

UK COMMERCIAL PROPERTY TRUST LIMITED

Report and Accounts for the period 24 August 2006
(Date of Incorporation) to 31 December 2007

176/206 Kensington High Street, London, W8



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in UK Commercial Property Trust Limited, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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, and currently has no borrowing.

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

The Group

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

Both subsidiaries, UK Commercial Property Holdings Limited and UK Commercial Property GP Limited, are incorporated in Guernsey and their principal businesses are that of an investment and property company.

The limited partnership, UKCPT Limited Partnership, 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 UK commercial property portfolio. The investment policy of the Company is set out on page 15.

Management

At launch the Board appointed Resolution Investment Services Ltd as Investment Managers. The investment management agreement is for a fixed initial two year period ending on 22 September 2008 and, with effect from 22 September 2007, is terminable by any of the parties to it on 12 months notice. Further details of the management contract are provided in the Notes to the Accounts.

ISA/PEP Status

The Company's shares are eligible for ISA and PEP transfers.

Website

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

Great Lodge Retail Park, Tunbridge Wells



Financial Highlights

- Annual dividend yield of 7.55 per cent based on the period end share price.
- Total dividend paid to date per Ordinary Share of 6.70p for the period to 31 December 2007.
- The average unexpired lease term of the property portfolio is ten years and eight months.
- Voids are at 2.99 per cent.
- Currently no borrowing/gearing to date.
- Property portfolio ranked in top quartile for covenant strength in the independent IPD Rental Information Service.

Charter Place, Uxbridge



Performance Summary

Capital Values & Returns	31 December 2007	22 September 2006	% Change since launch†
Total assets less current liabilities (£'000)	798,752	515,015	
Shares in issue ('000)*	867,126	530,000	
Net asset value per share (p)**	90.79	97.17	(6.57)
Ordinary Share Price (p)	69.50	100.00	(30.50)
(Discount)/Premium to net asset value	(23.45)%	2.91%	
Total Return			% from launch to 31 December 2007†
Net asset value per share			(6.57)
Total dividends per share declared to date***			6.90
Total return per share			0.33
Investment Property Databank Balanced Monthly & Quarterly Funds Index (% total return)			(0.55)
FTSE All-Share Index return			0.95
Earnings and Dividends			31 December 2007
Earnings per ordinary share (p)			(3.71)
Dividends paid per ordinary share (p)			6.70
Dividend yield			7.55%
Total Expense Ratio			
As a percentage of average total assets less current liabilities^			0.83%

† Based on launch NAV of 97.17p.

* On the 22 September 2006 530m Ordinary Shares of 25p each were issued at £1.00 per share.
On the 1 March 2007 350m Ordinary Shares of 25p each were issued at £1.03 per share.
During Q4 2007 12,873,713 Ordinary Shares of 25p each were bought back and held in Treasury.

** Net of cost of all dividends paid/declared.

*** Includes dividend declared February 2008 – see note 6.

^ Annualised for 2007.

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

Chairman's Statement

I am pleased to present the first annual report of the Company for the period from 24 August 2006 (date of incorporation) to 31 December 2007.

Property Market

This extended initial accounting period has seen radically contrasting fortunes for the UK Commercial Property sector. The initial period was characterised by a continuation of the optimism that had been seen in recent years. The "tipping point" seems to have come during the second half of 2007 when the general market worries over inflation and increasing interest rates began to erode investor confidence. The US sub-prime problems which made headlines in July and August 2007 and the subsequent credit crunch fallout impacted investor confidence and translated to falls in value across all investment sectors.

The FTSE All Share index fell 13% from its 2007 high in June and the IPD capital index was down almost 12% over the same period to 31 December 2007. The falls afflicting the commercial property sector and open end property funds in particular appeared to disregard the positive rental income and dividend aspects and the price performance of the latter failed to differentiate between funds with highly geared and riskier profiles and those with no gearing.

Corporate Activity

The Company commenced activities on 22 September 2006 with a successful share issue of 530 million Ordinary Shares of 25 pence each at an issue price of £1.00 per Ordinary Share which allowed the Company to acquire an initial property portfolio of 20 properties. This initial portfolio had an aggregate market value of £497.8 million at the time of acquisition.

On the 1 March 2007 the Company had a further share issue of 350 million Ordinary Shares of 25 pence each. These shares were issued at a price of £1.03 per Ordinary Share. As a result of this share issue a further 10 properties were acquired which had an aggregate market value of £350.4 million at that time. This allowed further diversification of the portfolio by adding more central London offices and industrial assets, which had a positive impact on the income of the Company.

In October 2007 the Company announced that it would be convening an EGM to consider a Continuation Resolution in accordance with the terms of the launch prospectus due to the shares trading at a discount of greater than 5 per cent for 90 continuous days. At the meeting in December the Continuation vote was approved with 99.76 per cent of shareholders voting in favour.

Share Buy Backs

Consistent with sentiment in the general UK commercial property market and the sector's closed end funds, the share price of the Company suffered in the second half of 2007. In line with the Prospectus which states it was the intention of the Directors to

buy back shares, (subject to the income and cash flow requirements of the Company), if the market price of a share was more than five per cent below the published net asset value per share for a continuous period of 20 dealing days or more, the Company announced on 28 August 2007 that the Directors intended to start buying back shares. At 31 December 2007 the cumulative number of shares bought back was 12,873,713 at a total cost of £10.25 million. These shares are being held as Treasury shares. The result of this buy back programme was to increase the net asset value per share by approximately 0.3 pence per share. No further shares have been bought back since the period end. Your 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 cashflows and development and asset management opportunities as they arise and will carefully monitor the effectiveness of the programme.

As at 31 December 2007 Resolution plc and its subsidiaries held 75.97 per cent of the issued shares. The UK Listing Authority has agreed that the amount of the Company's shares held in public hands must be a minimum of 20 per cent of the issued share capital. However it should be stressed that this minimum should not be taken as an indication of any specific target level for share buy backs.

