AXA Property Trust Limited

Annual Report and Consolidated Financial Statements

For the year ended 30 June 2013

INVESTMENT MANAGERS
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AXA Property Trust Limited is an authorised closed-ended Guernsey registered investment company with a premium listing on the official list and trades on the main market of the London Stock Exchange.

The Managed Wind-down will be effected with a view to the Company realising its investments by year end December 2015 in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders.

The Company will cease to make any new investments or undertake capital expenditure except where necessary in the reasonable opinion of the Manager and Board to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process, following repayment of the allocated loan amounts and any additional payments required under the loan facilities but prior to its distribution to Shareholders, will be held by the Company as cash on deposit and/or as cash equivalents.

The Company will not undertake new borrowing other than for short-term working capital purposes.

Shareholders should expect that, under the terms of the Managed Wind-down, the Board and the Manager will be committed to distributing as much of the available cash as soon as reasonably practicable having regard to cost efficiency and working capital requirements. Accordingly, in order to minimise the administrative burden, Shareholders should expect that returns of cash will be made regularly but not necessarily as soon as cash becomes available.

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Phönix Center, Fürth, Germany

Key Financial Information

For the year ended 30 June 2013

- Total return on Net Asset Value ("NAV") was (1.35%)
- Sterling currency NAV decreased by 1.35% to £59,22 million
- (Euro currency NAV decreased by 6.85% to €69,10 million)
- Losses were 3.37 pence per share
- Cumulative dividends paid relating to the year were nil pence per share
- Ongoing Charge Figure of 4.41% (2012: 4.32%)

As at 30 June 2013

- NAV was 59.22 pence per share (30 June 2012: 60.02 pence)
- Share price[1] was 38.25 pence per share (30 June 2012: 31.75 pence)
- Gearing[2] was 47.4% (gross) and 43.9% (net) (30 June 2012: 50.0% and 46.0%)

Performance Summary

	Year ended 30 June 2013	Year ended 30 June 2012	% change
Net Asset Value ("NAV") (£000s)	59,221	60,023	(1.35%)
NAV per share	59.22p	60.02p	(1.35%)
Losses per share	(3.37p)	(0.79p)	n/a
Dividends relating to the year	0.00p	1.75p	n/a
Dividends paid during the year	0.00p	2.50p	n/a
Share price[1]	38.25p	31.75p	(20.5%)
Share price discount to NAV	35.4%	47.1%	n/a
Gearing (gross)[2]	47.4%	50.0%	n/a
Total assets less current liabilities (£000s)[3]	98,905	108,916	n/a

Total return	Year ended 30 June 2013	Year ended 30 June 2012
NAV Total Return	(1.35%)	(16.4%)
Share price Total Return		
- AXA Property Trust	18.1%	(32.7%)
- FTSE All Share Index	17.9%	(3.1%)
- FTSE Real Estate Investment Trust Index	20.4%	(9.6%)

Past performance is not a guide to future performance.

[1] Mid market share price (source: Datastream).

[2] Gearing is calculated as overall debt, either gross or net of cash held by the Group over property portfolio at fair value.

[3] Includes bank debt classified as a current liability.

Source: AXA Investment Managers UK Limited and Datastream

Chairman’s Statement

Charles Hunter, Chairman

Since the year end, reasonable progress has been made with the sales programme in accordance with the managed wind down strategy of AXA Property Trust Limited (the “Company”), agreed in April. In September sales receipts enabled the Company to repay the entirety of the Company’s share of the loan outstanding on the jointly owned property in Italy. This is now free of debt and no further repayments are required on the main facility until maturity in 2016, except upon asset sales. The Manager is working hard to finesse the outturns of the disposal strategy but as they note in their report, there is no clear sign of an imminent improvement in market conditions. The capital value of the Company as at 30 June was £59.22 million but the rental income flow now accrues without onerous debt covenants.

Results

The Company and its subsidiaries (together the “Group”) made a total net loss after tax of £3.37 million for the year to 30 June 2013. The Net Asset Value (“NAV”) of the Company at 30 June 2013 was £59.22 million (30 June 2012: £60.02 million), a decrease of £0.80 million (1.35%) since 30 June 2012. The unrealised loss on the revaluation of properties was £5.37 million (4.41% of the market value at 30 June 2012) balanced by £4.4 million foreign exchange translation gains.

The Company's net property yield on current market valuation (after acquisition and operating costs) as at 30 June 2013 was 7.73% (30 June 2012: 7.26%). A detailed yield analysis is included in the Investment Manager’s Report on page 12.

As at close of business on 30 June 2013, the mid-market price of the Company’s shares on the London Stock Exchange had risen by 18.11% since 31 December 2012 to 38.25 pence (30 June 2012: 31.75 pence), representing a discount of 35.4% to the Company’s NAV at 30 June 2013 (30 June 2012: 47.1%). At the date of the report, the mid-market price of the Company’s shares on the London Stock Exchange had risen by 13.07% to 43.25p.

Dividend

No dividends were declared during the period. As advised in the Annual Report for the year ended 30 June 2012, the Company suspended dividends for the short-term in order to manage its cash and debt positions more prudently. The dividend policy was reviewed prior to the EGM held on 26 April 2013 at which the Board’s proposal in relation to a managed wind down of the Company was approved by Shareholders. The dividend policy remains unchanged and instead the Board and Investment Manager are working towards a return of capital to Shareholders.

Bank Finance and Deleveraging

The Group continues to comply with the 60% loan-to-value (“LTV”) covenant of the main loan facility with Crédit Agricole and Credit Foncier. Further loan prepayments were made after the year end following the disposal of the assets at Dresden, Braunschweiger Strasse, Berlin and Keyser Center, Antwerp, resulting in a new loan balance of £43.22 million (€50.43 million) and an LTV of 46.6%. The loan is due to mature on 1 July 2016.

As advised in the Half Year Report for the six months to 31 December 2012 the joint venture loan facility at the Company’s Joint Venture Property Trust Agnadello S.r.l. of £4.55 million (50% of €9.10 million joint venture loan) with Crédit Agricole was extended to 13 December 2013. The Group reduced its share of the loan balance to €5.5 million on 14 March 2013 and then to €2.0 million on 16 September 2013, as required under the terms of the agreement The net proceeds from asset sales and Agnadello's surplus operating cash flow were used to settle the loan in full on 24 September 2013 in advance of the maturity date of 13 December 2013.

Prospects

The outcome of the disposal programme is subject to uncertainty although the Board has been encouraged with progress to date and will continue to support and monitor closely the Investment Manager's on-going disposal policy to achieve a good result when judged over the medium-term. The newly agreed performance fee payable to the Manager is specifically aligned with the revised Company objectives. In disposals effected in the last year, the closely managed, negotiated and selective approach has borne fruit with proceeds reasonably close to previous valuation levels. The Manager has deliberately included some properties with lower sale prospects in the early disposal programme and many of the unsold properties are expected to attract more demand from potential buyers.

At the same time, the Investment Manager is continuing to pursue energetically the potential of the portfolio to produce enhanced income flows and higher capital values through active management, and believe some value-accretive transactions are likely to be concluded in the next few months.

The Board and the Manager are now in a position to consider distributing surplus cash to shareholders and are actively reviewing options to achieve this whilst managing the on-going managed wind down program. I expect to be able to provide shareholders with more details in the forthcoming Interim Report.

> "The Board and the manager are actively reviewing options to distribute surplus cash whilst managing the ongoing winddown programme."

C.J.H. Hunter.

Charles Hunter
Chairman
17 October 2013

Investment Manager's Report

Martin McGuire, Fund Manager

Investment Manager

AXA Investment Managers UK Limited (the "Investment Manager", "AXA IM") is the UK subsidiary of AXA Investment Managers, a dedicated asset manager within the AXA Group. AXA Investment Managers is an innovative and fast-growing multi-expertise investment manager with €568 billion of assets under management and over 2,400 employees, operating in 22 countries as at 30 June 2013.

AXA Real Estate Investment Managers UK Limited (the "Real Estate Adviser") is part of the real estate management arm of AXA Investment Managers S.A. ("AXA Real Estate"). AXA Real Estate is a specialist in European real estate investment management with approximately €46 billion of real estate assets under management and over 500 staff, operating in 22 countries as at 30 June 2013.

Source: AXA Investment Managers UK Limited

Fund Manager

Martin McGuire has headed the AXA Property Trust Fund Management team since December 2007. He is a Chartered Surveyor and Senior European Fund Manager at AXA Real Estate. He has over 30 years' experience in commercial property with a significant proportion of this in Continental European property. Mr McGuire lived for five years in Brussels where he worked for Jones Lang Wootton. In 1985 he joined Standard Life and led their expansion into the Continental European markets where he managed the investment and development programme over many years taking the exposure to in excess of €1.5 billion and was Fund Manager of the Standard Life Investments' €800 million European Property Growth Fund. Latterly he was Investment Director at Standard Life Investments and managed the £2 billion Unit Linked Life Fund. He holds a degree in Land Economy from the University of Aberdeen and also an Investment Management Certificate. He is resident in the United Kingdom.

Economic and Market Overview

Government bond yields have risen in all European countries over the last months as investors' perception of a eurozone break-up risk appears to have diminished. In the core markets of France, Germany and the UK, 10 year bond yields have risen by between 80 basis points in Germany and 130 basis points in the UK since April 2013. Despite the rises, bond yields are still well below their long-term averages in these markets, reflecting the fact that we remain far from normality.

Alongside this recent development, we have become increasingly positive on the outlook for European growth (especially in the UK), upgrading our GDP growth expectations to 1.0% p.a. over the 2013-15 period. Immediate concerns over a break-up of the Eurozone have diminished following Draghi's resolute support of the currency union, while business and consumer confidence indicators across Europe have improved since the first half of 2013, such that many are now back in positive territory and others that remain in negative territory are far nearer to a level consistent with stable output.

If, as we expect, the currently tentative recovery continues, then the monetary stimulus programmes in the UK and Europe are likely to be pulled-back over the next 6-18 months. We would also expect bond yields to continue rising toward their long-term averages.

We expect the UK to be the fastest growing economy outside of the Nordics and central Europe in 2014-16 with annualised GDP growth of 2.1%. Also expectations for Germany have improved slightly, on the back of an improvement in manufacturing activity and continued support from the US export market, despite weakening growth in China, where German exports have been falling since Q4 2012. Relative stability has supported continued employment growth (although this slowed in early 2013), with wages still rising at 3.6% year-on-year in Q1 2013. With inflation running far below this level (expected to be 1.6% for year-end 2013 and 2.0% for year-end 2014), consumers will enjoy real disposable income growth and as a consequence, are expected to contribute around half of the 1.8% GDP growth we forecast for Germany in 2014.

Economic output in Europe remains 2.4% below its 2008 peak in Q2 2013; a drop that has been more than accounted for by the fall in fixed investment in the same period. However, fixed investment grew in Q2 2013 (for the first time since Q2 2011) and along with a reduction in business uncertainty and a stabilisation in credit conditions, we expect to see a gradual recovery in fixed investment in the coming quarters, similar to the recovery from the slowdown in 2001-02. Nevertheless, as before, we still expect the recovery to be broad-based, not only relying on an improvement in fixed investment, but also on a gradual resumption in consumption growth and continued growth in exports outside the region.

What is clearly apparent though, is that the European economies cannot rely upon government consumption to generate growth. Neither can they rely on governments to provide public sector job (or pay) growth. Instead, the private sector will be key, with the technology and media sectors leading the way.

We expect Eurozone Consumer Price Index (CPI) inflation to end the year at 1.3% and European CPI is expected to be at 1.5%. Further ahead, there are no changes to our inflation forecasts at the European level. Despite limited change in our inflation expectations, we have modified our forecasts of the first official interest rate rises for both the Bank of England (BoE) and the European Central Bank (ECB). Our expectations for the dates of the first interest rate rises have been deferred to 2016 following the guidance given by both the BoE and ECB. In particular, the BoE's creation of an unemployment level-based rule to determine the first rise means that the economy is likely to need to grow healthily for a consistent period before interest rates rise, due to the lagging nature of labour market measures.

Outlook

Outlook retail sector

As expected, the first half of 2013 has represented a continuation of the difficult 2012 for retailers. Retail spending growth remains generally weak, even in those markets perceived as having stronger consumers. Whilst consumer confidence and retail sales appear to be showing some tentative signs of improvement, we expect austerity programmes and low disposable income growth to keep consumers circumspect regarding consumption for the second half of the year.

We have become marginally more optimistic about the European retail sector. However we are acutely aware of the continued divergence between the strongest and weakest markets, with Germany firmly in the former where we expect the largest increases in rental values between 2013-2015. This reflects a further strengthening of demand by international retailers for space in what is, by European standards, a market with a relatively-low penetration of international brands.

In Germany, occupier demand, which drove rental value growth to over 10% in 2012, continues to be particularly strong in Hamburg and Munich, reflecting their higher-income catchment populations.

Whilst we have a positive outlook for Germany we are cautious on a number of other markets. In particular, the Nordic markets of Finland, Norway and Sweden and the central European markets where the economic recovery has been deferred, particularly following a sharper than expected downturn in consumption in Poland.

Investment Manager's Report **continued**

Outlook logistics sector

Global trade growth recovered in Q4 2012 (0.9% q-o-q) – but the contribution from the European economies remains weak, with imports limited by austerity measures that continue to depress domestic demand. Although some economies have been able to reduce labour costs (e.g. Spain, Ireland, Greece) and regain some competitiveness, export growth is expected to remain below the historic trend rate. Global trade is forecast to improve in 2013 by 4%, but that is still below the longer-term average of 6%, and the benefits for most European economies will be relatively small.

