UK Commercial Property Trust Limited

Annual Report and Accounts
for the year ended 31 December 2009

Kew Retail Park, Richmond

Contents

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Company Summary

The Company

UK Commercial Property Trust Limited ("the Company") is a closed ended, Guernsey registered investment company which was launched on 22 September 2006.

The Company has a single class of share in issue, which is listed on the official list and traded on the London Stock Exchange.

The Company has an indefinite life and was incorporated on 24 August 2006.

The Group

The Group consists of the Company, its three wholly owned subsidiaries, and a limited partnership.

The subsidiaries, UK Commercial Property Holdings Limited ("UKCPH"), UK Commercial Property GP Limited ("The GP") and UK Commercial Property Nominee Limited ("UKCPN"), are incorporated in Guernsey. The principal business of UKCPH and the GP are that of an investment and property company. The principal business of UKCPN is that of a nominee company.

The limited partnership, UKCPT Limited Partnership, ("the GLP") is a Guernsey limited partnership. UK Commercial Property Holdings Limited and UK Commercial Property GP Limited have a partnership interest of 98.99 and 1 per cent respectively in this entity. The remaining 0.01 per cent partnership interest is held by The Droit Purpose Trust, which is a Jersey purpose trust.

The GP is the general partner and UKCPH is a limited partner of the GLP. The limited partnership's principal business is that of an investment and property entity.

Objectives

The investment objective of the Company is to provide Ordinary Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified portfolio of UK commercial properties. The investment policy of the Company is set out on page 15.

Management

Ignis Investment Services Limited are the Investment Managers of the Group.

Further details of the management contract are provided in the Notes to the Accounts.

ISA Status

The Company's shares are eligible for ISA investment.

Website

The Company's website address is: www.ukcpt.co.uk

140-146 Kings Road, London, SW3

Financial and Property Highlights

- Annual dividend yield of 6.69 per cent based on the year end share price.
- Total dividend paid per Ordinary Share of 5.25p for the year to 31 December 2009.
- Cash balance of £70.2 million at the year end.
- The average unexpired lease term of the property portfolio is 9 years and 7 months.
- Voids now at 2.45 per cent.
- Property portfolio ranked in top quartile for covenant strength in the independent IPD Rental Information Service.
- Acquisition of a new property portfolio on 30 October 2009 of 10 properties with a market value of £138 million.
- Fully subscribed 195,000,000 Ordinary Share issue in January 2010 raising in excess of £150 million.

Hannah Close, London NW10

Performance Summary

Capital Values & Returns	31 December 2009	31 December 2008	% Change
Total assets less liabilities (£'000)	728,637	617,345	
Shares in issue ('000)	990,099	867,126	
Net asset value per share (p)*	72.69	69.89	4.01
Ordinary Share Price (p)	78.50	53.25	47.42
Premium/(Discount) to net asset value %	7.99	(23.81)	

Total Return	% change for year to 31 December 2009	% change for year to 31 December 2008
Net asset value return	4.01	(23.02)
Dividend return**	7.51	5.78
Total return	11.52	(17.24)
Investment Property Databank Balanced Monthly & Quarterly Funds Index (% total return)	3.4	(21.80)
FTSE All-Share Index %	34.31	(32.78)

Earnings and Dividends	Year ended 31 December 2009	Year ended 31 December 2008
Basic and dilutive earnings per ordinary share (p)***	8.40	(15.67)
Dividends paid per ordinary share (p)**	5.25	5.25
Dividend yield	6.69%	9.86%

Total Expense Ratio		
As a percentage of average total assets less current liabilities	0.84%	0.85%

* Net of cost of all dividends paid/declared.

** Includes dividend paid February 2010 – see note 6.

*** As there are no dilutive instruments outstanding, basic and dilutive earnings per share are identical.

Sources: Ignis Investment Services, Investment Property Databank ("IPD") and Datastream.

Chairman's Statement

I am pleased to present the annual report of the Company for the year to 31 December 2009.

Commercial Property Markets

Commercial property markets in 2009 started poorly, reflecting the pessimistic trend of 2008, before apparently bottoming out as investors, looking for any signs of a floor, decided that less "bad news" was a positive. Although worldwide securities markets began to display more optimism in the second quarter, the UK's commercial property market made a muted recovery. Gradually the pessimistic forecasts of the first six months of the year, driven by retail administrations and slowing, if not declining, sales as well as debt and banking restrictions, began to be seen as exaggerated. As the year progressed investors' frustration with the record low return on cash led them to return to the prime end of the property market where availability was limited. This shortage of stock partly explains the rebound in values seen in the second half of 2009, which gathered pace towards the end of the year.

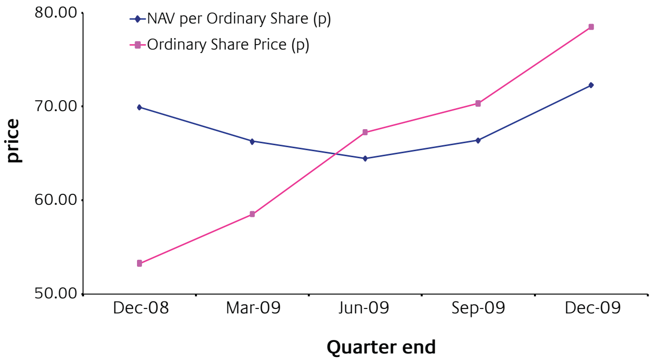
NAV/Share Price Performance

The Net Asset Value (NAV) per Ordinary Share (calculated under International Financial Reporting Standards and adjusted for the provision of dividend declarations) for the year to 31 December 2009 was as follows:

Date	NAV (p)	Share Price (p)	Premium/ (Discount) %
31 December 2008	69.89	53.25	(23.81)
31 March 2009	66.30	58.50	(11.76)
30 June 2009	64.50	65.75	1.94
30 September 2009	66.40	72.00	8.43
31 December 2009	72.69	78.50	7.99

The sea change in sentiment towards the property sector over the second half of 2009 saw an uplift in both the share price and NAV. Discount became premium, with the share price up 47.4% and the NAV up 4.0% for the year.

NAV to Share Price Comparison 2009



A full description of the portfolio performance and portfolio asset management is contained in the Manager's Report.

EGM

On 10 July 2009 shareholders at an EGM approved amendments to the Company's policy on continuation votes and to the Company's gearing policy. The amendment to the continuation period will allow the Manager to manage assets for the medium term, but will not prevent the Directors putting a continuation vote to Shareholders earlier, should they believe it to be in Shareholders' best interests to do so. Borrowing limits were also amended to allow the Manager to utilise all the available facility.

Share Buy Backs

As highlighted in the Interim Report, the Company bought back 28,571,429 of its own Ordinary Shares of 25p at a price of 52.5p per share on 17 March 2009. This represented a discount of 24.8 percent to the NAV at 31 December 2008. The shares bought back are being held in treasury, taking the total number of shares held in treasury to 41,445,142.

The Board will continue to use share buy backs in future where it believes that it will enhance shareholder value, while giving careful consideration to the Company's cash flows and to development and asset management opportunities as they arise.

Corporate Activity

On 6 October 2009 the Company announced proposals to acquire a portfolio of commercial properties from Phoenix Life Limited for an aggregate consideration of £146 million, comprising cash of £35 million and the issue of 163,794,000 new Ordinary Shares at 67.76p per share. The transaction was approved at an EGM on 29 October 2009 and, as noted at the time, 10 of the 11 properties in the portfolio were acquired immediately with the remaining property, Argyle Street, Glasgow, still to complete on satisfaction of all the conditions agreed at the acquisition date.

This transaction, coming as it did when there was limited prime commercial stock available in the market, offered an excellent opportunity to improve the prospects for income and capital growth in the Property Portfolio, further diversify the Portfolio and obtain the benefit of an increase in the size of the Group.

The cash element of the consideration and the issue costs were financed by the drawdown of £42.1 million from the revolving loan facility provided to the Company by Lloyds Banking Group plc. On 4 March 2010 the Company entered into an Interest Rate swap agreement with Lloyds, which set the interest rate at 3.55% (inclusive of margin costs).

Following the transaction, completed on 30 October 2009, 151,544,000 new Ordinary Shares were issued (12,250,000 withheld pending settlement of the Argyle Street, Glasgow transaction) taking the total Ordinary Shares in issue to 990,098,858 being the shares in issue at 31 December 2009.

On 21 December 2009 the Company announced a proposed equity capital raising to allow it to pursue the acquisition of further commercial properties in accordance with its investment policy. On 25 January 2010 a further announcement was made confirming that commitments and applications had been received under the Placing and Offer for 195 million new Ordinary Shares at a price of 77.1p, raising gross proceeds of £150 million. An EGM, held on 10 February 2010, approved the participation of Phoenix & London Assurance Limited in the Placing, with the new Ordinary Shares then being admitted for trading on the London Stock Exchange on 11 February 2010.

While there has been little in the way of positive news from the economy over the past year, it is extremely encouraging that Shareholders and other investors have supported all the corporate activity instigated by the Company. Your Board and advisors are very appreciative of this support and have worked hard to ensure that the Company is well positioned to take advantage of any further opportunities to acquire commercial properties in line with our investment policy, has a well diversified, high quality property portfolio and is utilising its competitive debt facility in the best interests of all Shareholders.

During the year it was good to welcome back Christopher Fish, Chairman of the Audit Committee, following recent illness.

Borrowing

As noted above, the Company drew down £42.1 million from the revolving loan facility provided to the Company by Lloyds Banking Group plc on 30 October 2009. On 4 March 2010 the Company entered into an Interest Rate swap agreement with Lloyds which set the interest rate at 3.55%. The balance of the £80 million revolving loan is still available to the Company.

Dividends

The Company declared and paid the following dividends during 2009:

	Ex Dividend Date	Pay Date	Dividend Rate (p)
4th Interim for prior period	11 Feb 2009	27 Feb 2009	1.3125
1st Interim	13 May 2009	29 May 2009	1.3125
2nd Interim	12 Aug 2009	28 Aug 2009	1.3125
3rd Interim*	21 Oct 2009	30 Nov 2009	1.7262
			5.6637

* 4 month period

On 26 January 2010 the Company declared a 4th Interim Dividend** of 0.8988p per Ordinary Share with an ex-dividend date of 3 February 2010, which was paid on 26 February 2010.

** 2 month period

Outlook

Market commentators are not yet sufficiently confident to predict where markets in general and property markets in particular will head during 2010 and beyond. With the UK only just coming out of recession in Q4 2009 and the Government heading towards an election, investors will need to reappraise their attitude to medium term returns with no likelihood of interest rates increasing for a while yet. The strong performance of the property sector towards the end of 2009, despite the pressure on rental values, is an indication that investors are revisiting the fundamentals of property investment, with banks looking to liquidate their bad debt property portfolios in an orderly manner, the market may well see more activity, including in the non-prime sectors.

The recent corporate activity has placed the Company in a strong and advantageous position. The capital raised, together with the balance of the debt facility, is available to invest should opportunities to enhance Shareholder value emerge over the coming months. Asset management opportunities and revenue flows from the existing property stock will also need to be tightly managed to ensure that the Company can continue to deliver on its objectives to Shareholders in these difficult markets.

Christopher M.W. Hill
Chairman
29 March 2010

Investment Management Team

Ignis Investment Services Limited ("Ignis") are the Investment Manager's of the Group.

Ignis is a leading asset manager and currently has approximately £67.5 billion of assets under management.

Ignis has a long history of managing commercial property and over the years has built up a high level of knowledge and experience in this asset class. Ignis has the advantage of a strong and well-resourced team that is dedicated to searching out value actively in the property sector. The team manages a number of property portfolios, totalling around £2.8 billion.

ROBERT BOAG BSc Dip Ipf MRICS
– Investment Manager (Property)
Investment Experience: 24 years

Robert is the lead manager of the Company. He graduated from the University of Paisley in 1986 with a degree in Land Economics. In 1987 he became a member of the Royal Institution of Chartered Surveyors. He has several years' experience operating as a property asset/investment manager throughout the UK with Scottish Metropolitan and Haslemere Estates. He joined Ignis Investment Services Limited in January 2006.