NAV/Share Price Performance

The unaudited Net Asset Value per Ordinary Share (calculated under International Financial Standards and adjusted for the provision of dividend declarations) for the period to 31 December 2007 was as follows:

Date	NAV (p)	Share Price (p)	Premium/ (Discount) %
22 September 2006 (launch)	97.17	100.00	2.91
31 December 2006	100.11	105.50	5.38
30 March 2007	100.90	102.00	1.09
29 June 2007	102.10	86.50	(15.27)
30 September 2007	98.63	84.00	(14.83)
31 December 2007	90.79	69.50	(23.45)

The share price performance over the period has been disappointing and reflects the falls across the sector more than the correction in capital values that impacted the NAV per share of the Company. The fall of 6.6 per cent in the NAV over the period against the fall in share price of 30 per cent highlights the disconnection between individual company valuations and market wide price revisions that occurred in Q4 2007.

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

Chairman's Statement (Continued)

Borrowing

As at 31 December 2007 the Company had no borrowing in place. The Company is in discussions with a number of lenders with a view to having borrowing facilities in place up to the maximum limit of 10 per cent of the Group's net assets as stated in the Prospectus issued in September 2006. Should the Board take the view that a level of gearing beyond 10 per cent is appropriate, shareholders would, of course, be consulted. It is the Board and Manager's intention to monitor opportunities in the market carefully for investment opportunities and to continue with the use of share buy backs through the utilisation of existing cash resources and any appropriate debt facility to enhance returns to shareholders.

Dividends

The Company has declared and paid the following dividends in respect of the financial period:

	Ex Dividend Date	Pay Date	Dividend Rate (p)
1st Interim	21 Feb 2007	9 Mar 2007	1.4500
2nd Interim	21 Feb 2007	31 May 2007	0.8604
3rd Interim	9 May 2007	31 May 2007	0.4521
4th Interim	15 Aug 2007	31 Aug 2007	1.3125
5th Interim	14 Nov 2007	30 Nov 2007	1.3125
6th Interim	15 Feb 2008	29 Feb 2008	1.3125
			6.7000

On 6 February 2008 the Company declared a 6th Interim Dividend of 1.3125p per Ordinary Share with an ex-dividend date of 15 February 2008, payable on 29 February 2008.

It is pleasing to report that the Company was able to deliver dividends over the period in accordance with the aim stated in the prospectus published in September 2006. It is the Board's intention to look to maintain this level of dividend.

Outlook

As is now clear, the UK commercial property market turned sharply negative in the later part of the summer of 2007 with reported prices now being achieved some 10 to 15 per cent below summer 2007 valuations. There is however anecdotal evidence that the market is finding a new equilibrium level at which purchasers are willing to re-enter the market. Consequently, transaction activity levels are beginning to pick up, albeit from a base level lower than 12 months ago.

Your Board believes that those companies that have the flexibility through low or nil gearing, with positive cash balances and the attendant potential to gear up, will be best placed to take advantage of any opportunities that present themselves over the coming months.

Annual General Meeting

The Company's first Annual General Meeting was held on 14 March 2008. At that Annual General Meeting, all your Directors offered themselves for re-election and were re-elected by shareholders. In addition, shareholders voted to renew the Company's share buy back authority and to approve the change to the Company's investment policy to permit the Company and its subsidiaries to invest up to 15 per cent of the Group's total assets in indirect property funds, including other listed investment companies. Full details of these resolutions were set out in the circular to shareholders dated 22 February 2008 convening the AGM.

Shareholders also approved at the AGM a resolution to adjourn the AGM to allow shareholders to consider and, if thought appropriate, vote to receive these annual reports and accounts at the date of the reconvened meeting. The notice at the end of these annual reports and accounts gives notice reconvening the AGM for 16 May 2008 to consider one resolution to receive the reports and accounts for the financial period to 31 December 2007. As explained in the circular convening the original AGM, it is not uncommon for a Company, incorporated in Guernsey, in its first financial period to be required by law to hold its first AGM prior to the publication of the first period end reports and accounts and to convene a subsequent meeting to consider the accounts. In respect of subsequent years, it is expected that the Company's annual reports and accounts will be dispatched with the notice convening its AGM.

Christopher W. Hill
Chairman
2 April 2008

Investment Managers



Gary Hutcheson, Sheila Miller & Robert Boag

Resolution Investment Services Limited (“RIS”) is a leading asset manager and currently has approximately £58 billion of assets under management.

RIS 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. RIS 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 £2.9 billion.

GARY HUTCHESON BSc Dip Prop Inv. MRICS – Deputy Head of Property

Investment Experience: 25 years

Gary, who is the lead manager of the Company, graduated from the University of Paisley in 1983 with a degree in Land Economics qualifying as a Chartered Surveyor in 1984. He obtained considerable experience in retail property development and investment with Norwich Union and Bredero Properties plc. He joined Resolution Investment Services Limited in October 1991 and gained his post-graduate Diploma in Property Investment from Reading University in 1996.

ROBERT BOAG BSc MRICS – Senior Asset Manager (Property)

Investment Experience: 22 years

Robert 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 property asset/investment manager throughout the UK with Scottish Metropolitan and Haslemere Estates. He joined Resolution Investment Services Limited in January 2006.

SHEILA MILLER MA (Hons) MSc MRICS – Asset Manager (Property)

Investment Experience: 1 year

Sheila graduated from the University of Glasgow in 1996 with a Master of Arts (honours) degree in English Literature and Media Studies. She then went on to study at University of Paisley where she obtained an MSc in Urban Property Appraisal in 1997. Following on from her studies, Sheila began her career in 1997 as a Surveyor within the professional team at Jones Lang LaSalle and joined DTZ Debenham Tie Leung in 2000 as a Surveyor within the retail agency department. Sheila joined Resolution Investment Services Limited in 2007. She is a member of the Royal Institution of Chartered Surveyors.

**5/7 Chancery Lane,
London, WC1**



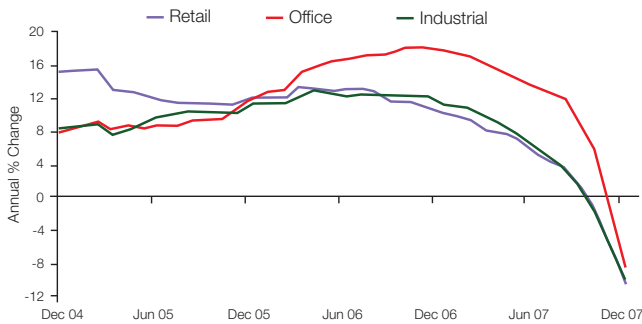
Managers' Review

Investment Market

The second half of 2007 marked one of the most dramatic and swift capital declines for the property market since the IPD benchmark was established. The total return for the Company's benchmark (IPD Balanced Monthly & Quarterly Funds) for the 12 months to end December 2007 was -4.1 per cent.