Construction activity has been below the 10-year average level for almost four years and vacancy rates in the German markets, Rotterdam, Helsinki and Brussels have dropped below 5%. New supply continues to be demand-driven, with only 3% of the space currently under construction in Europe being speculative. While there is some, limited, speculative development in the UK (16% of total new supply), Poland (11%) and Germany (5%), the risk of oversupply remains low, as overall construction levels have fallen further in UK (-46%) and Poland (-44%) or have remained stable in Germany (+3%) compared to the previous year.

We expect Grade-A, well-located assets in the relatively strong economies of Poland and the Nordics to outperform over the next three years because of stronger foreign and domestic demand. However, the continued deterioration in the outlook for the southern European economies makes these logistics markets vulnerable to further rental value falls, even in the strongest locations.

Outlook investment market

Given that many analysts have regarded the previous low yields in the bond markets as being evidence in itself that they are over-priced, the Federal Reserve's statements are being perceived as signalling the bottoming-out of the yield cycle. In this phase of the economic cycle, prime property yields have become inexorably linked with bond yields, for the simple reason that investors have (realistically) not been factoring in any growth from improving tenant demand, at least in the short-to-medium term. For that reason, we are particularly wary of sub-4% transactions that appear to have cyclical growth as their pricing rationale – although there is always an odd exception.

A liquidity premium has, in our opinion, been priced into the current market pricing of secondary or non-prime property. But, with the high levels of demand for prime property, their yields are below the long-term averages and there is no room for a liquidity premium. This leaves them vulnerable in the short term to investors seeking to lock in their gains of the last few years.

With the strong falls in prime yields in the main European markets, the gap between prime and secondary yields has increased over the last two years. While this gap is in most markets higher than at any point in the last five years, it is rather the result of inward yield shifts in the prime markets than outward yield movements in the secondary markets due to a lack of transactions in this segment (the UK is the exception). With increasing investor interest in higher-risk investments, true pricing (eg. higher secondary yield levels) should become more evident in the majority of the European markets with expected yield rises between 2013 – 2015. Total returns for prime property are expected to outperform secondary in all three main sectors in 2013/2014. As secondary property is unlike prime not priced of bonds, the further expected increase in ten-year government bond yields will have a larger impact on the pricing for prime, with an expected outperformance of secondary total returns on prime from 2015 onwards.

Asset Management Update

In the implementation of the strategy to wind down the portfolio good progress continues to be made with sales across the Company. The sales of the assets at Dresden and Braunschweiger Strasse in Berlin, were successfully completed on 28 June 2013 and 30 August 2013 for €2.1m and €1.63m respectively. The sale of the retail gallery Keyser Center in Antwerp, Belgium completed on 10 September 2013 for €9.03 million. Offers are under consideration on the assets at Karben, Koethen and Montabaur, all in Germany.

In Fürth a fire safety inspection report has been commissioned and delivered confirming the divisibility and necessary measures for the unit previously occupied by Edeka. In parallel good progress continues to be made to complete a major letting for the unit with a major international retailer interested in taking circa 1,000m² for a 10 year period. Meanwhile the tenant operating the sports bar has agreed to extend their lease by a further 10 years (from January 2014) at the same rent level in return for two months' rent free. The operator of the Japanese restaurant has also agreed to extend their lease by five years to November 2023 at the same rent level in return for 3 months' rent free.

At Würzburg the main tenant REWE (76% passing rent) has agreed to extend their existing lease by a further five years to March 2021 at the same level of rent in return for a €5,000 contribution to re-paint the property's façade.

The Advisor has signed a new six year lease to March 2019 at Venray with XEROX. Under the new lease the tenant will pay rent of €846,000 (a 15% discount of the previous rent) in return for the renovation of the roof and the heating and cooling systems for a total cost of €745,000.

Edeka supermarket, Fürth, Germany

Investment Manager's Report **continued**

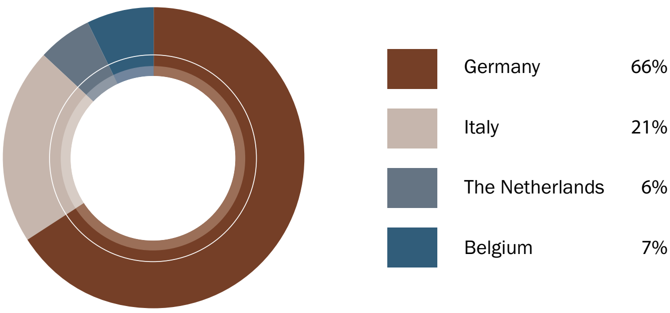
Property portfolio at 30 June 2013

Investment name	Country	Sector	Net yield on valuation [1,2]	% of total assets
Phönix Center, Fürth	Germany	Retail	6.51%	19.10%
Rothenburg ob der Tauber	Germany	Retail	7.81%	15.52%
Curno, Bergamo	Italy	Leisure	7.10%	12.50%
Bergamina, Agnadello	Italy	Industrial	9.87%	8.56%
Keyser Center, Antwerp	Belgium	Retail	6.28%	6.65%
Smakterweg, Venray	The Netherlands	Industrial	8.14%	6.52%
Bahnhofstraße, Karben	Germany	Retail	7.92%	6.29%
Am Birkfeld, Dasing	Germany	Industrial	6.62%	5.91%
Industriestraße, Montabaur-Heiligenroth	Germany	Retail	11.19%	4.55%
Frankfurter Strasse, Wuerzburg	Germany	Retail	7.46%	3.66%
Eppinger Strasse, Kraichtal	Germany	Retail	7.69%	3.37%
Die Weidenbach, Lindheim – Altenstadt	Germany	Retail	8.45%	2.50%
Elsdorfer Weg, Köthen	Germany	Retail	7.84%	2.10%
Marie Curie Strasse, Dresden	Germany	Retail	12.67%	1.59%
Braunshweiger Strasse, Berlin	Germany	Retail	9.89%	1.18%
Total property portfolio			**7.73%**	**100.00%**

[1] Net yield on valuation is based on the current market valuation after deduction of property-specific acquisition costs and operating costs.
[2] Source - external independent valuers to the Company, Knight Frank LLP.

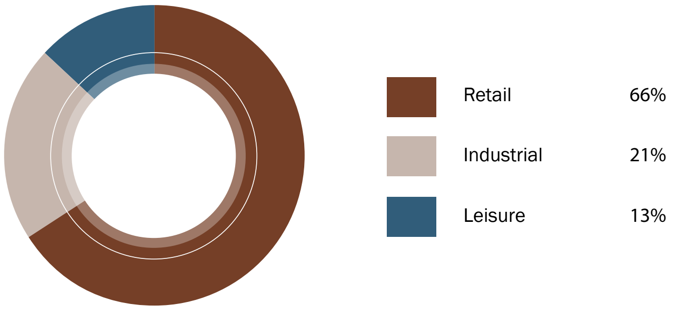
Details of all properties in the portfolio are available on the Company's website **retail.axa-im.co.uk/axa-property-trust** under, *Portfolio - Our Presence.*

Geographical analysis at 30 June 2013 by market value



Source: AXA Real Estate Investment Managers UK Limited

Sector analysis at 30 June 2013 by market value



Source: AXA Real Estate Investment Managers UK Limited

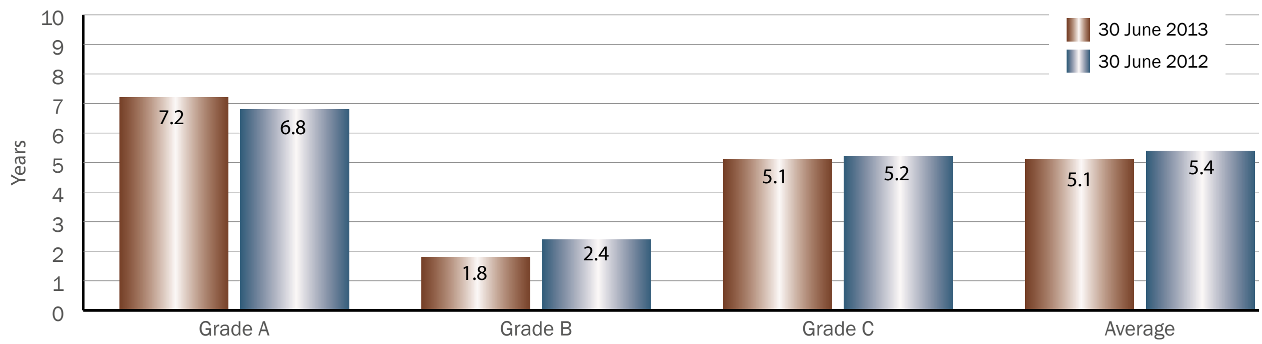
Covenant strength analysis at 30 June 2013

(based on rental income)

Grade A	40.4%	Creditreform:<199; D&B:A 1
Grade B	26.7%	Creditreform:200-249; D&B:B,C,D 1,2
Grade C	27.4%	Creditreform:>250; D&B: D + 3,4
Vacant	5.4%	

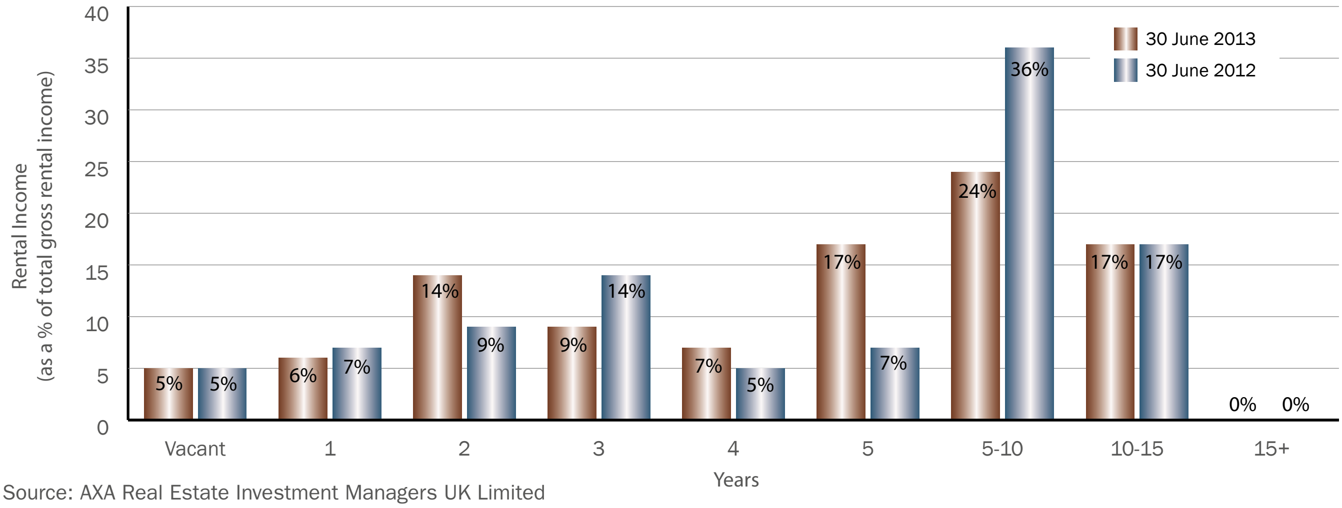
The Company's tenant covenant profile is strong, with 40.4% of tenants rated Grade A, indicating a high credit rating score. Rental income from Grade A covenants has a weighted unexpired lease length of 7.2 years. The average rent-weighted unexpired lease length for the investment portfolio as at 30 June 2013 was 5.1 years. Vacant space in the portfolio on 30 June 2013, measured using estimated market rent, represented 5.4% of the total gross rental income.

Average unexpired lease length profile weighted by rental income



Investment Manager's Report **continued**

Lease expiry profile weighted by rental income (as a % of total gross rental income)



Source: AXA Real Estate Investment Managers UK Limited

Fund Gearing[1]	30 June 2013	30 June 2012
Property portfolio (£ million)	113.11	121.73
Borrowings (£ million)	52.24	60.84
Total gross gearing	47.4%	50.0%
Total net gearing	43.9 %	46.0%

[1] Fund gearing is included to provide an indication of the overall indebtedness of the Group and does not relate to any covenant terms in the Group's loan facilities. Gross gearing is calculated as debt over property portfolio at fair value. Net gearing is calculated as debt less cash over property portfolio at fair value.

Gross LTV Covenants[2]	30 June 2013	30 June 2012	Maximum
Main loan facility	47.4%	52.0%	60.0%
Joint venture Property Trust Agnadello S.r.l.	47.0%	55.6%	65.0%

[2] Gross LTV is calculated as debt over property portfolio at fair value.

The Group has remained in compliance with the loan covenants on both facilities. As assets are sold the related allocated loan amounts will be repaid, as required under the main loan facility agreement. There are no other scheduled repayments prior to maturity under the agreement.

As noted in the Chairman's Statement, the Group's share of the Agnadello loan facility was settled in full on 24 September 2013.

Of the £3.99 million cash held by the Group at 30 June 2013, £0.76 million was held in bank accounts pledged to the financing banks.

Interest Cover Ratio[3] at 30 June 2013	Historic	Minimum	Projected	Minimum	Net rental income headroom
Main loan facility covenant	318.4%	200.0%	300.5%	185.0%	38.5%
Joint venture Property Trust Agnadello S.r.l.	503.5%	125.0%	772.6%	125.0%	82.7%

[3] Interest Cover Ratio is calculated as net financing expense payable as a percentage of gross rental income less movement in arrears. Net rental income headroom is based on projected interest cover.