SHEILA MILLER MA (Hons) MSc Dip Ipf MRICS
– Asset Manager (Property)
Property Market Experience: 13 years

Sheila graduated from the University of Glasgow in 1996 with a Master of Arts (Hons) degree and also obtained an MSc in Urban Property Appraisal in 1997 from the University of Paisley. She worked within the retail & development agency at Jones Lang LaSalle Limited from 1997. In 2000 she joined DTZ Debenham Tie Leung as a surveyor within the professional department and then the retail agency. She joined Ignis Investment Services Limited in 2007. She is a member of the Royal Institution of Chartered Surveyors and a member of the British Council of Shopping Centres.

RHONA MCCRANOR BSc (Hons) MRICS
– Asset Manager (Property)
Property Market Experience: 12 years

Rhona graduated from the University of Glasgow in 1994 with a BSc (Hons), followed by a Post Graduate Diploma at Strathclyde Business School in Urban Development in 1995. She obtained a Diploma in Urban Property Appraisal from the University of Paisley in 1998 and began work within CB Richard Ellis Limited's Financial Services and Professional departments and became a member of the Royal Institution of Chartered Surveyors in 2000. Rhona thereafter joined Donaldsons in 2002 and then Lambert Smith Hampton in 2004 where she was an Associate Director. She joined Ignis Investment Services Limited in 2008.

Sovereign Centre, Weston-super-Mare

Managers' Review

Market review

In H1 2009, the UK economy was still coming to terms with the impact of the financial crisis. GDP was still falling and the Government's attempts to boost the economy were largely focussed on the use of quantitative easing to re-inflate the UK economy.

In relation to the property market, the 6 month period to end June 2009 was, therefore, characterised by a further rise in initial yields across all sectors and a reduction in rental levels as the recession began to manifest itself in business administrations and deleveraging. This period produced an All Property Total Return of -9.6% and a capital value fall of 13.2% in the Investment Property Databank (IPD) Monthly Index. In total the peak to trough movement in capital values was in the order of 44.2% from June 2007. In the second half of the year the recovery started, at least in the property market, with yields (the driver of capital growth), starting an inward correction as investors began to re-appraise the appropriate risk premium attached to property and invest in prime property.

As an appreciation of the relative income benefits of prime property became apparent, the spread of investor type widened from initially the overseas investor and high net worth individuals to include UK institutions/retail Funds as well as re-capitalised property companies/ REITS.

This increasing weight of money has been concentrated on a limited supply of suitable prime property which has triggered a rise in capital values over the Autumn and Winter months.

Consequently, the IPD capital value shift on the IPD Monthly Index was 3.0% in December 2009 alone. This shift in values marginally exceeded the previous high of 2.9% in December 1993, the end of similar phase in a previous property cycle.

With a degree of symmetry, if not irony, the IPD Monthly All Property initial yield as at December 2009 has returned to the same level as at December 2008.

Overall, in 2009, the IPD Monthly and Quarterly Index recorded a positive total return of 3.4%, a figure which very few commentators/forecasters would have anticipated, even as late as the autumn of last year.

At sector level, Retail delivered the smallest fall in capital values with 4.3% over the year, comprising of a 14.0% fall in H1 and subsequently an 11.3% increase in H2.

This performance was largely driven by very strong capital growth in the retail warehouse and prime High St retail sub-sectors, particularly in Central London.

In the Industrial sector, overall performance for the year ended relatively close to retail, with capital values falling by 4.5% although the volatility of capital values was not as marked, with an 11% fall in the seven months to July and subsequently increasing by 7.3% for the remaining five months of the year.

Offices were the most volatile of all sectors in 2009. Increased volatility was generated by the travails of the Central London markets (arguably the most affected by the recession). Capital values fell by 14% in the eight months to end of August and finishing the year at -8.4% following a 6.4% rebound in capital values from September.

Capital Growth

This rebound in property values occurred without the benefit of any positive rental growth as rental values continued to fall across all sectors albeit at a declining rate. Occupier sentiment in all office markets remained weak through 2009. Whilst the City and West End markets are now stabilising, the Regions seem to be set for a more laboured recovery with occupational demand remaining subdued, particularly as supply remains well in excess of the long term average for many of the regional cities.

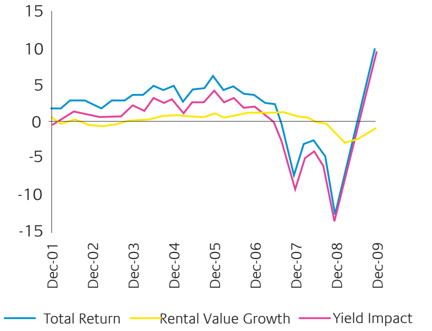
In 2009, Central London offices reported up to 21.0% fall in rental values. In the South East, office rental values declined by 9.0% and in the Rest of the UK, by 7.0%. Vacancy rates across all office sectors are expected to have peaked by the end of 2009.

The year for the retail sector finished as it began with casualties in the both the High St and particularly shopping centres investments.

Overall fears of an anticipated wave of administrations at the start of the year did not fully materialise Though controversial, an increasing number of retailers have implemented Company Voluntary Arrangements (CVA) which has, arguably, saved a number of businesses. Estimated Rental values in the High St fell by 7.5% (5.6% for the South East) over the year. The equivalent figures for retail warehousing was -6.1% and for shopping centres -7.3 %.

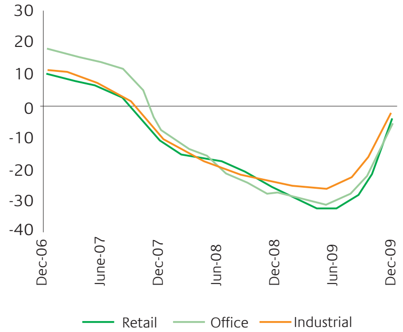
In terms of rental growth the Industrial sector was the most robust over 2009. Occupational markets remained relatively steady. Over 2009 the sector recorded ERV falls of only 5.0%.

Quarterly performance



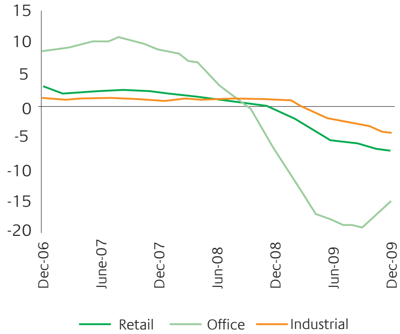
Source – IPD UK Quarterly Index February 2010 – All Property Performance - % per quarter

Annualised Capital Growth



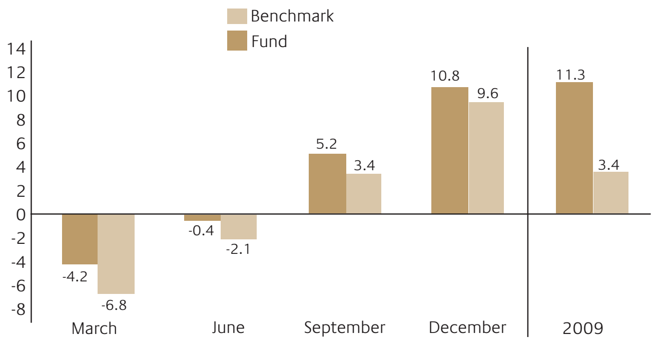
Source – CB Richard Ellis – UK Monthly Index December 2009 – Annualised Capital Growth

Annualised Rental Growth



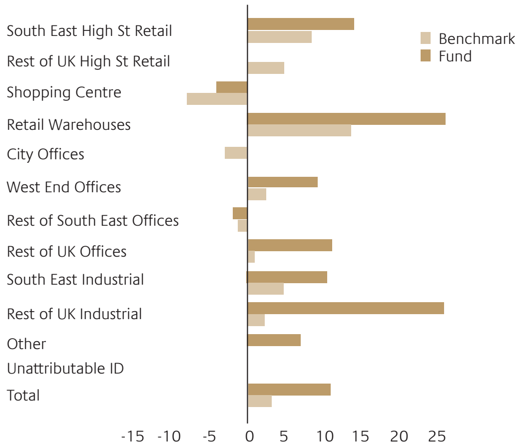
Source – CB Richard Ellis – UK Monthly Index December 2009 – Annualised Rental Growth

Portfolio Performance



Source – IPD Quarterly Index Benchmark Comparison – February 2010

Fund and Benchmark Segment Returns



The underlying value of the Company's portfolio increased by 3.8% over 2009 with Q4, recording a very strong capital value uplift of 10.17% in common with the significant movement in the markets during the same period.

Total return for the portfolio was 11.3%, comfortably exceeding the IPD Balanced Quarterly and Monthly benchmark total return of 3.4%.

The Company's best performance emanated from its industrial holdings with total returns of 16.4% over 2009. Industrial assets produced a combined capital growth of 7.4% over the year.

The Distribution sector was the principal contributor to this out-performance. A strong covenant profile and long leases dominate the Company's industrial asset base: attributes which helped boost performance (in some cases initial yields moved 150 basis points over the year).

The retail asset base also performed well with the retail warehouse holdings providing the best performance in the retail sector of the portfolio.

Performance was aided by the acquisition and subsequent capital appreciation of Kew Retail Park, Richmond in April 09.

Over the year the Company's retail portfolio provided a 7.8% capital movement (-0.4% for benchmark) and a 16.5% total return (6.9% for benchmark).

The Company's retail warehouse portfolio produced the largest capital value increase at 19.9%.

Relatively significant falls in rental values in the Central London portfolio for most of the year, meant that the Company's office portfolio was the worst performer for 2009.

A strong investor focus on long leases and strong covenants in the Company's Regional office holdings together with the continued, more general investor focus on the West End of London markets did ensure a rally in capital values in the last quarter (despite continued falls in rental values).

However this late rally was insufficient, consequently, the office portfolio failed to produce any positive capital movement. Offices within the portfolio fell by 0.6% and produced a total return of 8.2% over 2009.

Over the same measurement period, the relevant IPD benchmark recorded a capital value fall of 6.8% and a total return of 0.2%.

Portfolio strategy in 2009 was focussed on altering the shape of the portfolio to increase the Company's exposure across all sub-sectors of the market and as a result, reduce the portfolio dependence on the office holdings, where the outlook isn't as favourable.

Over the year the Company acquired 11 properties, with a total value of £169.09m and a total net income of £14.40m as noted below. The overall net initial yield on assets acquired was 8.05%, assuming standard purchaser's costs as follows:

Purchases and Sales

Purchases

Property	Sector	Rent (p.a.)	Purchase Price	Net initial Yield	When Aquired
Kew Retail Park, Richmond	Retail	£2.82m	£31.35m	6.89%	April 09
7 retail properties*	Retail	£8.43m	£103.53m	7.70%	Oct 09
1 property – Hannah Close Neasden	Industrial	£1.65m	£18.96m	8.25%	Oct 09
2 properties – Bushey Rd Raynes Park and Craven House Soho	Office	£1.50m	£15.25m	9.30%	Oct 09
		£14.40m	£169.09m	8.05%	

* Sovereign Centre Weston super Mare , B&Q Romford , 140-144 Kings Rd London SW3, 146 Kings Road London, SW3, 16/20 High St Exeter, 54-56 Market Street Manchester, 134/138 North Street Brighton

* The Company has also agreed to acquire from the same vendor as the portfolio a property at 122/132 Argyle Street on completion of a new 15yr lease.

Managers' Review (Continued)

Activity was not restricted to purchases as the company also sold three properties in the year for a total consideration of £60.3m with a rental income of £4.29m p.a.

Sales

Property	Price Achieved	Sale Date
Unit B, Knaves Beech, Loudwater (Industrial)	£1.2m	May 09
Bracton House, 34/36 High Holborn, London WC1 (Office)	£9.8m	Oct 09
5 Chancery Lane, London WC2 (Office)	£49.3m	Dec 09
	£60.3m	

As at the year end the Company had £70m of cash together with a debt facility of £80m with Lloyds Banking Group. £42.1m of this facility was drawn down to meet the purchase price of the portfolio of 10 properties together with transaction expenses in October 2009. The cost of this facility is 55 bps above Libor with the rate fixed at 3.00% on 4 March 2010.

Property Portfolio

Three key attributes of the portfolio remain undiminished.

1. The average lease length as at the year end remained broadly the same at 9 years 7 months against the IPD Benchmark of 9 years 3 months.

