
Professional fees		287,807	94,753	382,560	729,013
Director's fees and expenses	12	32,500	20,408	52,908	60,434
Other expenses	14	522,931	76,692	599,623	623,645
Provision against investment advances	18	-	-	-	45,979
Provision for liquidation costs		-	-	-	15,000
Disposal costs		-	-	-	28,584
(Gain)/loss on other foreign currency transactions	4(d)	(737,253)	51,336	(685,917)	131,034
Total expenditure		1,868,224	340,744	2,208,968	3,661,234
Loss for the year		(3,230,460)	(1,145,596)	(4,376,056)	(4,150,532)
Other comprehensive loss					
Exchange differences arising on translation of foreign operations		(5,330,063)	38,985	(5,291,078)	(178,403)
Change in net assets attributable to holders of redeemable ordinary shares		(8,560,523)	(1,106,611)	(9,667,134)	(4,328,935)
Loss for the holders of redeemable ordinary shares - basic and diluted (pence per share)					
Poland Geared Growth Cell	15	(19.18)			(6.70)
Romania Geared Growth Cell	15		(24.70)		(29.65)

The accompanying notes 1 to 35 form an integral part of these financial statements.

Consolidated statement of financial position as at 31 December 2011

	Notes	Poland Geared Growth Cell As at 31 December 2011 GBP	Romania Geared Growth Cell As at 31 December 2011 GBP	Total As at 31 December 2011 GBP	Total As at 31 December 2010 GBP
Non-current assets					
Investment property - under development	18	1,467,821	-	1,467,821	18,125,874
Completed investment property	19	32,474,793	-	32,474,793	24,124,661
Restricted cash	22	158,545	-	158,545	183,842
		34,101,159	-	34,101,159	42,434,377
Current assets					
Investment property - inventory	18	771,762	-	771,762	162,895
Investment property - advances	18	317,180	-	317,180	1,237,705
Trade and other receivables	21	951,814	3,385	955,199	1,816,368
Cash and cash equivalents	22	2,934,506	657,853	3,592,359	1,186,142
		4,975,262	661,238	5,636,500	4,403,110
Assets classified as held for sale	20	2,867,890	-	2,867,890	4,920,829
Total assets		41,944,311	661,238	42,605,549	51,758,316
Current liabilities					
Bank overdraft	22	(294,324)	-	(294,324)	-
Trade and other payables	23	(1,769,527)	(164,536)	(1,934,063)	(1,477,794)
Bridge loans	28	-	-	-	(165,000)
		(2,063,851)	(164,536)	(2,228,387)	(1,642,794)
Non Current Liabilities					
Trade and other payables	23	(1,312,965)	-	(1,312,965)	(2,418,552)
Bank loan	27	(8,553,556)	-	(8,553,556)	(6,537,316)
		(9,866,521)	-	(9,866,521)	(8,955,868)
Total liabilities		(11,930,372)	(164,536)	(12,094,908)	(10,598,662)
Liabilities directly associated with assets classified as held for sale	20	-	-	-	(28,821)
Net assets attributable to holders of Redeemable ordinary shares		30,013,939	496,702	30,510,641	41,130,833
NAV per redeemable ordinary share (pence per share)					
Poland Geared Growth Cell	25	67.96			88.10
Romania Geared Growth Cell	25		11.09		35.79
NAV per redeemable ordinary share at launch (pence per share)					
Poland Geared Growth Cell		100.00			100.00
Romania Geared Growth Cell			100.00		100.00

These financial statements on pages 11 to 38 were approved by the Board of Directors on 26 June 2012 and signed on behalf of the Board by

Anthony Hall

Chairman

Paul Duquemin

Director

The accompanying notes 1 to 35 form an integral part of these financial statements.

Consolidated statement of changes in net assets attributable to holders of redeemable ordinary shares for the year ended 31 December 2011

	Note	Poland Geared Growth Cell GBP	Romania Geared Growth Cell GBP	Net Assets Attributable to holders of Redeemable Ordinary Shares GBP
As at 1 January 2010		42,500,343	2,930,340	45,430,683
Change in net assets attributable to holders of redeemable ordinary shares		(3,000,826)	(1,328,110)	(4,328,936)
Issue of redeemable ordinary shares		28,003	1,083	29,086
As at 31 December 2010		39,527,520	1,603,313	41,130,833
Change in net assets attributable to holders of redeemable ordinary shares		(8,560,523)	(1,106,611)	(9,667,134)
Issue of redeemable ordinary shares	24	47,063	-	47,063
Redemption of ordinary shares	24	(1,000,121)	-	(1,000,121)
As at 31 December 2011		30,013,939	496,702	30,510,641

The accompanying notes 1 to 35 form an integral part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2011

	Note	Poland Geared Growth Cell Year ended 31 December 2011 GBP	Romania Geared Growth Cell Year ended 31 December 2011 GBP	Total Year ended 31 December 2011 GBP	Total Year ended 31 December 2010 GBP
Loss for the year		(3,230,460)	(1,145,596)	(4,376,056)	(4,150,533)
Unrealised loss on investment property		2,022,866	(681,473)	1,341,393	450,654
(Gain) / loss on sale of investment property		(87,704)	1,504,821	1,417,117	426,304
Finance income		(6,737)	(573)	(7,310)	(14,757)
Interest expense		519,552	(567)	518,985	449,442
Lease incentive		-	-	-	(130,825)
Disposal costs		-	-	-	28,584
Property impairment		718,714	-	718,714	326,689
Provision against investment advances		-	-	-	(45,960)
Operating cash flows before movements in working capital		(63,770)	(323,388)	(387,158)	(2,660,402)
Decrease / (increase) in receivables		575,266	285,903	861,169	762,657
(Decrease) / increase in payables		(712,918)	34,779	(678,139)	88,504
Net cash outflow from operating investment activities		(201,422)	(2,706)	(204,128)	(1,809,241)
Investment activities					
Advances on Investment Properties - additions		(671,533)	-	(671,533)	(1,769,465)
Advances on Investment Properties - disposals		402,267	-	402,267	73,743
Investment property - additions		-	-	-	(440,411)
Proceeds from sale of investment properties		1,926,250	577,252	2,503,502	2,612,338
Net cash inflow / (outflow) from investment activities		1,656,984	577,252	2,234,236	476,205
Financing activities					
Proceeds on issue of shares		47,063	-	47,063	29,087
Payments on redemption of shares		(1,000,121)	-	(1,000,121)	-
Interest income received		6,737	573	7,310	14,757
Interest paid		(519,552)	567	(518,985)	(449,442)
Bridging loan received		-	-	-	165,000
Bridging loan repaid		(165,000)	-	(165,000)	-
Bank loan received		2,016,241	-	2,016,241	732,967
Net cash inflow from financing activities		385,368	1,140	386,508	492,369
Net cash (outflow) / inflow for the year		1,840,931	575,686	2,416,617	(840,668)
Cash and cash equivalents at start of year		1,326,802	43,182	1,369,984	2,862,852
Effect of foreign exchange rates		(369,008)	38,985	(330,022)	(652,200)
Cash and cash equivalents at end of year	22	2,798,725	657,853	3,456,578	1,369,984

The accompanying notes 1 to 35 form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2011

1 CORPORATE INFORMATION

City Life PCC Limited (formerly Curzon Capital PCC Limited) ("the Company" or "Fund") together with its subsidiaries ("the Group") is a Protected Cell Company incorporated in Guernsey. The address of the registered office is shown on page 2.

The Company is a Protected Cell Company in accordance with the provisions of the Companies (Guernsey) Law, 2008 as amended. The assets of the Company can be either cellular assets or non-cellular assets. The assets attributable to a cell comprise assets represented by the proceeds of cell share capital, reserves and any other assets attributable to that cell. The non-cellular assets comprise the assets of the Company which are not cellular assets. Where a liability arises from a transaction in respect of a particular cell, and there are insufficient assets within this cell, there will be no recourse to the assets of any other cell, or the non-cellular assets.

The Poland Geared Growth cell ("Poland Cell"), a cell within City Life PCC Limited, provides a listed, debt-geared, diversified exposure to the Polish residential and commercial property markets through the acquisition of property mainly in Poland's cities with the investment objective of generating rental income and long-term capital growth.

On 5 October 2010 the Poland Cell acquired a 100% subsidiary, City Living Development Polska SP. Z.O.O. a management company registered and incorporated in Poland.

The Romania Geared Growth Cell ("Romanian Cell"), a Cell within City Life PCC Limited, is now in the process of being wound up. The relevant steps in the liquidation process are underway and it is envisaged that the Cell will be able to redeem all shares and pay the proceeds to all shareholders by the end of quarter 3 this year. Further details are provided in the Chairman's Statement.

2 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for investment property and forward foreign currency contracts which are carried at fair value.

(2.1) Basis of preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") which comprise standards and interpretations issued by the International Accounting Standards Board ("IASB"), and International Accounting Standards and Standing Interpretations approved by the International Financial Reporting Interpretation Committee that remain in effect and to the extent they have been adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Company's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in note 3.

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision only affects that year, or in the year of the revision and future years if the revision affects both current and future years.