Portfolio outlook

With the revised strategy for the Company confirmed at the EGM in April this year the process to deliver on asset sales has become very much the focus for the Investment Manager going forward. Timing of presentation for sale to the market of individual assets is critical and also identifying those prospective purchasers who will provide the strongest interest in order to target an acceptable level of pricing. This remains the key to the approach as the remainder of the portfolio is prepared for a sale to be achieved in the next 18 months.

Securing income and improving lease lengths by continued efforts in advance of sale remains a priority in order to maximise the level of pricing and to ensure this is as close as possible to valuation. The commentary on the portfolio activity demonstrates some success in achieving these objectives however further work remains to be done in an environment of continued weak occupational demand.

Having stabilised the debt position attention can turn to planning the timing for a return of capital to Shareholders and this will feature as the strategy for the full wind down of the portfolio is set.

Financing and hedging arrangements

At 30 June 2013 the Group held £53.63 million of debt (before capitalised debt issue costs), £49.08 million of which relates to the main facility which was 97.6% hedged by interest rate swaps at 2.795% plus a margin of 2.4%. In the case of the outstanding Agnadello loan facility (£4.55 million) interest rate caps with a strike rate of 2.0% are in place.

Source: AXA Real Estate Investment Managers UK Limited.

> "The remainder of the portfolio is being prepared for a sale to be achieved in the next 18 months."

Board of Directors

Charles Hunter (Chairman)

has over 30 years of experience in property investment, principally in UK commercial property. He was Head of Property Investment of Insight Investment (formerly Clerical Medical Investment Group) for some nine years and before that Property Director of the investment management subsidiaries of The National Mutual of Australasia group in the United Kingdom. He was on the Supervisory Board of Schroder Exempt Property Unit Trust until its conversion to a PAIF in 2012 and a completed his 9 year term as a Council member of St Monica Trust, Bristol in 2013. Mr Hunter is a Fellow of the Royal Institution of Chartered Surveyors and a member of the Investment Property Forum. He is resident in the United Kingdom.

Stuart Lawson

joined Northern Trust in 1988 working in Fund Administration and Trust client accounting before being appointed Head of Finance for the office in 1996 where he established a Risk Management Department. In 2005 he was appointed Chief Administration Officer for Guernsey with local responsibility for finance, risk, compliance, corporate services and communication, and in 2007 he assumed responsibility for Real Estate and Infrastructure Fund Administration services for the EMEA region. He is a Director of a number of Northern Trust entities in the Channel Islands and has recently assumed a new role as head of Regulatory and Market changes in the Channel Islands. He has 27 years of experience in the Financial Services Industry and is a Fellow of the Chartered Institute of Certified Accountants. He is resident in Guernsey.

Stephane Monier

has over 20 years of experience in fixed income, foreign exchange markets and asset allocation. Mr Monier is currently the Deputy Global Chief Investment Officer at Lombard Odier Investment Managers ("LOIM"). He is responsible for various sectors including money market, government bonds, corporate bonds, emerging market debt, currencies and absolute return. Prior to joining LOIM, Mr Monier was Global Head of Fixed Income and Currencies at Fortis Investments from 2006 to 2009. Prior to joining Fortis Investments itself, he was Head of Fixed Income and Currency in the Abu Dhabi Investment Authority from 1998 to 2006 and he spent seven years in JP Morgan Investment Management as a Fixed Income Manager both in London and Paris from 1991 to 1998. Mr Monier has a Masters Degree in Science from INAPG (Paris) and a Masters Degree in International Finance from HEC Graduate School of Business (Jouy en Josas) (France). He is also a CFA charterholder. He is resident in Switzerland.

Alphons Spaninks

joined AXA Real Estate in 2005 as a Senior Asset and Transaction Manager. Since 2006, he has been responsible for managing the Dutch office which currently has a team of five. The Assets under Management in The Netherlands are currently circa €900m. Alphons was promoted to Regional Head Benelux and Scandinavia in 2008, responsible for Assets under Management of over €2bn and managing a team of professionals in Stockholm and Brussels. Alphons has almost 20 years of experience in commercial functions within various real estate companies. Prior to joining AXA Real Estate, Alphons worked for AZL Vastgoed as Director of Asset Management. Prior to that, he was Regional Director at MOG, a Dutch Property Management company where he began his career as a Property Manager. He is resident in the Netherlands.

Gavin Farrell

is qualified as a Solicitor of the Supreme Court of England and Wales, a French Avocat and an Advocate of the Royal Court of Guernsey. He is a Partner at Mourant Ozannes, Advocates & Notaries Public in Guernsey, having worked previously at Simmons and Simmons, both in Paris and London, and specialises in international and structured finance and collective investment schemes. Mr Farrell holds a number of directorships in investment and captive insurance companies. He is resident in Guernsey.

Report of the Directors

The Directors present their report and audited Consolidated Financial Statements of the Group for the year ended 30 June 2013.

Principal activity and status

AXA Property Trust Limited (the "Company") is an Authorised Closed-ended investment scheme domiciled in Guernsey and has a premium listing on the official list and trades on the main market of the London Stock Exchange. Trading in the Company's ordinary shares commenced on 18 April 2005. The Company and the entities listed in note 26 to the Consolidated Financial Statements together comprise the "Group".

Going concern

The discount control provisions established when the Company was launched required a continuation vote to be proposed to Shareholders at the Company's Annual General Meeting in 2015. As a result of the large discount to Net Asset Value at which shares were trading there was little chance of raising new capital. The cost of running the Group has become a disproportionate charge on distributable income.

After extensive shareholder consultation, the Board resolved not to seek continuation of the Company in 2015 and proposed to Shareholders that the Company enter into a managed wind-down. This proposal was approved at an Extraordinary General Meeting ("EGM") held on 26 April 2013.

IIn accordance with International Financial Reporting Standards ("IFRS"), the Consolidated Financial Statements have been prepared on a non-going concern basis reflecting the orderly wind-down of the Group. Accordingly, the going concern basis of accounting is no longer considered appropriate. Investment properties are carried at fair value. All other assets and liabilities have been included based on historical cost adjusted where appropriate to their recoverable amounts. The Board recognises that the liquidity of the restricted holdings is uncertain. The Board will review the most appropriate course of action with regard to these assets over the coming months. The Directors estimate that the wind-down costs will be approximately £239,935 (€279,956). The Board believe that the Group has sufficient funds available to meet its wind-down costs, day-to-day running costs and amounts due in terms of its loan facilities.

Investment objective and investment policy

The investment objective and investment policy of the Company are as described on page 23. The investment objective and investment policy of the Company was amended with a view to enabling the Company to realise its assets in an orderly manner that achieves a balance between returning cash to shareholders and maintaining the value of those investments.

Results and dividends

The results for the year are set out in the attached Consolidated Financial Statements. The Company has suspended dividends from June 2012 for the short term in order to more prudently manage its cash and debt positions.

Directors

The Directors who held office during the year and as at 30 June 2013 were:

- C. J. Hunter (Chairman)
- G. J. Farrell
- S. C. Monier
- J. M. Marren (resigned 30 April 2013)
- S. J. Lawson (appointed 30 April 2013)
- R. G. Ray (resigned 28 June 2013)
- A. Spaninks (appointed 28 June 2013)

Mr Lawson is a Director of the Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited.

Mr Farrell is a Partner of the Company's Guernsey legal advisers, Mourant Ozannes, Advocates and Notaries Public.

Mr Hunter is also a Director of the three direct subsidiaries of AXA Property Trust Limited.

Mr. Spaninks is the AXA Real Estate Investment Regional Head of Benelux and Scandinavia.

Report of the Directors **continued**

Mr Marren who resigned on 30 April 2013 is a Director of the Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited.

Mr Ray who resigned on 28 June 2013, is Managing Director of AXA Real Estate Investment Managers Belgium S.A.

The Directors who held office during the year and their interest in the shares of the Company (all of which were beneficial) were:

	30 June 2013		**30 June 2012**	
C. J. Hunter	31,387	0.03%	31,387	0.03%
G. J. Farrell	-	-	-	-
J. M. Marren	-	-	-	-
S. C. Monier	85,000	0.09%	85,000	0.09%
R. G. Ray	-	-	-	-
S. Lawson	-	-	-	-
A. Spaninks	-	-	-	-

Biographical details of each of the Directors are shown on page 16. An evaluation of the performance of individual Directors was carried out during the year which concluded that the Board is performing satisfactorily in the six areas reviewed: Board composition and meeting process, Board information, training, Board dynamics, Board accountability and effectiveness and an evaluation of the Chairman.

During the year the Directors of the Company received the following emoluments in the form of fees:

	30 June 2013 12 months	**30 June 2012 12 months**
C. J. Hunter	£18,000	£19,500
G. J. Farrell	£13,500	£14,625
J. M. Marren	£11,207	£14,625
S. C. Monier	£13,500	£14,625
R. G. Ray	£13,389	£14,625
S. Lawson	£2,293	–
A. Spaninks	£111	–
	£72,000	**£78,000**

At a Board meeting of the Company held on 13 June 2013, the Board resolved to continue the reduction in their fees by 10%.

The Directors of the subsidiaries of the Group received emoluments amounting to £23,485 (2012: £25,324). Total fees paid to Directors of the Group were £95,485 (2012: £103,273).

Management

AXA Investment Managers UK Limited (the "Investment Manager") provides management services to the Company. A summary of the contract between the Company and the Investment Manager in respect of the management services provided is given in note 3 to the Consolidated Financial Statements. During the year, the Board has reviewed the appropriateness of the Investment Manager's appointment. In carrying out the review, the Board considered the investment performance of the Company during its accounting year and the capability and resources of the Investment Manager to deliver satisfactory investment performance. It also considered the length of the notice period of the investment management contract and the fees payable to the Investment Manager, together with the standard of the other services provided. Following this review, it is the Directors' opinion that the continuing appointment of the Investment Manager on the terms agreed is in the interests of shareholders as a whole.

Significant shareholdings

Shareholders with holdings of more than 3% of the issued ordinary shares of the Company as at 27 September 2013 were as follows:

	Number of shares	Percentage
State Street Nominees Limited	33,400,000	33.40%
Transact Nominees Limited	15,675,717	15.68%
Goldman Sachs Securities Nominees Limited	7,143,587	7.14%

Corporate governance

The Company is a member of The Association of Investment Companies (“AIC”) and reports against the principles and recommendations set out in the AIC Code of Corporate Governance (“AIC Code”).

The Listing Rules require that the Company include a statement in its annual report and accounts of how it has applied the main principles set out in The UK Corporate Governance Code (the “Code”), in a manner that would enable Shareholders to evaluate how the principles have been applied. Further, the report and accounts also need to include a statement as to whether the Company has:

(i) complied throughout the accounting period with all relevant provisions set out in the Code; or
(ii) not complied throughout the accounting period with all relevant provisions set out in the Code and if so, setting out those provisions it has not complied with; in the case of provisions whose requirements are of a continuing nature, the period which, if any, it did not comply with some or all of those provisions; and the Company’s reasons for non-compliance.

The Guernsey Financial Services Commission ("GFSC") issued a new Code of Corporate Governance (the "GFSC Code") which came into effect on 1 January 2012.

The GFSC Code provides a framework that applies to all entities licensed by the GFSC or which are registered or authorised as a collective investment scheme. Companies reporting against the Code or the AIC Code are deemed to comply with the GFSC Code.

The Financial Reporting Council (the "FRC") issued a revised UK Corporate Governance Code in September 2012, for reporting periods beginning on or after 1 October 2012. The AIC updated the AIC Code of Corporate Governance (including the Jersey and Guernsey editions) and its Guide to Corporate Governance to reflect the relevant changes to the FRC document in February 2013. The Board of the Company have not early adopted the revised code.

The Board of the Company has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

Throughout the year ended 30 June 2013, the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set in the following paragraph.

The Code includes provisions relating to:

- the role of the chief executive
- executive directors’ remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

Composition and independence of the Board

In view of its non-executive nature and the requirement of the Articles of Incorporation that all Directors retire by rotation at least every three years, with the exception of Mr Spaninks, who is a non-independent director and is available for re-election at each Annual General Meeting ("AGM"), the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by Code provision B.2.3 and principle 3 of the AIC Code, or for a Senior Independent Director to be appointed as recommended by Code provision A.4.1 and principle 1 of the AIC Code, or for there to be a Nomination Committee as recommended by Code provision B.2.1 and principle 9 of the AIC Code. As such, the whole Board together nominates candidates for the Board. Only independent directors vote on candidates for the appointment of new independent directors.

The Board consists solely of non-executive Directors of which Mr Hunter is Chairman. With the exception of Mr Spaninks, all Directors are considered by the Board to be independent of the Company's Investment Manager.

New Directors receive an induction from the Investment Manager and Secretary on joining the Board, and all Directors receive other relevant training as necessary. The Chairman regularly reviews and agrees with each Director their training and development needs.

The Company has no executive directors or employees. All matters, including strategy, investment and dividend policies, gearing, and corporate governance procedures, are reserved for the approval of the Board of Directors. The Board currently meets at least quarterly and receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. The Company maintains appropriate Directors' and Officers' liability insurance.

The table below sets out the number of Board, Audit Committee and Management Engagement Committee meetings held during the year ended 30 June 2013 and the number of meetings attended by each Director.

	Board of Directors		Audit Committee		Management Engagement Committee	
	Held	Attended	Held	Attended	Held	Attended
C. J. Hunter	4	4	2	2	2	2
G. J. Farrell	4	4	2	2	2	2
R. G. Ray (resigned 28 June 2013)	4	3	n/a	n/a	n/a	n/a
J. M. Marren (resigned 30 April 2013)	3	3	2	2	1	1
S. C. Monier	4	3	2	1	2	1
S. Lawson (appointed 30 April 2013)	1	1	n/a	n/a	n/a	n/a
A. Spaninks (appointed 28 June 2013)	n/a	n/a	n/a	n/a	n/a	n/a

Audit Committee

The Audit Committee, chaired by Mr Lawson, operates within clearly defined terms of reference and comprises all of the Directors except for Mr Spaninks. The duties of the Audit Committee in discharging its responsibilities include reviewing the Annual and Interim Financial Statements, the system of internal control and the terms of the appointment of the auditors together with their remuneration.