2. The covenant strength of the portfolio remains in the top quartile of the relevant peer group. The Government remains the Company's largest tenant in terms of income (7.67%), with the portfolio income risk more diversified with 213 tenants within the portfolio compared to 155 at the start of the year.

3. The expiries in the portfolio over the three years is 17.41% of ERV compared to 18.49% of the peer group. In the next twelve months the portfolio expiries is 2.86% of Estimated Rental Value (ERV) with peer group 5.76%.

As a result there is potentially £9.49m of income at risk. In a number of cases discussions with the relevant tenants are now underway with the intention of retaining tenants where possible. If retention of the tenant is not possible, then ensuring that the process is well in place to provide a replacement tenant.

Notwithstanding the number of administrations/receiverships in the market in 2009, only one tenant in the Company's portfolio has gone into receivership with all arrears paid via a guarantee. The property in question was immediately re-let, albeit at a marginally lower rent.

The level of bad debt remains low at 0.0089% of the total rental income ie £49,000 and the average rent collection rate for the portfolio was 99.45% after 28 days (due in large part to the diligence and robust processes in place with the Company's property managers - Jones Lang LaSalle). Of a portfolio income of £54.51m p.a. only 2.57% is, currently subject to monthly rent concession payment schemes.

Asset Management Activity

In common with the wider occupational markets there was little letting activity within the portfolio, although where possible, this was achieved primarily in the Company's office properties.

The Parade, Swindon

Continued effort is being made to ensure that the Company's voids and associated costs are kept to a minimum and in doing so ensure the Company's income stream is maintained, if not improved.

During 2009 there were a total of 8 lettings producing an additional annual rent of £371,185 per annum after rent free periods.

Over the year there were a total of 7 lease expiries totalling £248,900 p.a. 4 renewals have been successfully negotiated securing £248,500 of rental income over a forecast of £237,000 (i.e. an 4.85% increase).

With falling rental values a key feature of the market throughout 2009, it has been difficult to achieve any substantial uplift at reviews. Of the 17 reviews across all sectors of the portfolio involving income of £8,254,395 p.a., the settled reviews produced an uplift to income of £8,924,270 per annum i.e. 8.11%.

As at 31 December the Company's voids represented 2.45% of the portfolio ERV i.e. £1.265m. This excludes the redevelopment of BHS at the Parade, Swindon which has a total ERV of £1.86m p.a. (although pre-lets are in place for £1.35m of this figure). With the ERV of the remaining units included in the void % (they will not be complete until November 2010), the total void excluding pre-lets would be 3.50% of the portfolio ERV, still considerably lower than the IPD Benchmark of 12.41%.

A total of £2.6m has been spent on refurbishment projects within the portfolio. The primary focus of this expenditure has been the redevelopment of the BHS department store at The Parade in Swindon. In May the Company, with the assistance of development managers Shearer Property Group and its extended team of advisors, secured planning consent for the redevelopment of the existing BHS store to create a new 45,000 sq ft store and six modern retail units. The unit at the corner of Bridge Street will form a 10,000 sq ft flagship store for Top Shop and another flagship store (9,900 sq ft) has been designed for River Island.

The BHS new store will open in Spring 2011 whilst Top Shop will open late 2010. Construction started on site in November and the total cost of the project is expected to be £16.0m.

Market Outlook

Total property returns are expected to be positive in 2010. In common with the forecasts for the wider economy there remains a wide variance in property forecasters' view for the property market.

The sizeable shift in investor sentiment towards property, whilst welcomed, is still focussed on the limited availability of prime stock. A wider recovery in the market will only be achieved once rental growth becomes a sustainable feature of all markets. There are, however, tentative signs of rents stabilising in some specific markets, though a wider recovery in rental growth is still some way off. Whilst that remains the case, the gap between prime and secondary properties will widen as the income risks of the latter remain very real.

Much has been said of the role the Banks have in the outlook for the property market. As a consequence of heavy lending over a 3-4 year period, the Banks now hold a significant stake in the

Ocado, Hatfield

property market. They are fully expected to reduce the exposure but only in an orderly manner. It is likely they will not be rushed to bring stock to the market and are instead re-scheduling their loan book to ensure that the inherent value of the loan property is retained.

There does, however, remain a risk to the Banks with secondary stock and their exposure to development projects.

For 2010 total returns are expected to be driven by further yield compression in the short term but only at the prime end.

Forecasts for the year vary from 10% (IPF) to 16% (PMA), the difference being the latter's more optimistic view of the impact of yield shift. With rental growth not forecast to return until 2011/2012 medium term returns are forecast to be in the region of +8% to +10%.

Portfolio Strategy

Although the current market conditions remain a source of risk for many real estate investors, there are still opportunities for those companies with strong balance sheets and access to funds to invest at what remains an attractive stage in the property cycle.

This being the case, the Company continues to monitor the market for suitable stock which will complement the existing portfolio and which do not undermine the key strength of a secure, high and stable income stream.

For that reason, stock selection will be at the heart of the Company's acquisition policy in an effort to identify those properties which have the ability to deliver an income return which will continue to support the Company's dividend.

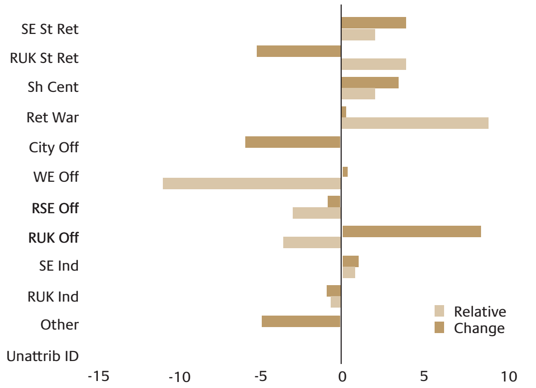
The increasing weight of money in the market, combined with what appears to be a willingness of some investors to take on more risk, could provide the Company with the opportunity to achieve sales for those properties which do not meet the appropriate levels of return or could be sold for sound portfolio management reasons.

Given the market outlook, the importance of income to future portfolio returns has always been, and will continue to remain, integral to any investment decision. With that in mind the continued enhancement and protection of income remains at the core of our strategy and it is here that the Company will be able to support the ability to meet and improve dividend over the medium term.

Portfolio Statistics

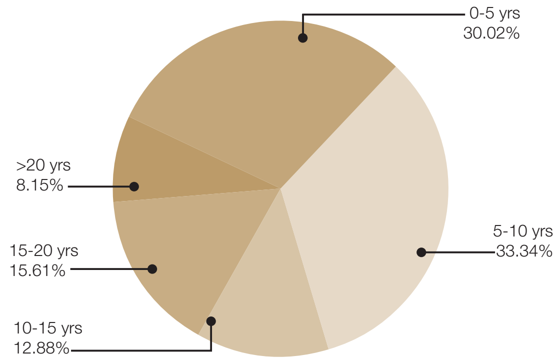
Sub-sector vs IPD (Balanced Monthly & Quarterly Index) at 31st December 2009

Relative Fund structure –
Per cent of period end Capital Value



Source: IPD Qtly Benchmark Report 31st December 2009

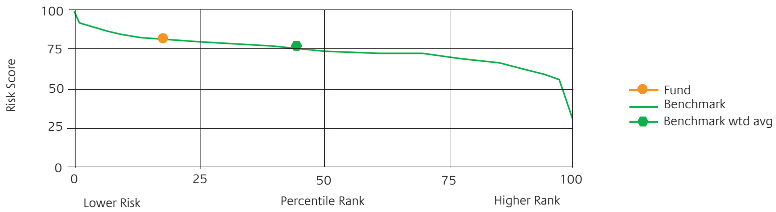
Lease Expiry Profile as at 31st December 2009



Average unexpired lease term – 9 years and 7 months

Source: Ignis Investment Services – Dec 09

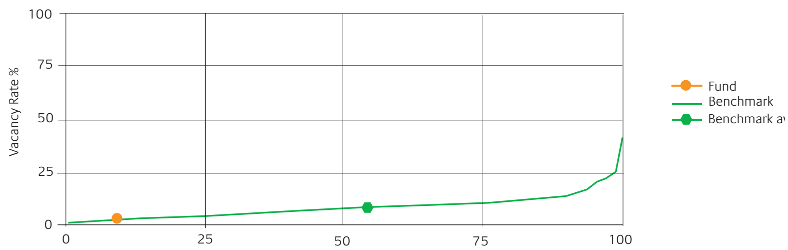
Income Credit Rating



Measures the quality of the Company's income stream in comparison with the benchmark – a lower score on percentile ranking indicates a better income quality.

Source: IPD Iris – Dec 2009

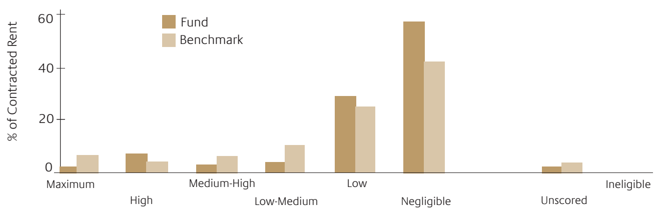
Vacancy rate



Compares the size of vacant income in the portfolio with the benchmark – the lower the percentile ranking the lower the level of void.

Source: IPD Iris – Dec 2009

% of Income by Risk Band



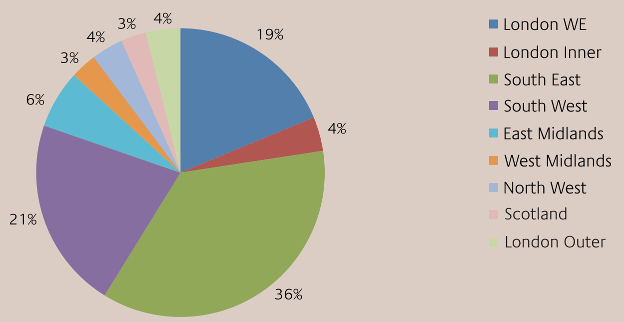
The bar chart indicates the Company's exposure vs the benchmark to each income risk band. High represents a high risk and negligible risk represents the Public Sector.

Source: IPD Iris – Dec 2009

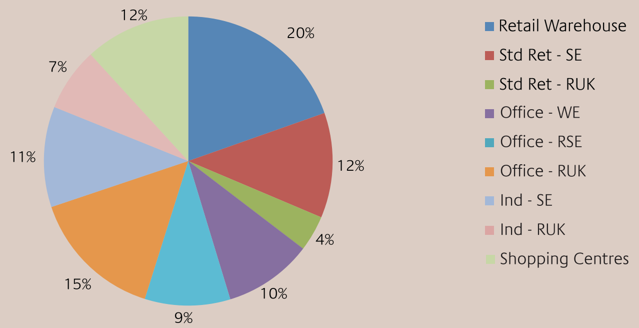
Property Portfolio
as at 31 December 2009

Property	Sector	Value Range £
Great Lodge Retail Park, Tunbridge Wells	Retail Warehouse	Over £30m
The Parade, Swindon	Shopping Centre	
176 - 206 Kensington High Street, London, W8	High St, Retail	
Kew Retail Park, Richmond	Retail Warehouse	
Ocado Distribution Unit, Hatfield Business Area, Hatfield	Industrial	
Sovereign Centre, Weston-super-Mare	Shopping Centre	
Charter Place, Uxbridge	Office	
15 Great Marlborough Street, London, W1	Office	£20m - £29.9m
B&Q, Roneo Corner, Romford	Retail Warehouse	
Dolphin Estate, Sunbury on Thames	Industrial	
Argos Unit, Magna Park, Lutterworth	Industrial	
2 Rivergate, Temple Quay, Bristol	Office	
Brackmills, Northampton	Industrial	
Hannah Close, London, NW10	Industrial	
Colmore Court, Birmingham	Office	
Network House & Meadowside, Hemel Hempstead	Office	
81-85 George Street, Edinburgh	Office	
16/20 High Street & 1/3 Bedford Street, Exeter	High St, Retail	
Broadbridge Retail Park, Horsham	Retail Warehouse	£10m - £19.9m
1 Rivergate, Temple Quay, Bristol	Office	
Pall Mall Court, Manchester	Office	
13 Great Marlborough Street, London, W1	Office	
6 Arlington Street, London, SW1	Office	
140/144 Kings Road, London, SW3	High St, Retail	
1 Brunel Way, Slough	Office	
14-22 West Street, Marlow	High St, Retail	
Craven House, London, W1	Office	
134/138 North Street, Brighton	High St, Retail	£5m - £9.9m
52/56 Market Street, Manchester	High St, Retail	
84-86 Bushey Road, Raynes Park, London, SW20	Office	
Freshford House, Bristol	Office	
Knaves Beech Industrial Estate, Loudwater	Industrial	Up to £4.9m
146 Kings Road, London, SW3	High St, Retail	
WCA Building, Bristol	Office	

Capital Value Split by location



Capital Value Split by sector



Board of Directors

The Directors, all of whom are non-executive and, other than Mr Robertson, are independent of the Investment Manager, are responsible for the determination of the investment policy of the group and its overall supervision. The Directors are as follows:

Christopher Hill (Chairman).
Christopher Hill is a resident of Guernsey. He is an Associate of the Chartered Institute of Bankers and was managing director of Guernsey International Fund Managers Limited, part of the Barings Financial Services Group, for 8 years prior to its sale in 2005 to Northern Trust. He has over 30 years' experience in the field of offshore banking and fund administration and is a past Chairman of the Guernsey Investment Funds Association. He is Chairman of Close Fund Management Portfolios II PCC Limited and Investec Capital Accumulator Trust Limited, both listed in London.