Over the course of quarter 3 and quarter 4 2007 the 3 month capital declines in IPD's Monthly Index were -2.2% and -9.7% respectively. These returns occurred despite rental growth in the underlying stocks of 1.7% over the same period.

Capital Growth



Source: CB Richard Ellis Index, December 2007.

The graph above is produced by CBRE (taken from their UK Monthly Index) and paints a similar picture to that produced by all of the major property indices, that is one of a rapid price correction for the market from which few, if any, direct property investors were immune.

Not even "favoured markets" escaped the rapid market turnaround. In quarter 4 2007, Central London Offices capital values in the IPD Balanced Monthly Index fell by 12.1%.

Occupational Market

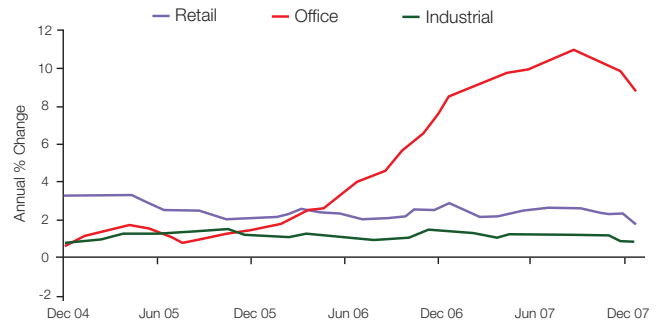
Over the past 2-3 year period, Central London has been the driver of rental growth in the property market. Anecdotal evidence suggests that there are the first signs of a slow down in this market.

In 2007 rental growth in the West End was up to 17.0 per cent (CBRE data). Current forecasts for the West End market vary significantly, but all point to a significant slow down in tenant demand. With available stock levels of 4.3 per cent (Jones Lang LaSalle Central London Market Report Quarter 4 2007), and modest development activity anticipated in the West End, limited rental growth is expected in the short term.

Conversely, the City's rental correction may be more dramatic as the pendulum of demand and supply swings firmly in favour of tenants from 2008 onwards and the credit crunch impacts on employment levels.

Without the driver of Central London office rental growth, rental growth for the property market generally is expected to slow significantly (1.0% to 2.0% anticipated by Capital Economics).

Rental Growth



Source: CB Richard Ellis Index, December 2007.

The Parade, Swindon



Portfolio Performance

The Company's underlying direct portfolio value has reduced over the course of quarter 3 and quarter 4 2007.

As part of the Company's revised reporting procedures, a detailed breakdown of the movement in capital value is now reported in the quarterly NAV Announcement by the Company.

The movement in capital value is outlined in the graph below.

UKCPT Capital Value Shift % over Q4 2007



Source: CB Richard Ellis Index, December 2007.

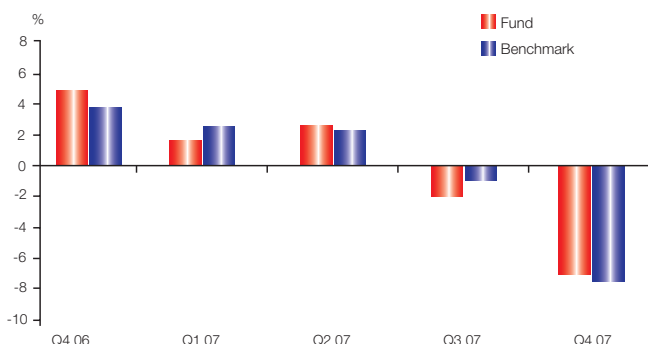
Over the course of quarter 4, the Company's portfolio produced a total return of -7.1 per cent.

The income return for the quarter was 1.3 per cent. This was, however, offset by a portfolio capital decline of -8.4 per cent.

As the chart above demonstrates, the worst performing sub-sector of the portfolio over quarter 4 2007 was West End offices with a capital decline of -13.07 per cent. Over the period since launch, the Company's portfolio produced a total return of -0.5 per cent versus the IPD Monthly Index return of -2.0 per cent for the same period.

Set out below are the quarterly returns for 2007 in comparison with the IPD benchmark.

UKCPT Total Returns Q4 06 to Q4 07 vs Benchmark



Notes

(1) Benchmark adopted for Q4 2006 to Q4 2007 is the IPD Balanced Monthly and Quarterly Funds.

Investment Activity

The Company has continued its strategy of selling out of its smaller retail stocks. The parade at Uxbridge High St has now been sold.

Over the course of 2007/2008 the Manager disposed of 6 assets and raised £20.63m for reinvestment in the portfolio.

Asset	Price Achieved £m
Disposals	
87 Princes Street, Edinburgh	4.40
88 Princes Street, Edinburgh	6.70
5/12 High Street, Uxbridge	3.34
60/61 Vine Street, Uxbridge	1.72
16/17 High Street, Uxbridge	0.97
21/23 High Street, Uxbridge (2008)	3.50
Purchases	
37A Bridge Street, Swindon	0.67

Property Portfolio

The property portfolio was significantly enlarged as a consequence of the share issue and property acquired in February 2007.

As detailed to investors at the time, the assets acquired in February supported the income return to the portfolio in the early years. In addition to this, a significant number of the stated asset management initiatives have been realised. Some of these are highlighted in the Asset Management section of this report. Looking forward, the largest anticipated tenant break/expiry within the portfolio, due in 2009, will not now be exercised. Instead, a rent review will be triggered in September 2008. Under the conservative assumptions of the financial model produced to investors at launch in 2006, this income was assumed to fall away in 2007. A number of other lease engineering initiatives are currently under way which again will help strengthen the portfolio's income return.

Since launch, the Company has maintained the covenant strength and long income qualities of the portfolio. (See Portfolio Statistics on page 12).