(2.2) Changes in accounting policies and disclosure:

New and amended standards and interpretations

The same accounting policies, presentation and methods of computation are followed in these consolidated financial statements as were followed in the previous financial year. The adoption of the following new standards, amendments and interpretations effective from 1 January 2011, has not had any impact on the financial position or performance of the Group:

- IAS 24: Related party disclosures – for accounting periods commencing on or after 1 January 2011
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments – for accounting periods commencing on or after 1 July 2010
- IFRIC 14: Prepayments of a minimum funding requirement - for accounting periods commencing on or after 1 January 2011
- IAS 32 amendments: Classification of rights issues – for accounting periods commencing on or after 1 February 2010
- IFRS 1 amendments: Limited exemption from comparative IFRS 7 disclosures – for accounting periods commencing on or after 1 July 2010

Notes to the financial statements
for the year ended 31 December 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.2) Changes in accounting policies and disclosure:

New and amended standards and interpretations

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

- IFRS 9: Financial instruments – for accounting periods commencing on or after 1 January 2015.
- IFRS 7: Disclosures – Transfer of financial assets - for accounting periods commencing on or after 1 July 2011.
- IFRS 10, 'Consolidated Financial Statement - includes the concept of de facto control and replaces the consolidation guidance in IAS 27. The standard is not applicable until 1 January 2013.
- IFRS 11, 'Joint Arrangements' - includes the concept of joint operation (resulting in consolidation of entity's share of assets and liabilities) and joint ventures (resulting in equity method of accounting); the new standard replaces IAS 31. The standard is not applicable until 1 January 2013.
- IFRS 12, 'Disclosure of Interest in Other Entities' - requires enhanced disclosure for related parties (consolidated and unconsolidated entities). The standard is not applicable until 1 January 2013.
- IFRS 13, 'Fair Value Measurement' - provides a source of guidance and establishes a framework for measuring fair value. Will require enhanced disclosure about fair value and the basis of measurement. The standard is not applicable until 1 January 2013.
- Amendment to IAS 1 'Presentation of Financial Statements' - amends the presentation of items of other comprehensive income. This amendment is effective for accounting periods commencing on or after 1 July 2012.
- IAS 12: Income Taxes – Tax recovery of underlying assets (Amendment) - for accounting periods commencing on or after 1 January 2012.
- Amendment to IAS 19 'Employee Benefits' - relates to changes in accounting for defined benefit obligations and plan assets. This amendment is effective for periods beginning on or after 1 January 2013.
- IAS 27 'Separate Financial Statements' and IAS 28, 'Investments in Associates and Joint Ventures' - both incorporate changes required due to IFRS 10,11 & 12 - for accounting period commencing on or after 1 January 2013.

These standards and interpretations will be adopted when they become effective.

The Directors anticipate that the adoption of the majority of these standards and interpretations in future periods will not have a material impact on the financial statements or results of the Company, however they cannot be applied at the date of these financial statements as they are yet to be endorsed by the EU.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. The Group is required to determine whether a property qualifies as investment property. The Group considers when the property is in a condition which will allow the generation of cash flows from its rental or disposal that the property is no longer a property under development but is an investment property.

3.1 Critical accounting estimates and assumptions

Management is required to make estimates and assumptions concerning the future. The resulting accounting estimates seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimate of fair value of investment properties

The Principal Manager engages the services of BRE Bank Hipoteczny SA plus other valuation agents as relevant for the Poland Geared Growth Cell to assist in their assessment of the fair values of investment properties. All properties and developments are revalued on a quarterly basis by appropriately qualified, independent valuers. Valuations are prepared in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards. The valuation basis used is an open market comparison approach. Any assumptions made by the valuer are reviewed by the Board and the Principal Manager for their reasonableness.

(b) Review of impairment of advances on investment property

The Group’s main activity is the purchase of "off-plan" apartments and their subsequent rental. The Group continually reviews the net realisable value of its advances on investment properties against the cumulative costs that are held on its Consolidated statement of financial position. BRE Bank Hipoteczny SA plus other valuation agents as relevant have been appointed as the valuation agents to assess the fair value of its properties on a quarterly basis.

Notes to the financial statements
for the year ended 31 December 2011

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(c) Recoverability of VAT

Regulations regarding VAT are subject to frequent changes. These changes can result in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. As outlined in note 21 and 23 the above circumstances mean that tax exposure is significantly greater in countries that have a less established taxation system. Tax settlements may become subject to inspection by tax authorities within a period of five years. Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 31 December 2011. Control is achieved where the Company has the power to govern the financial and operating activities of an investee entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies as adopted by the Group in regard of translation of subsidiaries.

(b) Income

Income is measured at the fair value of the consideration received or receivable.

Interest income is recognised on a time apportioned basis using the effective interest method.

Rental income and lease incentives from investment property leased out is recognised in the Consolidated statement of comprehensive income on a straight line basis over the term of the lease. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably.

(c) Expenses

Expenses are measurable at the fair value of the consideration paid or payable and are recognised in the Consolidated statement of comprehensive income on an accruals basis.

(d) Foreign exchange

Monetary Assets and Liabilities are translated into Sterling at the rate of exchange ruling on the last day of the Company's financial period. Foreign currency transactions are translated at the rate of exchange ruling on the date of the transaction. Profits and losses arising on currency translation are included in the Consolidated statement of comprehensive income. Hedge accounting is not used.

Other exchange gains and losses on translation of subsidiaries are shown separately in the Consolidated statement of comprehensive income under the heading of 'Losses on other foreign currency transactions'. The exchange differences on consolidation for each Cell are aggregated to arrive at the total Group translation reserve at the reporting date. The gains and losses on consolidation have no effect on the value of the underlying assets allocated to the individual Cells.

Transactions during the period are translated at the average rate of exchange ruling during the reporting period.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(e) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand and short term deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the financial statements
for the year ended 31 December 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Functional and presentation currency

The functional and presentation currency of the Company is Pounds Sterling as this is the currency in which the Group raises capital, the Group's shares are traded and the key performance measures are established.

(g) Cash advances on investment property

Properties in the course of construction for future rent, over which the Group does not yet hold title, are accounted for as investment property - advances (financial asset), until the date that title passes to the Group, at which point they will become Investment property and will be carried on the same basis as other investment property assets.

Cash advances on investment properties are carried at amortised cost, less any recognised impairment loss. Cost comprises all cash advances provided to the developers of each property project.

The Group has appointed BRE Bank Hipoteczny SA plus other valuation agents as relevant, as principal property valuers, to prepare valuations on a quarterly basis for the properties and developments held and these are used to ensure that any impairment is accounted for in advances on investment property.

An impairment review is undertaken on the advances on investment property by the Directors on an annual basis.

(h) Investment property

Properties which are held for the long term, to earn rentals and/or for capital appreciation are accounted for under International Accounting Standard 40 "Investment Property". Such properties are initially stated at cost, including any related transaction costs. After initial recognition, investment properties are carried at their fair value based on professional valuations. Gains or losses arising from changes in the fair value of investment properties are included in the Consolidated statement of comprehensive income in the period in which they arise.

Investment properties can be split into three categories

i) Completed Investment Properties - Properties which are fully developed, for which title is held and which are currently, or are ready to, earn rental income. These properties are valued on a market value basis.

ii) Investment Property Under Development - Investment properties in the early stages of development are valued based on completed properties market prices adjusted for future development costs reflecting the stage of completion. The advances for property where only land has been acquired are valued based on the market price for the land plots.

iii) Inventory Property - Properties falling under this category are properties which are under development by the company, rather than by external developers, and which are intended for sale on completion. These properties are recorded as current assets under IAS 2 - Inventory , and carried at net realiseable value less costs to completion.

Investment properties are derecognised when they are disposed of, which occurs when the Group has transferred substantially all the risks and rewards of ownership.

Any gains or losses on disposal of an investment property are recognised in the Consolidated statement of comprehensive Income in the period of disposal.

(i) Impairment

The carrying amounts of the Group’s assets, excluding investment property but including advances on investment property, are reviewed for impairment at each reporting date. If any indication of impairment of the value of these assets exists, the recoverable amount of the asset is assessed. An impairment loss is recognised in the Consolidated statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable value of an asset is assessed by obtaining an independent assessment of its market value less any costs that would be incurred to realise its value.

(j) Taxation

Current tax arises in jurisdictions other than Guernsey, it is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantially enacted at the reporting date. Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

City Life PCC Limited is a open ended investment scheme and is therefore exempt from taxation in Guernsey.

Notes to the financial statements
for the year ended 31 December 2011

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Taxation (continued)

Tax arises in Luxembourg in respect of the intermediate holding companies. This is limited to net wealth tax as losses were recognised for the period in those subsidiaries.

There is no local tax arising in Poland on rental income, a position which was confirmed by a local tax ruling. Therefore the Polish subsidiary is not liable for tax in this regard.

The Romanian subsidiary is liable to Romanian corporation tax at a rate of 16%.

(k) Deferred Taxation

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that taxable profits will be available against which the future reversal of the underlying temporary differences can be deducted.

Temporary differences principally arise from using different balance sheet values for assets and liabilities other than their respective tax base values. Deferred tax is provided in respect of all these taxable temporary differences at the reporting date.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets or liabilities.

(l) Forward foreign exchange contracts

Where these contracts are used they are measured at fair value on initial recognition and subsequently remeasured to fair value. Any gains or losses arising from these contracts are included in the Consolidated statement of comprehensive income in the period in which they arise. Hedge accounting is not used.

(m) Going concern

As commenced during 2010 the Directors, together with service providers, have agreed to continue charging reduced operating costs for both cells. These fees are shown in notes 5, 7, 8, 10, 11 & 12.

Poland Geared Growth Cell

The Directors have considered the Group's cash flow projections for a period of no less than 12 months from the date of approval of these consolidated financial statements together with the Group's borrowing facilities, commitments and requested redemptions. These projections show that the Group will be able to meet its liabilities as they fall due in the light of the Director's ability to suspend redemption requests from shareholders.

Romania Geared Growth Cell

In view of the difficult market conditions in Romania and the small size of the fund and the lack of support from existing and new investors for raising additional funds the Directors resolved on the 27 June 2011 to wind up the Romanian Cell in an orderly fashion. This process is now well underway. The Directors expect that all necessary legal processes will be completed, and all remaining available funds be distributed to shareholders prior to the end of quarter 3 this year.