Keith Dorrian
Keith Dorrian is a resident of Guernsey. He has over 30 years financial experience in the offshore finance industry. He joined Manufacturers Hanover in 1973 before moving to First National Bank of Chicago in 1984 and ANZ Bank (Guernsey) in 1989. He joined Bank of Bermuda, Guernsey in 1999 and was appointed Guernsey head of global fund services and managing director of the bank's Guernsey fund administration company in 2001, retiring in December 2003. He is currently chairman of International Public Partnerships Limited, listed on the London Stock Exchange, and is a director of a number of funds and fund management companies including a property company listed on Euronext, Amsterdam.

Christopher Fish
Christopher Fish is a resident of Guernsey. He recently retired as Managing Director of Close International Private Banking. Mr Fish has over 30 years' experience in offshore banking, asset management, treasury, trust services and fund administration. Mr Fish is the non-executive Chairman of Close International Asset Management Holdings Limited and Close International Bank Holdings Limited. He is also a director of nine other UK listed funds including a European commercial property fund.

John Robertson
John Robertson is a resident of the UK. Mr Robertson has over 30 years' experience in investment management in a variety of roles, and is currently Head of Governance at Ignis Investment Services Limited with responsibility for the risk, compliance and internal audit departments. He is a director of Ignis International Funds plc, Ignis Alternative Funds plc, and Ignis Liquidity Fund plc which are all open ended investment companies with variable capital listed on the Irish Stock Exchange. He is a Fellow of the Chartered Association of Certified Accountants.

Andrew Wilson
Andrew Wilson is a resident of the UK. He was formerly of Richard Ellis, Royal Insurance as chief surveyor and he joined Rugby Securities as a director in 1987. He was a founder director of Rugby Estates plc in 1990 and has been chief executive officer since its flotation in 1994. Rugby Estates plc was listed in the Official List and subsequently moved to the Alternative Investment Market of the London Stock Exchange.

Report of the Directors

The Directors present the report and accounts of the UK Commercial Property Trust Limited, ("the Company") for the year ended 31 December 2009.

Results and Dividends

The results for the year are set out in the attached accounts. The Company has paid interim dividends in the year ended 31 December 2009 as follows:

	Payment date	Rate per share
Fourth interim for prior period	Feb 2009	1.3125p
First interim	May 2009	1.3125p
Second interim	August 2009	1.3125p
Third interim*	November 2009	1.7262p

* 4 month period

It is the policy of the Directors to declare and pay dividends as interim dividends. The Directors do not therefore recommend a final dividend. A fourth interim dividend** of 0.8988p was paid on 26 February 2010 to shareholders on the register at 5 February 2010.

**2 month period.

Principal Activity and Status

The Company is a Guernsey company and during the year carried on business as a property investment company.

Listing Requirements

Throughout the period the Company complied (and intends to continue to comply) with the conditions applicable to property investment companies set out in the Listing Rules.

Business Review

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate strategy, corporate governance, and risk management. Biographical details of the Directors, all of whom are non-executive, can be found on page 14.

Investment Policy

The Company's investment objective is to provide ordinary shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

As part of its strategy, the Board has contractually delegated the management of the property portfolio, and other services, to Ignis Investment Services Ltd, ("the Managers").

Investment risks are spread through the Company and its subsidiaries (the "Group") investing in a diversified portfolio of freehold and long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. The Group intends to invest in income producing investments. The Group will principally invest in three commercial property sectors: office, retail and industrial. The Group has not set any maximum geographic exposures within the UK nor any maximum weighting limits in the principal property sectors.

The Group is currently permitted to invest up to 15 per cent of its total assets in indirect property funds including in other listed investment companies. The Group is permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

Gearing, calculated as borrowings as a percentage of the Group's gross assets, may not exceed 65 per cent. It is the Board's current intention that borrowings will be limited to a maximum of 10 per cent. of the Group's net assets at the time of borrowings. The Board receives recommendations on gearing levels from the Managers and is responsible for setting the gearing range within which the Managers may operate. As at 31 December 2009 the Company had total borrowings of £42.1m, representing 5.8 per cent. of the year end net assets.

At each Board meeting, the Board receives a detailed presentation from the Managers together with a comprehensive analysis of the performance of the Company and compliance with the investment restrictions during the reporting period. An analysis of how the portfolio was invested as at 31 December 2009 is contained within the Managers' Review on pages 8 to 11 and a full portfolio listing is provided on page 13.

The Company's performance in meeting its objectives is measured against key performance indicators as set out on page 16. A review of the Company's returns during the year, the position of the Company at the end of the year, and the outlook for the coming year is contained in the Chairman's Statement and the Managers' Review.

Report of the Directors (Continued)

Principal Risks and Risk Uncertainties

The Company's assets consist of direct investments in UK commercial property. Its principal risks are therefore related to the commercial property market in general, but also the particular circumstances of the properties in which it is invested and their tenants. More detailed explanations of these risks and the way in which they are managed are contained under the headings of credit risk, liquidity risk and interest rate risk in note 16 to the accounts. The Managers also seek to mitigate these risks through continual review of the portfolio, active asset management initiatives, and carrying out due diligence work on potential tenants before entering into new lease agreements. All of the properties in the portfolio are insured.

Other risks faced by the Company include the following:

- Economic - inflation or deflation, economic recessions and movements in interest rates could affect property valuations, and also its bank borrowings.
- Strategic - incorrect strategy, including sector and property allocation and use of gearing, could all lead to poor returns for shareholders.
- Regulatory - breach of regulatory rules could lead to suspension of the Company's Stock Exchange Listing, financial penalties or a qualified audit report.
- Management and control - changes that cause the management and control of the Company to be exercised in the United Kingdom could lead to the Company becoming liable to United Kingdom taxation on income and capital gains.
- Financial - inadequate controls by the Managers or third party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- Operational - failure of the Managers' accounting systems or disruption to the Managers' business, or that of third party service providers, could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders' confidence.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's property portfolio and levels of gearing, and applies the principles detailed in the Turnbull Guidance. Details of the Company's internal controls are described in more detail on page 19.

Management of Assets and Shareholder Value

As stated above, the Board has contractually delegated the management of the investment portfolio to Ignis Investment Services Ltd.

The Company invests in properties which the Managers believe will generate a combination of long-term growth in income and capital for shareholders. Investment decisions are based on analysis of, amongst other things, prospects for future capital growth, sector and geographic prospects, tenant covenant strength, lease length and initial yield.

Investment risks are spread through investing in a range of geographical areas and sectors, and through letting properties to low risk tenants. A list of all the properties held as at 31 December 2009 is contained on page 13 and further analysis can be found in the Managers' Review. At each Board meeting, the Board receives a detailed presentation from the Managers together with a comprehensive analysis of the performance of the portfolio during the reporting period.

The Board and the Managers recognise the importance of managing the discount of share price to net asset value in enhancing shareholder value. One aspect of this involves marketing and, to this end, the Managers meet with current and potential new shareholders, and with stock broking analysts who cover the investment company sector, on a regular basis. In addition, communication of quarterly portfolio information is provided through the Company's website.

Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. The key performance indicators are as follows:

- Net asset value total return against the Investment Property Databank Balanced Monthly and Quarterly Funds Index.
- Premium/(Discount) of share price to net asset value.
- Dividend per share and dividend yield.
- Total expenses as a ratio of shareholders' funds.

These indicators for the year ended 31 December 2009 are set out on pages 3 and 4.

Directors

The Directors who held office during the period and their interests in the shares of the Company as at 31 December 2009 (all of which beneficial) were:

	As at 31 December 2009 25p Ordinary Shares held
Christopher Hill	20,000
Keith Dorrian	10,000
Christopher Fish	10,000
John Robertson	10,000
Andrew Wilson	20,000

There have been no changes in the above interests between 31 December 2009 and 29 March 2010.

The Directors are also Directors of UK Commercial Property Holdings Limited, UK Commercial Property GP Limited and UK Commercial Property Nominee limited, the Company's wholly owned subsidiary undertakings.

The Directors received the following emoluments in the form of fees:

	Year to 31 December 2009 (£)
Christopher Hill	33,750
Keith Dorrian	28,750
Christopher Fish	30,250
John Robertson	23,750
Andrew Wilson	28,750

The Directors are remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £200,000 per annum. The fees will be reviewed annually and may be increased in line with usual market rates. Mr Robertson's directors fees are payable to his employer Ignis Investment Services Limited.

The above table includes an additional one off fee of £5,000 paid to each of the Directors, excluding Mr J Robertson, in respect of additional services undertaken for the placing of 151,544,000 new 25p Ordinary Shares on 30 October 2009. This additional fee is included within the total launch costs associated with this share issue.

In accordance with the articles of association of the Company each of Mr K Dorrian, Mr J Robertson and Mr A Wilson retired by rotation and, being eligible, offered themselves for re-election at the Annual General Meeting held on 22 May 2009. Each of these Directors was duly re-elected at this Annual General Meeting.

There are no service contracts in existence between the Company and any Directors, but each of the Directors was appointed by a letter of appointment, which sets out the main terms of his appointment. The letters of appointment of the Directors are available for inspection at the Company's registered office during business hours and for fifteen minutes prior to the Annual General Meeting and at the meeting itself.

Management

Ignis Investment Services Limited provides management services to the Company. A summary of the contract between the Company and Ignis Investment Services Limited in respect of management services provided is given in note 2 to the accounts.

The Directors, other than Mr John Robertson, have considered the investment performance of the Company and the capability and resources of the Managers to deliver satisfactory investment performance. They also considered the length of the notice period of the investment management contract and the fees payable to the Managers, together with the standard of the other services provided.

Following this review, it is the Directors' opinion that the continuing appointment of the Managers on the terms agreed is in the interests of shareholders as a whole due to the strength and quality of the management team and the Managers' commitment to the sector.

Substantial Interests in Share Capital

At 29 March 2010 the following holdings, representing more than 3 per cent of the Company's issued share capital, had been notified to the Company.

	Number of Ordinary Shares Held (000's)	Percentage Held
Phoenix Life Limited	451,595	38.11%
Phoenix and London Assurance Limited	328,857	27.75%
State Street Nominees	48,078	4.06%
Nortrust Nominees	40,071	3.38%

Report of the Directors (Continued)

Corporate Governance

Guernsey does not have its own corporate governance code and, as a Guernsey registered company, the Company is not required to comply with the Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2008 ('the Code'). However, it is the Company's policy to comply with best practice on corporate governance that is applicable to investment companies.

Arrangements in respect of corporate governance have therefore been made by the Board, which it believes are appropriate for the Company. Except as disclosed in the following paragraph, the Company complied throughout the period with the provisions of the Code. Since all the Directors are non-executive, the provisions of the Code in respect of Directors' remuneration are not relevant to the Company, except in so far as they relate to non-executive Directors. Consequently there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders.