It is also the forum through which the auditor reports to the Board of Directors and meets at least twice yearly. The objectivity of the auditor is reviewed by the Audit Committee which also reviews the terms under which the external auditors are appointed to perform non-audit services. The Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors, with particular regard to non-audit fees. Such fees amounted to £36,350 (2012: £36,160) for the Company for the year ended 30 June 2013 and related to a review of the interim financial information which is normal practice. Notwithstanding such services the Audit Committee considers KPMG Channel Islands Limited to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

Management Engagement Committee

The Management Engagement Committee, chaired by Mr Hunter, comprises the full Board, except for Mr Spaninks, and reviews the appropriateness of all service providers, including the Investment Manager's continuing appointment together with the terms and conditions thereof on a regular basis.

Internal Controls

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed, consistent with the guidance provided by the Turnbull Committee.

Such review procedures have been in place throughout the financial year and up to the date of approval of the Annual Report, and the Board is satisfied with their effectiveness. By their nature these procedures can provide reasonable, but not absolute, assurance against material misstatement or loss. At each Board meeting the Board monitors the investment performance of the Company in comparison to its stated objective and against comparable companies. The Board also reviews the Company's activities since the last Board meeting to ensure that the Investment Manager adheres to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines. In addition, at each quarterly Board meeting, the Board receives reports from the Secretary in respect of compliance matters and duties performed on behalf of the Company.

The Board has reviewed the need for an internal audit function. The Board has decided that the systems and procedures employed by the Investment Manager and the Secretary, including their internal audit functions, provide sufficient assurance that a sound system of risk management and internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Relations with Shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of shareholders and the Chairman and other Directors are available to meet shareholders if required. The Investment Manager meets with major shareholders on a regular basis and reports to the Board on these meetings. Issues of concern can be addressed by any shareholder by writing to the Company at its registered address (see page 59 for Corporate Information). The AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors and Investment Manager of the Company.

Directors' Authority to Buy Back Shares

Any buy back of shares will be made subject to Guernsey law and within guidelines established from time to time by the Board (which will take into account the income and cash flow requirements of the Company) and the making and timing of any buy backs will be at the absolute discretion of the Board. Purchases of shares will only be made through the market for cash at prices below the prevailing Net Asset Value of the shares where the Directors believe such purchases will enhance shareholder value.

Report of the Directors **continued**

Such purchases will also only be made in accordance with the rules of the UK Listing Authority which sets a cap on the price that the Company can pay.

Articles of Incorporation

At an Extraordinary General Meeting ("EGM") held on 26 April 2013, a special resolution was passed to amend the Articles of Incorporation. The Board considers that, in light of the Managed Wind-down, and in order to facilitate the realisation of the Portfolio by year end December 2015, in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders, it is in the best interests of Shareholders and the Company as a whole to remove the requirement in the current Articles for a Continuation Resolution to be put to Shareholders in 2015, and to make certain other administrative changes and updates to the current Articles.

Independent auditor

KPMG Channel Islands Limited have expressed their willingness to continue in office as auditor and a resolution proposing their re-appointment will be submitted at the AGM.

"The Board welcomes shareholders' views and places great importance on communication with its shareholders."

C.J.H. Hunter.

Charles Hunter
Chairman
17 October 2013

Stuart Lawson
Director
17 October 2013

Investment Objective and Investment Policy

At an EGM of the Company held on 26 April 2013, the Shareholders resolved to amend the Company's investment policy. The amended investment objective and policy is set out below.

Investment objective

The Company is managed with the intention of realising all remaining assets in the Portfolio, in a manner consistent with the principles of prudent investment management and spread of investment risk, with a view to returning capital invested to the Shareholders in an orderly manner.

Investment policy

The Managed Wind-down will be effected with a view to the Company realising its investments by year end December 2015 in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders.

The Company will cease to make any new investments or undertake capital expenditure except where necessary in the reasonable opinion of the Manager and Board to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process, following repayment of the allocated loan amounts and any additional payments required under the loan facilities but prior to its distribution to Shareholders, will be held by the Company as cash on deposit and/or as cash equivalents.

The Company will not undertake new borrowing other than for short-term working capital purposes.

Shareholders should expect that, under the terms of the Managed Wind-down, the Board and the Manager will be committed to distributing as much of the available cash as soon as reasonably practicable having regard to cost efficiency and working capital requirements. Accordingly, in order to minimise the administrative burden, Shareholders should expect that returns of cash will be made regularly but not necessarily as soon as cash becomes available.

Directors' Responsibility Statement

The Directors are responsible for preparing the Directors' Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law they have elected to prepare the Consolidated Financial Statements in accordance with International Financial Reporting Standards and applicable law.

The Consolidated Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements; and
- prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 2, the Directors do not believe it is appropriate to prepare these Consolidated Financial Statements on a going concern basis.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Consolidated Financial Statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each Director is aware, there is no relevant information of which the Company's auditor is unaware and has taken all the steps he ought to have taken as a Director to make himself aware of any relevant information and to establish that the Company's auditor is aware of this information.

Directors' Responsibility Statement

We confirm that to the best of our knowledge and in accordance with DTR 4.1.12R of the Disclosure and Transparency Rules:

(a) The Consolidated Financial Statements have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation as a whole as at and for the year ended 30 June 2013.

(b) The financial report, which includes information detailed in the Chairman's Statement, Investment Manager's and Directors' Reports and Notes to the Consolidated Financial Statements provides a fair review of the development and performance of the Group during the year; and includes a description of the principal risks and uncertainties that the Group faced as at and for the year ended 30 June 2013.

C. J. H. Hunter.

Charles Hunter
Chairman
17 October 2013

Stuart Lawson
Director
17 October 2013

Independent Auditor's Report to the Members of AXA Property Trust Limited

We have audited the Group financial statements (the "financial statements") of AXA Property Trust Limited (the "Company" and together with its subsidiaries the "Group") for the year ended 30 June 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and IFRS as issued by the IASB. As described in note 2, the financial statements have been prepared on a non-going concern basis.

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibility Statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2013 and of its loss for the year then ended;
- are in accordance with International Financial Reporting Standards as issued by the IASB; and
- comply with the Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

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

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the nine provisions of the UK Code of Corporate Governance as specified for our review.

Robert A Hutchinson
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors, Guernsey

18 October 2013

Consolidated Income Statement

For the year ended 30 June 2013

	Notes	Year ended 30 June 2013 £000s	Year ended 30 June 2012 £000s
Gross rental income	4	10,119	11,444
Service charge income		785	491
Property operating expenses		(1,877)	(1,916)
Net rental and related income		**9,027**	**10,019**
Valuation loss on investment properties	9	(5,372)	(3,172)
Net loss on disposal of investment properties	9	(336)	(339)
General and administrative expenses	3, 5	(3,528)	(2,743)
Operating (loss)/profit		**(209)**	**3,765**
Net foreign exchange (loss)/gain		(936)	428
Net gain/(loss) on currency hedge		1,179	(304)
Ineffective portion in changes in fair value of hedges		951	-
Net finance cost	6	(4,246)	(4,381)
Loss before tax		**(3,261)**	**(492)**
Income tax expense	19	**(109)**	**(297)**
Loss for the year		**(3,370)**	**(789)**
Basic and diluted loss per ordinary share (pence)	7	(3.37)	(0.79)

The accompanying notes on pages 30 – 55 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2013

	Notes	Year ended 30 June 2013 £000s	Year ended 30 June 2012 £000s
Loss for the year		(3,370)	(789)
Items that will be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of hedges		(1,870)	(2,615)
Items that will not be reclassified subsequently to profit or loss:			
Foreign exchange translation gain/(loss)		4,438	(8,810)
Total items that may or may not be reclassified subsequently to profit or loss		**2,568**	**(11,425)**
Total comprehensive expense for the year		**(802)**	**(12,214)**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	Revaluation reserve £000s	Hedging reserve £000s	Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total £000s
	Note 23	Note 23		Note 23	Note 23	
Balance at 1 July 2012	**(47,085)**	**(3,753)**	**6,780**	**92,948**	**11,133**	**60,023**
Net loss	(3,242)	-	(128)	-	-	(3,370)
Other comprehensive income	-	(1,870)	-	-	4,438	2,568
Total comprehensive expense for the year	(3,242)	(1,870)	(128)	-	4,438	(802)
Balance at 30 June 2013	**(50,327)**	**(5,623)**	**6,652**	**92,948**	**15,571**	**59,221**

For the year ended 30 June 2012

	Revaluation reserve £000s	Hedging reserve £000s	Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total £000s
	Note 23	Note 23		Note 23	Note 23	
Balance at 1 July 2011	**(43,609)**	**(1,138)**	**6,593**	**92,948**	**19,943**	**74,737**
Net loss	(3,476)	-	2,687	-	-	(789)
Other comprehensive expense	-	(2,615)	-	-	(8,810)	(11,425)
Total comprehensive expense for the year	(3,476)	(2,615)	2,687	-	(8,810)	(12,214)
Contributions by and distributions to owners						
Dividends to equity holders (Note 8)	-	-	(2,500)	-	-	(2,500)
Balance at 30 June 2012	**(47,085)**	**(3,753)**	**6,780**	**92,948**	**11,133**	**60,023**

The accompanying notes on pages 30 – 55 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	30 June 2013 £000s	30 June 2012 £000s
Non-current assets			
Investment properties	9	87,815	111,777
Deferred tax assets	19	37	58
Current assets			
Cash and cash equivalents	13	3,992	4,884
Trade and other receivables	14	1,877	1,511
Investment properties held for sale	10	25,297	9,952
Total assets		**119,018**	**128,182**
Current liabilities			
Trade and other payables	15	2,891	2,713
Current portion of long-term loans	16	16,982	16,499
Derivative financial instruments	22	-	54
Provisions	18	240	-
Non-current liabilities			
Deferred tax liability	19	390	703
Provisions	18	480	-
Long-term loans	17	35,260	44,337
Derivative financial instruments	22	3,554	3,853
Total liabilities		**59,797**	**68,159**
Net assets		**59,221**	**60,023**
Share capital	20	-	-
Reserves	23	59,221	60,023
Total equity		**59,221**	**60,023**
Number of ordinary shares		100,000,000	100,000,000
Net asset value per ordinary share (pence)	21	**59.22**	**60.02**

The accompanying notes on pages 30 – 55 form an integral part of these Consolidated Financial Statements.

By order of the Board

C. J. M. Hunter.

Charles Hunter
Chairman
17 October 2013

Stuart Lawson
Director
17 October 2013

Consolidated Statement of Cash Flows

For the year ended 30 June 2013

	Notes	Year ended 30 June 2013 £000s	Year ended 30 June 2012 £000s
Operating activities			
Loss before tax		(3,261)	(492)
Adjustments for:			
Loss on investment properties		5,708	3,511
Loss/(gain) on financial instruments		(2,130)	304
(Increase)/decrease in trade and other receivables		(267)	892
Increase in provisions		720	-
(Increase)/decrease in trade and other payables		117	(781)
Net finance cost		4,245	4,381
Net foreign exchange loss/(gain)		936	(428)
Net cash generated from operations		**6,068**	**7,387**
Interest income received		3	10
Interest paid		(2,763)	(3,016)
Tax paid	19	(284)	(483)
Net cash inflow from operating activities		**3,024**	**3,898**
Investing activities			
Capital expenditure on completed investment properties	9	(576)	(1,678)
Proceeds from disposal of investment properties	9	10,716	7,167
Net cash inflow from investing activities		**10,140**	**5,489**
Financing activities			
Repayment of loan facilities		(13,608)	(5,097)
Dividends paid	8	-	(2,500)
Net cash outflow from financing activities		**(13,608)**	**(7,597)**
Effect of exchange rate fluctuations		(448)	(1,055)
(Decrease)/increase in cash and cash equivalents		**(892)**	**735**
Cash and cash equivalents at start of the year		4,884	4,149
Cash and cash equivalents at the year end		**3,992**	**4,884**

The accompanying notes on pages 30 – 55 form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2013

1. Operations

AXA Property Trust Limited (the "Company") is a limited liability, closed-ended investment company incorporated in Guernsey. The Company invests in commercial properties in Europe which are held through its subsidiaries. The Consolidated Financial Statements of the Company for the year ended 30 June 2013 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group").

2. Significant accounting policies

(a) Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with IFRS which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and are in compliance with The Companies (Guernsey) Law, 2008. The Financial Statements have been prepared on a non-going concern basis, and the accounting policies, presentation and methods of computation are consistent with this basis, as disclosed in the going concern paragraph below.

(b) Going concern

The discount control provisions established when the Company was launched required a continuation vote to be proposed to Shareholders at the Company's Annual General Meeting in 2015. As a result of the large discount to Net Asset Value at which shares were trading there was little chance of raising new capital. The cost of running the Group has become a disproportionate charge on distributable income.

After extensive shareholder consultation, the Board resolved not to seek continuation of the Company in 2015 and proposed to Shareholders that the Company enter into a managed wind-down. This proposal was approved at an EGM held on 26 April 2013.