Group going concern position

Having given careful consideration to the current cash flow position and financial viability of the Group, the Directors are of the opinion that the cash requirements of the Group as a whole will be met over the coming months.

Accordingly the consolidated financial statements have been prepared on the going concern basis. Due to the winding up of the Romania cell all remaining assets within this cell are shown at cost, which is deemed to be a fair approximation of their fair values. All costs anticipated to be involved with the wind up of this cell have been accrued in these statements.

(n) Redeemable ordinary shares

Redeemable ordinary shares are redeemable at the shareholders' option and are classified as financial liabilities.

The liabilities arising from the redeemable ordinary shares are carried at the redemption amount being the net asset value calculated in accordance with the prospectus.

For the purpose of calculating the net assets attributable to redeemable ordinary shareholders in accordance with the Cells redemption requirement, the Cells assets and liabilities are valued at a single price.

The Cells issue shares at the net asset value of the existing redeemable ordinary shares. The holder of redeemable ordinary shares can redeem them, in accordance with redemption requirement as set out in the Investment Memorandum, for cash equal to the Cells net asset value, except where assets are disposed specifically to meet a redemption. In such a case specific costs attributable to the necessary disposal will be deducted from the redemption proceeds payable and therefore redeemers would receive an amount slightly less than the Cells net asset value.

The Cells net asset value per redeemable ordinary share is calculated by dividing the net assets attributable to redeemable ordinary shareholders (calculated in accordance with redemption requirements as set out in the Investment Memorandum) by the number of shares in issue.

Notes to the financial statements
for the year ended 31 December 2011

5 CO-DISTRIBUTORS FEE AND PROMOTERS FEE

Poland Geared Growth Cell

The co-distributors fee is calculated as 0.5% of the subscription proceeds of the Poland Geared Growth Cell, only where there is a co-distributor.

Up to the 10 February 2010, the Promoter's fee was calculated as 3.25% of all funding raised by the Promoter including all subscriptions received by the Poland Geared Growth Cell, all gearing loans committed as part of the property purchase transactions (but not necessarily drawn down) and all funding from any other source. Since the 10 February 2010 this fee was reduced to 1.3% shared between Tarizzo Limited 0.3% and other parties 1% (eg Skarbiec or Stratton). For new subscriptions a fee of 1.65% is shared between the Principal manager 1.15% and Tarizzo Limited 0.5%. If a co-promoter is appointed the fee increases by 0.85%. The Promoter's fee is payable by the Poland Geared Growth Cell in the month following the relevant dealing date.

Romania Geared Growth Cell

For the Romania cell there have been no co-distributors or promoters fees due for this financial period (2010: Nil).

Promoters and co-distributors fees that are directly related to the issue of shares have been deducted from the proceeds received. Where loans have been used as a source of funding then the related Promoters and co-distributors fees are shown in the Consolidated statement of comprehensive income, within other expenses and further breakdown disclosed in note 14.

6 PRELIMINARY EXPENSES

The Scheme's Information Memoranda require the dealing valuation, for the purposes of subscriptions and redemptions, of the Protected Cell Company ("PCC") to include preliminary expenses incurred in the establishment of the Cells, such expenses to be amortised over the first five annual accounting periods. However, this accounting treatment is not permitted under IFRS and has been adjusted accordingly within these financial statements such that the preliminary expenses are fully written off as incurred.

7 ADMINISTRATION FEES

Poland Geared Growth Cell

Under an Administration Agreement the Administrator to the Fund is entitled to receive an annual administration fee from the Poland Geared Growth Cell at a rate as may be agreed in writing from time to time between the Company and the Administrator. The fee is 0.2% per annum (2010: 0.2% per annum) of the Net Asset Value of the Fund up to GBP 50 million decreasing to 0.15% per annum (2010: 0.15% per annum) of the Net Asset Value of the Fund above GBP 50 million, subject to a minimum fee during the year of GBP 84,920 (2010: GBP 84,920) per annum plus disbursements. The above ongoing fees are subject to annual review and a minimum increase by the latest published Retail Price Index ("RPI") in Guernsey upon the anniversary date of the Administration Agreement.

The Administrator (Luxembourg) is entitled to receive an administration fee of Euro 9,225 per annum plus any time related charges.

The Administrator (Skarbiec) is entitled to a fixed quarterly charge of PLN 25,000 plus a percentage of the NAV of the Fizan for administration, this fee is deducted from their management fee.

Romania Geared Growth Cell

Under an Administration Agreement the Administrator of the Fund is entitled to receive an annual administration fee from the Romania Geared Growth Cell at a rate as may be agreed in writing from time to time between the Company and the Administrator. The fee is 0.2% per annum of the Net Asset Value of the Fund up to GBP 50 million (2010: 0.2% per annum), subject to a minimum fee of GBP 35,000 per annum with effect from 1 August 2011. For the period from 1 April 2010 to 1 August 2011 the minimum fee was GBP 50,000 and prior to this period the minimum fee was GBP 80,000 per annum, plus disbursements.

The above ongoing fees are subject to annual review and a minimum increase by the latest published RPI in Guernsey upon the anniversary date of the Administration Agreement.

The Administrator (Luxembourg) is entitled to receive an annual administration fee of Euro 20,000 per annum thereafter plus any time related charges.

Under an Administration Agreement the Administrator (Romania) was entitled to receive an annual administration fee estimated to be in the sum of approximately Euro 12,000 per annum. The fee was dependent on the amount of activity generated by the Romanian Holding Company and the level of fee could therefore vary. The fee ceased to be payable on the liquidation of the Romanian Holding Company post year end, as per note 34.

8 MANAGEMENT FEES

Poland Geared Growth Cell

Up to 10 February 2010 the Principal Manager, the Fund Manager (Poland) - Skarbiec TFI SA and Polish Administrator - Skarbiec Asset Management Holdings SA were entitled to receive payment of a management fee at a percentage of the Gross Asset Value ("GAV") of the Cell per quarter, calculated as at each dealing date. If the GAV of the Cell is greater than or equal to GBP30 million management fee is split as follows:

Principal Manager	1.05% of the GAV
Administrator / Fund Manager (Poland)	0.45% of the GAV

Notes to the financial statements
for the year ended 31 December 2011

8 MANAGEMENT FEES (continued)

Poland Geared Growth Cell (continued)

As from 10 February 2010 the split is as follows

Principal Manager	0.80% of the GAV (minimum £206,000 pa)
Administrator / Fund Manager (Poland)	0.45% of the GAV

If the GAV of the Poland Cell is less than GBP30 million management fee is split as follows:

Principal Manager	0.95% of the GAV
Administrator / Fund Manager (Poland)	0.55% of the GAV

As from 10 February 2010 the split is as follows

Principal Manager	0.70% of the GAV (minimum £206,000 pa)
Administrator / Fund Manager (Poland)	0.55% of the GAV

The payment of this fee is due to the Principal Manager within 14 days of the management fee being debited from the Poland Geared Growth Cell in accordance with the Information Memorandum.

Romania Geared Growth Cell

The Principal Manager is entitled to receive payment of a management fee from the Romania Geared Growth Cell. This fee has been set at a percentage of the GAV of the Romania Geared Growth Cell per quarter, calculated on each dealing date, accrued and payable in arrears by the Romania Geared Growth Cell on the last business day of the month following the relevant dealing date. From 10 February 2010 the management fee is calculated at 0.6% per annum (previously 1.5%) of the consolidated GAV, subject to a minimum fee of GBP 3,000 per annum.

9 TRAIL FEES

The Principal Manager is entitled to receive a trail fee of 0.5% per annum of the price paid on subscription. The trail fee will be adjusted for the change in NAV per share calculated on the last business day in March each year. The fee accrues from the subscription dealing date until redemption dealing date, or liquidation of the cell, which ever is earlier. All fees will be paid out to those adviser who introduced the original subscription to the cells or reinvested by the Principle Manager for the shareholders.

10 PERFORMANCE FEES

Poland Geared Growth Cell

The Principal Manager and the Investment Adviser are incentivised to maximise the returns to investors through the potential for the payment by the Poland Geared Growth Cell of a performance fee. From 10th February 2010 this performance fee is 11% (previously 15%) of the annual increase (if any) in the published NAV per share of the Poland Geared Growth Cell in excess of the previous High Water Mark Net Asset Value ("HWM NAV") per share of the Poland Geared Growth Cell. The performance fee will be adjusted for all relevant subscriptions and redemptions of ordinary shares, and calculated as at 30 September each year, accrued and payable annually one month after the calculation date. Any accrued performance fee will also be calculated and deducted from any proceeds of the redemption of shares.

The performance fee is shared with 6% of the 11% fee charged being due to the Principal Manager and 5 % of the 11% fee due to the Investment Adviser.

Romania Geared Growth Cell

The Principal Manager and the Investment Adviser are incentivised to maximise the returns to investors through the payment by the Romania Geared Growth Cell of a performance fee. From 10 February 2010 this performance fee is 10% (previously 15%) of the annual increase (if any) in the published NAV per share of the Romania Geared Growth Cell in excess of the previous High Water Mark Net Asset Value ("HWM NAV") per share of the Romania Geared Growth Cell. The performance fee will be adjusted for all relevant subscriptions and redemptions of ordinary shares, and calculated as at 31 December each year, accrued and payable annually one month after the calculation date. Any accrued performance fee will also be calculated and deducted from any proceeds of the redemption of shares.

The HWM NAV per share at 31 December each year of the Romania Geared Growth Cell is calculated as the NAV per Share, provided that the NAV per share is greater than the previous HWN NAV per share; otherwise the HWM NAV per Share will remain unchanged.