In view of its non-executive nature and the requirement of the Articles of Association, all the Directors, with the exception of John Robertson, retire by rotation at least every three years, the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by provision A.7.2 of the Code, nor for a Senior Independent Director to be appointed as recommended by provision A.3.3 of the Code. John Robertson as an Associated Director retires by rotation every year.

The Board consists solely of non-executive Directors of which Mr Christopher Hill is Chairman. All Directors, other than Mr John Robertson, are considered by the Board to be independent of the Company's Managers. New Directors receive an induction from the Managers and Secretary on joining the Board, and all Directors receive other relevant training as necessary.

The Company has no executive Directors or employees. A management agreement between the Company and its Managers, Ignis Investment Services Limited, sets out the matters over which the Managers have authority and the limits beyond which Board approval must be sought. All other 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.

The Audit Committee, chaired by Mr Christopher Fish, operates within clearly defined written terms of reference which are available on request and comprises all of the Directors other than Mr John Robertson. The duties of the Audit Committee in discharging its responsibilities include reviewing the Annual and Interim Accounts; the system of internal controls; and the terms of appointment of the auditors together with their remuneration.

It is also the forum through which the auditors report to the Board of Directors and meets at least twice a year. The objectivity of the auditors is reviewed by the Audit Committee which also reviews the terms under which the external auditors are appointed to perform non-audit services. The objectivity and independence of the auditors is safeguarded by obtaining assurances from the auditors that adequate policies and procedures exist within its firm to ensure the firm and its staff are independent of the Company by reason of family, finance, employment, investment and business relationships (other than in the normal course of the business) and enforcing a policy concerning the provision of non-audit services by the auditors which governs the types of work from which the additions are excluded. 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 £92,844 (2008: £29,231) for the year ended 31 December 2009 and related principally to the 30 October share issue, £73,050 of which was charged against reserves. The remaining 19,794 related to taxation services. The 2008 fees mainly related to taxation services. Notwithstanding such services, the Audit Committee considers Ernst & Young LLP to be independent of the Company.

Director Meetings Attendance Summary

	Board of Directors		Audit Committee		Management Engagement Committee	
	Held	Attended	Held	Attended	Held	Attended
C Hill	4	4	3	3	1	1
K Dorrian	4	4	3	3	1	1
C Fish	4	2	3	2	1	0
J Robertson	4	4	n/a	n/a	n/a	n/a
A Wilson	4	4	3	3	1	1

The table above sets out the number of Board and Committee meetings all held in Guernsey during the year and the number attended by each Director. In addition to the above, there were 16 ad hoc meetings held during the year.

The Management Engagement Committee comprises the full Board other than Mr John Robertson and reviews the appropriateness of the Managers' continuing appointment together with the terms and conditions thereof on a regular basis.

During the year the performance of the Board, committees and individual Directors were evaluated through an assessment process, led by the Chairman. The performance of the Chairman was evaluated by the other Directors. There have been no Directors appointed during the year.

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.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Investment Policy on page 15 and the Risk and Risk Uncertainties review on page16. In addition, Note 16 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

At both the Company and Group levels comprehensive going concern assessments have been performed. The Board have followed the Financial Reporting Council's "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" when performing their going concern assessments.

The assessments performed include review of the valuation and liquidity of investments as at the balance sheet date and of solvency and cash flow projections under both normal and stressed conditions. In addition the Company has no contingent liabilities.

Having thoroughly considered the going concern assessment the Board has concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Environmental Policy

The Managers acquire, develop and manage properties on behalf of the Company. It is recognised that these activities have both direct and indirect environmental impacts. The Board has endorsed the Managers' own environmental policy, which is to work in partnership with contractors, suppliers, tenants and consultants to minimise those impacts, seeking continuous improvements in environmental performance and conducting regular interviews.

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 issued by the Financial Reporting Council in October 2005.

Internal control procedures have been in place throughout the period and up to the date of approval of this Report, and the Board is satisfied with their effectiveness. These procedures are designed to manage rather than eliminate risk and, by their nature, can only 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 previous Board meeting to ensure that the Managers adhere to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines. In addition, at each 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 Managers and the Secretary, including their internal audit functions and the work carried out by the Company's external auditors, provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investments and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Relations with Shareholders

The Company welcomes the views of shareholders 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 Annual General Meeting of the Company provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Managers of the Company.

Report of the Directors (Continued)

Directors' Authority to Buy Back Shares

On 17 March 2009, the Company bought back 28,571,429 of its own Ordinary Shares of 25p at a price of 52.5p per share. These shares are held as Treasury Shares at the year end. The total number of shares currently being held in treasury is 41,445,142.

The Directors have authority to buy back up to 131,912,000 Ordinary Shares (being 14.99 per cent. of the number of Ordinary Shares in issue as at 22 May 2009 being the date on which such authority was granted by special resolution) and will seek annual renewal of this authority from Shareholders. Any buy back of Ordinary 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 Ordinary Shares will only be made through the market for cash at prices below the prevailing published net asset value of an Ordinary Share, (as last calculated), where the Directors believe such purchases will enhance shareholder value. Such purchases will also only be made in accordance with the rules of the UK Listing Authority which provide that the price to be paid must not be more than five per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made.

The Company may retain any shares bought back as treasury shares for future re-issue and re-sale, or transfer, or may cancel any such shares. During the period when the Company holds shares as treasury shares, the rights and obligations in respect of those shares may not be exercised or enforced by or against the Company. The maximum number of shares that can be held as treasury shares by the Company is 10 per cent of the aggregate nominal value of all issued Ordinary Shares. Ordinary Shares held as treasury shares will only be re-issued, re-sold, or transferred at prices which are not less than the published net asset value of an Ordinary Share.

It is the intention of Directors that the share buy back authority will be used to purchase Ordinary Shares, (subject to the income and cash flow requirements of the Company), if the share price of an Ordinary Share is more than 5 per cent. below the published net asset value for a continuous period of 90 dealing days or more. In the event that such discount is more than 5 per cent. for 90 dealing days or more, following the second anniversary of the Company's most recent continuation vote, (10 July 2009), the Directors will convene an extraordinary general meeting to be held within three months to consider an ordinary resolution for the continuation of the Company. If this continuation resolution is not passed, the Directors will convene a further extraordinary general meeting to be held within six months of the first extraordinary meeting to consider the winding up of the Company or a reconstruction of the Company which offers all Shareholders the opportunity to realise their investment. If any such continuation resolution is passed, this discount policy, save in respect of share buy backs, would not apply for a period of two years thereafter.

Issue of Ordinary Shares

On 30 October 2009 the Company issued 151,544,000 New Ordinary Shares of 25p. The total issued share capital of the Company at year end consists of 1,031,544,000 Ordinary Shares of 25p of which 41,445,142 are held in treasury. The total number of shares with voting rights at the year end is 990,098,858.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

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

Approved by the Board on 29 March 2010.

Christopher M.W. Hill
Director

Christopher Fish
Director

Directors’ Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable Guernsey law and those International Financial Reporting Standards as have been adopted by the European Union.

The Directors are required to prepare Group financial statements for each financial year which give a true and fair view of the financial position of the Group and the financial performance and cash flows of the Group for that period. In preparing those Group financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group’s financial position and financial performance; and
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

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

We confirm that to the best of our knowledge:

the Group financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

the Report of the Directors and Managers’ Review include a fair review of the developments and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Christopher M.W. Hill
Chairman
29 March 2010

Independent Auditors' Report to the Members of UK Commercial Property Trust Limited

We have audited the Group's financial statements for the year ended 31 December 2009 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the Company and Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors responsibilities for preparing the Report and Accounts for the year ended 31 December 2009, including the financial statements which are required to be prepared in accordance with applicable Guernsey law and with International Financial Reporting Standards as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view and are properly prepared in accordance with the Companies (Guernsey) Law 2008. We also report to you if, in our opinion the Company has not kept proper accounting records, if the Company's financial statements are not in agreement with the accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Report and Accounts for the year ended 31 December 2009 and consider whether it is consistent with the audited financial statements. This other information comprises the Company Summary, Financial and Property Highlights, Performance Summary, Chairman's Statement, Investment Management Team, Managers' Review, Portfolio Statistics, Property Portfolio, Board of Directors, Report of the Directors, Directors' Responsibility Statement, Notice of Annual General Meeting, Shareholder Information and Corporate Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union of the state of affairs of the Group as at 31 December 2009 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Guernsey) Law 2008.

Ernst & Young LLP
Guernsey
Channel Islands
29 March 2010

Consolidated Income Statement

For the year ended 31 December 2009

	Notes	Year ended 31 December 2009 £'000	Year ended to 31 December 2008 £'000
Income and gains			
Rental income		48,818	45,867
Gains/(losses) on investment properties	8	31,345	(176,090)
Interest revenue receivable		225	2,458
Total income and gains		80,388	(127,765)
Expenditure			
Investment management fee	2	(4,503)	(5,326)
Other expenses	3	(2,594)	(2,792)
Total expenditure		(7,097)	(8,118)
Net operating profit/(loss) before finance costs		73,291	(135,883)
Finance costs			
Finance costs	4	(155)	-
Net profit/(loss) from ordinary activities before taxation		73,136	(135,883)
Taxation on profit/loss on ordinary activities	5	-	-
Net profit/(loss) for the period		73,136	(135,883)
Basic and diluted earnings per share	7	8.40p	(15.67)p

The Company does not have any income or expense that is not included in the Profit for the year, and therefore the 'Profit for the year' is also the 'Total comprehensive income for the year', as defined in International Accounting Standard 1 (revised).

All of the profit and total comprehensive income for the year is attributable to the owners of the Company. All items in the above statement derive from continuing operations.

The accompanying notes are an integral part of this statement.

Consolidated Balance Sheet
As at 31 December 2009

	Notes	2009 £'000	2008 £'000
Non-current assets			
Investment properties	8	710,485	560,120
Current assets			
Trade and other receivables	10	5,181	5,125
Cash and cash equivalents		70,163	64,610
		75,344	69,735
Total assets		785,829	629,855
Current Liabilities			
Trade and other payables	11	(15,273)	(12,510)
Long Term Liabilities			
Bank loan	12	(41,919)	-
Total liabilities		(57,192)	(12,510)
Net assets		728,637	617,345
Represented by:			
Share capital	13	322,680	220,000
Share premium		-	267,952
Treasury Shares	13	(25,264)	(10,249)
Special reserve		646,307	386,073
Capital reserve		(215,096)	(246,441)
Revenue reserve		-	-
Equity Shareholders' funds		728,627	617,335
Minority interest		10	10
		728,637	617,345
Net asset value per share	14	73.6p	71.2p

The accounts on pages 23 to 36 were approved and authorised for issue by the Board of Directors on 29 March 2010 and signed on its behalf by:

Christopher M.W. Hill
Director

Christopher Fish
Director

The accompanying notes are an integral part of this statement.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Share Capital £'000	Share Premium Account £'000	Treasury Shares £'000	Special Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Minority Interest £'000	Total £'000
At 1 January 2009	220,000	267,952	(10,249)	386,073	(246,441)	-	10	617,345
Transfer*	-	(267,952)	-	267,952	-	-	-	-
Issue of Ordinary Shares	102,680	-	-	-	-	-	-	102,680
Issue Costs	-	-	-	(1,641)	-	-	-	(1,641)
Shares bought back and held in Treasury	-	-	(15,015)	-	-	-	-	(15,015)
Total comprehensive income for the year	-	-	-	-	-	73,136	-	73,136
Dividends paid	-	-	-	-	-	(47,868)	-	(47,868)
Transfer in respect of gains on investment properties	-	-	-	-	31,345	(31,345)	-	-
Transfer from special distributable reserve	-	-	-	(6,077)	-	6,077	-	-
At 31 December 2009	322,680	-	(25,264)	646,307	(215,096)	-	10	728,637

*Under current regulations there is no longer a requirement to maintain a Share Premium Account. The 2009 opening Share Premium Account balance has been transferred to Special Reserves. The proceeds from the Company's 30 October 2009 Share Issue has been credited to the Share Capital Account.

