UK Commercial Property Trust Limited

Half Yearly Report
for the period ended 30 June 2010

Junction 27,
Birstall Retail Park, Leeds

Company Summary

Objective
To provide Ordinary Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified portfolio of UK commercial properties.

Investment Manager
Ignis Investment Services Limited.

Total Assets Less Liabilities
£910.5 million at 30 June 2010.

Capital Structure
The Company's equity capital structure consists of Ordinary Shares. Ordinary Shareholders are entitled to all dividends declared by the Company and to all the Company's assets after repayment of its borrowings and ordinary creditors.

Borrowings consist of £42.1 million which was drawn down on 30 October 2009. This is part of the £80 million seven year term revolving loan facility the Company has in place with Lloyds Banking Group plc, which was entered into in June 2008. On 4 March 2010 the Company entered into an Interest Rate Swap agreement with Lloyds, which fixed the interest rate on this drawdown at 3.55%. The balance of the facility is still available to the Company.

ISA Status
The Company's shares are eligible for Individual Savings Accounts (ISAs).

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


6 Arlington Street, London, SW1

Financial Highlights and Performance Summary

For the half year ended 30 June 2010

- Total assets less liabilities increased 25% to £911 million (31 December 2009: £729 million); property portfolio grew 6.3% in value to £872 million).
- Net asset value per share* increased 3.9% to 75.5p (31 December 2009 72.7p).
- Total rental income increased 24.4% to £28.5 million (30 June 2009: £22.9 million; Full year to 31 December 2009: £48.8 million).
- Net operating profit before finance costs was £59.2 million (30 June 2009: £(28.3) million) resulting in an increase in earnings per share to 5.14p (30 June 2009: (3.33)p).
- Annual dividend yield of 6.6% based on the period end share price.
- Average unexpired lease term of nine years and four months (31 December 2009: nine years and seven months) with a void rate of 4.24% (31 December 2009: 2.85%), ahead of the industry average of 9.08%.
- Property portfolio ranked in top quartile for covenant strength in latest available independent IPD Rental Information Service.
- Borrowings remained low at £42.1 million with gearing at 4.6% of total net assets.

Capital Values & Returns	30 June 2010	31 December 2009	% Change
Total assets less liabilities (£'000)	910,529	728,637	
Shares in issue ('000)	1,185,099	990,099	
Net asset value per share (p)*	75.5	72.7	3.9
Ordinary Share Price (p)	79.4	78.5	1.1
Premium to net asset value %	5.2	8.0	

Total Return	% half year to 30 June 2010	% half year to 30 June 2009
Net asset value per share*	3.9	(7.8)
Dividend return*	3.6	3.8
Total return per share	7.5	4.0
Investment Property Databank Balanced Monthly and Quarterly Funds Index (% total return)	9.1	(8.7)
FTSE All-Share Index return	(0.15)	10.29

*Net of cost of all dividends paid/declared.

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

Chairman's Statement

For the half year ended 30 June 2010

I am pleased to present the Interim Report of the Company for the six month period to 30 June 2010.

Property Market

The six months to 30 June 2010 has seen the expected change in Government but surprisingly not the anticipated single party majority that forecasters were predicting. In general, markets have been receptive to, although not overly enthusiastic about, the Coalition Government and the recently announced budget cuts. Over the period, property markets paused for breath after the capital value increases generated in the second half of 2009 and early 2010, with concerns about Eurozone sovereign debt, the strength of the retail recovery and declining rental values still affecting confidence and investor sentiment.

As in 2009, prime property stock still attracted the majority of investor interest, with secure income and tenant covenant strength being the key drivers for investors who have seen inflation increasing against historically low interest rates. Secondary property stock continued to lag the prime end of the market, with investor risk appetite still some way short of the levels required to create a positive trading environment and lift capital values at that end of the market.

Corporate Activity

On 10 February 2010, the Company announced the successful completion of a Placing and Offer for 195 million new Ordinary Shares at 77.1p each, raising gross proceeds of around £150 million.

On 23 April the Company announced that it was in discussions, following a proposal from Ignis Investment Services Limited, with regard to a proposed merger ("the Scheme") with F&C Commercial Property Trust Limited ("FCPT"). On 9 June 2010, a further announcement was made detailing the terms of the recommended merger, and on 12 July 2010, the Circular and Prospectus were published and distributed to shareholders. The Company announced on 9 August 2010 that the resolutions relating to the recommended proposals, details of which were set out in the circular, were passed with a significant majority at an Extraordinary General Meeting ("EGM") held on that date.

However, the ordinary resolution to approve the participation of FCPT in the Scheme, voted on by the Independent Shareholders of FCPT, was not passed at the extraordinary general meeting of FCPT held on 9 August 2010. The conditions to the Scheme were therefore not satisfied and the Scheme did not proceed. The rationale behind the proposals, were, we believe, compelling and was supported by the positive outcome at the UKCPT EGM, where an overwhelming majority of independent shareholders voted in favour. While the final outcome is disappointing, your Directors will continue to explore all future opportunities, along with the Company's advisors, to enhance Shareholder value where possible.

Chairman's Statement (Continued)

As detailed in the prospectus, the estimated costs incurred by the Company and FCPT will be, in aggregate £1.9 million. It was agreed that each company would bear their share of costs in proportion to their respective net assets. This will result in costs attributable to UKCPT of approximately £1.1 million, which equates to approximately 0.12% of NAV (or 0.09 pps) at 30 June 2010. These costs will be payable in Q3 2010 and will marginally impact both the NAV at 30 September 2010 and the annual results to 31 December 2010.

Significant Property Transactions

In line with our stated objectives and using funds raised during the successful placing in the early part of 2010, the Company acquired a number of income producing properties during the period at attractive yields to compliment and strengthen the existing portfolio. The acquisitions, detailed below, will not only add £8.7 million per annum in rental income but will also present the investment manager with additional opportunities to enhance returns in addition to the existing asset management potential within the current portfolio.