The performance fee is shared with three quarters being due to the Principal Manager and one quarter being due to the Investment Adviser, in accordance with the Group's Investment Memorandum.

No performance fee was due for the year for either the Poland or Romania cells (2010: Nil).

Notes to the financial statements
for the year ended 31 December 2011

11 CUSTODIAN FEE

Poland Geared Growth Cell

The Custodian Fee has been set at 0.01875% of the Vacant Possession Value ("VPV") of the portfolio of advances and development properties per quarter, up to a maximum VPV of GBP50 million, calculated as at each Dealing Date, accrued and payable by the Poland Geared Growth Cell in arrears on the last business day of the month following the relevant dealing date, subject to a minimum fee of GBP 12,500 per quarter. For that part of the VPV above GBP 50 million, the Custodian's fee will reduce to 0.0125% of the VPV of the portfolio per quarter.

Romania Geared Growth Cell

The Custodian Fee has been set at 0.01875% of the Vacant Possession Value ("VPV") of the portfolio of properties per quarter, up to a maximum VPV of GBP 50 million, calculated as at each Dealing Date, accrued and payable by the Romania Geared Growth Cell in arrears on the last business day of the month following the relevant dealing date, subject to a minimum fee of GBP 10,000 per quarter. For that part of the VPV above GBP 50 million, the Custodian's fee will reduce to 0.0125% of the VPV of the portfolio per quarter. The custodian reserves the right to review its fee tariff on an annual basis. The fee charged by BNP was reduced by 50% starting on the 1st of April 2011 to a minimum quarterly fee of GBP 5,000. This was further reduced with effect from 1 August 2011 to GBP 3,500 per quarter.

12 DIRECTORS FEES AND EXPENSES

Poland Geared Growth Cell

Directors' fees and expenses are as follows: remuneration of the Directors of the Cell not exceeding GBP 35,000 (2010: GBP 35,000) in any one financial year, and remuneration of the Directors of the Principal Manager of nil (2010: GBP 20,000, up to the date of resignation of Curzon Capital Investment Management Limited as Principal Manager, no further fees were charged in the year). Remuneration of the Directors of City Living Luxembourg Sarl not exceeding Euro 25,000 (2010: Euro 25,000) in any one financial year and remuneration of the Directors of City Living Polska not exceeding PLN 100,000 (2010: PLN 100,000) in any one financial year.

Romania Geared Growth Cell

Directors' fees and expenses payable out of the assets of the Romania Geared Growth Cell include the following: remuneration of the Directors of the Scheme not exceeding GBP 17,500 (2010: GBP 17,500) in any one financial year, and remuneration of the Directors of the Principal Manager of nil (2010: GBP 11,000 up to the date of resignation of Curzon Investment Management as Principal Manager, no further fees were charged in the year). Remuneration of the Directors of Rominvest (Luxembourg) Sarl not exceeding Euro 20,000 (2010: Euro 20,000) in any one financial year and remuneration of the Directors of the Romanian Holding Company not exceeding Euro 25,000 (2010: Euro 25,000) in any one financial year. These fees are paid from the respective companies.

	Poland Geared Growth Cell 31 December 2011 GBP	Romanian Geared Growth Cell 31 December 2011 GBP	Year ended 31 December 2011 Total GBP	Year ended 31 December 2010 Total GBP
Directors fees paid from the Cell				
A Hall	12,500	6,250	18,750	20,313
P Duquemin	10,000	5,000	15,000	16,250
K Tarizzo	10,000	5,000	15,000	16,250
	32,500	16,250	48,750	52,813
Directors fees paid by the Cell on behalf of the Principal Manager				
A Hall	-	-	-	622
P Duquemin	-	-	-	510
W Graham	-	-	-	756
	-	-	-	1,888
Directors fees paid by the Cell on behalf of Iflak Holdings SRL				
C Ionescu	-	577	577	4,292
M White	-	3,581	3,581	-
D Hayward	-	-	-	1,441
	-	4,158	4,158	5,733
	32,500	20,408	52,908	60,434

Notes to the financial statements
for the year ended 31 December 2011

13 RENTAL INCOME

	Poland Geared Growth Cell Year ended 31 December 2011	Romanian Geared Growth Cell Year ended 31 December 2011	Year ended 31 December 2011 Total	Year ended 31 December 2010 Total
	GBP	GBP	GBP	GBP
Total rental income	740,897	15,639	756,536	453,319

At the reporting date the Poland Geared Growth Cell had contracted with tenants for the following future lease payments:

	Year ended 31 December 2011	Year ended 31 December 2010
	GBP	GBP
Within 1 year	846,762	563,207
In the second to fifth years inclusive	2,089,442	1,865,639
After 5 years	-	-
Total	2,936,204	2,428,846

Leases are typically for the term of 5 years.

14 OTHER EXPENSES

	Poland Geared Growth Cell Year ended 31 December 2011	Romanian Geared Growth Cell Year ended 31 December 2011	Year ended 31 December 2011	Year ended 31 December 2010
	GBP	GBP	GBP	GBP
Audit	47,852	7,439	55,291	116,674
Accountancy fees	142,985	-	142,985	135,094
Promoters fees	45,432	-	45,432	1,950
Advertising and printing	10,110	381	10,491	16,837
Insurance costs	41,076	9,679	50,755	49,742
Travel and entertainment	6,441	3,168	9,609	5,329
Statutory fees	7,754	4,724	12,478	8,319
Bank charges	36,323	1,644	37,967	41,486
Irrecoverable VAT and other taxes	82,850	950	83,800	33,152
Sundry expenses*	102,108	48,707	150,815	215,062
	522,931	76,692	599,623	623,645

*Included within the total of sundry expenses, are direct property operating expenses that generated rental income during the year. These amounts are deemed to be immaterial.

15 LOSS PER SHARE - BASIC AND DILUTED

Poland Geared Growth Cell
The basic and diluted loss per ordinary share for the Cell are based on the loss for the year of GBP 8,560,523 (2010: GBP 3,000,808) and on 44,635,651 Ordinary Shares (2010: 44,849,803), being the weighted average number of ordinary shares in issue during the year.

Romania Geared Growth Cell
The basic and diluted loss per ordinary share for the Cell are based on the loss for the year of GBP 1,106,611 (2010: GBP 1,149,725) and on 4,480,280 (2010: 4,479,136) Ordinary Shares, being the weighted average number of ordinary shares in issue during the period.

16 INVESTMENT IN SUBSIDIARIES

POLAND GEARED GROWTH CELL
City Living Luxembourg Sarl

Proportion of shares and voting rights held	100%
Nature of business	Investment holding
Country of incorporation	Luxembourg

City Living Luxembourg Sarl invests in, and owns 100% of the share capital of, City Living Polska FIZAN, a Polish property fund.

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for the year ended 31 December 2011

16 INVESTMENT IN SUBSIDIARIES (continued)

City Living Polska SP. Z.O.O.

Proportion of shares and voting rights held	100%
Nature of business	Management Company
Country of incorporation	Poland

City Living Development Polska SP. Z.O.O. (Acquired 5 October 2010)

Proportion of shares and voting rights held	100%
Nature of business	Management Company
Country of incorporation	Poland

ROMANIA GEARED GROWTH CELL

Rominvest (Luxembourg) Sarl

Proportion of shares and voting rights held	100%
Nature of business	Investment holding
Country of incorporation	Luxembourg

Rominvest (Luxembourg) Sarl invested in, and owned, 100% of the share capital of, Iflak Holdings SRL, a Romanian holding company which was formally wound up in May 2012 as part of the winding up process of the cell.

17 TAXATION

During the period the Company was exempt from taxation under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance (Amendment), 1989. As such, the Company was only liable to pay a fixed annual fee, currently GBP 600.

Reconciliation of income tax charge

	Year ended 31 December 2011 Poland GBP	Year ended 31 December 2011 Romania GBP	Year ended 31 December 2011 Total GBP	Year ended 31 December 2010 Total GBP
Loss on ordinary activities multiplied by applicable tax rate of 0% / 16% in respective jurisdiction	-	(75,797)	(75,797)	(158,578)
Unrecognised tax losses	-	75,797	75,797	158,578
Tax charge in the Consolidated statement of comprehensive income	-	-	-	-

The local Polish fund is exempt from Polish corporate tax and accordingly no tax reconciliation has been prepared.

Deferred Taxation

Deferred tax is provided on profits subject to the extent that they are recognised but not yet remitted.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the financial statements
for the year ended 31 December 2011

17 TAXATION (continued)

The Polish Geared Growth Cell subsidiary, City Living Luxembourg Sarl, will be liable for taxation in Luxembourg on any profits in relation to its investment in the Local Polish Fund to the extent that such profits are remitted to City Life PCC Limited. A 15% proportion of such profits are subject to Luxembourg withholding tax, currently at a rate of 15%.

The Local Polish Fund is exempt from Polish corporate income tax.

The Romania Geared Growth Cell subsidiary, Rominvest (Luxembourg) Sarl, will be liable for taxation in Luxembourg on any profits in relation to its investment in the Local Romanian Fund to the extent that such profits are remitted to City Life PCC Limited. Such profits are subject to Luxembourg withholding tax, currently at a rate of 15%. Interest payments made by Rominvest (Luxembourg) Sarl to Guernsey under the terms of the interest bearing loan should not be subject to any withholding tax in Luxembourg provided that: the thin capitalisation rules are fulfilled, the loan remuneration is at arms length and that the interest rate does not directly depend on the profits of the borrower.

A financing margin will remain in Rominvest (Luxembourg) Sarl for its financing activity and this margin less all related expenses is subject to Luxembourg Income Tax at a rate of 29.63%.The level of this net margin should be in the range of 0.5% to 0.125% of the nominal value of the loan.