For the year ended 31 December 2008

	Share Capital £'000	Share Premium Account £'000	Treasury Shares £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Minority Interest £'000	Total £'000
At 1 January 2008	220,000	267,952	(10,249)	388,306	(70,351)	3,084	10	798,752
Total comprehensive income for the year	-	-	-	-	-	(135,883)	-	(135,883)
Dividends paid	-	-	-	-	-	(45,524)	-	(45,524)
Transfer in respect of losses on investment properties	-	-	-	-	(176,090)	176,090	-	-
Transfer from special distributable reserve	-	-	-	(2,233)	-	2,233	-	-
At 31 December 2008	220,000	267,952	(10,249)	386,073	(246,441)	-	10	617,345

The accompanying notes are an integral part of this statement.

Consolidated Cash Flow Statement

For the year ended 31 December 2009

	Year ended 31 December 2009 £'000	Year ended to 31 December 2008 £'000
Cash flows from operating activities		
Net operating profit/(loss) before tax for the year	73,136	(135,883)
Adjustments for:		
(Gains)/losses on investment properties	(31,345)	176,090
(Increase)/decrease in operating trade and other receivables	(56)	1,340
Increase/(decrease) in operating trade and other payables	2,763	(1,891)
Net cash inflow from operating activities	44,498	39,656
Cash flows from investing		
Purchase of investment properties	(176,595)	-
Sale of investment properties	60,265	42,587
Capital expenditure	(2,690)	(5,702)
Net cash (outflow)/inflow from investing activities	(119,020)	36,885
Cash flows from financing activities		
Proceeds from issue of Ordinary Shares	102,680	-
Net proceeds from utilisation of bank loan after set up costs	41,919	-
Issue costs of ordinary share capital	(1,641)	-
Share buyback	(15,015)	-
Dividends paid	(47,868)	(45,524)
Net cash inflow/(outflow) from financing activities	80,075	(45,524)
Opening cash and cash equivalents	64,610	33,593
Closing cash and cash equivalents	70,163	64,610

The accompanying notes are an integral part of this statement.

Notes to the Accounts

1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

(a) Basis of Accounting

The consolidated accounts have been prepared in accordance with International Financial Reporting Standard issued by, or adopted by, the International Accounting Standards Board (the IASB), interpretations issued by the International Financial Reporting Standards Committee that remain in effect, and to the extent that they have been adopted by the European Union, applicable legal and regulatory requirements of Guernsey law and the Listing rules of the UK Listing Authority.

Changes in accounting policies and disclosures

IAS1 (revised) Presentation of Financial Statements separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes, if any, in equity presented in a single line. In addition, the standard introduces the statements of comprehensive income. It presents all items of recognised income and expense, either in one single statement or in two linked statements. The Company has elected to present one single statement.

IFRS7 (amendment) financial instruments: disclosures, this amendment requires an entity to provide quantitative and qualitative analysis of those instruments recognised at fair value based on a three level measurement hierarchy. Furthermore, for those instruments which have significant unobservable inputs (classified as level 3), the amendment requires disclosures on the transfers into and out of level 3, a reconciliation of the opening and closing balances, total gains and losses for the period split between those recognised in other comprehensive income, purchases, sales issues and settlements, and sensitivity analysis of reasonably possible changes in assumptions. In addition, disclosure is required of the movements between different levels of the fair value hierarchy and the reason for those movements. Finally, the standard amends the previous liquidity risk disclosures as required under IFRS7 for non-derivative and derivative financial liabilities.

IFRS 8 operating segments which became effective for periods commencing on or after 1 January 2009 requires disclosure on the financial performance of the Group's operating segments. The Group has only one operating segment being property investment in the United Kingdom.

(b) Basis of Consolidation

The consolidated accounts comprise the accounts of the Company and its subsidiaries drawn up to 31 December each year. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(c) Functional and Presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in pounds sterling, which is the Group's presentational currency. All figures in the financial statements are rounded to the nearest thousand.

(d) Revenue Recognition

Rental income, excluding VAT, arising on investment properties is accounted for in the Income Statement on a straight line basis over the lease term of ongoing leases. Surrender lease premiums paid are required to be recorded as a current asset and amortised over the period from the date of the lease commencement to the earliest termination date. Interest income is accounted on an accruals basis.

(e) Expenses

Expenses are accounted for on an accruals basis. The Group's investment management and administration fees, finance costs and all other expenses are charged through the Income Statement.

(f) Taxation

The exempt status for Category D companies has been abolished and the standard rate of income tax for Guernsey companies reduced to zero per cent. However, the Company is still able to continue to apply for tax exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as a category B collective investment vehicle, as will its subsidiaries. A fixed annual fee of £600 is payable to the States of Guernsey in respect of this exemption. Capital gains are not taxable in Guernsey.

The Directors intend to conduct the Group's affairs such that the management and control is not exercised in the United Kingdom and so neither the Company nor any of its subsidiaries carries on any trade in the United Kingdom. Accordingly, the Company and its subsidiaries will not be liable for United Kingdom taxation on their income or gains other than certain income deriving from a United Kingdom source.

The Company and its subsidiaries are subject to United Kingdom income tax on income arising on the property portfolio after deduction of its allowable debt financing costs and other allowable expenses.

(g)Investment Properties

Investment properties are initially recognised at cost, being the fair value of consideration given, including transaction costs associated with the investment property. 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 property.

After initial recognition, investment properties are measured at fair value, with unrealised gains and losses recognised in the Income Statement and transferred to the Capital Reserve. Fair value is based on the open market valuation provided by CB Richard Ellis Limited, chartered surveyors, at the Balance Sheet date.

On derecognition, realised gains and losses on disposals of investment properties are recognised in the Income Statement and transferred to the Capital Reserve.

Notes to the Accounts (Continued)

Recognition and derecognition occurs on the exchange of signed contracts between a willing buyer and a willing seller.

(h) Share Issue Expenses

Incremental external costs directly attributable to the issue of shares that would otherwise have been avoided are written off to reserves.

(i) Segmental Reporting

The Directors are of the opinion that the Group is engaged in a single segment of business being property investment in the United Kingdom.

(j) Cash and Cash Equivalents

Cash in banks and short term deposits that are held to maturity are carried at cost. Cash and cash equivalents consist of cash in hand and short term deposits in banks with an original maturity of three months or less.

(k) Trade and Other Receivables

Trade receivables, which are generally due for settlement at the relevant quarter end are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(l) Reserves

Special Reserve
The special reserve is a distributable reserve to be used for all purposes permitted under Guernsey law, including the buyback of shares and the payment of dividends.

Capital Reserve
The following are accounted for in this reserve:

- gains and losses on the disposal of investment properties
- increases and decreases in the fair value of investment properties held at the year end

Revenue Reserve
Any surplus arising from the net profit on ordinary activities after taxation and payment of dividends is taken to this reserve, with any deficit charged to the special reserve.

Share Premium
Any premium arising from the issue of Ordinary Shares of 25 pence each up to 31 December 2008 is credited to this account.

Treasury Share Reserve
This represents the cost of shares bought back by the Company and held in Treasury.

(m) Interest-bearing borrowings

All bank loans and borrowings are initially recognised at cost, being their fair value of the considerations received net of arrangement costs associated with the borrowing. After initial recognition, all interest bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any loan arrangement costs and any discount or premium on settlement.

On maturity, bank loans are recognised at par, which is equivalent to amortised cost. Bank loans redeemed before maturity are recognised at amortised cost with any charges associated with early redemptions being taken to the income statement.

(n) New standards not applied

The following new standards have been issued but they are not effective for this accounting period and have not been early adopted:

- IFRS3 (Revised) business combinations and IAS 27 (Amended) Consolidated and Separate Financial Statements are effective prospectively for business combinations affected in financial periods beginning on or after 1 July 2009. IFRS 3 Revised introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.
  IAS27 requires that a change in the ownership interest of a subsidiary (without loss of control) to be accounted for as an equity transaction. Therefore, such a transaction would no longer give rise to goodwill, nor give rise to a gain or loss.
- IAS17 Leases- amendment
  Effective for financial periods beginning on or after 1 January 2010. This amendment deletes much of the existing wording in the standard to the effect all leases of land (where title does not pass) were operating leases. The amendment requires that in determining whether the lease of land (either separately or in combination with other property) is an operating or a finance lease, the same criteria are applied as for any other asset. This may have the impact in the future that more leases of land will be treated as finance leases rather than operating leases.
- IAS39 Financial instruments: Recognition and Measurement- Eligible Hedged Items. This amendment was issued in July 2008 and is effective for financial years beginning on or after 1 July 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations.
- IFRS9 – Financial Instruments- becomes effective for accounting periods commencing on or after 1/1/2013. This represents the first in a 3 part project to replace IAS39 "Financial Instruments: Recognition & Measurement".The objective of this standard is to enhance the ability of investors and other users of financial information to understand the accounting of financial assets and reduce complexity.
- IAS24 – Related Party Disclosures- The International Accounting Standards Board revised IAS 24 in Nov 2009 by:

  (a) simplifying the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.

  (b) providing a partial exemption from the disclosure requirements for government-related entities.

In making those revisions, the Board did not reconsider the fundamental approach to related party disclosures contained in IAS 24 (as revised in 2003).

The Group does not consider that the future adoption of International Financial Reporting Standards, in the form currently available, will have any material impact on the financial statements presented.

2. Fees

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Investment management fee	4,503	5,326

Investment management fee

The Company's Investment Managers, Ignis Investment Services Limited, receive an aggregate annual fee from the Group at an annual rate of 0.75 per cent of the of the Total Assets, less the amount of the Group's borrowings, plus an amount calculated at the rate of 0.50 per cent, of the value of the assets of the Group represented by borrowings. The Investment Manager is also entitled to an administration fee of £107,670 per annum (which will increase annually in line with inflation) (see note 3). Both fees are payable quarterly in arrears. The fees of any managing agents appointed by the Investment Managers will be payable out of the Investment Management fee. The Investment Management agreement is terminable by any of the parties to it on 12 months' notice.

3. Other expenses

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Direct operating expenses of let property	942	1,103
Valuation and other professional fees	834	883
Bad debt provision	49	115
Directors' fees*	125	105
Administration fee	107	105
Facility Fees	148	104
Administrator/Co. Secretary fees	55	60
Regulatory fees	70	48
Auditors' remuneration for:**		
Statutory audit	43	39
Tax services	20	29
Other	201	201
	2,594	2,792

*As set out on Page 17, other than Mr Robertson, the Directors received an additional £5,000 each in relation to the 30 October 2009 Share Issue. This £20,000 was charged to reserves as part of launch costs for said share issue.

**As set out on page 18, total non audit fees for 2009 were £92,844, £73,050 of which was charged to reserves as part of the October 2009 share issue launch costs.

4. Finance costs

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Loan Interest	83	-
Amortisation of set up Fees	72	-
	155	-

5. Taxation

UK Commercial Property Trust Limited owns two Guernsey tax exempt subsidiaries, UK Commercial Property GP Limited and UK Commercial Property Holdings Limited. The two subsidiaries are partners in a Guernsey Limited Partnership and own a Jersey Property Unit Trust. Both the Partnership and UK Commercial Property Holdings Limited own a portfolio of UK properties and derived rental income from those properties. As both the Partnership and Trust property holding entities are considered tax transparent in the UK, their taxable results are taxed in the two subsidiaries. Both are liable to UK income tax at the rate of 20 per cent on their respective net rental income.

A reconciliation of the income tax charge applicable to the results from ordinary activities at the statutory income tax rate to the charge for the year is as follows:

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Net profit/(loss) before tax	73,136	(135,883)
UK income tax at a rate of 20 per cent (2008: 20.5 per cent)	14,627	(27,856)
Effect of:		
Capital (gains)/losses on revaluation of investment properties not taxable	(9,092)	33,760
Capital losses realised not taxable	2,823	2,339
Income not taxable	(45)	(504)
Inter company loan interest	(9,032)	(9,281)
Expenditure not allowed for income tax purposes (including set up costs)	538	1,169
Deferred tax asset not provided for	181	373
Total tax charge	-	-

The Group has not recognised a deferred tax asset of £12,223,000 arising as a result of the tax loss carried forward. This will only be utilised if the Group has profits chargeable to income tax in the future.