Managers' Review (Continued)

Asset Management Activity

Over the period a total of 18 lettings have been completed adding £2.74 million to the Company's income stream after the expiry of rent free periods and representing an approximate increase of 7.75 per cent over the estimated rental value. As a consequence, the total void rate has reduced from 8.09 per cent to 2.99 per cent since launch.

The main focus of this letting activity has been at No. 9 Colmore Row in Birmingham where at the time of the Company's launch the property was 77 per cent vacant representing approximately 55 per cent of the overall portfolio estimated rental value, ("ERV"), being £1.3 million. Only two floors remain vacant representing about 23 per cent of overall portfolio ERV, with positive interest being shown in both floors.

In Marlow, the Company agreed a new intermediate lease for a town centre supermarket. This asset management initiative had a positive impact on the value of the property and discussions continue with the tenant over further asset management opportunities.

In June 2007 the Company completed the restructure of five leases at Charter Place, Uxbridge a 155,000 sq ft office building. As a result of this restructure one of the largest tenants is committed to this building until at least December 2012.

One further notable event has been the appointment of Shearer Property Group ("SPG"), a retail development specialist, as development manager for the redevelopment of a department store at the Parade, Swindon. In conjunction with SPG, the Company is shortly to submit a planning application for a new 45,000 sq ft department store and six retail units totalling approx 46,000 sq ft.

The Company continues to adopt an active approach to asset management and, notwithstanding the difficult investment market, we remain confident in identifying and implementing a number of other asset management initiatives in 2008, all with a view to improving the Company's income stream.



13 Great Marlborough Street, London, W1

Investment Market Outlook

Forecasts tend to vary most in times of uncertainty and the property market is no exception in this respect.

As if to demonstrate the speed of the current correction, the IPF's anticipated return for 2007, based on the November 2007 forecast was +1.8 per cent. As is now clear, the eventual figure for 2007 is in a range of -3.9 to -5.5 per cent depending upon which IPD benchmark is selected.

The outlook in the short term is for a further drift in investment yields through the first half of 2008. Whilst it is widely anticipated that interest rates will fall, lending margins have increased limiting the capacity for debt driven investors to re-enter the market to a meaningful degree. Consequently, equivalent yields (the yield to redemption) for the IPD Monthly and Quarterly Index could reach 6.75 to 7.00 per cent over the course of the first six months of 2008. This implies total returns for direct property are again in negative territory in 2008. The Managers' current "house view" for 2008 total returns for the market is -5.0 per cent.

From 2009 onwards, returns are likely to be driven by a modest, positive, yield re-rating and asset management activity. Rental growth is however anticipated to slow from its current level of 2.8 per cent (IPD Monthly December 2007 quarterly annualised rental growth figure), as the Central London drivers slow down. The Managers' "house view" is for returns to turn positive in 2009 based principally on counter-balancing influences of a limited rental decline off-setting a positive yield re-rating leaving investors with an income return of 6.0 to 6.5 per cent.

Strategy

The Company's portfolio can be characterised as:

- Long income
- Relatively prime
- Low voids
- A number of asset management opportunities
- Mixed portfolio with an office emphasis

Portfolio activity in 2008 will be concentrated on re-engineering short income and disposal of one or two "drier" assets together with the potential refurbishment of the Company's Swindon shopping centre asset.

Gearing

There is no borrowing within the Company.

Gary Hutcheson

Investment Manager
Resolution Investment Services Limited
2 April 2008

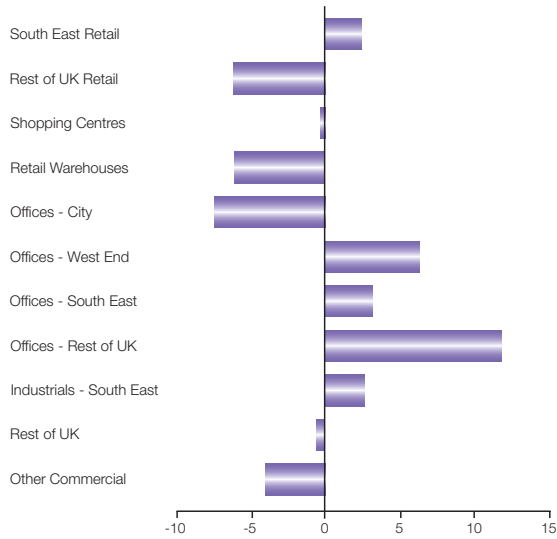
Argos Unit, Lutterworth



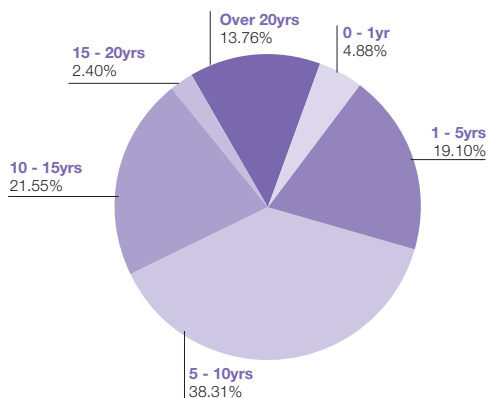
Portfolio Statistics

Sub-sector vs IPD (Balanced Monthly & Quarterly Index) at 31st December 2007

Relative Fund structure – Per cent of period end Capital Value



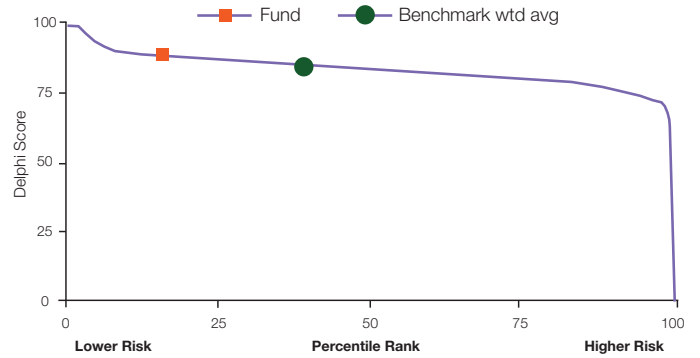
Lease Expiry Profile as at 31st December 2007



Average unexpired lease term – 10 yrs 8 months

Source: Resolution Asset Management – Dec 07

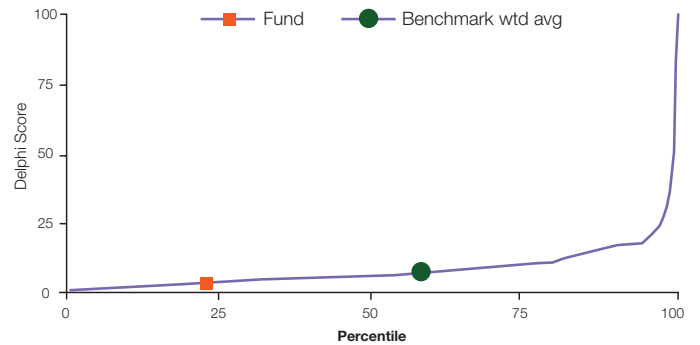
Income Credit Rating



Source: IPD Iris – Dec 2007

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.