The Local Romanian Fund was subject to Romanian corporation tax at a rate of 16%.

18 INVESTMENT PROPERTY

Poland Geared Growth Cell

Investment property under development	Year ended 31 December 2011	Year ended 31 December 2010
Opening cost	18,125,874	24,295,492
Transfer to completed investment property	(14,380,867)	(8,398,686)
Impairment of property	(718,714)	(326,689)
Additions	671,533	1,769,465
Disposals at cost	(358,842)	(73,742)
Revaluation at year end foreign exchange rate	(782,221)	860,034
Transfer to Investment property - inventory	(771,762)	-
Transfer to Investment property - advances	(317,180)	-
Closing cost	1,467,821	18,125,874

Property name	City	Advances to date 31 December 2011 GBP	Anticipated or actual purchase date	Advances to date 31 December 2010 GBP	Anticipated purchase date
Al. 29 listopada	Krakow	-	30/11/2012	761,446	30/11/2012
Bagno "Atelier Residence"	Warsaw	-		257,531	
Cyprysowa	Jozefoslaw	-		830,376	
Grodzisk Mazowiecki	Grodzisk	-		1,095,773	
Julianowska	Jozefoslaw	-		2,142,969	
Platinum Towers	Warsaw	-		9,347,764	
Rejtana	Poznan	-		738,033	
Spiska	Warsaw	309,145	23/03/2012	706,508	23/03/2012
Willa Gloria	Milanoek	1,158,676	11/04/2012	1,139,854	11/04/2012
ul. Pustułeczki	Warsaw	-		1,105,620	
Investment property - under development		1,467,821		18,125,874	

Investment property - inventory
Transferred from investment property under development

ul. Pustułeczki	Warsaw	771,762	-

Investment property - advances
Transferred from investment property under development

Al. 29 listopada	Krakow	317,180	-

The total fair value of all the above properties at 31 December 2011 is GBP 2,585,907 (2010: GBP 30,369,854).

Some of the above mentioned properties are apartment blocks, consequently the anticipated purchase dates move as separate units are completed within that specific project.

Notes to the financial statements
for the year ended 31 December 2011

18 INVESTMENT PROPERTY (continued)

Romania Geared Growth Cell	Year ended 31 December 2011	Year ended 31 December 2010
Opening cost	399,204	1,222,286
Transfer to investment property	(399,204)	(780,031)
Revaluation at year end foreign exchange rate	-	(43,051)
Closing cost	-	399,204
Opening provision	(236,309)	(282,288)
Transfer to investment property	236,309	-
Movement	-	45,979
Closing provision	-	(236,309)
Total	-	162,895

	Advances to date 31 December 2011 GBP	Advances to date 31 December 2010 GBP
Sunny Side Residential	-	164,610
Green Vista Residential	-	234,594
Less provision	-	(236,309)
	-	162,895

All property and advances in the Romania cell were disposed during the year as part of the process of liquidation.

The total fair value of the above properties at year end were GBP Nil (2010: GBP 1,655,521) of which GBP Nil (2010: GBP 389,232) relates to property advances.

19 COMPLETED INVESTMENT PROPERTY

Poland Geared Growth Cell	31 December 2011 GBP	31 December 2010 GBP
Opening cost	27,496,195	21,997,499
Transfer from investment property	14,380,867	8,398,686
Additions	-	437,220
Disposals proceeds	(1,926,250)	(2,612,340)
Realised gain / (loss)	87,704	(426,304)
Revaluation at year end foreign exchange rate	(4,193,010)	(298,566)
Closing cost	35,845,506	27,496,195
Opening unrealised gain	1,549,295	1,202,192
Unrealised (loss) / gain	(2,022,866)	220,466
Amortisation of rental income	-	130,825
Revaluation at year end foreign exchange rate	(29,253)	(4,188)
Closing unrealised (loss) / gain	(502,824)	1,549,295
Less:		
Investments held for sale (refer note 20)	(2,867,890)	(4,920,829)
Market Value	32,474,792	24,124,661

Notes to the financial statements
for the year ended 31 December 2011

19 COMPLETED INVESTMENT PROPERTY (continued)

Romania Geared Growth Cell

	31 December 2011 GBP	31 December 2010 GBP
Opening cost	1,919,178	1,174,476
Transfer from investment property	162,895	780,031
Additions at cost:	-	3,191
Disposal proceeds	(577,252)	-
Realised loss	(1,504,821)	-
Revaluation at period end foreign exchange rate	-	(38,520)
Closing cost	-	1,919,178
Opening unrealised (loss) / gain	(681,473)	20,163
Unrealised gain / loss	681,473	(671,120)
Provision disposal costs	-	(28,584)
Revaluation at period end foreign exchange rate	-	(1,932)
Closing unrealised loss	-	(681,473)
Market Value	-	1,237,705

20 ASSETS CLASSIFIED AS HELD FOR SALE AND DIRECTLY ASSOCIATED LIABILITIES

Poland Geared Growth Cell

On the 31 December 2011 the group announced the intended sale of the following properties;

The major classes of assets and liabilities held for sale are as follows:

Property name	City	Headline Price GBP	31 December 2011 Assets GBP	31 December 2010 Assets GBP	31 December 2010 Liabilities GBP
Arkada Park, Żupy	Bydgoszcz	1,341,490	1,341,490	112,603	6,067
Dolina Bernadowska	Gdynia	67,094	67,094	104,944	-
ul. Górczewska 253 A	Warsaw	803,535	803,535	1,235,172	7,686
ul. Płaskowickiej	Warsaw	117,315	117,315	1,358,929	-
Wilanów Sarmacka	Warsaw	139,042	139,042	1,655,597	-
Włochy Bratnia	Warsaw	399,414	399,414	453,584	15,068
		2,867,890	2,867,890	4,920,829	28,821

There are no deposits held for any of the above properties.

As at 31 December 2011 there are no liabilities directly associated with the assets classified as held for resale.

The assets held for sale which have subsequently been sold after year end totals GBP729,550. Further details are disclosed in note 34.

21 TRADE AND OTHER RECEIVABLES

	31 December 2011 Poland GBP	31 December 2011 Romania GBP	31 December 2011 Total GBP	31 December 2010 Total GBP
Tax recoverable*	820,748	-	820,748	1,425,998
Prepayments	637	-	637	3,022
Sundry debtors	130,429	3,385	133,814	387,348
	951,814	3,385	955,199	1,816,368

* The tax recoverable amount as shown has been assessed as recoverable for the year ending 31 December 2011. However, the future recoverability may be uncertain as this is dependent on the interpretation of Polish tax law.

It was assessed that all of the remaining receivables are expected to be recovered. There is no difference between the carrying value and their fair value.

Notes to the financial statements
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22 CASH AND CASH EQUIVALENTS

	31 December 2011 Poland GBP	31 December 2011 Romania GBP	31 December 2011 Total GBP	31 December 2010 Total GBP
Non Current Assets				
Restricted cash at bank	158,545	-	158,545	183,843
Current Assets				
Investment bonds	12,515	-	12,515	30,616
Cash at bank	2,921,991	657,853	3,579,844	1,155,525
	2,934,506	657,853	3,592,359	1,186,141
Current Liabilities				
Bank Overdraft	(294,324)	-	(294,324)	-
Net Cash and Cash Equivalents	2,798,727	657,853	3,456,580	1,369,984

As disclosed within note 27, one element of the security provided to Getin Noble Bank S.A. for their loan to the Group is that a deposit of PLN 849,500 is held with them in order to secure repayments of monthly interest. As such the Group will be unable to access these funds until the loan is repaid, the facility for which expires in November 2018.

The bank overdraft reported above reflects the redemptions processed, and payment of funds to those in the redemption queue, at 31 December 2011. The actual cash balance was £55,676. This position, with Royal Bank of Scotland, was cleared by the transfer of funds held at other institutions.

23 TRADE AND OTHER PAYABLES

	31 December 2011 Poland GBP	31 December 2011 Romania GBP	31 December 2011 Total GBP	31 December 2010 Total GBP
Vat provision - due in less than one year*	576,226	-	576,226	268,728
Legal cost	25,768	-	25,768	2,590
Administration fee payable	105,525	-	105,525	55,100
Management fee payable	290,048	13,051	303,099	387,242
Custodian fee payable	12,500	-	12,500	17,541
Directors fee payable	8,125	-	8,125	16,474
Audit fee payable	68,680	13,300	81,980	106,482
Accountancy fee payable	-	-	-	33,378
Provision for liquidation	-	15,000	15,000	15,000
Sundry creditors	682,655	123,185	805,840	575,259
Total due in less than one year	1,769,527	164,536	1,934,063	1,477,794
Vat provision - due in greater than one year*	1,312,965	-	1,312,965	2,418,552
	3,082,492	164,536	3,247,028	3,896,346

* During the period the fund sold apartments to Companies that may be liable for VAT, as such there is the possibility that Polish output VAT may be due. A provision of GBP1,889,191 (2010:GBP 2,687,280) has been made as a result.

It was assessed that all of the remaining payables are expected to be paid. There is no difference between the carrying value and their fair value.

Notes to the financial statements
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24 SHARE CAPITAL AND PREMIUM

City Life PCC Limited	Company and Consolidated 31 December 2011 Shares	Company and Consolidated 31 December 2010 Shares	Company and Consolidated 31 December 2011 GBP	Company and Consolidated 31 December 2010 GBP
Authorised share capital				
Management shares of £0.0001 par value	100	100	-	-
Redeemable ordinary shares of £0.0001 par value	500,999,900	500,999,900	50,100	50,100
	501,000,000	501,000,000	50,100	50,100

Non cellular Shares
Management shares issued and fully paid

2 Ordinary shares of £0.0001 Par value	-	-

Management shares
On the 11 January 2010, the management shares that were previously held by Curzon Capital Investment Management Limited as Principal Manager to the Fund, were transferred to Stratton Street Capital (CI) Limited as the new Principal Manager.