6. Dividends

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Dividends on Ordinary Shares:		
Fourth interim of 1.3125p per share paid 27 February 2009	11,381	-
First Interim of 1.3125p per share paid 29 May 2009 (2008:1.31p)	11,006	11,381
Second interim of 1.3125p per share paid 28 August 2009 (2008:1.31p)	11,006	11,381
Third interim of 1.7262p per share paid 30 November 2009 (2008:1.31p)	14,475	11,381
Sixth interim of 1.3125p per share paid on 29 February 2008	-	11,381
	47,868	45,524

A fourth interim dividend of 0.8988p was paid on 26 February 2010 to shareholders on the register on 12 February 2010. Although this payment relates to the year ended 31 December 2009, under International Financial Reporting Standards it will be accounted for in the year ending 31 December 2010.

7. Basic and diluted Earning per Share

The earnings per share are based on the net profit for the year of £73,136,000 (2008:£(135,883,000)) and on 870,582,609 (2008:867,126,287) Ordinary Shares, being the weighted average number of shares in issue during the year. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

8. Investment Properties

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Freehold and Leasehold properties		
Opening Valuation	560,120	773,095
Purchases at cost	176,595	-
Capital Expenditure	2,690	5,702
Fair value adjustments	28,110	(173,892)
Disposals	(57,030)	(44,785)
Closing Valuation	710,485	560,120
Gains/(losses) on investment properties at fair value comprise		
Fair value adjustments	28,110	(173,892)
Gains/(losses) on disposals	3,235	(2,198)
	31,345	(176,090)

Gains/(losses) on investment property disposals	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Original Cost of investment properties sold	(74,381)	(53,995)
Sale Proceeds	60,265	42,587
Losses on Investment Properties sold	(14,116)	(11,408)
Recognised in previous periods	(17,351)	(9,210)
Recognised in current period	3,235	(2,198)
	(14,116)	(11,408)

CB Richard Ellis Limited completed a valuation of Group investment properties at 31 December 2009 on an open market basis in accordance with the requirements of the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, which is deemed to equate to fair value. Fair value is determined by reference to market based evidence, which is the amounts for which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms length transaction as at the valuation date. The market value of these investment properties amounted to £710,485,000 (2008: £560,120,000) which is also the fair value.

The property valuer is external to the Group. The property valuer takes account of deleterious materials included in the construction of the investment properties in arriving at its estimate of open market valuation when the Investment Managers advise of the presence of such materials. The Group has entered into leases on its property portfolio as lessor (See note 18 for further information). No one property accounts for more than 15 per cent of the gross assets of the Group. All leasehold properties have more than 60 years remaining on the lease term. There are no restrictions on the realisability of the Group's investment properties or on the remittance of income or proceeds of disposal. However, the Group's investments comprise UK commercial property, which may be difficult to realise. Property and property related assets are inherently difficult to value due to the individual nature of such property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where the actual sales occur shortly after the valuation date.

In addition to the above, the property portfolio market value as at 31 December 2009 is partly based on the following:

- The Estimated Net Annual Rent for each property, which is based on the current rental value of each of the properties, which reflects the terms of the leases where the property, or part of the property, are let at the date of valuation. If the property, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent the valuer considers would be obtainable on an open market letting as at the date of valuation
- The valuer has assumed that all rent reviews are upward only and are to be assessed by reference to full current rents. Also there is the assumption that all tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge.
- The valuer has not made any adjustments to reflect any liability to taxation that may arise on disposal, nor any costs associated with disposals incurred by the owner.
- The valuer assumes an initial yield in the region of 5 to 7% for the majority of the properties, with the reversionary yield being in the region of 7%.

The majority of the leases are on a full repairing basis and as such the Group is not liable for costs in respect of repairs, maintenance or enhancements to its investment properties.

Included within the total market value of the property portfolio, are;

Units in the Kensington High Street Jersey Property Unit Trust which holds the property at Kensington High Street, London. 99.5 per cent of the units in this Unit Trust are held by UKCPT Limited Partnership and 0.5 per cent is held by UK Commercial Property Holdings limited.

Units in the Kew Jersey Property Unit Trust which holds the property at Kew Retail Park, Richmond. 58 per cent of the units in this Trust are held by UKCPT Limited Partnership and 42 per cent is held by UK Commercial Property Holdings Limited.

Units in the W-S-M Jersey Property Unit Trust which holds the property at Weston-super-Mare. 99.5 per cent of the units in this Trust are held by UK Commercial Property Holdings Limited and 0.5 per cent is held by UKCPT Limited Partnership.

9. Investment in Subsidiary Undertakings

The Company owns 100 per cent of the issued ordinary share capital of UK Commercial Property Holdings Limited (UKCPH), a Company incorporated in Guernsey whose principal business is that of an investment and property company.

In addition to its investment in the shares of UKCPH, the Company had lent £277.8 million on 28 February 2007 and £115.1 million on 30 October 2009 to UKCPH, all of which remains outstanding as at 31 December 2009. These loans are repayable in 2016 and are unsecured. Interest is payable quarterly in arrears at a fixed rate of 6.7 per cent per annum and 5.99 per cent per annum respectively, compounded on a quarterly basis. Total interest on these loans for the year amounted to £19.5 million (2008: £18.7 million), of which £3.7 million (2008: £3.4 million) remained payable as at 31 December 2009.

The Company owns 100 per cent of the issued share capital of UK Commercial Property GP Limited, (GP), a Company incorporated in Guernsey whose principal business is that of an investment and property company.

UKCPT Limited Partnership, (GLP), is a Guernsey limited partnership, and it holds the properties comprised in the initial property portfolio. UKCPH and GP, have a partnership interest of 98.99 and 1 per cent respectively in the GLP. The remaining 0.01 per cent partnership interest is held by The Droit Purpose Trust, which is a Jersey purpose trust. The GP is the general partner and UKCPH is a limited partner of the GLP.

The Company had lent £406 million on 22 September 2006 and £0.2 million on 30 October 2009 to the GLP, £391.2 million of which remains outstanding as at 31 December 2009 (the GLP made a capital repayment of £15 million in March 2009). These loans are repayable in 2016 and are unsecured. Interest is payable quarterly in arrears at a fixed rate of 6.5 per cent per annum and 5.99 per cent per annum respectively, compounded on a quarterly basis. Total interest on this loan for the year amounted to £25.4 million (2008: £26.5 million), of which £6.4 million (2008: £6.7 million) remained payable as at 31 December 2009.

10. Trade and Other Receivables

	2009 £'000	2008 £'000
Rents receivable (net of provision for bad debts)	1,644	898
Other debtors and prepayments	3,537	4,227
	5,181	5,125

Rents receivable, which are generally due for settlement at the relevant quarter end are recognised and carried at the original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

11. Trade and Other Payables

	2009 £'000	2008 £'000
Rental income received in advance	12,478	10,120
Investment Managers' fee payable	1,334	1,160
VAT payable	1,048	1,055
Other payables	413	175
	15,273	12,510

The Group's payment policy is to ensure settlement of supplier invoices in accordance with stated terms.

12. Bank loan

	2009 £'000	2008 £'000
Facility	80,000	80,000
Drawn Down	42,100	-
Set Up Costs	(336)	-
Accumulated amortisation of set up costs	72	-
Accrued variable rate interest on bank loan	83	-
Total due	41,919	-

The Company has a 7 year £80 million facility with Lloyds Banking Group plc, of which £42.1 million is drawn down. As at 31 December 2009 the effective interest was 1.15%.

The bank loan is secured on the property portfolio of the Group. Under bank covenants related to the loan the Company is to ensure that at all times:

- The loan to value percentage does not exceed 50 per cent (this is defined as the ratio of the loan compared to the aggregate of the open market property valuations plus any cash deposits);
- The qualifying adjusted net rental income for any calculation period (any 3 month period) is not less than 175 per cent of the projected finance costs for that period;
- No single tenant accounts for more than 30 per cent of the total net rental income;
- The five largest tenants do not account for more than 50 per cent of total net rental income;
- No single property accounts for more than 25 per cent of the gross secured asset value (this is defined as the sum of the value of the properties as stated in the latest valuations plus any cash deposits);

The Company met the covenant tests during the year.

Interest is payable by the Company at a rate equal to the aggregate of LIBOR, mandatory costs of the Bank and a margin. The applicable margin depends on the ratio of all loans made available to the Company (under the Bank Facility or otherwise) to the "Gross Assets Value", expressed as a percentage (the "LTV Percentage"). "Gross Assets Value" takes onto account the value of the properties and any other assets held by the Company and the Guarantors (currently UK Commercial Property Holdings Limited, UK Commercial Property GP Limited and UKCPT Limited Partnership) as well as unsecured cash, if the LTV Percentage is greater than 5 per cent. and does not exceed 10 per cent., the margin is 0.55 per cent. per annum. If the LTV Percentage is greater than 10 per cent. and does not exceed 40 per cent., the margin is 0.60 per cent. per annum. If the LTV Percentage is greater than 40 per cent. and does not exceed 50 per cent., the margin is 0.70 per cent. per annum.

On 4 March 2010 the Company entered into an interest rate swap agreement with Lloyds which set the interest rate at 3.55% on the £42.1m loan.

13. Share capital accounts

	2009 £'000	2008 £'000
Authorised share capital		
1,400,000,000 Ordinary Shares of 25 pence each	350,000	350,000
Share capital		
880,000,000 Ordinary Shares of 25 pence each	220,000	220,000
151,544,000 Ordinary Shares of 25 pence each issued on 30 October 2009	102,680	-
Share capital as at 31 December	322,680	220,000
(number of shares in issue at the year end being 1,031,544,000)		
Treasury shares		
As at 31 December 2008, 12,873,713 Ordinary Shares of 25 pence each	(10,249)	(10,249)
17 March 2009 share buyback of 28,571,429 Ordinary Shares of 25 pence each	(15,015)	-
Balance in Treasury account as at 31 December	(25,264)	(10,249)
(number of shares held in treasury being 41,445,142 Ordinary Shares of 25 pence each at the 31 December 2009)		

Total issue costs, including stamp duty land tax of £5,696,000 for the 30 October 2009 placing amounted to £7.3 million, which was in line with what was stated in the prospectus. Except for the stamp duty land tax (which has been included in purchases at cost for the year) this has been charged in full against the Special Reserve.

14. Net Asset Value per Share

The net asset value per ordinary share is based on net assets of £728,627,000 (2008: £617,335,000) and 990,098,858 (2008: 867,126,287) Ordinary Shares, being the number of Ordinary Shares in issue at the year end.

15. Related Party Transactions

No Director has an interest in any transactions which are or were unusual in their nature or significant to the nature of the Group.

Ignis Investment Services Limited received fees for its services as investment managers. Further details are provided in notes 2 and 3. The total management fee charge to the income statement during the year was £4,503,000 (2008: £5,326,000) of which £1,334,000 (2008:1,160,000) remained payable at the year end. The investment manager also receives an administration fee of £107,000 (2008: £105,000) per annum, of which £27,000 (2008: £26,500) remained payable at the year end.

The Directors of the Company received fees for their services. Further details are provided in the report of the Directors on page 17. Total fees for the year were £145,250 (2008:£105,000) none of which remained payable at the year end, (2008: nil). As noted in the report of the Directors Mr Robertson's fees are paid directly to Ignis Investment Services Limited.

The Company has various intercompany loans in place with fellow group entities, details of which are set out in note 9 of these accounts.

16. Financial Instruments

The Group's investment objective is to provide Ordinary Shareholders with an attractive level of income together with the potential for income and capital growth from investing in a diversified UK commercial property portfolio.

Consistent with that objective, the Group holds UK commercial property investments. In addition, the Group's financial instruments consist of cash, receivables and payables that arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing its risk exposure. These policies are summarised below and remained unchanged during the year.

Fair values

The fair value of financial assets and liabilities is not different from the carrying value in the financial statements.

Market risk

A 10 per cent increase in the value of the investment properties held as at 31 December 2009 would have increase net assets available to shareholders and increased the net profit by £71.0 million (2008 £56.0 million). A 10 per cent decrease in value would have reduced net assets available to shareholders and reduced the net profit by £71.0 million (2008: £56.0 million).

The calculations above are based on investment property valuations at the respective balance sheet dates and are not representative of the year as a whole, nor reflective of future market conditions.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group.