Date	Property	Cost (£m)	Equivalent Yield%	Annualised Income (£m)
24 March 2010	Charles Darwin Centre, Shrewsbury	38.6	7.7	2.72
24 March 2010	Pride Hill Shopping Centre, Shrewsbury	14.6	9.1	1.41
24 March 2010	Riverside Shopping Centre, Shrewsbury	10.4	8.1	0.87
25 March 2010	Junction 27 Retail Park, Leeds	59.6	6.2	3.68
Total		**123.2**	**7.2**	**8.68**

On 6 July 2010, the Company announced that it had completed the acquisition of the heritable interest at 122/132 Argyle Street, Glasgow, the final part of the corporate transaction announced in October 2009. This property, acquired at an equivalent yield of 6%, will add £585,000 per annum to the Company's revenue balances.

Share Capital

As at 30 June 2010, the Company had 1,185,098,858 Ordinary Shares of 25p each in issue following the issue of 195,000,000 Ordinary Shares on 11 February 2010. As announced on 7 July 2010, an additional 12,250,000 Ordinary Shares were issued following the completion of the Argyle Street acquisition.

Chairman's Statement (Continued)

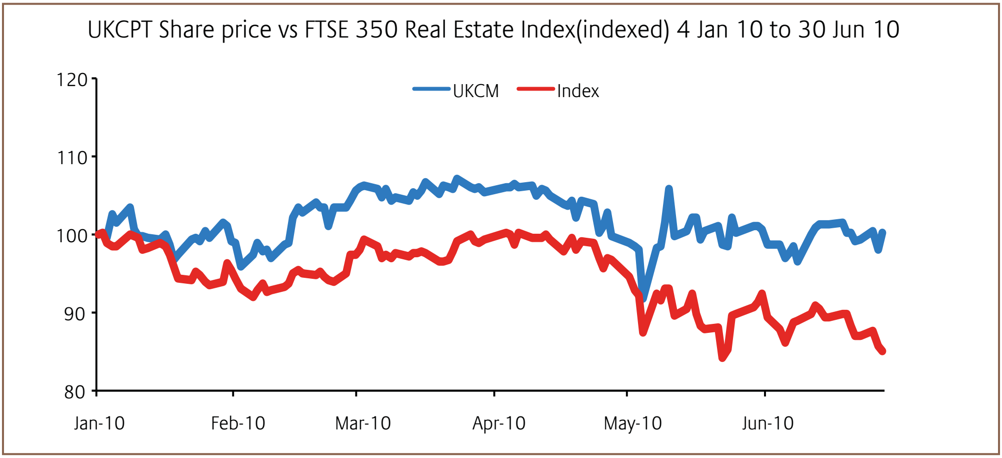
NAV/Share Price Performance

The unaudited Net Asset Value ("NAV") per Ordinary Share (calculated under International Financial Reporting Standards and adjusted for the provision of dividend declarations) for the six month period to 30 June 2010 was as follows:

Date	NAV (p)	Share Price (p)	Premium/ (Discount) %
31 December 2009	72.69	78.50	8.0
31 March 2010	75.00	84.00	12.0
30 June 2010	75.50	79.40	5.2

Against a difficult economic and trading background it is pleasing to report on a NAV return of +3.9% for the reporting period and that the Company's shares continue to trade at a premium to NAV. The investment manager has continued to deliver excellent returns through a combination of asset management initiatives which lead to capital or income enhancement i.e. lease re-gears, rent reviews, new lettings, lease renewals as well as capital expenditure to upgrade assets and improve letting prospects. The share price as at 25 August 2010 was 77.5p.

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



Borrowing

As at 30 June 2010, the Company had borrowings of £42.1million with Lloyds Banking Group. On 4 March 2010, the Company entered into an interest rate swap agreement with Lloyds which set the interest rate at 3.55%. As at 26 August 2010 total borrowings remained at £42.1million.

Chairman's Statement (Continued)

Dividends

The Company has declared and paid the following dividends during the period:

	Ex Dividend Date	Pay Date	Dividend Rate (p)
4th Interim	3 Feb 2010	26 Feb 2010	0.8988
1st Interim	3 Feb 2010	28 May 2010	0.5979
2nd Interim	12 May 2010	28 May 2010	0.7146
			2.2113

On 22 July 2010, the Company announced a 3rd Interim Dividend in respect to the period 1 April 2010 to 30 June 2010 of 1.3125p per Ordinary Share. This is payable on 27 August 2010 to Shareholders on the register on 30 July 2010.

Outlook

As with most aspects of the investment spectrum, the economy and Government spending cuts will be the key drivers for investor sentiment, inflation, retail spending and the continuation of UK's tough climb out of recession in the months to come. Even with the preliminary figure for UK GDP growth in Q2 being a surprisingly strong 1.1%, the FTSE All Share Index is not convinced, being almost unchanged in the year-to-date. The combined impact of tax rises and Government spending cuts, announced without the level of detail to allow a full impact review to take place, will be pivotal if a "double-dip" is to be avoided. The use of interest rates to control inflation has been curtailed for fear of inhibiting the spending that is needed to kick start the retail markets and restore and maintain confidence at levels that bring some "normality" to markets. Lending by the banks is still not at levels that inspire confidence and, until the full impact of any spending cut induced unemployment is factored in, the outlook is still clouded in uncertainty.

Despite the difficult trading and economic conditions in the UK, the Company is well positioned. It has a strong asset management team in place and a sound financial base from which it can grow the asset base of the portfolio. With existing cash and debt facilities, we have the ability to acquire properties that will complement and improve the prime characteristics of the portfolio and at the same time offer opportunities to improve dividend cover and improve the potential for capital returns.