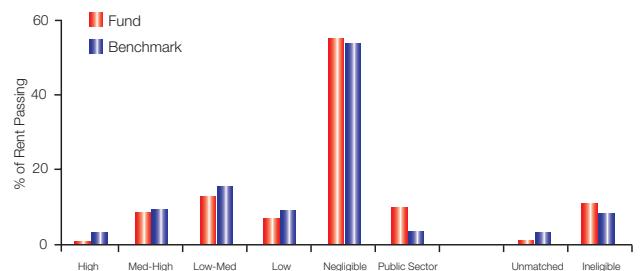
Vacancy rate



Source: IPD Iris – Dec 2007

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

% 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 Public Sector, no risk.

Property Portfolio

as at 31 December 2007

Property	Value Range £
The Parade, Swindon Great Lodge Retail Park, Tunbridge Wells, Charter Place, Uxbridge 176/206 Kensington High Street, London, W8 5/7 Chancery Lane, London, WC1 Dolphin Estate, Sunbury on Thames Ocado Distribution Unit, Hatfield Business Area, Hatfield 15 Great Marlborough Street, London, W1	Over £30m
Argos Unit, Magna Park, Lutterworth Plot CDO4D, Temple Quay, Bristol Colmore Court, Birmingham Temple Quay, Bristol 81/85 George Street, Edinburgh Broadbridge Retail Park, Horsham Brackmills, Northampton Pall Mall Court, Manchester Network House and Meadowside, Hemel Hempstead 3/7 King William Street, London, EC4 109-119 Queen Street, Cardiff	£20m - £30m
1 Brunel Way, Slough 13 Great Marlborough Street, London, W1 6 Arlington Street, London, SW1 Bracton House, 34/36 High Holborn, London, WC1 14-22 West Street, Marlow	£10m - £20m
Freshford House, Bristol Knaves Beech Industrial Estate, Loudwater	£5m - £10m
21-23 High Street, Uxbridge WCA Building, Bristol	Up to £5m

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) (55). 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 (61). 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 Babcock and Brown 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 (62). 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 and is Chairman of Teesland Advantage Property Income Trust Limited, a property investment company which is listed in London, and a director of other listed funds.



John Robertson (55). 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 Resolution Investment Services Limited with responsibility for the risk,

compliance and internal audit departments. He is a current director of several hedge funds, including Resolution World Sector Fund Limited, which is listed on the Irish Stock Exchange. He is also a director of Resolution International Funds plc and Resolution Alternative Funds plc, both 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 (53). 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 group for the period ended 31 December 2007.

Results and Dividends

The results for the period are set out in the attached accounts. The Company has paid interim dividends related to the period ended 31 December 2007 as follows:

	Payment date	Rate per share
First interim	March 2007	1.45p
Second interim	May 2007	0.8604p
Third interim	May 2007	0.4521p
Fourth interim	August 2007	1.3125p
Fifth interim	November 2007	1.3125p

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 sixth interim dividend of 1.3125p was paid on 29 February 2008 to shareholders on the register on 15 February 2008.

Principal Activity and Status

The Company is a Guernsey company and during the period 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 Resolution 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. There is no gearing within the Company.

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 2007 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 period, the position of the Company at the end of the period, and the outlook for the coming period 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 15 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.
- **Strategic** - incorrect strategy, including sector and property allocation and use of possible 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 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 Resolution 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 2007 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.
- 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 period ended 31 December 2007 are set in the financial highlights on page 3.

Directors

The Directors who held office during the period and their interests in the shares of the Company as at 31 December 2007 (all of which beneficial) were:

As at 31 December 2007 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 has been no changes in the above interests between 31 December 2007 and 2 April 2008.

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

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

24 August 2006 to 31 December 2007 (£)

Christopher Hill	38,904
Keith Dorrian	32,068
Christopher Fish	32,068
John Robertson	32,068
Andrew Wilson	32,068

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 £170,000 for the financial period ended 31 December 2007, and £150,000 per annum thereafter. The fees will be reviewed annually and may be increased in line with usual market rates. The above table includes an additional one off fee of £5,000 paid to each of the Directors, in respect of additional services undertaken for the placing of 350,000,000 new 25p Ordinary Shares on 1 March 2007. This additional fee is included within the total launch costs associated with this share issue. Mr Robertson's directors fees are payable to his employer Resolution Investment Services Limited.

In accordance with the articles of association of the Company each of Mr C Hill, Mr K Dorrian, Mr C Fish, 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 14 March 2008. Each of the Directors was duly re-elected at the 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

Resolution Investment Services Limited provides management services to the Company. A summary of the contract between the Company and Resolution 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. It 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 2 April 2008 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 and London Assurance Limited	348,760	40.2%
Phoenix Life Limited	309,898	35.7%
State Street Nominees	26,784	3.1%

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 2006 ('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 that all Directors 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.

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, Resolution 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 once 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 £371,670 for the period ended 31 December 2007 and related principally to the two share issues, for which £352,000 was charged against launch costs. Notwithstanding such services, the Audit Committee considers Ernst & Young LLP to be independent of the Company.

During the period 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.

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

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

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.

Director Meetings Attendance Summary

	Board of Directors		Audit Committee	
	Held	Attended	Held	Attended
C Hill	8	8	2	2
K Dorrian	8	8	2	2
C Fish	8	8	2	2
J Robertson	8	8	n/a	n/a
A Wilson	8	8	2	2

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

The Directors have authority to buy back up to 14.99 per cent of the Company's Ordinary Shares in issue as at 14 March 2008, (867,126,287 Ordinary shares), 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 in accordance with the statement in relation to share buy backs in the Company's prospectus. 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 the 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 20 dealing days or more. In the event that such discount is more than 5 per cent, for 90 dealing days or more, 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.