The Consolidated Financial Statements have been prepared on a non-going concern basis reflecting the orderly wind-down of the Group. Accordingly, the going concern basis of accounting is no longer considered appropriate. All assets and liabilities continue to be measured in accordance with IFRS. The Board recognises that the liquidity of the restricted holdings is uncertain and the Board will review the most appropriate course of action with regard to these assets over the coming months. The Directors estimate that the wind-down costs will be approximately £239,935 (€279,956). The Board believe that the Group has sufficient funds available to meet its wind-down costs, day-to-day running costs and amounts due in terms of its loan facilities.

(c) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 July 2012 which did not have any impact on the financial position or performance of the Group:

- *Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) (Effective 1 July 2012) (Effective 1 July 2012). The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012, and will therefore be applied in the Group's first annual report after becoming effective.*
- *Deferred Tax Recovery of Underlying Assets (Amendments to IAS 12) (Effective 1 January 2012)). The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets should be measured on a sale basis. The amendment is effective for annual periods beginning on or after 1 January 2012 and has been no effect on the Group's financial position, performance or its disclosures.*

Standards, interpretations and amendments to published statements not yet effective

At the reporting date of these Consolidated Financial Statements, the following standards, interpretations and amendments, which have not been applied in these Consolidated Financial Statements, were in issue but not yet effective:

- IFRS 9 Financial Instruments (Effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (Effective 1 January 2013)
- IFRS 11 Joint Arrangements (Effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (Effective 1 January 2013)
- IFRS 13 Fair Value Measurement (Effective 1 January 2013)
- IAS 19 Employee Benefits (amended 2011) (Effective 1 January 2013)
- IAS 27 Separate Financial Statements (2011) (Effective 1 January 2013)
- IAS 28 Investments in Associates and Joint Ventures (2011) (Effective 1 January 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (Effective 1 January 2013)
- Government Loans (Amendments to IFRS 1) (Effective 1 January 2013)
- Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) (Effective 1 January 2013)
- Annual Improvements to IFRSs 2009-2011 Cycle (Effective 1 January 2013)
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) (Effective 1 January 2014)

Directors anticipate that the adoption of the other standards and interpretations effective in a future period will not have a material impact on the financial statements of the Company, other than IFRS 9, IFRS 10, IFRS 11 and IFRS 13.

IFRS 9, 'Financial Instruments' effective for annual periods beginning on or after 1 January 2015, requires that the effects of changes in credit risk of liabilities designated as at fair value through profit or loss are presented in other comprehensive income unless such treatment would create or enlarge an accounting mismatch in profit or loss, in which case all gains or losses on that liability are presented in profit or loss. Other requirements of IFRS 9 relating to classification and measurement of financial liabilities are unchanged from IAS 39. The requirements of IFRS 9 relating to derecognition are unchanged from IAS 39.

IFRS 10, 'Consolidated Financial Statements' effective for annual periods beginning on or after 1 January 2013, is to establish principles for the presentation and preparation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The amendments to IFRS 10 define an investment entity and introduce an exemption from the consolidation requirements for investment entities. IFRS 10 is expected to have little impact on the Company as the Company has determined that it meets the definition of a parent as defined by IFRS 10 and will continues to present and prepare consolidated financial statements.

IFRS 11, 'Joint Arrangements' effective for annual periods beginning on or after 1 January 2013, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities, which is equity accounting. The jointly controlled entity of the Company will be defined as a joint venture under the new standard. The new standard is expected to have an impact on the accounting method of the Company's joint venture. Referring to note 10, with effect from the annual period commencing 1 July 2013, the assets and liabilities will decrease and the Group will have a residual interest in the net assets of the joint venture.

IFRS 13, 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2013, IFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. Subject to limited exceptions, IFRS 13 is applied when fair value measurements or disclosures are required or permitted by other IFRSs. IFRS 13 is expected to have little impact on the Company as the valuation of the investment properties and derivatives at fair value will not change.

(d) Significant estimates and judgements

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Functional currency

As disclosed in note 2(e), the Company's functional currency is Sterling and the subsidiaries' functional currency is the Euro. The Board of Directors considers that the Parent Company's functional currency is Sterling, as the capital raised, return on capital and dividends paid by the Company is in Sterling. The euro most faithfully represents the economic effect of the underlying transactions, events and conditions of the subsidiaries. The euro is the currency in which the subsidiaries measure their performance and reports their results.

Going concern

The Consolidated Financial Statements have been prepared on a non-going concern basis reflecting the orderly wind-down of the Group. Further discussions of the Board's decision to wind-down the Group, can be found in note 2(b).

Classification of investment properties as held for sale

The Group has classified certain investment properties as held for sale. In establishing whether an investment property maybe transferred to held for sale, the investment property must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale must be highly probable, as discussed in note 2(o).

Lease classification

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising which are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the Consolidated Income Statement.

Properties are valued quarterly by external independent valuers as at the end of each calendar quarter. Their valuations are reviewed quarterly by the Board.

Quarterly valuations of investment properties are carried out by Knight Frank LLP, external independent valuers to the Company, in accordance with the Royal Institution of Chartered Surveyors' ("RICS") Appraisal and Valuation Standards. The properties have been valued on the basis of open market value which is the estimated amount for which a property should exchange on the date of valuation in an arm's length transaction.

In view of market instability, the valuers refer to the RICS Valuation Standards Guidance Note 1 (Valuation Uncertainty). The key assumptions used to determine the market value of the investment properties are explained further in note 2(l).

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the timing and amount of future taxable income. The Group estimates its tax receivables and liabilities after taking into account the impact of tax laws and regulation and the timing and amount of future taxable income.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of the deferred tax asset that can be recognised, based upon timing and the level of future taxable profits. Details of tax losses recognised as a deferred tax asset and the amount of unused tax losses held by the Group, refer to note 19.

Provisions
In determining the provision for wind-down costs, estimates of costs have been obtained from the Broker, Administrator and other parties involved in the managed wind-down the Company. The carrying amount of the provision as at 30 June 2013 was £239,935 (€279,956).

In determining a provision for performance fees due to the Investment Manager of the Group, this provision has been made on the basis of the Investment Manager's estimates of cash to be returned to Shareholders and the fee has been calculated with reference to the terms of the performance fee discussed in note 3(i) and 25.

Value of financial instruments
The Group hold financial instruments that are not quoted in active markets, such as interest rate swaps and cross currency swaps. The determination of the fair value of the swaps is discussed in note 2(n).

(e) Foreign currency translation

(i) Functional and presentation currencies
The Company's functional currency is Sterling and the subsidiaries' functional currency is Euro. The presentation currency of the Company and the Group is Sterling.

(ii) Foreign currency transactions
Transactions in foreign currencies are translated to presentation currency at the spot foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Consolidated Statement of Financial Position date are translated to presentation currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Consolidated Income Statement. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to presentation currency at foreign exchange rates ruling at the dates the fair value was determined.

(iii) Financial statements of foreign operations
The assets and liabilities of foreign operations, arising on consolidation, are translated to presentation currency at the foreign exchange rates ruling at the Consolidated Statement of Financial Position date. The income and expenses of foreign operations are translated to presentation currency at an average rate. Foreign exchange differences arising on retranslation are recognised as a separate component of equity.

(f) Basis of consolidation

(i) Subsidiaries
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June each year. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

(ii) Transactions eliminated on consolidation
All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in preparing the consolidated financial statements.

(iii) Joint ventures
The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows

on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

(g) Income recognition

Interest income from banks and subsidiaries are recognised on an effective yield basis.

Rental income from investment property leased out under operating leases is recognised in the Consolidated Income Statement on a straight-line basis over the term of the lease. Lease incentives are amortised over the whole lease term.

(h) Expenses

Expenses are accounted for on an accruals basis.

Service costs for service contracts entered into by the Group acting as the principal are recorded when such services are rendered. The Group is entitled to recover such costs from the tenants of the investment properties. The recovery of costs is recognised as service income on an accrual basis.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits carried at cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Dividend

Dividends are recognised as a liability in the period in which they become obligations of the Company. All dividends are paid as interim dividends. Interim dividends are recognised when paid. Final dividends are recognised once they are approved by shareholders.

(k) Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Investment properties

Investment properties are those which are held to earn rental income and capital appreciation and are recognised as such once all material conditions in the exchanged purchase contracts are satisfied. Investment properties are initially recognised at cost, being the fair value of consideration given, including associated transaction costs. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period during which the expenditure is incurred and included within the book cost of the properties.

After initial recognition, investment properties are measured at fair value using the fair value model with unrealised gains and losses recognised in the Consolidated Income Statement. Realised gains and losses upon disposal of properties are recognised in the Consolidated Income Statement. Quarterly valuations are carried out by Knight Frank LLP, external independent valuers in accordance with the RICS Appraisal and Valuation Standards. The properties have been valued on the basis of open market value which is the estimated amount for which a property should exchange on the date of valuation, in an arm's length transaction.

Valuations reflect, where appropriate, the types of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their creditworthiness, the allocation of maintenance and insurance responsibilities between lessor and lessees, and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and where appropriate counter notices have been served validly and within the appropriate time.

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

(m) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(n) Financial instruments

(i) Investments at fair value through profit or loss

An instrument is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

(ii) Loans and receivables

Loans advanced and other receivables are classified as loans and receivables. Loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired.

(iii) Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(iii) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost which is also deemed to be fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged, as explained in section (r).

The fair value of interest rate swaps and cross currency swaps is the estimated amount that the Group would receive or pay to terminate the swap at the Consolidated Statement of Financial Position date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

(v) *Derecognition of financial instruments*

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass through arrangement”; or
- the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled.

(o) Assets held for sale

Investment property is transferred to assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

For the sale to be highly probable:

- The Board must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification

As the Company's investment property is expected to be realised through sale on uncertain dates in the future expected by the end of 2015, the Company has applied judgement in classifying investment properties as held for sale. On re-classification, investment property that is measured at fair value continues to be so measured.

(p) Impairment

The carrying amounts of the Group's assets, other than investment property, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Income Statement.

(q) Taxation

The Company has obtained exempt company status in Guernsey under the terms of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and accordingly is subject to an annual fee of £600. The Directors intend to conduct the Group's affairs such that it continues to remain eligible for exemption.

The Company's subsidiaries are subject to income tax on any income arising on investment properties, after deduction of debt financing costs and other allowable expenses. However, when a subsidiary owns a property located in a country other than its country of residence the taxation of the income is defined in accordance with the double taxation treaty signed between the country where the property is located and the residence country of the subsidiary.

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year as determined under local tax law, using tax rates enacted or substantially enacted at the Consolidated Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

Deferred income tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the Consolidated Statement of Financial Position date, except in the case of investment properties, where deferred tax is provided for the effect of the sale of the properties. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset is utilised.

Details of current tax and deferred tax assets and liabilities are disclosed in note 19.

(r) Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency and interest rate risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Group would receive or pay to terminate the contract at the Consolidated Statement of Financial Position date taking into account current market conditions (volatility, appropriate yield curve) and the current creditworthiness of the counterparties.

Cash flow hedges which meet the criteria for hedge accounting are accounted for as follows:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss when the hedged item matures.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss. Where amounts are transferred to and from equity, these amounts are also reflected in other comprehensive income in the Consolidated Statement of Comprehensive Income.

When a derivative is held as an economic hedge beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item. A derivative instrument that is a designated and effective hedging instrument is classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if: 1) a reliable allocation can be made; and 2) it is applied to all designated and effective hedging instruments.

Note 22 contains details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in the Consolidated Statement of Changes in Equity.

(s) Determination and presentation of operating segments

The Board of Directors is charged with setting the Company's investment strategy in accordance with the Prospectus. They have delegated the day to day implementation of this strategy to its Investment Manager but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The investment decisions of the Investment Manager are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Board. The Investment Manager has been given full authority to act on behalf of the Company. Under the terms of the Investment Management Agreement dated 18 April 2005, subject to the overall supervision of the Board, the Investment Manager advised on the general allocation of the assets of the Company between different investments, advised the Company on its borrowing policy and geared investment position, managed the investment of the Company's subscription proceeds and short-term liquidity in fixed income instruments and advised on the use of (and management of) derivatives and hedging by the Company. Information presented to the Board by the Investment Manager is based on IFRS.

Whilst the Investment Manager may make the investment decisions on a day to day basis regarding the allocation of funds to different investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Investment Manager. The Board therefore retains full responsibility as to the major allocations made on an ongoing basis. The Investment Manager will always act under the terms of the Prospectus and the Investment Management Agreement dated 18 April 2005 and to the changes to the investment objective and investment policy approved at an EGM held on 26 April 2013 which cannot be radically changed without the approval of the Board of Directors.

The Board has considered the requirements of IFRS 8, 'Operating Segments'. The Board is of the view that the Company is engaged in a single segment of business, being investment in properties in Europe including the United Kingdom. Geographic and Sector analyses of the segment are included in the Investment Manager's Report on pages 12-13.

3. Material agreements

(i) AXA Investment Managers UK Limited has been appointed as the Investment Manager of the Group pursuant to an Investment Management Agreement dated 18 April 2005. The Investment Manager is responsible for advising the Group on the overall management of the Group's investments and for managing the Group's investments in fixed income instruments in accordance with the Group's investment objective and policy, subject to the overall supervision of the Directors. Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a management fee of 90 basis points per annum of gross assets together with reasonable expenses payable quarterly in arrears. The management fee shall be reduced by an amount equal to the fees payable to the Real Estate Adviser by the property subsidiaries such that the total fees payable by the Group to the Investment Real Estate Adviser and Investment Manager will not exceed 90 basis points per annum. Either party may terminate the Investment Management Agreement with not less than 12 months' notice in writing.

In view of the proposed change to the Investment Objective and Policy, the Manager has agreed to amend the Management Fee arrangements with effect from 1 January 2013 in order to provide better alignment with the objective of the Managed Wind-down, such that the Manager and/or its Associates will receive in aggregate.