Poland Geared Growth Cell	Cell 31 December 2011 Shares	Cell 31 December 2010 Shares	Cell 31 December 2011 GBP	Cell 31 December 2010 GBP
Issued and fully paid				
Redeemable Ordinary shares				
Opening Balance	44,865,051	44,834,302	4,487	4,484
Issued/(redeemed) during the year	(700,912)	30,749	(116)	3
Closing Balance	44,164,139	44,865,051	4,371	4,487

Poland Geared Growth Cell	31 December 2011 GBP	31 December 2010 GBP
Share premium		
Opening Balance	52,321,391	52,293,388
Issued during the year	47,063	28,003
Redeemed during the year	(1,000,005)	-
Closing Balance	51,368,449	52,321,391

Romania Geared Growth Cell	Cell 31 December 2011 Shares	Cell 31 December 2010 Shares	Cell 31 December 2011 GBP	Cell 31 December 2010 GBP
Issued and fully paid				
Redeemable Ordinary shares				
Opening Balance	4,480,280	4,477,973	445	445
Issued during the year	-	2,307	-	-
Closing Balance	4,480,280	4,480,280	445	445

	31 December 2011 GBP	31 December 2010 GBP
Share premium		
Opening Balance	4,354,070	4,352,987
Issued during the year	-	1,083
Closing Balance	4,354,070	4,354,070

Notes to the financial statements
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24 SHARE CAPITAL AND PREMIUM (continued)

Management Shares

The Management Shares have been created so that Redeemable Ordinary Shares may be issued. To qualify as Redeemable Ordinary Shares, the shares are required under Guernsey law to have a preference over some other class of share capital. The Management Shares are not redeemable, carry one vote each and do not carry any right to dividends. Assets not attributable to the Poland Geared Growth Cell or any other particular Cell, will constitute the non-cellular assets of the Cell for the purposes of the Fund. In any winding-up the surplus of non-cellular assets shall be distributed among the holders of Management Shares pro rata to their respective holdings. As a result of the above the management shares have been classified as equity.

The Redeemable Ordinary Shares carry the right to dividends as determined by the Scheme in general meeting. Each holder of shares is entitled to one vote for each Redeemable Ordinary Share held. Assets attributable to any Cell will constitute the cellular assets of such cell for the purposes of the Ordinance. In any winding-up, the cellular assets available for distribution shall be applied in repayment of the nominal amount paid up firstly on Redeemable Ordinary Shares and secondly on Nominal Shares issued in respect of the cell in question. Any surplus of cellular assets then remaining shall be distributed among the holders of Redeemable Ordinary Shares of each Cell in question pro rata to their respective holdings in such Cell. A fraction of a Redeemable Ordinary Share in a cell will rank pari passu and proportionately with a whole Redeemable Ordinary Share. Redeemable Ordinary Shares are being offered in respect of one or more cells.

The nominal shares can only be issued at par to the Principal Manager. The holder of nominal shares is entitled to one vote only, irrespective of the number of nominal shares held. The nominal shares carry no right to dividends. In any winding-up, the holder of the nominal shares has the right to repayment only of paid-up capital after repayment of the paid-up capital on the redeemable ordinary shares.

Redeemable Ordinary Shares

The Principal Manager intends to subscribe for nominal shares for cash at par when redeemable ordinary shares are redeemed to ensure that funds are available to redeem the nominal amount paid-up on each redeemable ordinary share, unless the Directors of the Scheme decide that the nominal amount of such redeemable ordinary shares is to be redeemed out of Company profits. Nominal shares issued for the purpose of redemption of Redeemable Ordinary Shares of a particular cell shall constitute shares in such cell and the proceeds of issue shall constitute cellular assets of such cell. Nominal shares in respect of a particular cell may be converted into redeemable ordinary shares of that cell by the Principal Manager for sale to investors. Such conversion may take place on any dealing date. There will be no right to such conversion if the determination of the NAV for the relevant cell has been suspended in respect of that dealing date.

Treatment of redeemable ordinary shares and Nominal shares

In accordance with the revised IAS 32 redeemable and nominal shares are required to be shown as liabilities rather than as part of shareholders funds. A consequence of this is that redeemable and nominal shares have been classified in the Consolidated statement of financial position as a liability.

25 NAV PER SHARE

Poland Geared Growth Cell
The Net Asset Value per redeemable ordinary share for the Cell is based on the Net Asset Value at the reporting date of GBP 30,013,939 (2010: GBP 39,527,520) and on 44,164,139 (2010: 44,865,051) ordinary shares, being the number of ordinary shares in issue at the end of the year.

Romania Geared Growth Cell
The Net Asset Value per redeemable ordinary share for the Cell is based on the Net Asset Value at the reporting date of GBP 496,702 (2010: GBP 1,603,313) and on 4,480,280 (2010: 4,480,280) ordinary shares, being the number of ordinary shares in issue at the end of the year.

26 FINANCIAL INSTRUMENTS AND RISK PROFILE

Both the Poland Geared Growth Cell and the Romania Geared Growth Cell hold cash and liquid resources as well as having receivables and payables that arise directly from its operations. The Cells' investment activities expose them to various types of risk associated with the property market. The main risks arising from the Cells' financial instruments are liquidity risk, credit risk, currency exchange risk and interest rate risk. Investing in Eastern Europe also brings political and economic risk. The Directors regularly review and agree policies for managing each of these risks and these are summarised below.

Liquidity risk

Liquidity risk is the risk that the Cell will encounter in realising property assets or otherwise raising funds to meet financial commitments. Investments in property are relatively illiquid and are inherently difficult to value due to the individual nature of each property. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price, even where such sales occur shortly after the valuation. Directors may exercise their discretion to delay payment of redemption proceeds until the Cell has received sufficient proceeds from the sale of its underlying properties.

As reported in the Chairman's statement the board continues to pursue sources of funding, including the sale of non core assets where the rental market or long term growth outlook appeared less favourable and raising money from investors.

26 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (Continued)

The Board has concluded that the combination of these circumstances represents a risk to the Group. Nevertheless after making enquiries, and in considering the uncertainties described above, the Board has a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future. For these reasons, the Group has continued to adopt the going concern basis in preparing the financial statements.

Contractual Maturity Analysis (including estimated interest payments)
Consolidated - as at 31 December 2011

	Carrying Amount GBP	Contractual Total GBP	Less than 6 months GBP	6 to 12 months GBP	Greater than 12 months GBP
Financial Assets					
Trade and other receivables	955,199	955,199	133,814	821,385	-
Advances on Investment Property	317,180	317,180	-	317,180	-
Cash and cash equivalents	3,750,904	3,750,904	3,592,359	-	158,545
	5,023,283	5,023,283	3,726,173	1,138,565	158,545
Financial Liabilities					
Bank overdraft	(294,324)	(294,324)	(294,324)	-	-
Trade and other payables	(3,247,028)	(3,247,028)	(1,342,837)	(591,226)	(1,312,965)
Loans payable	(8,553,556)	(10,898,080)	(308,602)	(308,602)	(10,280,876)
Net assets attributable to holders of redeemable ordinary shares	(30,510,641)	(30,510,641)	-	-	(30,510,641)
	(42,605,549)	(44,950,073)	(1,945,763)	(899,828)	(42,104,482)
Net Position	(37,582,266)	(39,926,790)	1,780,410	238,737	(41,945,937)

Consolidated - as at 31 December 2010

	Carrying Amount GBP	Contractual Total GBP	Less than 6 months GBP	6 to 12 months GBP	Greater than 12 months GBP
Financial Assets					
Trade and other receivables	1,816,368	1,816,368	390,370	1,425,998	-
Cash and cash equivalents	1,186,142	1,369,984	1,369,984	-	-
	3,002,510	3,186,352	1,760,354	1,425,998	-
Financial Liabilities					
Trade and other payables	(1,477,794)	(3,896,346)	(1,194,066)	(2,687,280)	-
Loans payable	(6,702,316)	(9,422,327)	(165,000)	-	(9,257,327)
Net assets attributable to holders of redeemable ordinary shares	(41,130,833)	(41,130,833)	-	-	(41,130,833)
	(49,310,943)	(54,449,506)	(1,359,066)	(2,687,280)	(50,388,160)
Net Position	(46,308,433)	(51,263,154)	401,288	(1,261,282)	(50,388,160)

Credit risk

Credit risk is the risk that an issuer or counter party will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of default by a developer such that it was unable to complete the development within the contracted purchase cost or timeframe, then either the Poland Geared Growth Cell or Romania Geared Growth Cell may lose some or all of their deposits and instalments payments paid to the developers which could materially damage the value of the NAV per Share. In an attempt to mitigate concentration risk, whenever possible the available financial information of developers is reviewed by the Fund Manager prior to awarding contracts to ensure that no more than 20% of the portfolio is with one developer. As the majority of the properties have now been completed, or developments brought under the control of the Group, the extent of the involvement of developers has reduced significantly and now there is deemed to be no material concentration risk.

Notes to the financial statements
for the year ended 31 December 2011

26 FINANCIAL INSTRUMENTS (Continued)

Credit risk (continued)

As a greater percentage of the investment portfolio is now rented out to tenants, there is a risk that the Poland cell will suffer a rental income shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting properties. In order to mitigate this risk the properties are let out to rental companies which possess a suitable market presence, experience and reputation. As such there is no one tenant occupying a significant percentage of the rental portfolio, although the Investment Manager will continue to monitor the situation with the assistance of the rental companies.