On the 28 August 2007 the Directors announced that it intended to use this share buy back authority to purchase shares as the market price of a share was more than 5 per cent below the published net asset value of a share for a continuous period of 20 dealing days or more. Following the publication of the interim financial statements in early September 2007 the Company commenced a program of share buy backs. The Company purchased 12,873,713 Ordinary Shares of 25 pence each for a total cost of £10.3 million, during the period. These shares are being held as treasury shares at the period end, (see note 12).

As a result of the above, on the 19 December 2007 the Directors convened an Extraordinary General Meeting (EGM) to consider the continuation of the Company. The resolution to approve the continuation of the Company was passed with 99.76 per cent of votes in favour.

The Directors do not intend to convene another extraordinary general meeting to consider the continuation of the Company unless the shares trade at a discount of over 5 per cent, calculated as described above, for 90 dealing days or more following the first anniversary of the EGM held on 19 December 2007.

Directors' Recommendation

The directors considered each resolution being proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders as a whole and they unanimously recommended that all shareholders vote in favour of them, as they intended to do in respect of their own beneficial holdings of shares which amounted in aggregate to 70,000 shares representing approximately 0.01 per cent of the current issued share capital of the Company.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment was approved at the Annual General Meeting held on 14 March 2008.

Approved by the Board on 2 April 2008

Christopher W. Hill

Director

Christopher Fish

Director

Directors' Responsibility Statement

The Directors are responsible for preparing consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year and which are in accordance with applicable laws. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law 1994. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report

to the Members of UK Commercial Property Trust Limited

We have audited the Group's financial statements for the period ended 31 December 2007 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 18. 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 64 of the Companies (Guernsey) Law 1994. 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 are responsible for preparing the Report and accounts for the period ended 31 December 2007, including the financial statements which are required to be prepared in accordance with applicable Guernsey law as 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, give a true and fair view and are properly prepared in accordance with the Companies (Guernsey) Law 1994. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Report and Accounts for the period ended 31 December 2007 and consider whether it is consistent with the audited financial statements. This other information comprises the Company Summary, Financial Highlights, Performance Summary, Chairman's Statement, Investment Managers, Managers' Review, Portfolio Statistics, Property Portfolio, Board of Directors, Report of the Directors, 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, of the state of affairs of the Group as at 31 December 2007 and of its loss for the period then ended and have been properly prepared in accordance with the Companies (Guernsey) Law 1994.

Ernst & Young LLP
Guernsey
Channel Islands
2 April 2008

Consolidated Income Statement

For the period 24 August 2006 to 31 December 2007

	Notes	£'000
Revenue		
Rental income		50,898
Losses on investment properties	8	(70,351)
Interest revenue receivable		2,358
Total income		(17,095)
Expenditure		
Investment management fee	2	(7,240)
Other expenses	3	(3,664)
Total Expenditure		(10,904)
Net operating loss before finance costs		(27,999)
Net finance costs		
Finance costs	4	(107)
Net loss from ordinary activities before taxation		(28,106)
Taxation on loss on ordinary activities	5	-
Net loss for the period		(28,106)
(Earnings) per share	7	(3.71)p

The accompanying notes are an integral part of this statement.

Consolidated Balance Sheet

As at 31 December 2007

	Notes	£'000
Non-current assets		
Investment properties	8	773,095
		773,095
Current assets		
Trade and other receivables	10	6,465
Cash and cash equivalents		33,593
		40,058
Total assets		813,153
Current Liabilities		
Trade and other payables	11	(14,401)
Total liabilities		(14,401)
Net assets		798,752
Represented by:		
Share capital	12	220,000
Share premium	12	267,952
Treasury Shares	12	(10,249)
Special distributable reserve		388,306
Capital reserve		(70,351)
Revenue reserve		3,084
Equity Shareholders' funds		798,742
Minority interest		10
		798,752
Net asset value per share	13	92.1p

The accounts on pages 23 to 34 were approved and authorised for issue by the Board of Directors on 2 April 2008 and signed on its behalf by:

Christopher W. Hill

Director

Christopher Fish

Director

The accompanying notes are an integral part of this statement.

Consolidated Statement of Changes in Equity

For the period 24 August 2006 to 31 December 2007

	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
Issue of Ordinary Shares	220,000	670,500	-	-	-	-	-	890,500
Issue Costs	-	(12,733)	-	(1,509)	-	-	-	(14,242)
Conversion of Share Premium Account	-	(389,815)	-	389,815	-	-	-	-
Shares bought back and held in Treasury	-	-	(10,249)	-	-	-	-	(10,249)
Minority Interest	-	-	-	-	-	-	10	10
Net loss for the period	-	-	-	-	-	(28,106)	-	(28,106)
Dividends paid	-	-	-	-	-	(39,161)	-	(39,161)
Transfer in respect of losses on investment properties	-	-	-	-	(70,351)	70,351	-	-
At 31 December 2007	220,000	267,952	(10,249)	388,306	(70,351)	3,084	10	798,752

The accompanying notes are an integral part of this statement.

Consolidated Cash Flow Statement

For the period 24 August 2006 to 31 December 2007

	£'000
Cash flows from operating activities	
Net operating loss for the period before finance costs	(27,999)
Adjustments for:	
Losses on investment properties	70,351
(Increase) in operating trade and other receivables	(6,465)
Increase in operating trade and other payables	14,401
	50,288
Loan interest paid	(107)
Net cash inflow from operating activities	50,181
Cash flows from investing	
Purchase of investment properties	(859,657)
Sale of investment properties	17,124
Capital expenditure	(913)
Net cash outflow from investing activities	(843,446)
Cash flows from financing activities	
Proceeds from issue of Ordinary Shares	890,500
Issue costs of ordinary share capital	(14,242)
Share buyback	(10,249)
Minority interest	10
Dividends paid	(39,161)
Net cash inflow from financing activities	826,858
Closing cash and cash equivalents	33,593

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 period, is set out below.