Christopher M.W. Hill

Chairman

26 August 2010

Manager's Report

For the half year ended 30 June 2010

The economic outlook remains one of caution despite the 1.1.% uplift in UK Q2 GDP announced in July which surprised many, particularly as the last few months have been characterised by issues of Sovereign debt, a newly elected Coalition Government and the curtailment of quantitative easing.

Most forecasters believe that this very strong GDP figure is not sustainable, with the consensus still for a laboured economic recovery over the next two to three years, particularly as the newly elected Government tackles the public sector deficit, the full effects of which are yet to be felt in the wider economy. Although many are pinning their hopes on investment from the private sector to sustain the prospects for recovery, to date this has not been apparent given the extent of the existing output gap.

Whilst inflation is now running above wage settlements, which generally remain flat, interest rates seem set to remain at their current level for at least the rest of the year, or until the economic recovery remains firmly established.

The prevailing theme for property over the last few months of the review period was one of a general slow-down in capital growth as a degree of circumspection entered the mindset of many investors.

Although there still remains a significant amount of equity in the market, many investors have, in recent months become more cautious in the face of general uncertainty in the economy. According to the IPD UK Monthly Index, UK commercial property witnessed capital appreciation for 11 consecutive months to the end of the review period. The strongest period of capital growth was recorded in Q4 2009 (7.4%) followed by Q1 2010 (3.9%) and Q2 2010 (1.9%). The Index recorded an All Property total return for the review period (H1 2010) of 9.6% driven by yield compression, which more than off-set the negative rental value growth that has continued, albeit at a declining rate, throughout the period.

Commercial property values are now back to December 2008 levels and since the rebound in July 2009, capital growth has been 15.2%, still somewhat short of the 44.2% fall in the two years to the Summer of 2009.

The rate of capital growth slowed considerably over the review period as prime yields for most sectors have stabilised. The IPD UK Monthly Index for June 2010 recorded the All Property initial yield at 6.5% and, with reduced capital appreciation and rental value growth at -0.4% for the quarter, a more stable period can be anticipated.

At a principal sector level, the office market has performed strongest and has been largely influenced by the strengthening of yields and improved rental growth prospects for the central London sub-sector over the last six months. As such, it has recorded the largest sector total return of 10.4% over the period. But, beyond central London, the south east and regional markets are still characterised by weak occupational markets.

Manager's Report (Continued)

Retail has shown the next best level of performance with a 9.9% total return. This has primarily been a consequence of yield compression seen in the retail warehouse sub-sector, where yields overcorrected on the down cycle. However, rents remain under pressure and, although the rate of decline has generally lessened in recent months, secondary retail locations in particular do still face the risk of falling rents.

Industrial property recorded a 7.1% total return over the period and as a result has underperformed all other sectors.

Commercial property investment levels fell in Q1 2010 by 31% on the previous quarter's figures to £5.3 billion. Q2 2010 activity was reported at £8.3 billion bolstered by a number of transactions above £100 million. Whilst investment levels remain significantly below pre "credit crunch" levels, both UK institutions and overseas investors remain the principal net investors in the UK market over the first six months of the year.

The divide between prime and secondary assets continues and, although there is still some demand for secondary properties where risk is properly priced, that gap is likely to widen as the yield for those secondary properties where occupational risk is still apparent moves out.

Towards the end of the review period, prime yields settled and, whilst there are some sectors where there is still inward yield pressure (e.g. dominant shopping centres and West End offices) the general theme is one of stable yields. There is, however, still a threat of outward yield movement in some areas as investors re-appraise risk and the potential for rental growth (e.g. regional offices).

Portfolio Review

On a like for like basis, the Company's property portfolio performed generally in line with the IPD Monthly and Quarterly Index Fund Benchmark over the reporting period. The costs of the Company's two major retail acquisitions in Leeds and Shrewsbury did, however, have a bearing on the portfolio's performance, which ultimately recorded an 8.3% return against the benchmark of 9.1%.

The purchase of Junction 27 Retail Park, Leeds and the Darwin, Pride Hill and Riverside Shopping Centres in Shrewsbury in March for a total consideration of £123 million represented a timely investment of the bulk of the £150 million of equity raised by the Company in February, and provided an immediate blended income yield of 7%. Notwithstanding challenging consumer markets, the property fundamentals for both acquisitions offer the potential for income growth through effective asset management, which will help support the Company's dividend.

Over the period, the like-for-like increase in the portfolio's value was 6.3%, exceeding the level of capital growth in the IPD benchmark of 5.8%.

The main drivers of that growth were the Company's retail holdings, which recorded a 7.5% uplift over the period, exceeding the benchmark of 6.3%. Of particular note was the

Manager's Report (Continued)

performance of shopping centres, which benefitted from late cycle yield improvement and, in the case of Swindon, were boosted by the pre-lets of the BHS redevelopment, which will be covered later on in more detail.

Aided by the resurgence in capital and, to a lesser extent, rental values in central London, the Company's office holdings produced capital growth of 6.2%, broadly in line with the benchmark of 6.5%. The central London holdings witnessed capital growth of 11.2%, 1% ahead of the benchmark. The Company's regional office holdings also performed well and, as highlighted on previous occasions, the prime nature of a number of the Company's properties has ensured a strong capital performance, notwithstanding the difficult occupational markets in that sub sector. During the period, the Company's holdings within this sub-sector recorded capital growth of 6.2% against the benchmark of 3.2%.

As was evident throughout the period, the downward yield pressure witnessed in the preceding months within the industrial sector may have run its course. The Company's industrial portfolio showed 3.5% capital growth over the period, which is marginally ahead of the benchmark.