At the reporting date, the maturity of the Group's financial assets was:

Financial Assets 2009	3 months or less £'000	More than 3 months but less than one year £'000	More than one year £'000	Total £'000
Cash	70,163	-	-	70,163
Rent receivable	1,644	-	-	1,644
Other debtors	23	-	508	531
	71,830	-	508	72,338

Financial Assets 2008	3 months or less £'000	More than 3 months but less than one year £'000	More than one year £'000	Total £'000
Cash	64,610	-	-	64,610
Rent receivable	898	-	-	898
Other debtors	600	53	497	1,150
	66,108	53	497	66,658

In the event of default by an occupational tenant, the Group will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property until it is re-let. The Board receives regular reports on concentrations of risk and any tenants in arrears. The Managers monitor such reports in order to anticipate and minimise the impact of defaults by occupational tenants.

The Company has a diversified tenant portfolio. The maximum credit risk from the rent receivables of the Group at 31 December 2009 is £1,644,000 (2008: £898,000). The Group holds rental deposits of £508,000 (2008: £425,000) held as collateral against tenant arrears/defaults. There is no credit risk associated with the financial liabilities of the Group.

All of the cash is placed with financial institutions with a credit rating of A or above. Bankruptcy or insolvency may cause the Group's ability to access cash placed on deposit to be delayed or limited. Should the credit quality or the financial position of the banks currently employed significantly deteriorate, the Manager would move the cash holdings to another financial institution.

There are no significant concentrations of credit risk within the Group.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments.

The Group's investments comprise UK commercial property. 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 substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date

The Group's liquidity risk is managed on an ongoing basis by the Managers and monitored on a quarterly basis by the Board.

In certain circumstances, the terms of the Group's bank loan entitles the lender to require early repayment, and in such circumstances the Group's ability to maintain dividend levels and the net asset value attributable to the ordinary shares could be adversely affected. As at 31 December 2009 the cash balance was £70,163,000 (2008:£64,610,000).

At the reporting date, the maturity of the Group's liabilities was:

Financial Liabilities 2009	3 months or less	More than 3 months but less than one year	More than one year	Total
	£'000	£'000	£'000	£'000
Bank loan	121	362	44,251	44,734
Other Creditors	12,255	1,416	508	14,179
	12,376	1,778	44,759	58,913

Financial Liabilities 2008	3 months or less	More than 3 months but less than one year	More than one year	Total
	£'000	£'000	£'000	£'000
Other Creditors	9,960	1,059	436	11,455

Interest rate risk

The cash balance as shown in the Balance Sheet, is its carrying amount and has a maturity of less than 1 year.

Interest is receivable on cash at a variable rate ranging between 0.2 per cent to 0.5 per cent at the year end and deposits are re-priced at intervals of less than one year.

An increase of 1 per cent in interest rates as at the reporting date would have increased the reported profit by £280,000 (2008: reduced the reported loss by £646,000). A decrease of 1 per cent would have reduced the reported profit by £280,000 (2008: increased the reported loss by £646,000). The effect on equity is nil (excluding the impact of a charge in retained earnings as a result of a change in net profit).

The other financial assets and liabilities of Group are non-interest bearing and are therefore not subject to interest rate risk.

Foreign Currency Risk

There was no foreign currency risk as at 31 December 2009 or 31 December 2008 as assets and liabilities of the Group are maintained in pounds Sterling.

Capital Management Policies

The Group's capital is managed in accordance with investment policy which is to hold a diversified property portfolio of freehold and long leasehold UK commercial properties. The Group intends to invest in income producing investments. The Group will principally invest in three commercial property sectors: office, retail and industrial. The Group will be permitted to invest up to 15 per cent. of its Total Assets in indirect property funds but will not invest in other listed investment companies. The Group will be permitted to invest cash, held by it for working capital purposes and awaiting investments, in cash deposits, gilts and money market funds.

The Group's capital balances are set out on page 25 and are regarded as the Group's equity and net funds.

17. Capital Commitments

The Company has committed to spend approximately £16 million on the redevelopment of the Swindon property as at 31 December 2009.

18. Lease Length

The Group leases out its investment properties under operating leases.

The future annual income based on the unexpired lessor lease length at the year end was as follows (based on total rentals):

	31 December 2009 £'000	31 December 2008 £'000
Less than one year	1,619	452
Between one and five years	50,480	37,282
Over five years	484,794	482,036
Total	536,893	519,770

The largest single tenant at the year end accounted for 7.68 per cent (2008: 9.57 per cent) of the current annual rental income.

The unoccupied property expressed as a percentage of estimated total rental value was 2.45 per cent (2008: 3.25 per cent) at the year end.

The Group has entered into commercial property leases on its investment property portfolio. These properties, held under operating leases, are measured under the fair value model as the properties are held to earn rentals. The majority of these non-cancellable leases have remaining non-cancellable lease terms of between 5 and 15 years.

Analysis of the nature of investment properties and leases are provided in 'Portfolio Statistics' on page 12.

19. Service charge

A summary of the service charge during the year is as follows

	2009 £'000	2008 £'000
Total service charge expenditure incurred	4,437	3,940
Total service charge billed to tenants	3,506	3,716
Service charge billed to the Group in respect of void units	351	396
Service charge due (to)/from tenants as at 31 December	185	185

The Companys' managing agents Jones Lang LaSalle manage service charge accounts for all the Companys' properties. The Company pays the service charge on any vacant units. Service charges on rental properties are recharged to tenants.

20. Post Balance Sheet Events

On 11 February 2010 the Company issued 195,000,000 Ordinary Shares of 25p each at a price of 77.1p per share. Following this the total issued share capital of the Company is 1,226,544,000 Ordinary Shares of 25p per share. The total number of shares with voting rights after the issue is 1,185,098,858.

On 4 March 2010 the Company entered into an interest rate swap agreement with Lloyds Bank Group plc which set the interest rate at 3.55% on the current £42.1 million loan with the same bank.

Following the announcement on 18 March 2010 the company has completed the purchase of 3 shopping centres, the Riverside Shopping Centre and Riverside Medical Centre, the Charles Darwin Centre and the Pride Hill Shopping Centre which are all located in Shrewsbury for an aggregate purchase price of over £61 million.

On 25 March 2010 the Company completed the purchase of J27 Retail Park, Leeds for £56.6 million.

Notice of Annual General Meeting

Notice is hereby given that the third Annual General Meeting of UK Commercial Property Trust Limited will be convened at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL on 4 June 2010 at 10am for the following purposes. To consider and, if thought fit, pass the following as an Ordinary Resolution:

1. To approve and adopt the Annual Report and Accounts of the Company for the year ended 31 December 2009.
2. To re-elect Ernst & Young LLP as Auditors to the Company until the conclusion of the next Annual General Meeting.
3. To authorise the Directors to determine the Auditors remuneration.
4. To re-elect Mr Hill as a Director of the Company.
5. To re-elect Mr Fish as a Director of the Company.
6. To re-elect Mr Robertson as a Director of the Company

Special Resolutions

1. To increase the limit on aggregate Directors' remuneration by amending Article 79(1) of the Articles of Association and Part 6 Section 3.10(i) of the Prospectus dated January 2010 by the deletion of the figure "200,000" and the substitution of the figure "300,000".

2. THAT, pursuant to section 2(1) of the Companies (Transitional Provisions) Regulations, 2008 the Memorandum of Incorporation of the Company be altered, so that the limit of the authorised share capital of the Company of £350,000,000 be cancelled, by the deletion of paragraph 5 in its entirety and its replacement with the following new paragraph 5:

   "The Company may issue an unlimited number of shares of £0.25 each.".

3. To consider and, if thought fit, pass the following as a Special Resolution:
   That the Company, be authorised in accordance with section 315 of The Companies (Guernsey) Law, 2008, as amended, (the 'Law') to make market acquisitions within the meaning of section 316(I) of the law of its own ordinary shares of 25p each ("shares") (either for retention as treasury shares for future resale of transfer or cancellation), provided that:

(i) the maximum number of Shares hereby authorised to be acquired shall be equal to 14.99 per cent. of the Company's issued share capital on the date on which this resolution is passed;

(ii) the minimum price (exclusive of expenses) which may be paid for a Share is 25p, being the nominal value per share;

(iii) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to 105 per cent. of the average of the middle market quotations for a Share taken from the London Stock Exchange's Daily Official List for the five business days immediately preceding the day on which the Share is purchased;

(iv) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2011 or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed prior to such time; and

(v) the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract.

Notes:

1. A member who is entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, speak and vote instead of him or her. A proxy need not be a member of the Company.

2. More than one proxy may be appointed provided each proxy is appointed to exercise the rights attached to different shares.

3. A form of proxy is enclosed for use at the Meeting. The form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, so as to reach Computershare Investor Services (CI) Limited, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW not later than 10am on 2 June 2010.

4. Completing and returning a form of proxy will not prevent a member from attending in person at the Meeting and voting should he or she so wish.

5. To have the right to attend and vote at the Meeting (and also for the purposes of calculating how many votes a member may cast on a poll) a member must first have his or her name entered on the register of members not later than 2 June 2010. Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend and vote at such Meeting.

6. The Directors' letters of appointment will be available for inspection for fifteen minutes prior to the Annual General Meeting and during the meeting itself.

7. Copies of the Articles of Association of the Company will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) until the close of the Annual General Meeting at the registered office of the Company.

8. As at 29 March 2010, the latest practicable date prior to publication of this document, the Company had 1,185,098,858 ordinary shares in issue with a total of 1,185,098,858 voting rights.

9. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.

By order of the Board
Northern Trust International Fund
Administration
Services (Guernsey) Limited
Secretary
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL
Date 29 March 2010

Shareholder Information

Dividends

It is the Directors' intention in line with the Company's investment objective to pay an attractive level of dividend income to shareholders on a quarterly basis. The Directors intend to set the proposed level of dividend after taking into account the long term income return of the Property Portfolio, the diversity and covenant strength of the tenants and the length of the leases of the Properties. In accordance with typical accounting policies for investment companies, the Directors expect that they will effectively charge a proportion of the Group's expenses to capital. Dividends will not be paid out of surpluses arising on the realisation of investments.

Dividends on the Ordinary Shares are expected to be paid in equal instalments quarterly in respect of each financial year in May, August, November and February. All dividends will be paid as interim dividends.

Ordinary dividends are paid quarterly in May, August, November and February each year. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL on request. Where dividends are paid directly to shareholders' bank accounts, dividend tax vouchers are sent directly to shareholders' registered addresses.

Share Price

The Company's Ordinary Shares are listed on the London Stock Exchange. Prices are given daily in the Financial Times under "Investment Companies".

Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL under the signature of the registered holder.

Shareholder Enquiries

Contact Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL. Additional information regarding the Company may also be found at its website address which is: www.ukcpt.co.uk

Financial Calendar 20010/11

26 February 2010	Payment of sixth interim dividend
March 2010	Announcement of annual results/Posting of Annual Report
22 May 2010	Annual General Meeting
May 2010	Payment of first interim dividend
August 2010	Payment of second interim dividend
August 2010	Posting of Interim Report
November 2010	Payment of third interim dividend
February 2011	Payment of fourth interim dividend
March 2011	Announcement of annual results/Posting of Annual Report

Corporate Information

Directors (all non-executive)

Christopher Hill (Chairman)
Keith Dorrian
Christopher Fish
John Robertson
Andrew Wilson

Registered Office

Trafalgar Court
Les Banques
St Peter Port
Guernsey

Registered Number

45387

Administrator, Secretary and Registrar

Northern Trust International Fund Administration Services
(Guernsey) Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

Investment Manager

Ignis Investment Services Limited
50 Bothwell Street
Glasgow G2 6HR

Property Valuer

CB Richard Ellis Limited
St Martin's Court
10 Paternoster Row
London EC4M 7HP

Independent Auditors

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

Guernsey Legal Advisors

Ozannes
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP

UK Legal Advisors and Sponsor

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Principal Banker

The Royal Bank of Scotland plc
2 $^{1}/_{2}$ Devonshire Square
London EC2M 4XJ

Principal Lender

Lloyds Banking Group
Henry Duncan House
120 George Street
Edinburgh EH2 4LH

Marketing Adviser

G&N Collective Funds Services Ltd
14 Alva Street
Edinburgh EH2 4QG

Corporate broker

JP Morgan Cazenove
10 Aldermanbury
London EC2V 7RF

Website

www.ukcpt.co.uk

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