(a) Basis of Accounting

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards issued by, or adopted by, the International Accounting Standards Board (the IASB), interpretations issued by the International Financial Reporting Standards Committee, applicable legal and regulatory requirements of Guernsey law and the Listing Rules of the UK Listing Authority.

(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 functional and 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 Company is exempt from Guernsey taxation on dividend income derived outside Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. A fixed annual fee of £600 is payable to the States of Guernsey in respect of this exemption. No charge to Guernsey taxation will arise on capital gains.

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 at fair value through profit or loss

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.

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 against the Share Premium Account and the Special Distributable Reserve.

(i) Segmental Reporting

The Directors are of the opinion that the Group is engaged in a single segment of business being property investment business and in one geographical area, 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.

Notes to the Accounts (Continued)

(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 is credited to this account.

Treasury Share Reserve

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

(m) 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:

In August 2005, the IASB issued IFRS 7 Financial Instruments: Disclosures which became effective for periods commencing on or after 1 January 2007. The standard requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements of IAS 32 Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks. The Group will apply IFRS 7 for its accounting period commencing 1 January 2008.

In November 2006, the IASB issued IFRS 8 Operating Segments which becomes effective for periods commencing on or after 1 January 2009. This standard requires disclosure on the

financial performance of the Group's operating segments. The Group will apply IFRS 8 for its accounting period commencing 1 January 2009.

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

Period ended
31 December 2007
£'000's

Investment management fee 7,240

Investment management fee

The Company's Investment Managers, Resolution Investment Services Limited, receive a fee from the Group at an annual rate of 0.75 per cent of the Total Assets, plus an administration fee of £100,000 per annum (which will increase annually in line with inflation) (see note 3), 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 for a fixed initial period of two years from 22 September 2006 and, with effect from the first anniversary of that date, is terminable by any of the parties to it on 12 months' notice.

3. Other expenses

Period ended
31 December 2007
£000's

Direct operating expenses of let property	1,259
Valuation and other professional fees	1,556
Bad debt provision	182
Directors' fees	142
Administration fee	128
Administrator fees	70
Regulatory fees	70
Auditors' remuneration for:	
Statutory audit	50
Tax services	20
Other	187
	<u>3,664</u>

4. Finance costs

	Period ended 31 December 2007 £000's
Loan interest	107

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 22 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 period is as follows:

	Period ended 31 December 2007 £000's
Current income tax charge	-
Deferred income tax relating to originating and reversal of temporary differences	-
Total tax charge	-
	Period ended 31 December 2007 £000's
Net loss before tax	(28,106)
UK income tax at a rate of 22 per cent	(6,183)
Effect of:	
Capital losses on revaluation of investment properties not taxable	15,175
Capital losses realised not taxable	303
Income not taxable	(519)
Inter company loan interest	(11,065)
Expenditure not allowed for income tax purposes (including set up costs)	203
Deferred tax asset not provided for	2,086
Total tax charge	-

6. Dividends

	Period ended 31 December 2007 £000's
Dividends on Ordinary Shares:	
First interim of 1.45p per share paid on 9 March 2007	7,685
Second interim of 0.8604p paid on 31 May 2007	4,560
Third Interim of 0.4521p paid on 31 May 2007	3,978
Fourth interim of 1.3125p paid on 31 August 2007	11,550
Fifth interim of 1.3125p paid on 30 November 2007	11,388
	39,161

A sixth interim dividend of 1.3125p was paid on 29 February 2008 to shareholders on the register on 15 February 2008. Although this payment relates to the period ended 31 December 2007, under International Financial Reporting Standards it will be accounted for in the year ending 31 December 2008.

Notes to the Accounts (Continued)

7. Earnings per Share

The earnings per share are based on the net loss for the period of £28,106,000 and on 757,825,984 Ordinary Shares, being the weighted average number of shares in issue during the period.

8. Investment Properties

	Period ended 31 December 2007 £000's
Freehold and leasehold properties	
Opening valuation	-
Purchases at cost	859,657
Capital expenditure	913
Loss on revaluation to fair value	(68,975)
Disposals at cost	(18,500)
	<hr/>
Closing valuation	773,095

Losses on investment properties disposed

	Period ended 31 December 2007 £000's
Original cost of investment properties sold	(18,500)
Sale proceeds	17,124
Losses on investment properties sold	(1,376)

CB Richard Ellis Limited completed a valuation of Group investment properties at 31 December 2007 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 £773,095,000 which is also the fair value.

The property valuer is independent and 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 17 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.

The Group is under no contractual obligations to purchase, construct or develop any investment property. 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 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.

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 to UKCPH, all of which remains outstanding as at 31 December 2007. These loans are repayable in 2016 and are unsecured. Interest is payable in quarterly in arrears at a fixed rate of 6.7 per cent per annum, compounded on a quarterly basis. Total interest on these loans for the period amounted to £15.7 million, of which £6.6 million remained payable as at 31 December 2007.

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 to the GLP on 22 September 2006, all of which remains outstanding as at 31 December 2007. This loan is repayable in 2016 and is unsecured. Interest is payable quarterly in arrears as at fixed rate of 6.5 per cent per annum, compounded on a quarterly basis. Total interest on this loan for the period amounted to £34.6 million, of which £10.5 million remained payable as at 31 December 2007.

10. Trade and Other Receivables

	31 December 2007 £000's
Rents receivable (net of provision for bad debts)	6,415
Other debtors and prepayments	50
	<hr/> 6,465 <hr/>

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

	31 December 2007 £000's
Rental income received in advance	11,192
Investment Managers' fees payable	1,500
VAT payable	1,253
Other payables	456
	<hr/> 14,401 <hr/>

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

Notes to the Accounts (Continued)

12. Share capital and share premium accounts

	31 December 2007 £000's
Authorised share capital	
1,400,000,000 Ordinary Shares of 25 pence each	350,000
Issued share capital	
2 Ordinary Shares of 25 pence each issued on 24 August 2006 (date of incorporation)	-
529,999,998 Ordinary Shares of 25 pence each issued on 22 September 2006 (date of admission to the London Stock Exchange)	132,500
350,000,000 Ordinary Shares of 25 pence each issued on 1 March 2007	87,500
Issued share capital as at 31 December 2007	220,000
Treasury shares	
12,873,713 Ordinary Shares of 25 pence each	(10,249)
Share premium account	
Received on the 22 September 2006 placing of Ordinary Shares	397,500
Less: issue costs for 22 September 2006 placing charged to share premium	(7,685)
Conversion to special distributable reserve	(389,815)
Received on 1 March 2007 placing of Ordinary Shares	273,000
Less: issue costs for the 1 March 2007 placing charged to share premium	(5,048)
Balance as at 31 December 2007	267,952