- a management fee of 1.10 per cent. of NAV (as opposed to 0.90 per cent. of gross assets) per annum to be paid quarterly in arrears based on the NAV at the end of the relevant quarter, refer to note 5:
- transaction fees of 0.35 per cent. of the gross sales price achieved on each asset sale; and
- a performance fee of 12.5 per cent. of cash returned to Shareholders in excess of 80 per cent. of NAV as at 31 December 2012, with the threshold percentage of NAV increasing by 5 per cent. per annum with effect from 1 January 2015 (such that, by way of example, the threshold percentage for the 12 months from and including 1 January 2015 shall be 85 per cent. of NAV as at 31 December 2012, the threshold percentage for the 12 months from and including 1 January 2016 shall be 90 per cent. of NAV as at 31 December 2012, and so on for each consecutive year, refer to note 5).

This amendment of the management fee was approved by a resolution of the Shareholders on 26 April 2013.

(ii) Oriel Securities Limited is Sponsor and Broker to the Company. In relation to the nine month period ended 31 March 2012, the Company paid a retainer of £50,000 per annum payable in four equal tranches quarterly in arrears.

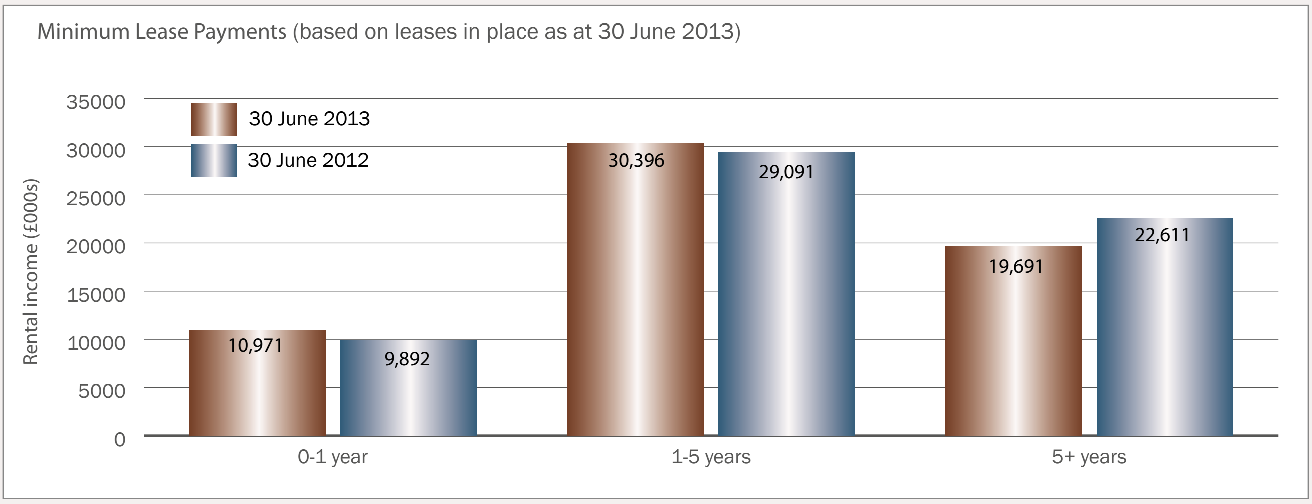
At a Board meeting of the Company held on 22 February 2012, the Board resolved to request a 10% reduction in the retainer fee for a period of one year. Oriel Securities Limited has agreed to the fee reduction request and has therefore reduced the retainer fee by 10%, to £45,000 per annum, for 12 months with effect from 1 April 2012. At a Board meeting of the Company held on 13 June 2013, the Board resolved to maintain the 10% reduction in the retainer fee. Oriel Securities Limited agreed to maintain the 10% reduction in retainer fee. Advisory fees payable to Oriel Securities Limited in connection the the circular sent to Shareholders in April 2013 totalled £137,790.

(iii) Northern Trust International Fund Administration Services (Guernsey) Limited is Administrator, Secretary and Registrar to the Company pursuant to the Administration Agreement dated 13 April 2005. In relation to the nine month period ended 31 March 2012, the Administrator was entitled to receive a fixed fee of £65,000 per annum plus a variable fee which was dependant on additional work carried out by the Administrator for the Company from time to time. In addition, the Administrator was entitled to be reimbursed for all reasonable out of pocket expenses incurred in the performance of its duties. Administration fees paid to the administrator in connection with the circular and EGM held on 26 April 2013 totalled £5,016.

At a Board meeting of the Company held on 22 February 2012, the Board resolved to request a 10% reduction in the administration fee for a period of one year. Northern Trust International Fund Administration Services (Guernsey) Limited has agreed to the fee reduction request and has therefore reduced the variable component of the administration fee by 14% in order to achieve a 10% reduction in the overall fee, and have converted this component of the fee from a time spent basis to a fixed fee basis. With effect from 1 April 2012, Northern Trust Fund Administration Services (Guernsey) Limited's administration fee is £205,000 fixed fee per annum, and was subject to review on 1 April 2013. At a Board meeting of the Company held on 13 June 2013, the Board resolved to maintain the 10% reduction in the retainer fee. The Administrator agreed to maintain the reduction in fee. The Administrator remains entitled to be reimbursed for all reasonable out of pocket expenses incurred in the performance of its duties.

4. Gross rental income

Gross rental income for the year ended 30 June 2013 amounted to £10.12 million (2012: £11.44 million). The Group leases out all of its investment property under operating leases and are structured in accordance with local practices in Belgium, Germany, Italy and The Netherlands. Leases in Belgium follow the 3/6/9 structure, whereas the Group's leases in Germany, Italy and The Netherlands have fixed terms of typically between 5 and 10 years. All leases benefit from indexation.



5. General and administrative expenses

	30 June 2013 £000s	30 June 2012 £000s
Administration fees	(515)	(499)
General expenses	(538)	(276)
Audit fees	(235)	(257)
Legal and professional fees	(366)	(320)
Directors' fees	(95)	(103)
Insurance fees	(40)	(42)
Liquidation costs	(240)	-
Sponsor's fees	(178)	(50)
Investment management fees	(841)	(1,196)
Performance fee	(480)	-
Total	**(3,528)**	**(2,743)**

At a Board meeting of the Company held on 22 February 2012, the Board resolved to reduce their Directors' fees by 10% for 12 months with effect from 1 April 2012. At a Board meeting of the Company held on 13 June 2013, the Board resolved to continue to maintain the 10% reduction in fees. As such, each of the Directors receives a fee of £13,500 (2012: £15,000) and the Chairman receives a fee of £18,000 (2012: £20,000).

The aggregate remuneration and benefits in kind of the Directors in respect of the Company's year ended 30 June 2013 amounted to £72,000 (2012: £78,000) in respect of the Company and £95,485 (2012: £103,273) in respect of the Group.

6. Net finance cost

	30 June 2013 £000s	30 June 2012 £000s
Interest income from bank deposits	3	10
Finance costs	(4,249)	(4,391)
Total	**(4,246)**	**(4,381)**

7. Basic and diluted loss per Share

The basic and diluted loss per share for the Group is based on the net loss for the year of £3.37 million (2012: £0.79 million) and the weighted average number of Ordinary Shares in issue during the year of 100,000,000 (2012: 100,000,000).

8. Dividends

The Company has suspended dividends from June 2012 for the short term in order to more prudently manage its cash and debt positions. For the year ended 30 June 2012, the cumulative dividends of £2.50 million paid were 169% covered by "revenue" profits.

Dividend payment date	No. of Ordinary Shares	Rate (pence)	30 June 2012 £000s
2 September 2011	100,000,000	0.75	750
29 November 2011	100,000,000	0.50	500
24 February 2012	100,000,000	0.50	500
25 May 2012	100,000,000	0.75	750
Total			**2,500**

9. Investment properties

	30 June 2013 £000s	30 June 2012 £000s
Fair value of investment properties at beginning of year	**121,729**	**145,979**
Capital expenditure during the year	576	1,303
Disposals during the year	(10,462)	(7,676)
Fair value adjustments	(5,372)	(3,172)
Foreign exchange translation	6,641	(14,705)
Investment properties transferred to held for sale	(25,297)	(9,952)
Fair value of investment properties at the end of the year	**87,815**	**111,777**
Investment properties classified held for sale (note 10)	25,297	9,952
Total investment properties	**113,112**	**121,729**

All investment properties are carried at the expected fair values.

Investment properties comprise a number of commercial properties that are leased to third parties. The portfolio on page 54 shows the properties acquired by the Group.

The sales of investment properties at Treuchtlingen and Pankower Allee, Berlin (both in Germany) were completed in July 2012 and September 2012 respectively. The sale price achieved for Treuchtlingen was €5.70 million (€5.52 million, net of sales expenses), which was the value of the Company's independent valuation at 30 June 2012.

The sale price achieved for Pankower Allee was €6.58 million (€6.37 million, net of sales expenses), which was 0.3% below the Company's independent valuation at 30 June 2012.

The fair value of investment property has been determined on the basis of open market value in accordance with the RICS Appraisal and Valuation Standards. Open market value is the estimated amount for which a property should exchange on the date of valuation, in an arm's length transaction. Quarterly valuations are carried out at 31 March, 30 June, 30 September and 31 December by Knight Frank LLP, external independent valuers.

The significant assumptions made relating to valuations are set out below:

2013	Germany	The Netherlands	Italy	Belgium
Passing rent per sqm p.a.	€ 90.32	€ 47.26	€ 48.08	€ 133.10
Estimated rental value (market rent) per sqm p.a.	€ 92.27	€ 47.32	€ 41.22	€ 120.00
Average net initial yield	7.50%	9.00%	8.99%	7.64%
Average net reversionary yield	7.68%	9.01%	7.64%	6.89%

2012	Germany	The Netherlands	Italy	Belgium
Passing rent per sqm p.a.	€89.59	€55.60	€99.29	€122.12
Estimated rental value (market rent) per sqm p.a.	€94.26	€52.85	€89.61	€117.36
Average net initial yield	7.96%	10.79%	8.19%	8.01%
Average net reversionary yield	8.38%	10.26%	7.43%	7.70%

10. Investment properties held for sale

As at 30 June 2013, the Group held six investment properties which were under offer by third parties.

An offer has been accepted for Property Trust Berlin 1, the sale agreement with the third party was signed and notarised during April 2013. As at 30 June 2013, the assessed fair value of the property was £1.40 million (€1.63 million). As set out in note 28, the disposal of this property was completed during September 2013 at a sale price of €1.63 million.

An offer has been accepted for the Keyser Center N.V., the share transfer agreement with the third party was signed and the sale was completed simultaneously on 10 September 2013, as set out in note 28. As at 30 June 2013, the assessed fair value of the property was £7.74 million (€9.03 million).

An offer has been accepted for Dresden, the sale agreement with the third party was signed and notarised in March 2013. As at 30 June 2013, the assessed fair value of the property was £1.80 million (€2.10 million). As set out in note 28, the disposal of the property was completed on 1 July 2013 at a sale price of €2.10 million.

In addition, offers have been received for the assets Koethen and Montabaur. An offer for the asset Karben has been received subsequent to year end. The Sale and Purchase agreements are under negotiation and receipt of sales proceeds is expected to take place before the end of 2013.

11. Joint ventures

The Group holds a 50% joint venture interest in the equity of the Italian joint venture Property Trust Agnadello S.r.l. which holds a logistics warehouse in Agnadello, Italy. The remaining 50% equity interest is held by European Added Value Fund S.à r.l., a subsidiary of European Added Value Fund Limited.

The Group is entitled to a proportionate share of the rental income received and bears a proportionate share of the outgoings. The following amounts are included in the Group financial statements as a result of the proportionate consolidation of Property Trust Agnadello S.r.l:

	30 June 2013 £000s	30 June 2012 £000s
Non-current assets	-	270
Current assets	10,032	11,166
Current liabilities	-	6,866
Current liabilities	10,390	3,499

	30 June 2013 £000s	30 June 2012 £000s
Income	1,141	1,144
Expenses including valuation gains and losses on investment property and derivatives	2,531	1,239

12. Other investments

Financial assets designated at fair value through profit or loss include the 12% equity investment held in the holding company of the Dutch office portfolio Porto Kali. The investment was acquired for £1.02 million on 22 June 2007. At 30 June 2013 the fair value of the investment was nil (2012: nil) as the portfolio of underlying entities reported negative net assets, largely as a result of capitalised acquisition costs which have since been included in unrealised losses on the fair valuation of the property portfolio.

13. Cash and cash equivalents

	30 June 2013 £000s	30 June 2012 £000s
Bank balances	3,992	4,884
Total	**3,992**	**4,884**

Interest earned on bank balances is at prevailing floating rates.

14. Trade and other receivables

	30 June 2013 £000s	30 June 2012 £000s
Tax receivable (witholding, corporate and income)	833	733
Other receivables	225	67
VAT receivable	225	215
Rent receivable	45	103
Accrued income	410	196
Prepayments	138	196
Interest on deposits	1	1
Total	**1,877**	**1,511**

The book values of trade and other receivables are considered to be approximately equal to their fair value.

Rent receivable is non-interest bearing and typically due within 30 days.