Encouragingly, the decline in rental values across the portfolio seems to have abated. Whilst, not surprisingly, west end London rents are now showing positive growth, rental growth in the Company's south east retail and retail warehousing stock is also evident. Although there is still downward pressure in south east office rents, where there is a demand/supply imbalance, the Company's regional office rent levels do seem to have stabilised, in marked contrast to the general market place where they continue to fall. This being a reflection of the prime nature of the Company's holdings in this sub-sector.

In terms of letting activity, the Company completed the pre-letting to River Island of a 9,900 sq ft retail unit within the BHS redevelopment at The Parade, Swindon, at a rent of £230,000pa. River Island will join BHS and Top Shop in the development, which is still on schedule to be handed over to the retailers by September 2010. This development is continued evidence of the Company's ability and willingness to commit capital expenditure to those assets where there is tenant demand for the right accommodation. The lettings achieved will help improve the Parade's position within the town's retail hierarchy and in doing so improve the medium/long term prospects of the entire centre.

Elsewhere within the portfolio letting activity has been muted, with an additional income of £120,000 p.a. achieved in the period. Perhaps of greater significance has been the ability to retain £170,000 of income through lease renewals and/or break options out of a total of £218,000.

Further evidence of the Company's active asset management strategy can be found in the re-gearing of lease at 6 Arlington Street, London, SW1, where through negotiation tenant break effective in September this year was removed and the passing rent, which in itself was higher than the estimated rental value, has been secured for a further five years. Additionally, in

Manager's Report (Continued)

response to Barclays Bank's proposed upgrade of its Exeter branch, a ten year extension to the lease term has been agreed at a rent which reflected an 8.3% increase over the prevailing passing rent, at a time when the general market was indicating declining rental levels. Although these two transactions involve relatively moderate rental levels, they nevertheless demonstrate the Company's ability and commitment to maintain and improve its rental income stream and also underline the quality of its assets.

As at 30 June, the average lease length in the portfolio was nine years and four months, with an income yield of 6.6%, compared to the IPD Monthly and Quarterly Index of 6.4%. As has also consistently been the case since its appointment, Jones Lang LaSalle has maintained the rent collection efficiency within the portfolio at an average of 98% (after 28 days) over the last three quarters since 25 December 2009. This, together with the fact that bad debts amounting to only £6,000 or 0.02% of total rental income were written off during the period, is a further indication of the portfolio's resilience.

The Company's voids increased only marginally over the period from 2.85% to 4.24%. However this was principally as a result of the acquisition of the Shrewsbury Shopping Centres. This figure is expected to improve during the remainder of the year as the asset management programme at these centres gathers momentum and a number of lettings currently in solicitors' hands are converted.

Whilst the economic outlook and rental growth remain uncertain, these are not key drivers for most investors at this moment in time. Income sustainability is, however, of paramount importance, and the prime characteristics of the portfolio will mean that the Company is very placed to meet the challenges ahead and take advantage of any opportunities that might exist to improve and support the dividend.

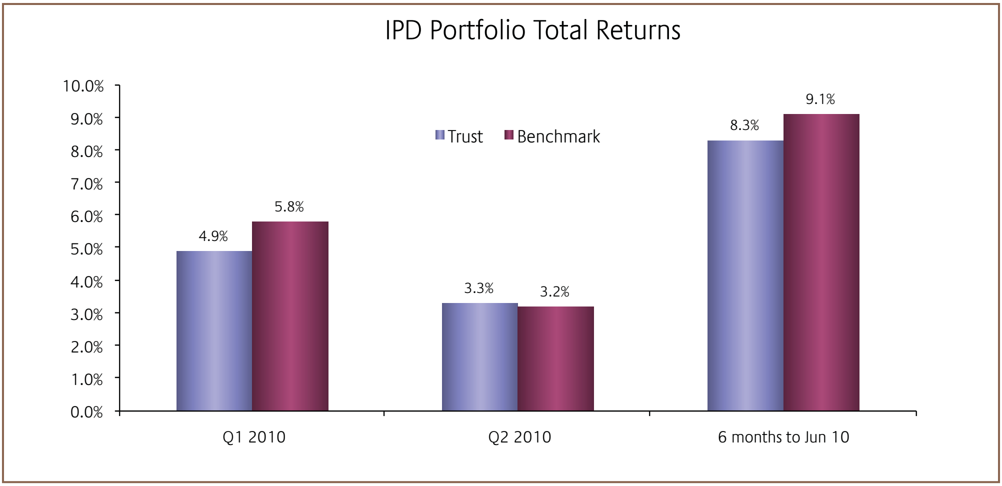
Pride Hill, Shrewsbury

Manager's Report (Continued)

Market Outlook

Economic uncertainty continues and, despite an unexpected rise in GDP to 1.1% for Q2, the outlook remains one of caution. Bank of England base rates remain at 0.5% (since March 2009) and, whilst inflation continues above Government targets, the rate has fallen in the last two months.

The Coalition Government's emergency budget in June had little direct impact on UK commercial property with Stamp Duty remaining unchanged and the CGT rise being immediately implemented. However, it may be that the wider impacts of fiscal tightening will be felt in the commercial property market by undermining occupational demand. Reduced consumption will create tighter trading markets for retailers, with a knock-on effect down the supply chain. Office markets, particularly those where the public sector makes up a sizeable proportion, will be affected by the departmental cuts.



Manager's Report (Continued)

To date, yield improvement has been focused on prime assets, with secondary markets experiencing outward pressure on yields, particularly where rental growth prospects are weakest. Continued outward pressure represents a risk to the market.

The commercial property market has experienced considerable volatility over the past three years and, following the swift adjustment in values over Q4 2009 and Q1 2010, the market is expected to go through a period of consolidation as the austerity package instigated by the Government is assessed and investors become more confident about the prospects for the underlying economy. Only then will we know whether a more stable market can be enjoyed.