In respect of credit risk arising from other financial assets and liabilities, which mainly comprise of cash and cash equivalents and open forward foreign exchange contracts which are in favour of the company, exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks cash is maintained with major international financial institutions. During the year and at the reporting date the Group and the Company maintained relationships with the following financial institutions;

	Standard and Poor's Rating	2011 Balances GBP	2010 Balances GBP
Bank Pekao	A-	420,267	158,500
Bank Zanchodni WBK	AA-	192,985	-
ING Bank Romania	A+	300,345	22,055
ING Bank Luxemburg	A+	17,095	11,178
MKB Romexterra Bank	BBpi	182,977	10,941
DNB Nord Bank Polska SA	A+	506,205	948,301
BRE Bank SA	BBBpi	1,785,438	638
Getin Noble Bank SA	Ba2	158,545	188,051
Poland Government Bond OK0112	A	8,914	20,656
Poland Government Bond OK1012	A	3,602	9,960

Credit risk is managed on a local and group basis and structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty. Such risks are subject to at least an annual review. The Group has policies in place to ensure that where possible rental contracts are made with customers with an appropriate credit history. Cash transactions are limited to high-credit-quality financial institutions. The table above shows the balance of the major counterparties.

The maximum Credit Risk exposure is the carrying amount of the relevant financial assets on the Statement of Financial Position.

The above amounts are deemed to be of a sufficiently credit quality, are neither past due nor impaired and are deemed to be fully recoverable.

Currency risk

Currency risk is the risk that cash flows and fair values can be affected by currency translation movements. The table below summarises the Company's exposure to particular foreign currencies.

As at 31 December 2011

	Euro GBP	Polish Zloty GBP	Total GBP
Financial Assets			
Trade and other receivables	3,385	915,716	919,101
Advances on Investment Property	-	317,180	317,180
Cash and cash equivalents	483,322	3,093,051	3,576,373
Financial Liabilities			
Trade and other payables	(136,235)	(2,718,784)	(2,855,019)
Loans payable	-	(8,553,556)	(8,553,556)
	350,472	(6,946,393)	(6,595,921)

Notes to the financial statements
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26 FINANCIAL INSTRUMENTS (Continued)

Currency risk (continued)

As at 31 December 2010

	Euro GBP	Polish Zloty GBP	Romanian Lei GBP	Total GBP
Financial Assets				
Trade and other receivables	-	1,521,669	286,266	1,807,935
Cash and cash equivalents	25,214	1,337,284	7,782	1,370,280
Financial Liabilities				
Trade and other payables	-	(3,286,499)	(41,726)	(3,328,225)
Loans payable	-	(6,537,316)	-	(6,537,316)
	25,214	(6,964,862)	252,322	(6,687,326)

Poland Geared Growth Cell

The board consider the risk of foreign exchange exposure in the underlying subsidiaries to be minimal as the underlying transaction costs and revenues are based in the functional currency of that subsidiary. The Cell NAV is exposed to foreign exchange on the re-translation of property values from Polish Zloty to Sterling. It should be noted that fluctuations in the Polish Zloty to Sterling rate can lead to increases in volatility in the net asset value of the Cell. The board monitors foreign exchange exposure on an individual Cell basis.

Due to the restricted liquidity available to the cell, and the costs of settling forward foreign exchange contracts each quarter, the directors deem that the currency risk is one which the cell is currently unable to adequately mitigate, as to do so effectively increases the risk of insolvency.

The sensitivity analysis below is based on a change in one variable while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated – for example, changes in interest rates and changes in foreign currency rates. The sensitivity analysis prepared by management for foreign currency risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Romania Geared Growth Cell

The board consider the risk of foreign exchange exposure to the Lei to Euro rate in the underlying subsidiary to be minimal as the books are kept in Euro together with the fact that all contracts including both property transactions and fees are in Euros with payments/receipts made in Romanian Lei on the day of payment creating a transaction cost rather than an FX exposure (the Romanian Lei is expected to be replaced by the Euro in 2014). It should be noted that fluctuations in the Euro to Sterling rate can lead to increases in volatility in the net asset value of the Cell. The board monitors foreign exchange exposure on an individual Cell basis.

If Sterling weakened/ strengthened by 10% against the currencies below, with all other variables held constant, Net assets attributable to redeemable ordinary shares at the year end would have decreased/increased respectively by the amounts disclosed below;

Consolidated position

	Consolidated 31 Dec 2011 GBP	Consolidated 31 Dec 2010 GBP
Euro	35,047	2,521
Polish Zloty	694,639	696,486
Romanian Lei	-	25,232

Interest rate risk

Apart from the loans below with Bank DnB Nord Polska S.A, Getin Noble Bank and Bank Zachodni WBK S.A, no other loans are held. Any exposures to movements in interest rates are limited to the financial assets held in cash and cash equivalents, the majority of which are placed on short term fixed deposits and therefore unlikely to be subject to significant exposure to interest rate movements.

The amount charged to the statement of consolidated statement of comprehensive income for loan and bank interest paid was GBP 519,552 (2010: GBP 449,442).

Notes to the financial statements
for the year ended 31 December 2011

26 FINANCIAL INSTRUMENTS (Continued)

Interest rate risk (continued)

An increase of 1 percent in interest yields would result in a decrease in the net assets attributable to holders of ordinary redeemable shares at the year end of GBP 85,536 (2010: GBP 67,023). A decrease of 1 percent in interest yields would result in an increase in net assets attributable to redeemable ordinary share holders for the year of GBP 85,536 (2010: GBP 67,023).

As at 31 December 2011

The interest rate of the Fund's financial liabilities is as follows :

	Floating rate	Amount	Effective Interest rate
Bank Loans			
Bank DnB Nord Polska S.A.	1 month deposit WIBOR + 1.5%	4,807,726	6.27%
Getin Noble Bank Poland	12 month deposit WIBOR + 5.25%	905,374	10.25%
Bank Zachodni WBK S.A.	3 month deposit WIBOR + 2.8%	2,840,456	7.79%

As at 31 December 2010

The interest rate of the Fund's financial liabilities is as follows :

	Date	Floating rate	Amount	Effective Interest rate
Bank Loans				
Bank DnB Nord Polska S.A.		1 month deposit WIBOR + 2.5%	5,491,470	8.24%
Getin Noble Bank Poland		12 month deposit WIBOR + 5.25%	1,045,846	11.99%

Price risk

The Group has no exposure to price risk as its investments are in property.

27 BANK LOAN

	Consolidated 31 Dec 2011 GBP	Consolidated 31 Dec 2010 GBP
Bank DnB Nord Polska S.A.	4,807,726	5,491,470
Getin Noble Bank Poland	905,374	1,045,846
Bank Zachodni WBK S.A.	2,840,456	-
	8,553,556	6,537,316

The loan between Bank DnB NORD Polska S.A. and City Living Polska Spolka z ograniczona odpowiedzialnoscia S.K.A., a subsidiary of City Living Polska FIZAN, the Polish property fund, for a maximum of PLN39,940,000.
This amounts drawn down at period end are PLN 25,760,280 (2010: PLN 25,374,984). This amount is due to be repaid in full by the 20 August 2013, although the company has the option to extend the term to August 2015. If the loan is to be repaid within 3 years from the date of the agreement, an additional amount of 1.5% will be required as a prepayment fee.

Security for this loan is by way of the following:
- Mortgage over the Borrower’s real estate;
- a registered pledge over a collection of the Borrower’s movable assets;

Notes to the financial statements
for the year ended 31 December 2011

27 BANK LOAN (continued)

There is a loan between Getin Noble Bank S.A. and City Living Polska Spolka z ograniczona odpowiedzialnoscia S.K.A., a subsidiary of City Living Polska FIZAN, the Polish property fund, for a maximum of PLN 4,975,531.

This amount was drawn in full, with PLN 4,851,083 outstanding at year end (2010: PLN 4,832,646) and it shall be repaid in full by the 7 November 2018, an additional amount of 2% being charged by the mortgage court when registered.

Security for this loan is by way of the following:
- A deposit held by the provider to secure repayments of monthly interest due to the value of PLN 849,500
- A blank promissory note

The loan between Bank Zachodni WBK S.A. and City Living Polska Spolka z ograniczona odpowiedzialnoscia 6 S.K.A., a subsidiary of City Living Polska FIZAN, the Polish property fund, is for a maximum of PLN 15,403,000

This amount was drawn in full, with PLN 15,219,448 outstanding at year end and shall be repaid in full by 25 June 2017.

A grace period is in effect until 30 June 2015 to enable the facility to be interest only. After this date repayments will be made in 6 equal instalments starting from 30 September 2015.

Security for this loan is by way of the following:
- Mortgage over the borrower's real estate to the amount of PLN 23,104,500
- A pledge of the borrower's bank accounts in favour of the bank

The company monitors its exposure using a Loan to value ratio, (loan to property values (LTV)). The Company's policy is to keep the LTV ratio to below a maximum of 60%. At the reporting date the Group had drawn down the maximum loans available of PLN 45,830,811 (2010: PLN 30,500,963). This is less than the original facilities drawn down as when collateralised apartments have been sold, loan repayments are made and the facility available is reduced accordingly.

The LTV ratio at the reporting date was 24.4% (2010: 15.3%).
The carrying value of the loan is not materially different from its fair value. The fair value of collateral for the loans are PLN 111,699,151 (2010: PLN 86,344,651).