15. Trade and other payables

	30 June 2013 £000s	30 June 2012 £000s
Investment manager's fee	147	358
Property manager's fee	40	32
Other	419	781
Tax payable (income, transfer, capital and other)	741	475
Interest payable on loan facility	360	411
Legal and professional fees	118	116
VAT payable	194	150
Audit fee	165	177
Administration and Company Secretarial fees	158	194
Rent prepaid	383	6
Directors' fees	10	13
Sponsor's fees	156	-
Total	**2,891**	**2,713**

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

16. Current portion of long-term loans

	30 June 2013 £000s	30 June 2012 £000s
Secured bank loan	16,982	16,499

The Group has a 50% interest in the joint venture Property Trust Agnadello S.r.l. which holds short-term bank debt of £9.10 million (€10.62 million) of which the Group's share is £4.55 million (€5.31 million) as at 30 June 2013 (2012: £6.48 million (€8.01 million)). The joint venture loan facility at the Company's joint venture Property Trust Agnadello S.r.l. of €5.69 million (50% of €11.37 million joint venture loan) with Crédit Agricole matured on 14 December 2012 and was extended to 13 December 2013. The Group reduced its share of the loan balance to €5.5 million on 14 March 2013 and then to €2.0 million on 16 September 2013, as required under the terms of the agreement After the financial year end the net proceeds from asset sales and Agnadello's surplus operating cash flow were used to settle the loan in full by 24 September 2013 in advance of the maturity date of 13 December 2013.

Six assets were classified in current assets as held for sale as at 30 June 2013 (refer to note 10), and the related bank loans totalling £12.43 million (€14.50 million) have been classified as a current liability.

17. Long-term loans

	30 June 2013 £000s	30 June 2012 £000s
Non-current liabilities		
Secured bank loan	35,162	44,249
Loan due to third party	98	88
Total	**35,260**	**44,337**

The main loan facility is with Crédit Agricole Corporate and Investment Bank ("Crédit Agricole") and Crédit Foncier de France ("Crédit Foncier").

The outstanding balance of the main loan as at 30 June 2013 was €57.27 million (2012: €70.45 million) as a result of the partial loan repayments following the various asset disposals during the year.

The Group is in compliance with the loan covenants including the Loan to Value covenant of 60%.

Other terms of the main loan facility at 30 June 2013 are:

Expiry date	1 July 2016
LTV to expiry	60%
3-month Euribor (fixed 8 May 2013)	0.20%
Margin	2.40%
All-in rate, excluding loans	
- Swapped portion of loan, 97.6% of loan at 5.13%	5.01%
- Capped portion of loan, 0%	0%
- Floating portion of loan, 2.4% of loan at 2.60%	0.06%
Arrangement fee	1.00%
Amortisation	None

The facility is secured through both mortgages and through share pledges on the property vehicles and their holding companies.

18. Provisions

	30 June 2013 £000s	30 June 2012 £000s
Non-current		
Provision for performance fees	480	-
Current		
Provision for wind-down costs	240	-
Total	**720**	**-**

19. Taxation

	30 June 2013 £000s	30 June 2012 £000s
Reconciliation of effective tax rate		
Effect of:		
Current tax		
Luxembourg	4	37
Italy	258	197
The Netherlands	56	11
Germany	109	65
Total current tax	**427**	**310**
Deferred tax		
Investment property	(318)	(212)
Derivatives	-	-
Tax value of loss carried forwards recognised	-	199
Total deferred tax	**(318)**	**(13)**
Tax charge during the year	**109**	**297**
Payment on account	(309)	(483)
Taxation paid in advance	**(200)**	**(186)**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

	30 June 2013		
	Assets £000s	**Liabilities £000s**	**Net £000s**
Investment property	-	(390)	(390)
Tax value of loss carry forwards recognised	37	-	37
Tax assets/(liabilities)	**37**	**(390)**	**(353)**

	30 June 2012		
	Assets £000s	**Liabilities £000s**	**Net £000s**
Investment property	-	(703)	(703)
Tax value of loss carry forwards recognised	58	-	58
Tax assets/(liabilities)	**58**	**(703)**	**(645)**

At 30 June 2013, the Group had unused tax losses amounting to £5.20 million (€6.07 million) (2012: £2.66 million (€3.28 million)) for which no deferred tax asset has been recognised. These tax losses are not expected to expire.

At 30 June 2013, taxable temporary differences associated with investments in subsidiaries for which no deferred tax liability had been recognised totalled £nil (€nil) (2012: £1.53 million (€1.89 million)).

Movement in temporary differences

	1 July 2012 £000s	**Recognised in income statement £000s**	**Foreign exchange translation £000s**	**30 June 2013 £000s**
Investment property	(1,575)	341	(81)	(1,315)
Investment property - change in tax rate	872	-	53	925
Tax value of loss carry forwards recognised	218	(23)	12	207
Tax value of loss carry forwards recognised - change in tax rate	(160)	-	(10)	(170)
Tax assets/(liabilities)	**(645)**	**318**	**(26)**	**(353)**

	1 July 2011 £000s	**Recognised in income statement £000s**	**Foreign exchange translation £000s**	**30 June 2012 £000s**
Investment property	(1,985)	212	198	(1,575)
Investment property - change in tax rate	973	-	(101)	872
Tax value of loss carry forwards recognised	412	(199)	5	218
Tax value of loss carry forwards recognised - change in tax rate	(134)	-	(26)	(160)
Tax assets/(liabilities)	**(734)**	**13**	**76**	**(645)**

The Company is exempt from Guernsey taxation. The general income tax rate in Guernsey is 0%.

20. Share capital

	30 June 2013		30 June 2012	
	Number of Shares	Share Premium £000s	Number of Shares	Share Premium £000s
Shares of no par value issued and fully paid	100,000,000	100,000	100,000,000	100,000

Capital risk management
The Company's capital is represented by the Ordinary Shares, revaluation reserves, capital reserves, hedging reserves, distributable reserves and foreign exchange reserves. The capital of the Company is managed in accordance with its investment policy in pursuit of its investment objective, both of which are set out on page 23. It is not subject to externally imposed capital requirements.

The Company was authorised at the Annual General Meeting ("AGM") on 19 December 2012 to make market purchases of up to 14.99% of its Ordinary Shares until the conclusion of the next AGM or 31 December 2013, whichever is earlier. Purchases will only be made at prices below the prevailing Net Asset Value of the shares where the Directors believe such purchases will enhance shareholder value. In the Prospectus (issued by the Company on 18 April 2005), the Directors stated their intention to seek annual renewal of this authority. Share buy backs are at the discretion of the Board.

Additionally, pursuant to the AGM which took place on 19 December 2012 ("2012 AGM"), the Directors shall not apply and shall be excluded in relation to the issue of up to an aggregate number of Ordinary Shares as represents less than 10 per cent. of the number of Ordinary Shares admitted to trading on the London Stock Exchange.

21. Net asset value per ordinary share

The Net Asset Value per Ordinary Share at 30 June 2013 is based on the net assets attributable to the ordinary shareholders of £59.22 million (2012: £60.02 million) and on 100,000,000 (2012: 100,000,000) ordinary shares in issue at the Consolidated Statement of Financial Position date.

22. Financial risk management

The table below summarises the amounts recognised in the Consolidated Income Statement.

	30 June 2013 £000s	30 June 2012 £000s
Gain/(loss) on currency hedge	1,222	(182)
Gain/(loss) on other derivatives	908	(122)
Total	**2,130**	**(304)**

The Group is exposed to various types of risk that are associated with financial instruments. The Group's financial instruments comprise bank deposits, cash, derivative financial instruments receivables, loans and payables that arise directly from its operations. The carrying value of financial assets and liabilities approximate the fair value.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk, interest risk and currency risk. The Board review and agree policies for managing its risk exposure. These policies are summarised below:

Market Price Risk
Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date. Rental income and the market value for properties are generally affected by overall conditions in the local economy, such as growth in Gross Domestic Product ("GDP"), employment trends, inflation and changes in interest rates. Changes in GDP may also impact employment levels, which in turn may impact the demand for premises. Furthermore, movements in interest rates may affect the cost of financing for real estate companies.

Both rental income and property values may be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or the insolvency of tenants, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. The Investment Manager addresses market risk through a selective investment process, credit evaluations of tenants, ongoing monitoring of tenants and through effective management of the properties.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to property valuation risks at the reporting date. Any changes in market conditions will directly affect the profit or loss reported through the Consolidated Income Statement. A 5% increase in the value of the direct properties (after deferred tax) at 30 June 2013 would have increased net assets and income for the year by £4.52 million (2012: £4.87 million). A decrease of 5% would have had an equal but opposite effect.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Group's and Company's exposure and the credit-ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-ratings agencies.

At the reporting date, the carrying amounts of the financial assets exposed to credit risk were as follows:

As at 30 June 2013	Within one year £000s	1-3 years £000s	Total £000s
Cash and cash equivalents	3,992	-	3,992
Rent receivable	45	-	45
Trade and other receivables	1,832	-	1,832
Total	**5,869**		**5,869**

As at 30 June 2012	Within one year £000s	1-3 years £000s	Total £000s
Cash and cash equivalents	4,884	-	4,884
Rent receivable	103	-	103
Trade and other receivables	1,408	-	1,408
Total	**6,395**	**-**	**6,395**

Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments in a reasonable timeframe or at a reasonable price.

The Group invests the majority of its assets in investment property which are relatively illiquid, however, the Group has mitigated this risk by investing in desirable properties in strong locations. The Group prepares forecasts in advance which enables the Group's operating cash flow requirements to be anticipated and ensures that sufficient liquidity is available to meet foreseeable needs and to invest any surplus cash assets safely and profitably. The Group also monitors the cash position in all subsidiaries to ensure that any working capital needs are addressed as early as possible.

The Company has continued to suspend the payment of dividends to prudently manage cash to ensure the repayment of the Agnadello loan by 24 September 2013, ahead of the loan maturity date of 13 December 2013.

The table below summarises the maturity profile of the Group's financial liabilities.

As at 30 June 2013	Less than 3 months £000s	3-12 months £000s	1-3 years £000s	Total £000s
Interest bearing loans	9,585	7,397	35,260	52,242
Trade and other payables	1,638	1,253	-	2,891
Derivative financial instruments				
Interest rate swaps	-	-	3,290	3,290
Cross currency swaps	-	264	-	264
Total	**11,223**	**8,914**	**38,550**	**58,687**

As at 30 June 2012	Less than 3 months £000s	3-12 months £000s	1-5 years £000s	Total £000s
Interest bearing loans	-	18,830	53,014	71,844
Trade and other payables	1,883	830	-	2,713
Derivative financial instruments				
Interest rate swaps and caps	-	-	3,742	3,742
Cross currency swaps	54	-	111	165
Total	**1,937**	**19,660**	**56,867**	**78,464**

Interest rate risk

Floating rate financial assets comprise the cash balances which bear interest at rates based on bank base rates. The Group is exposed to cash flow risk as the Group borrows funds under the loan facility with Crédit Agricole and Crédit Foncier at floating interest rates. The Group manages this risk by using interest rate swaps and caps denominated in Euro. At 30 June 2013, the Group had interest rate swaps with a notional contract amount of £38.08 million (€44.44 million) (2012: £45.97 million (€56.82 million)). Interest rate caps with a notional contract amount of £14.87 million (€18.37 million)) as at 30 June 2012 were cancelled on 18 December 2012.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the loan period.

The Group has entered into interest rate swaps and caps for the period of the main loan facility, effective from 1 July 2011 to 1 July 2016, to eliminate floating interest rate risk. Details of the hedging contracts are below:

	Counterparty	Contract Rate	Notional Amount
Interest Rate Swaps	Crédit Agricole	2.795%	€55.87 million

The Group has entered into an interest rate cap for the period of the Agnadello loan facility, effective from 13 December 2012 to 14 December 2013, to eliminate floating interest rate risk. Details of the Group's 50% share of the hedging contract is below:

	Counterparty	Contract Rate	Notional Amount
Interest Rate Cap	Crédit Agricole	2.0%	€11.37 million

Interest rate and cross currency hedges

	30 June 2013		30 June 2012	
	Assets £000s	Liabilities £000s	Assets £000s	Liabilities £000s
Current				
Interest rate swaps and caps	-	-	-	-
Cross currency swaps	-	264	-	54
Non-current				
Interest rate swaps and caps	-	3,290	-	3,742
Cross currency swaps	-	-	-	111
Total	**-**	**3,554**	**-**	**3,907**

The following table details the notional principal amounts, fair values and maturity profiles of the remaining items of interest rate swap and foreign exchange swap contracts outstanding as at the reporting date.

Cash flow hedge

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	30 June 2013 %	30 June 2012 %	30 June 2013 €000s	30 June 2012 €000s	30 June 2013 £000s	30 June 2012 £000s
Interest rate swaps and caps						
Less than 1 year	2.00%	2.00%	11,370	7,013	-	-
2 - 5 years	2.795% - 3.50%	2.795% - 3.50%	67,235	68,184	(3,290)	(3,742)
Cross currency swaps						
0 - 2 years	4.00% - 4.63%	4.00% - 4.63%	156,444	156,444	(264)	(165)

The interest rate swaps settle on a quarterly basis. The basis of floating rate is 3-month Euribor which at the year-end was 0.53% (2012: 0.65%). The Group will settle the difference between the fixed and floating rate on a net basis.

Interest re-pricing

	Effective interest rate %	Total as per statement of financial position £000s	Fixed rate £000s	Floating rate 3 months or less £000s
		As at 30 June 2013		
Financial assets				
Cash and cash equivalents		3,992	-	3,992
Total		**3,992**	**-**	**3,992**
Financial liabilities				
Current portion of long-term loans	3.14%	16,982	-	16,982
Long-term loans	3.09% - 5.0%	35,260	98	35,162
Total		**52,242**	**98**	**52,144**

	Effective interest rate %	Total as per statement of financial position £000s	Fixed rate £000s	Floating rate 3 months or less £000s
		As at 30 June 2012		
Financial assets				
Cash and cash equivalents		4,884	-	4,884
Total		**4,884**	**-**	**4,884**
Financial liabilities				
Current portion of long-term loans	3.14%	16,499	-	16,499
Long-term loans	3.09% - 5.0%	44,337	88	44,249
Total		**60,836**	**88**	**60,748**

Foreign currency risk

The European subsidiaries will invest in properties using currencies other than Sterling, the Company's functional and presentational currency, and the Consolidated Statement of Financial Position may be significantly affected by movements in the exchange rates of such currencies against Sterling. The Group will review and manage currency exposure in accordance with its hedging strategy.