Overall, forecasts for All Property total returns for 2010 and 2011 have been moderated to reflect the marked slowdown in capital appreciation. Rental growth forecasts remain generally muted with the exception of central London offices, where sentiment on the occupational markets has improved. Overall total returns are widely expected to be positive for the foreseeable future, with medium term returns forecast in the region of 6% – 9%.

We continue to seek further attractive stocks to complement the Company's existing assets with a preference for prime assets with strong property fundamentals and sustainable income. Retaining and enhancing the Company's existing income stream through active asset management remains a primary focus and is likely to increase performance over the medium term.

Robert Boag

Investment Manager

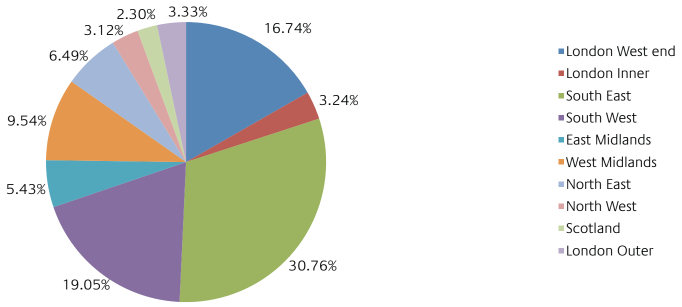
Ignis Asset Management

26 August 2010

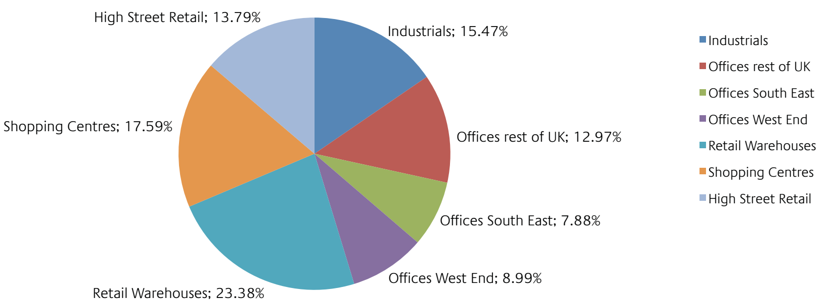
Portfolio Statistics

as at 30 June 2010

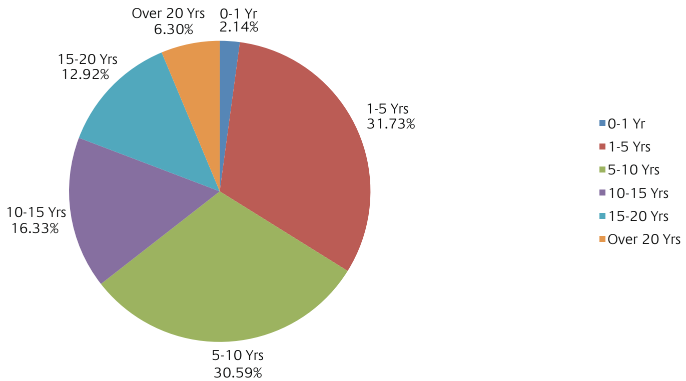
Geographical Analysis (capital value)



Sector Analysis (capital value)



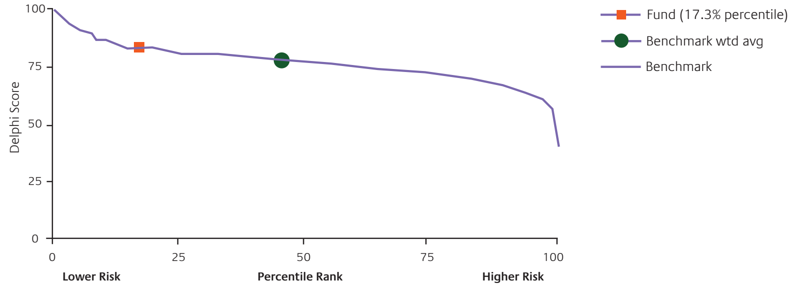
Average Lease Length (on rental income)



Portfolio Statistics (continued)

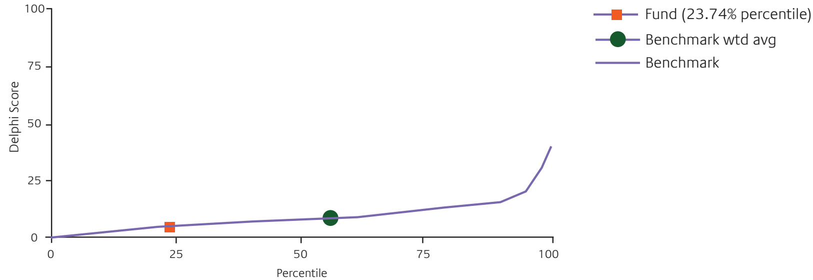
as at 30 June 2010

Income Credit Rating



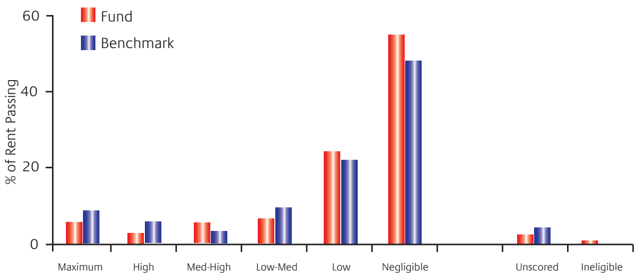
Source: IPD Iris – June 2010. Measures the quality of the Company's income stream in comparison with the benchmark – a lower score on percentile ranking indicates a better income quality.