28 BRIDGE LOAN

The bridge loan was between the Poland Geared Growth Cell and various parties. This loan was drawn on the 31 December 2009, for a principal amount of GBP 165,000, interest was applied at an annualised rate of 5% above the Bank of England base rate. Security for this loan was given over two apartments in the Platinum Towers Project at Grzybowska Street Warsaw. The loan plus interest was fully repaid by 28 February 2011.

29 OTHER RISKS

Political and economic risk

The value of redeemable ordinary shares may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation or interest rates, currency repatriation and other political and economic developments in law or regulations and, in particular, the risk of expropriation, nationalisation, and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Governmental authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection, safety and other matters. The introduction and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Group's assets.

30 CAPITAL MANAGEMENT

The primary objective of the company's capital management is to ensure that it maintains shareholder value. The company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

Notes to the financial statements
for the year ended 31 December 2011

30 CAPITAL MANAGEMENT (Continued)

Poland Geared Growth Cell

In order to maintain the capital management of the Poland Geared Growth Cell, and in accordance with the memorandum, the Directors have taken the decision to delay repayments to redeemers by placing all redemptions in a redemptions queue. As at the reporting date the company has GBP12,687,720 (2010: GBP14,574,392) in respect of applications made for shares to be redeemed. It is the intention of the Directors to continue repayment of redemptions from the redemptions queue as soon as sufficient liquidity is available.

	31 December 2011 GBP	31 December 2010 GBP
Total borrowings	(8,553,556)	(6,702,316)
Less cash and cash equivalents	2,798,727	1,326,802
Net debt	(5,754,829)	(5,375,514)
Net assets attributable to redeemable ordinary shareholders	(30,013,939)	(39,527,520)
Total capital	(30,013,939)	(39,527,520)
Gearing ratio	19.17%	13.60%

The Romanian Geared Growth Cell has no debt.

Romanian Geared Growth Cell

In order to maintain the capital management of the Romanian Cell, and in accordance with the memorandum, the Directors have taken the decision to delay any repayments to redeemers. As at the reporting date the company has GBP 496,702 (2010: GBP 687,785) in respect of applications made for shares to be redeemed. As stated previously the cell is in the process of being liquidated and all available capital at the end of this process will be distributed to shareholders.

31 RELATED PARTY DISCLOSURES

Ardel Fund Services Limited is a related party by virtue of its appointment as Administrator, Registrar, Transfer Agent and Secretary to the Scheme. Paul Duquemin is the Managing Director of Ardel Fund Services Limited. Fees paid to this entity are declared in note 7. The balances outstanding as at the year end are as disclosed in note 23.

Katrina Tarizzo is a Director and the main shareholder of Tarizzo Limited, which also holds 119,742.07 (2010: 119,742.07) shares in the Poland Geared Growth Cell. Tarizzo Limited is entitled to certain fees payable

Management fee	The Principal Manager has entered into an agreement whereby a percentage of the Management fee it receives from the cell is payable to Tarizzo Limited. If GAV is above GBP30m a fee of 0.21% of the 0.80% fee the Principle Manager receives is payable. If GAV is below GBP30M a fee of 0.19% of the 0.70% fee the Principle Manager receives is payable.
Promotion fee	For new subscriptions 0.5%
Promotion fee	On debt or other funds raised 0.3%
Performance fee	A 2% share of the 11% fee charged above the High Water Mark, payable from the 6% fee receivable by the Principle Manager.

32 CONTROLLING PARTY

In the opinion of the Directors there is no controlling party as no one party has the ability to direct the financial and operating policies of the Group with a view to gaining economic benefits from their direction.

Notes to the financial statements
for the year ended 31 December 2011

33 RECONCILIATION OF THE FINANCIAL STATEMENTS NAV TO PUBLISHED NAV

Poland Geared Growth Cell	31 December 2011 GBP Published NAV	31 December 2010 GBP Published NAV
Net Asset Value per financial statements	30,013,939	39,527,520
Add back:		
Redemptions of 31 December dealing day *	350,000	-
Changes in unrealised gain on investments	1,258,548	1,270,556
Adjustments to accruals and VAT provision	1,752,131	1,765,007
Preliminary expenses - Amortised	-	85,435
Preliminary expenses - Cost	-	(60,551)
Published Net Asset Value	33,374,618	42,587,967

* Published Valuation was as at 30 December 2011 with redemptions being processed on 31 December.

Romania Geared Growth Cell	31 December 2011 Published NAV GBP	31 December 2010 Published NAV GBP
Net Asset Value per financial statements	496,702	1,603,313
Add back:		
Changes in unrealised gain on investments	-	287,124
Adjustments to accruals	-	(262,448)
Preliminary expenses - Amortised	-	180,113
Preliminary expenses - Cost	-	(49,541)
Published Net Asset Value	496,702	1,758,561

The Cell's principal documents require the dealing valuation of the Scheme's net assets to include preliminary expenses incurred in the establishment of the Company, such expenses to be amortised over the first five accounting periods of the Fund. There are now no preliminary expenses which have not yet been amortised (2010: GBP 24,884) for the Polish Geared Growth Cell or for the Romanian Geared Growth Cell (2010: GBP 130,572).

Poland Geared Growth Cell
The Net Asset Value per the financial statements above corresponds to an NAV per ordinary share of 67.96 pence (2010: 88.10 pence) based on 44,164,139 ordinary shares issued at the year end (2010: 44,865,051). The Published Net Asset Value above corresponds to an NAV per ordinary share of 75.57 pence (2010: 97.92 pence), based on 44,164,139 (2010: 44,865,051) ordinary shares in issue.

The changes in unrealised gains on investments relate to the shareholders NAV incorporating the investments in and advances on property made by the Cell at their market value, compared to the NAV in these financial statements which uses a combination of cost and market values of property depending on the circumstance of each individual project. Details of the IFRS valuation policies used are disclosed in note 4. The adjustments to accruals relate to estimates made at the dealing date.

Romanian Geared Growth Cell
The Net Asset Value per the financial statements above corresponds to an NAV per ordinary share of 11.09 pence (2010: 35.79 pence) based on 4,480,280 ordinary shares issued at the year end (2010: 4,480,280) The Published Net Asset Value above corresponds to an NAV per ordinary share of 11.25 pence (2010: 39.25 pence), based on 4,480,280 (2010: 4,480,280) ordinary shares in issue.

Notes to the financial statements
for the year ended 31 December 2011

34 POST BALANCE SHEET EVENTS

Romanian Geared Growth Cell

The winding up process of the cell has commenced, with the liquidation of the Romania property holding subsidiary, Iflak Holdings SRL, now completed. The liquidation of Rominvest (Luxembourg) Sarl is now underway and it is anticipated that all available funds will be held within the cell and available for distribution to shareholders by the end of August 2012.

Poland Geared Growth Cell

Assets held for sale, per note 20, which have been disposed post year end are as follows;

Property	Date of disposal	Sale price - GBP
Impresja	16 January 2012	139,975
Gorczewksa	18 January 2012	64,388
Gorczewksa	01 March 2012	72,694
Gorczewksa	02 March 2012	70,921
Gorczewksa	21 May 2012	64,388
Dolina Bernadowska	09 March 2012	55,897
Bratnia Wlochy	10 January 2012	84,358
Bratnia Wlochy	24 February 2012	78,013
Bratnia Wlochy	21 February 2012	98,916
		729,550

35 CAPITAL COMMITMENTS

Poland Geared Growth Cell

As at 31 December 2011 the Scheme had no commitments in respect of investment properties (2010: GBP 10,824,370).

Romanian Geared Growth Cell

As at 31 December 2011 the Scheme had no commitments in respect of investment properties. (2010: GBP Nil).

Portfolio Statement
as at 31 December 2011

Poland Geared Growth Cell

Property	Location	31 December 2011 GBP	31 December 2011 %	31 December 2010 %
Arkada Park, Żupy	Bydgoszcz	1,341,490	3.54	3.27
Dolina Bernadowska	Gdynia	67,094	0.18	0.25
Grodzisk Mazowiecki	Grodzisk	554,789	1.46	2.48
Jesionowa	Katowice	7,492,108	19.77	18.57
Al. 29 listopada	Krakow	317,180	0.84	1.66
Willa Gloria	Milanoek	1,158,676	3.06	2.57
Osiedle Grunwald	Poznan	1,200,491	3.17	2.95
Rejtana	Poznan	514,075	1.36	1.66
		1,714,566	4.53	4.61
Bagno "Atelier Residence"	Warsaw	2,255,495	5.95	5.32
Bruna	Warsaw	1,050,849	2.77	2.58
Cyprysowa	Warsaw	344,204	0.91	1.71
Julianowska	Warsaw	2,285,028	6.02	5.18
Olbrachta	Warsaw	1,776,570	4.68	4.32
Platinum Towers	Warsaw	8,633,340	22.78	19.31
Spiska	Warsaw	309,145	0.82	1.83
Szulborska	Warsaw	2,938,182	7.75	7.16
ul. Górczewska 253 A	Warsaw	803,535	2.12	3.80
ul. Płaskowickiej	Warsaw	2,410,752	6.36	5.79
ul. Pustułeczki	Warsaw	771,762	2.04	2.42
Wilanów Sarmacka	Warsaw	139,042	0.37	0.85
Włochy - Śląska	Warsaw	399,415	1.05	3.47
Zawiszy	Warsaw	1,136,224	3.00	2.82
		25,253,543	66.62	66.57
		37,899,446	100.00	100.00

Romanian Geared Growth Cell

Property	Location	31 December 2011 GBP	31 December 2011 %	31 December 2010 %
Perla BL A	Bucharest	-	-	36.11
Green Vista Residential S1 Ctrl bl 1	Bucharest	-	-	43.97
Vila RU 26	Bucharest	-	-	9.18
Vila RU 28	Bucharest	-	-	10.74
		-	-	100.00