On 1 December 2006 the Royal Court of Guernsey confirmed the reduction of capital by way of a cancellation of the Company's Share Premium Account. The amount cancelled, being £389,815,000, has been credited as a distributable reserve established in the Company's books of account and shall be available as distributable profits to be used for all purposes permitted under Guernsey law, including the buy back of shares and the payment of dividends. £1,509,000 of issue costs were charged to the special distributable reserve. Total issue costs charged against the share premium and special distributable reserve for the 22 September 2006 placing totalled £9,194,000, representing 1.74 per cent of the initial gross assets, in line with what was stated in the prospectus.

Total issue costs, including stamp duty land tax of £14 million, for the 1 March 2007 placing amounted to £19.1 million, which is in line with what is stated in the prospectus. Except for the stamp duty land tax, this has been charged in full against the Share Premium Account. The Share Premium created on the 1 March 2007 placing was 78 pence per share on 350 million Ordinary Shares issue, being £273 million.

During quarter four in 2007 the Company commenced share buy back activities, with the view of placing the shares bought back into Treasury. As at 31 December 2007 12,873,713 Ordinary Shares were bought back at a cost of £10.3 million.

13. Net Asset Value per Share

The net asset value per Ordinary Share is based on net assets of £798,752,000 and 867,126,287 Ordinary Shares, being the number of Ordinary Shares in issue at the period end.

14. 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.

Resolution 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 period was £7,240,000 of which £1,500,000 remained payable at the period end. The investment manager also receives an administration fee of £100,000 per annum, of which £50,000 remained payable at the period 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 period were £167,000, (£25,000 of which were included in the 1 March 2007 share issue launch costs), and none of which remained payable at the period end.

Prior to its launch, the Company entered into a costs commission agreement, dated 8 September 2006, with Resolution Investment Services Limited. Under the agreement, if the costs and expenses in respect of the issue of Ordinary Shares pursuant to the placing and offer, and the acquisition of the initial property portfolio were less than 1.45 per cent of the initial gross assets, the Company would pay to Resolution Investment Services Limited a commission equal to the difference. If the amount of such costs and commissions exceeded 1.45 per cent of the initial gross assets, Resolution Investment Services would pay to the Company such excess. The outcome of this agreement was a payment by the Company to Resolution Investment Services Limited of £2,774,000.

For the 1 March 2007 placing, the Company entered into a costs commission agreement, dated 8 February 2007, with Resolution Investment Services Limited. Under this agreement, if the costs and expenses in respect of Ordinary Shares pursuant to the placing and offer, and the acquisition of the second portfolio of properties, excluding the stamp duty land tax, were less than 1.5 per cent of the aggregate issue price of the new Ordinary Shares, the Company would pay to Resolution Investment Services Limited a commission equal to the difference. If the amount of such costs and commissions exceeded 1.5 per cent of the aggregate issue price of the new Ordinary Shares, Resolution Investment Services would pay to the Company such excess. The outcome of this agreement was a payment by the Company to Resolution Investment Services Limited of £2,770,000 of which £40,000 remained payable at the period end.

15. 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 Group has no borrowings at the period end.

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 period.

Fair values

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

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of 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 2007 is £6,415,000. The Group holds rental deposits of £473,000 held as collateral against tenant arrears/defaults. There is no credit risk associated with the financial liabilities of the Group.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value of these instruments. 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.

Notes to the Accounts (Continued)

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.

Interest rate risk

The cash asset 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 5.2 per cent to 5.8 per cent at the period end and deposits are re-priced at intervals of less than one year.

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 2007 as assets and liabilities of the group are maintained in pounds sterling.

16. Capital Commitments

The group has no capital commitments as at 31 December 2007.

17. Lease Length

The Group leases out its investment properties under operating leases.

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

	31 December 2007 £000's
Less than one year	2,236
Between one and five years	8,759
Over five years	34,871
Total	<u>45,866</u>

The largest single tenant at the period ended accounted for 8.26 per cent of the current annual rental income.

The unoccupied property expressed as a percentage of estimated total rental value was 2.99 per cent at the period 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.

18. Post Balance Sheet Events

Since the period end the sale of a further property from the portfolio, 21/23 High Street Uxbridge has occurred in March 2008. The sales proceeds raised amounted to approximately £3.5 million.

Notice to reconvene the adjourned Annual General Meeting

Notice is hereby given that the adjourned first Annual General Meeting of UK Commercial Property Trust Limited will be reconvened at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL on 16 May 2008 at 12 noon for the following purposes. To consider and, if thought fit, pass the following as an Ordinary Resolution:

1. That the accounts and the reports of the Directors and of the Auditors for the period ended 31 December 2007 be received and approved.

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

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, vote instead of him or her. A proxy need not be a member of the Company.
2. 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 12 noon on 14 May 2008
3. 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.
4. 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 12 March 2008. 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.
5. The Directors' letters of appointment will be available for inspection for fifteen minutes prior to the Annual General Meeting and during the meeting itself.
6. 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.
7. As at 2 April 2008, the latest practicable date prior to publication of this document, the Company had 867,126,287 ordinary shares in issue with a total of 867,126,287 voting rights.
8. 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.

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 2008/09

29 February 2008	Payment of sixth interim dividend
14 March 2008	Annual General Meeting
16 May 2008	Adjourned Annual General Meeting
May 2008	Payment of first interim dividend
August 2008	Payment of second interim dividend
August 2008	Posting of Interim Report
November 2008	Payment of third interim dividend
February 2009	Payment of fourth interim dividend
March 2009	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

Resolution Investment Services Limited
Resolution House
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
14 New Street
St Peter Port
Guernsey GY1 4LE

Guernsey Legal Advisors

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

UK Legal Advisors

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

Marketing Adviser

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

Website

www.ukcpt.co.uk