Vacancy rate



Source: IPD Iris – June 2010. 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



Source: IPD Iris – June 2010. The bar chart indicates the Company's exposure vs the benchmark to each income risk band. High represents a high risk and Negligible the lowest risk band.

Property Portfolio

as at 30 June 2010

	Property Value Range
Junction 27 Retail Park, Birstall, Leeds The Parade, Swindon Great Lodge Retail Park, Tunbridge Wells 176 - 206 Kensington High Street, London, W8 Kew Retail Park, Richmond Darwin Shopping Centre, Shrewsbury Sovereign Centre, Weston-Super-Mare Ocado Distribution Unit, Hatfield Business Area, Hatfield 15 Great Marlborough Street, London, W1 Charter Place, Uxbridge	over £30m
B&Q, Roneo Corner, Romford Dolphin Estate, Sunbury on Thames Temple Quay, 2 Rivergate, Bristol Argos Unit, Magna Park, Lutterworth Brackmills, Northampton Hannah Close, London, NW10 Colmore Court, Birmingham 1 Rivergate, Temple Quay, Bristol Network House & Meadowside, Hemel Hempstead Broadbridge Retail Park, Horsham 16/20 High Street & 1/3 Bedford Street, Exeter 81-85 George Street, Edinburgh	£20m - £29.9m
13 Great Marlborough Street, London W1 Pall Mall Court, Manchester 6 Arlington Street, London, SW1 Pride Hill Shopping Centre, Shrewsbury 140/144 Kings Road, London, SW3 Craven House, London, W1 14-22 West Street, Marlow 1 Brunel Way, Slough 134/138 North Street, Brighton Riverside Shopping Centre, Shrewsbury	£10m - £19.9m
52/56 Market Street, Manchester 84-86 Bushey Road, Raynes Park, London, SW20 Freshford House, Bristol	£5m - £9.9m
Knaves Beech Industrial Estate, Loudwater 146 Kings Road, London, SW3 WCA Building, Bristol	Up to £4.9m

Summary of Property Portfolio

Overall number of properties	38
Total number of tenancies	305
Total average property value	£22.95m
Total floor area	3,930,981 sq ft

Half Yearly Condensed Consolidated Income Statement

For the half year ended 30 June 2010

	Notes	Half year ended 30 June 2010 (unaudited) £'000	Half year ended 30 June 2009 (unaudited) £'000	For year ended 31 December 2009 (audited) £'000
Income and gains				
Rental income		28,453	22,889	48,818
Gains/(losses) on investment properties	2	35,655	(47,899)	31,345
Interest revenue receivable		327	185	225
Total income and gains		**64,435**	(24,825)	80,388
Expenditure				
Investment management fee	8	(3,417)	(2,102)	(4,503)
Direct operating expenses of let property		(1,141)	(752)	(942)
Valuation and other professional fees		(403)	(429)	(834)
Directors' fees	8	(66)	(59)	(125)
Administration fees	8	(54)	(53)	(107)
Other expenses		(200)	(122)	(586)
Total expenditure		**(5,281)**	(3,517)	(7,097)
Net operating profit/(loss) before finance costs		**59,154**	(28,342)	73,291
Net finance costs				
Finance costs		(567)	-	(155)
Net profit/(loss) from ordinary activities before taxation		**58,587**	(28,342)	73,136
Taxation on profit/(loss) on ordinary activities		-	-	-
Net profit/(loss) for the period		**58,587**	(28,342)	73,136
Other comprehensive income:				
Net loss on cash flow hedges	9	(1,648)	-	-
Net comprehensive gain/(loss) for the period		**56,939**	(28,342)	73,136
Basic and diluted earnings per share (p)	3	**5.14p**	(3.33)p	8.40p

All of the profit/(loss) and total comprehensive income for the period is attributable to the owners of the Company.

All items in the above statement derive from continuing operations.

The accompanying notes are an integral part of this statement.

Half Yearly Condensed Consolidated Balance Sheet

as at 30 June 2010

	Notes	30 June 2010 (unaudited) £'000	30 June 2009 (unaudited) £'000	31 Dec 2009 (audited) £'000
Non-current assets				
Investment properties	2	871,975	544,985	710,485
		871,975	544,985	710,485
Current assets				
Trade and other receivables		5,093	6,333	5,181
Cash and cash equivalents		94,321	11,913	70,163
		99,414	18,246	75,344
Total assets		**971,389**	563,231	785,829
Current liabilities				
Trade and other payables		(17,352)	(11,630)	(15,273)
Long term liabilities				
Bank loan		(41,860)	-	(41,919)
Interest Rate Swap	9	(1,648)	-	-
Total liabilities		**(60,860)**	(11,630)	(57,192)
Net assets		**910,529**	551,601	728,637
Represented by:				
Share capital		473,025	220,000	322,680
Share premium		-	267,952	-
Treasury shares	5	(25,264)	(25,264)	(25,264)
Special reserve		643,847	383,243	646,307
Capital reserve		(179,441)	(294,340)	(215,096)
Swap revaluation reserve	9	(1,648)	-	-
Revenue reserve		-	-	-
Equity Shareholders' funds		**910,519**	551,591	728,627
Minority interest		10	10	10
		910,529	551,601	728,637
Net asset value per share	6	**76.8p**	65.8p	73.6p

The accompanying notes are an integral part of this statement.