As at 30 June 2013, the Group has hedged foreign currency exposure in respect of £0.96 million (€1.12 million) quarterly interest receipts in Euro through the use of cross currency swaps. All cross currency swap contracts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from movement in exchange rates of the Euro against Sterling. The amounts deferred in equity are recycled in profit or loss in periods when the hedged item is recognised in the profit or loss. During the year ended 30 June 2013, the hedged item was recognised in profit and loss on a quarterly basis. For additional information refer to note 2(r).

On 1 June 2012, to replace the existing contracts upon expiry, the Group entered into cross currency swaps for the period 16 August 2012 to 16 May 2014. In accordance with IFRS, trade date accounting has been applied, and the mark-to-market values of these contracts have been recognised in the financial statements for the year ended 30 June 2013. Details of the hedging contracts are below:

	Counterparty	Contract Rate	Notional Amount
Cross Currency Swaps	Crédit Agricole	4.0%	€112.00 million

The following table sets out the total exposure to foreign currency risk and the net exposure to foreign currency of monetary assets and liabilities based on notional amounts.

	Monetary assets £000s	Monetary liabilities £000s	Net exposure £000s
At 30 June 2013	5,869	(55,133)	(49,264)
At 30 June 2012	6,394	(63,549)	(57,155)

Foreign currency risk sensitivity

The following table demonstrates the sensitivity to potential fluctuations in the Euro exchange rate (ceteris paribus) of the Group's equity.

	Increase/decrease in Euro exchange rate	Effect on equity and income £000s
At 30 June 2013	+5%	2,463
	-5%	(2,463)
At 30 June 2012	+5%	2,858
	-5%	(2,858)

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2013	Level 1 £000s	Level 2 £000s	Level 3 £000s
Liabilities measured at fair value			
Interest rate swaps and caps	-	3,290	-
Cross currency swaps	-	264	-
Total	**-**	**3,554**	**-**

30 June 2012	Level 1 £000s	Level 2 £000s	Level 3 £000s
Liabilities measured at fair value			
Interest rate swaps and caps	-	3,742	-
Cross currency swaps	-	165	-
Total	**-**	**3,907**	**-**

The Group had the following derivative contracts outstanding as at the reporting date:

		30 June 2013		
Counterparty	**Settlement date**	**Average exchange rate**	**Notional amount €000s**	**Fair value £000s**
Cross currency swaps				
Crédit Agricole Corporate & Investment Bank	16/05/2014	1.21	112,000	(264)

		30 June 2012		
Counterparty	**Settlement date**	**Average exchange rate**	**Notional amount €000s**	**Fair value £000s**
Cross currency swaps				
National Australia Bank Ltd	31/08/2012	1.43	44,444	(54)
Crédit Agricole Corporate & Investment Bank	16/05/2014	1.25	112,000	(111)

		30 June 2013		
Counterparty	**Settlement date**	**Fixed interest rate**	**Notional amount €000s**	**Fair value £000s**
Interest rate swaps				
Crédit Agricole Corporate & Investment Bank	01/07/2016	2.795%	55,871	(3,290)
Interest rate caps				
Crédit Agricole Corporate & Investment Bank	13/12/2016	2.000%	11,370	-

		30 June 2012		
Counterparty	**Settlement date**	**Fixed interest rate**	**Notional amount €000s**	**Fair value £000s**
Interest rate swaps				
Crédit Agricole Corporate & Investment Bank	01/07/2016	2.795%	56,820	(3,609)
Interest rate caps				
Crédit Agricole Corporate & Investment Bank	14/12/2012	2.00%	7,013	-
Crédit Agricole Corporate & Investment Bank	01/07/2013	3.50%	11,364	(133)

23. Reserves

(a) Revaluation reserves

Revaluation reserves of the Group arose from the revaluation of investment properties, financial assets and derivatives. The amounts in these reserves have already been recognised through the Consolidated Income Statement and therefore are an allocation of the results for the year.

(b) Hedging reserves

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of hedging instruments.

	30 June 2013 £000s	30 June 2012 £000s
Balance at beginning of financial year	(3,753)	(1,138)
Movement on cash flow hedges:		
Interest rate swaps	(418)	(3,609)
Cross currency swaps	(1,452)	994
Net change in fair value of hedges	(1,870)	(2,615)
Balance at end of financial year	**(5,623)**	**(3,753)**

Following the decision at the EGM on 26 April 2013, to enter into a managed wind down of the Company, the criteria for hedge accounting of the interest rate swaps are no longer met. The loan is expected to be fully settled by the end of 2015, whereas the interest rate swaps mature 1 July 2016. The critical terms of the hedge and the hedged item are no longer deemed to match and hedge accounting ceased to apply from 1 January 2013 onwards. Consequently movements in the fair value of the interest rate swaps of £950,894 from 1 January 2013 onwards were accounted for directly in the Consolidated Income Statement.

(c) Distributable reserves

Distributable reserves arose from the cancellation of the share premium account pursuant to the special resolution passed at the EGM on 13 April 2005 and approved by the Royal Court of Guernsey on 24 June 2005.

(d) Foreign currency reserves

Foreign currency reserves arose as a result of the translation of the financial statements of foreign operations, the functional and presentation currency of which is not Sterling.

24. NAV Reconciliation

The following is a reconciliation of the NAV per share attributable to ordinary shareholders as presented in these financial statements, using IFRS to the NAV per share reported to the LSE:

	NAV £000s	NAV per Ordinary Share £
Net Asset Value reported to London Stock Exchange	59,825	59.83
Adjustment to provisions for performance fee	(479)	(0.48)
Fair value adjustment to investment properties held for sale	153	0.15
Adjustment to amortisation of loan facility	(278)	(0.28)
Net Assets Attributable to Shareholders per Financial Statements	**59,221**	**59.22**

25. Related party transactions

TThe Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Group's activities including the review of investment activity and performance.

Mr Hunter, Chairman of the Company and **Mr Spaninks**, a Director of the Company, form the majority of the Directors of its subsidiaries, Property Trust Luxembourg 1 S.à r.l., Property Trust Luxembourg 2 S.à r.l. and Property Trust Luxembourg 3 S.à r.l. and are able to control the investment policy of the Luxembourg subsidiaries to ensure it conforms with the investment policy of the Company. **Mr Ray** was a Director of the Company and along with Mr Hunter formed the majority of the Directors of its subsidiaries until his resignation on 28 June 2012. Mr Ray is also the Managing Director of AXA Real Estate Investment Managers Belgium S.A. **Mr Spaninks** is also the AXA Real Estate Investment Regional Head of Benelux and Scandinavia.

Mr Farrell, a Director of the Company, is also a Partner in Mourant Ozannes, the Guernsey legal advisers to the Company. The total charge to the Consolidated Income Statement during the period in respect of Mourant Ozannes legal fees was £5,008 (2012: £1,725), of which £nil (2012: £nil) remained payable at the year end.

Mr Lawson a Director of the Company, is also a Director of Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust"), the Administrator, Secretary and Registrar for the Company.

Mr Marren was a Director of the Company until his resignation on 30 April 2013 is a Director of the Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited. The total charge to the Consolidated Income Statement during the year in respect of Northern Trust administration fees was £210,017 (2012: £219,756) of which £51,250 (2012: £51,250) remained payable at the year end. Administration fees paid to the administrator in connection with the circular and EGM held on 26 April 2013 that are included in the administration fee totalled £5,016.

Under the Investment Management Agreement, fees are payable to the Investment Manager, Real Estate Adviser and other entities within the AXA Group. These entities are involved in the planning and direction of the Company and Group, as well as controlling aspects of their day to day activity, subject to the overall supervision of the Directors. During the year, fees of £0.85 million (2012: £1.20 million) were expensed to the Consolidated Income Statement of which £0.15 million (2012: £0.36 million) remained payable at the year end. During the year, a provision for the performance fee of £479,964 (€560,022) was raised. The amount has been provided in terms of the Investment Management Agreement.

All the above transactions were undertaken at arm's-length.

26. Group entities

AXA Property Trust Limited, the Company, is the parent of the Group. It was incorporated in Guernsey on 5 April 2005. The Company owned the following subsidiaries as at the reporting date:

Subsidiaries	Investment in subsidiaries £000s	Country of incorporation	Date of incorporation	Ownership interest %	Principal activities
Property Trust Luxembourg 1 S.à r.l.	1,292	Luxembourg	20 July 2005	100	Holding Company
Property Trust Luxembourg 2 S.à r.l.	1,251	Luxembourg	24 November 2005	100	Holding Company
Property Trust Luxembourg 3 S.à r.l.	152	Luxembourg	2 June 2006	100	Holding Company
Total	**2,695**				

The Manager will seek to merge or wind up redundant holding companies from planned disposals within a short time frame to avoid ongoing administrative expenses.

Owned by Property Trust Luxembourg 1 S.à r.l., Property Trust Luxembourg 2 S.à r.l. and Property Trust Luxembourg 3 S.à.r.l. as at the reporting date

	Country of incorporation	Ownership interest %
Property Trust Luxembourg 1 S.à r.l.		
Property Trust Karben S.à r.l.	Luxembourg	100
Property Trust Treuchtlingen S.à.r.l	Luxembourg	100
Property Trust Altenstadt S.à r.l.	Luxembourg	100
Property Trust Wuerzburg S.à r.l.	Luxembourg	100
Property Trust Moosburg S.à.r.l	Luxembourg	100
Property Trust Muehldorf S.à.r.l	Luxembourg	100
Property Trust Berlin 1 S.à r.l.	Luxembourg	100
Property Trust Fürth S.à r.l.	Luxembourg	100
Property Trust Berlin 4 S.à r.l.	Luxembourg	100
Property Trust Netherlands 1 B.V.	Netherlands	100
Keyser Center N.V.	Belgium	0.05

Property Trust Luxembourg 2 S.à r.l.		
Property Trust Köthen S.à r.l.	Luxembourg	100
Property Trust Rothenburg 1 S.à r.l.	Luxembourg	100
Property Trust Rothenburg 2 S.à r.l.	Luxembourg	100
Property Trust Kraichtal S.à r.l.	Luxembourg	100
Property Trust Montabauer S.à r.l.	Luxembourg	100
Property Trust Dasing S.à r.l.	Luxembourg	100
Property Trust Dresden S.à r.l.	Luxembourg	100
Keyser Center N.V.	Belgium	99.95
Multiplex 1 S.r.l	Italy	100
Property Trust Luxembourg 3 S.à r.l.		
Property Trust Agnadello S.r.l.	Italy	50
Property Trust Bernau S.à r.l.	Luxembourg	100
Property Trust Kali S.à r.l.	Luxembourg	100

27. Commitments

Guarantees

The Company has provided mortgages over the properties in favour of the lenders, Crédit Agricole and Crédit Foncier, as security for the main loan facility.

Property Trust Luxembourg 1 S.à.r.l. and Property Trust Luxembourg 2 S.à.r.l., the direct parent companies of Keyser Center N.V., have provided customary seller warranties to the purchaser of Keyser Center with a maximum liability of €0.5 million for a duration of one year following completion of the sale on 10 September 2013 and a guarantee in respect of the payment of rent by Chiquita Fruit Bar Belgium BVBA should this tenant become insolvent for with a maximum liability of €0.05 million per annum until 1 July 2015. The obligations of the two companies in respect of both the warranties and the guarantee are split in the proportions 0.05% and 99.95% respectively.

28. Subsequent events

These financial statements were approved for issuance by the Board on 8 October 2013. Subsequent events have been evaluated until this date.

Asset sales

The sales of the assets at Dresden and Braunschweiger Strasse in Berlin, were successfully completed on 28 June 2013 and 30 August 2013 for £1.80 million (€2.1 million) and £1.40 million (€1.63 million) respectively. The sale of the retail gallery Keyser Center in Antwerp, Belgium was completed on 10 September 2013 for £7.74 million (€9.03 million). Offers are under consideration on the assets at Karben, Koethen and Montabaur, all in Germany.

After the sale of their property assets, Property Trust Muehldorf S.à r.l., Property Trust Moosburg S.à r.l., Property Trust Treuchtlingen were merged with their direct parent company Property Trust Luxembourg 1 S.à r.l. and Property Trust Bernau S.à r.l. was merged with its direct parent company Property Trust Luxembourg 2 S.à r.l. all on 3 October 2013.

Loan facility

At year end the outstanding balance on the loan facility with Crédit Agricole held by the Company's joint venture Property Trust Agnadello S.r.l. was €5.31 million (50% of €10.62 million joint venture loan). The Group reduced its share of the loan balance to €2.0 million on 16 September 2013, as required under the terms of the agreement and then net proceeds from asset sales and Agnadello's surplus operating cash flow were used to settle the loan in full by 24 September 2013 in advance of the maturity date of 13 December 2013.

Corporate Information

Directors (All non-executive)

C. J. Hunter (Chairman)

G. J. Farrell

S. C. Monier

J. M. Marren (resigned 30 April 2013)

S. Lawson (appointed 30 April 2013)

R. G. Ray (resigned 28 June 2013)

A Spaninks (appointed 28 June 2013)

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Administrator, Secretary and Registrar

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