Half Yearly Condensed Consolidated Statement of Changes in Equity

For the half year ended 30 June 2010

For the year ended 31 December 2009 (audited)	Share Capital £'000	Share Premium Account £'000
At 1 January 2009	220,000	267,952
Transfer	-	(267,952)
Issue of Ordinary Shares	102,680	-
Issue costs	-	-
Shares bought back and held in Treasury	-	-
Total comprehensive income for the year	-	
Dividends paid	-	-
Transfer in respect of gains on investment properties	-	-
Transfer from special distributable reserve	-	-
At 31 December 2009	322,680	-

Half year ended 30 June 2010 (unaudited)

Issue of Ordinary Shares	150,345	-
Issue costs	-	-
Total comprehensive income for the period	-	-
Dividends paid	-	-
Swap Valuation	-	-
Transfer in respect of gains on investment properties	-	-
Transfer from special distributable reserve	-	-
At 30 June 2010	**473,025**	**-**

Half year ended 30 June 2009 (unaudited)	Share Capital £'000	Share Premium Account £'000
Balance at 31 December 2008	220,000	267,952
Net loss and total comprehensive income for the period	-	-
Dividends paid	-	-
Transfer in respect of losses on investment properties	-	-
Transfer from special distributable reserve	-	-
Shares bought back and held in Treasury	-	-
At 30 June 2009	220,000	267,952

The accompanying notes are an integral part of this statement.

Treasury Shares £'000	Special Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Swap Revaluation Reserve £'000	Minority Interest £'000	Total £'000
(10,249)	386,073	(246,441)	-	-	10	617,345
-	267,952	-	-	-	-	-
-	-	-	-	-	-	102,680
-	(1,641)	-	-	-	-	(1,641)
(15,015)	-	-	-	-	-	(15,015)
-	-	-	73,136	-	-	73,136
-	-	-	(47,868)	-	-	(47,868)
-	-	31,345	(31,345)	-	-	-
-	(6,077)	-	6,077	-	-	-
(25,264)	646,307	(215,096)	-	-	10	728,637
-	-	-	-	-	-	150,345
-	(2,104)	-	-	-	-	(2,104)
-	-	-	56,939	-	-	56,939
-	-	-	(23,288)	-	-	(23,288)
-	-	-	1,648	(1,648)	-	-
-	-	35,655	(35,655)	-	-	-
-	(356)	-	356	-	-	-
(25,264)	**643,847**	**(179,441)**	**-**	**(1,648)**	**10**	**910,529**

Treasury Shares £'000	Special Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Swap Revaluation Reserve £'000	Minority Interest £'000	Total £'000
(10,249)	386,073	(246,441)	-	-	10	617,345
-	-	-	(28,342)	-	-	(28,342)
-	-	-	(22,387)	-	-	(22,387)
-	-	(47,899)	47,899	-	-	-
-	(2,830)	-	2,830	-	-	-
(15,015)	-	-	-	-	-	(15,015)
(25,264)	383,243	(294,340)	-	-	10	551,601

Half Yearly Condensed Consolidated Cash Flow Statement

For the half year ended 30 June 2010

	Notes	Half year ended 30 June 2010 (unaudited) £'000	Half year ended 30 June 2009 (unaudited) £'000	Year ended 31 Dec 2009 (audited) £'000
Cash flows from operating activities				
Net operating profit/(loss) for the period before finance costs		59,154	(28,342)	73,291
Adjustments for:				
(Gains)/losses on investment properties	2	(35,655)	47,899	(31,345)
Decrease/(increase) in operating trade and other receivables		88	(1,208)	(56)
Increase/(decrease) in operating trade and other payables		2,020	(880)	2,763
Bank loan interest paid		(242)	-	(155)
Payments under interest rate swap arrangement		(325)	-	-
Net cash inflow from operating activities		**25,040**	17,469	44,498
Cash flows from investing activities				
Purchase of investment properties		(123,227)	(31,350)	(176,595)
Sale of investment properties		-	1,150	60,265
Capital expenditure		(2,608)	(2,564)	(2,690)
Net cash (outflow)/inflow from investing activities		**(125,835)**	(32,764)	(119,020)
Cash flows from financing activities				
Proceeds from issue of Ordinary Shares		150,345	-	102,680
Issue costs of Ordinary Share Capital		(2,104)	-	(1,641)
Dividends paid		(23,288)	(22,387)	(47,868)
Net proceeds from utilisation of bank loan		-	-	41,919
Share buy back		-	(15,015)	(15,015)
Net cash inflow/(outflow) from financing activities		**124,953**	(37,402)	80,075
Opening cash and cash equivalents		70,163	64,610	64,610
Closing cash and cash equivalents		**94,321**	11,913	70,163

The accompanying notes are an integral part of this statement.

Unaudited Notes on the Accounts

For the half year ended 30 June 2010

1. The unaudited half yearly results have been prepared in accordance with the accounting policies set out in the Company's financial statements at 31 December 2009. These accounting policies are expected to be followed throughout the year ending 31 December 2010.

2. Investment properties

	Half year ended 30 June 2010 £'000
Freehold and leasehold properties	
Opening valuation	710,485
Purchases at cost	123,227
Capital expenditure	2,608
Gain on revaluation to fair value	35,655
Closing valuation	871,975

The property portfolio held at the 30 June 2010 has been independently valued by CBRE as at the 31 May 2010 at £871,975,000. There has been no material change in the valuation of the properties in the portfolio since the 31 May 2010 to the 30 June 2010. There have been no property acquisitions or disposals in the period 31 May to 30 June 2010.

3. The earnings per Ordinary Share are based on the net profit for the period of £58,587,000 (30 June 2009: net loss of £28,342,000) and 1,139,850,239 (30 June 2009: 850,366,510), Ordinary Shares, being the weighted average number of Shares in issue during the period.

4. Earnings for the period to 30 June 2010 should not be taken as a guide to the results for the year to 31 December 2010.

5. During February 2010 the Company issued a further 195 million Ordinary Shares of 25 pence each at a price of 77.1p per share. As at 30 June 2010 the total number of Shares in issue is 1,185,098,858 (30 June 2009: 838,554,858).

6. The net asset value per ordinary share is based on net assets of £910,529,000 (30 June 2009: £551,601,000) and 1,185,098,858 (2009: 838,554,858) Ordinary Shares, being the number of Ordinary Shares in issue at the period end.

Unaudited Notes on the Accounts (Continued)

For the half year ended 30 June 2010

7. Dividends

	Period to 30 June 2010	
	Rate (pence)	£'000
Dividend for the period 30 October 2009 to 31 December 2009, paid 26 February 2010	0.8988	8,899
Dividend for the period 1 January 2010 to 10 February 2010, paid 28 May 2010	0.5979	5,920
Dividend for the period 11 February 2010 to 31 March 2010, paid 28 May 2010	0.7146	8,469
		23,288

A dividend of 1.3125p per share for the period 1 April 2010 to 30 June 2010 is payable on 27 August 2010. Under International Financial Reporting Standards, these unaudited financial statements do not reflect this dividend.

8. No Director has an interest in any transactions which are or were unusual in their nature or significance to the Group. The Directors of the Company received fees for their services totalling £66,000 (30 June 2009: £59,250) for the six months ended 30 June 2010, none of which was payable at the period end (30 June 2009: nil). Ignis Investment Services Limited received fees for its services as Investment Managers. The total charge to the Income Statement during the period for these fees was £3,471,000 (30 June 2009: £2,155,000) of which £54,000 was administration fees (30 June 2009: £53,000). £1,790,000 (30 June 2009: £1,063,000) of this total charge remained payable at the period end.

9. Interest Rate Swap

The interest rate swap was entered into in March 2010. The hedge has been achieved by matching the notional amount of the swap with the loan principal of £42.1 million, and matching the swap term to the loan term, (June 2015).

Interest on the swap is receivable at a variable rate calculated on the same LIBOR as for the bank loan, and payable at a fixed rate of 3.55 per cent per annum.

The fair value of the liability in respect of the interest rate swap contract at 30 June 2010 is £1,648,000 which is based on the marked to market value at that date.

Unaudited Notes on the Accounts (Continued)

For the half year ended 30 June 2010

10. The Group results consolidate those of the Company, UK Commercial Property Holdings Limited, UK Commercial Property GP Limited, UKCPT Limited Partnership and UK Commercial Property Nominee Limited.

The Company owns 100 per cent of the issued share capital of UK Commercial Property Holdings Limited, a company incorporated in Guernsey whose principal business is that of an investment and property company. This company holds the property portfolio which was acquired on 1 March 2007.

The Company owns 100 per cent of the issued share capital of UK Commercial Property GP Limited, a company incorporated in Guernsey whose principal business is that of an investment and property company. UKCPT Limited Partnership is a Guernsey limited partnership, and it holds the properties comprised in the initial property portfolio. 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 limited partnership. The remaining 0.01 per cent partnership interest is held by The Droit Purpose Trust, which is a Jersey purpose trust. UK Commercial Property GP Limited is the general partner and UK Commercial Property Holdings Limited is a limited partner of this partnership.

The Company owns 100 percent of the issued share capital of UK Commercial Property Nominee Limited, a company incorporated in Guernsey whose principal business is that of a nominee company.

11. Post Balance Sheet Events

On the 6 July 2010, the Company completed the acquisition of the property at 122/132 Argyle Street, Glasgow. The consideration consisted of 12,250,000 Ordinary Shares in the Company to Phoenix Life Limited as set out in the 6 October 2009 announcement.

Following this the total issued share capital of the Company is 1,238,794,000 Ordinary Shares of 25p each. The total number of shares with voting rights after this issue is 1,197,348,858.

Principal risks and uncertainties

The Company's assets consist of direct investments in UK commercial property. Its principal risks are therefore related to the UK commercial property market in general, but also the particular circumstances of the properties in which it is invested and their tenants. Other risks faced by the Company include economic, strategic, regulatory, management and control, financial and operational. These risks, and the way in which they are mitigated and managed, are described in more detail under the heading Principal Risks and Uncertainties within the Report of the Directors in the Company's Annual Report for the year ended 31 December 2009. The Company's principal risks and uncertainties have not changed materially since the date of that report and, are not expected to change materially for the remaining six months of the Company's financial year.

Statement of Directors' Responsibilities in Respect of the Half Yearly Financial Report to 30 June 2010

We confirm that to the best of our knowledge:

- The condensed set of half yearly financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", and give a true and fair view of the assets, liabilities, financial position and return of the Company.

- The half yearly Management Report includes a fair value review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

Christopher M.W. Hill
Chairman

26 August 2010

Directors and Company Information

Directors (all non-executive)	Christopher Hill (Chairman) Keith Dorrian Christopher Fish (Chairman of Audit Committee) John Robertson Andrew Wilson
Registered Office	Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL
Registered Number	45387
Administrator, Secretary and Registrar	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL
Investment Manager	Ignis Investment Services Limited 50 Bothwell Street Glasgow G2 6HR
Independent Auditors	Ernst & Young LLP Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4AF
Solicitors	Dickson Minto W.S. 16 Charlotte Square Edinburgh EH2 4DF Ozannes 1 Le Marchant Street St Peter Port Guernsey GY1 4HP

Directors and Company Information (Continued)

Principal Banker	The Royal Bank of Scotland plc 2 1/2 Devonshire Square London EC2M 4XJ
Principal Lender	Lloyds Banking Group plc Henry Duncan House 120 George Street Edinburgh EH2 4LH
Property Valuer	CB Richard Ellis Limited St Martin's Court 10 Paternoster Row London EC4M 7HP
Marketing Adviser	G&N Collective Funds Services Ltd 14 Alva Street Edinburgh EH2 4QG
Corporate P.R. Advisor	Financial Dynamics Limited Holborn Gate 26 Southampton Buildings London WC2A 1PB
Company website	www.ukcpt.co.uk

Great Lodge Retail Park, Turnbridge Wells.

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