

Invista Real Estate Investment Management Holdings plc

Preliminary Results for the year ended 31 December 2009

Invista Real Estate Investment Management Holdings plc (“Invista”) today announces its preliminary results for the year ended 31 December 2009.

Results Summary

	2009 £m	2008 £m	Change %
Revenue	34.4	45.6	(25)
Profit pre Fair Value Adjustments (“FVA”) and exceptionals	11.1	23.7	(53)
Profit / (Loss) before taxation	10.0	(3.7)	
Profit margin pre FVA and exceptionals	32%	52%	
Earnings / (Loss) per share	2.4p	(4.0)p	
Proposed full year dividend per share	2.3p	2.3p	No change
Closing Assets Under Management	£5.3bn	£6.3bn	(16)

Highlights

- Strong investment performance with 70% of AUM outperforming benchmarks over three years to December 2009
- Capital discipline – £73.7 million of cash at year end
- Effective cost control – reduction of 17% in administrative expenses
- International Fund acquisition of Big Orange Self Storage and subsequent valuation uplift
- Acquisition of an Asian platform in Singapore and Hong Kong at no purchase cost
- Full year dividend maintained at 2.3 pence
- Net fund flows have turned positive since Q3 2009
- Year end assets under management of £5.3 billion

Duncan Owen, Chief Executive of Invista said:

“The outcome for 2009 is the result of hard work and illustrates the resilience of Invista’s team and clients throughout difficult conditions. Investment performance is strong and the business has traded profitably. We are now also starting to record the benefit from an overall improvement in markets in the latter part of the year. Despite the turbulent conditions in the wider economy and the commercial property markets, Invista has positioned itself well with strong capital discipline and strict cost controls. The business has also been able to continue to diversify and expand, whilst ending the year on a sound financial footing. The challenge ahead for Invista is to demonstrate the positive performance of the balance sheet co-investments and prove how its resources can be best used to its competitive advantage and, as a consequence, grow the company and attract further new investor capital into our managed funds and joint ventures.”

Outlook

Real estate markets have reached the point of inflexion and the direction of value changes has altered from negative to positive movements. There however remain risks to future performance and some market sentiment over correcting. Nevertheless, we have renewed optimism that investor demand for property related funds and products is returning and will now grow in the medium to long term. Invista will continue to remain focused on developing new and innovative property investment funds to capture investor interest for real estate and spotting the opportunities to outperform.

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The Company is holding a results meeting today and the presentation will be available at www.invistarealestate.com from 11.00am.

Chief Executive Officer's Statement

Overview and core objectives

Invista has delivered a robust set of results during one of the most turbulent economic periods on record in the property investment sector. In 2009, Invista generated profit before taxation of £11.1 million (pre fair value adjustments and exceptional items) yielding a profit margin of 32%. During the year, Invista has been able to continue to diversify and expand the business, whilst ending the year on a sound financial footing. The challenge ahead for Invista is to demonstrate the positive performance of the balance sheet co-investments and prove how its resources can be best used to its competitive advantage and, as a consequence, grow the company and attract further new investor capital into our managed funds and joint ventures.

Highlights from 2009 included:

- Strong investment performance, with over 70% of funds under management meeting or outperforming their benchmarks (where benchmark data is currently available) over the three years to end December 2009.
- In April 2009, we announced that Invista Real Estate International Fund ("IREIF") completed the acquisition of the Big Orange Self Storage Fund ("BOSS"). Invista is a 50% investor in IREIF. The acquisition also provided Invista with an Asian fund management platform in Hong Kong and Singapore. No payment was made for acquisition of the platform and Invista now has a local presence in both cities to further diversify our platform. There has also been a significant valuation uplift in BOSS assets acquired by IREIF and this is noted as a positive FVA during the period of these accounts.
- In September 2009, Invista announced the successful extension of the debt facility within the Celsius joint venture. As part of the refinancing, amendments were made to the asset management agreement which resulted in a higher minimum fee arrangement for Invista and an extension of the management contract for another two years.
- In December 2009, it was announced that Invista had secured a further external investment of \$43 million in additional equity funding into BOSS from an institutional investor to assist in accelerating its growth. Invista will now seek to pursue growth and further expansion.
- Also in December 2009, the Invista European Real Estate Trust SICAF raised additional equity via a firm placing and open offer of £58.3 million. Invista subscribed £2.6 million in cash for new ordinary shares in Invista European Real Estate Trust. The Trust is a London listed real estate investment company managed by Invista. The successful share placing represented a significant positive development and growth for the Trust as well as a good investment for Invista. The value of this co-investment holding has already further increased since year end.
- Invista ended the year with a cash balance of £73.7 million, which places Invista in a sound position for the future growth of our platform as markets stabilise and some investor confidence returns. Operating margins during 2009 have also continued to hold up well despite falls in revenue due primarily to the falls in property values in the UK commercial market during the first half of the year. The subsequent recovery in value may not be sustainable but has enabled a recovery in AUM and this, combined with improved earnings and positive capital value growth of co-investments, has produced a positive set of results.

Our core objectives, as stated since IPO in September 2006, remain the same. Namely, to:

- grow recurring income;
- maximise investment returns compared with benchmarks;
- increase the number of opportunities for performance fees;
- deploy balance sheet funds into growth areas for our business; and
- diversify the business into new fund types and geographies.

Throughout the year, we have continued to focus on these core objectives and despite the significant challenges posed by the economy and the real estate markets, 2009 has been a year of continued development and progress.

Recurring income

A consequence of lower AUM is that revenue fell in 2009, reflecting steep falls in property values and the sale of properties. The strong continued relative performance of our funds in higher margin areas, alongside effective cost controls, has helped mitigate this fall in revenue somewhat and enabled Invista to record a profit margin of 32% pre FVA and exceptional items. The FVAs this year provide a positive contribution in addition to operating profits.

Invista's funds are now well placed for future growth and the consequential expansion in revenues. The open-ended UK funds have good access to our distribution partners and our funds are benefiting from asset value growth in the UK as the market stabilises and in some cases recovers strongly. Positive net inflows experienced towards the end of 2009 and early 2010 into the UK open-ended funds have offered the additional opportunity to invest into portfolios with a primary objective being to drive asset management initiatives that enhance values and position those funds favourably for future periods. This will help investment performance and growth in revenues. Both listed trusts (Invista European Real Estate Trust and Invista Foundation Property Trust) have also performed well and may benefit from new investor capital being allocated to the listed sector.

Investment performance

The investment performance of our funds remains central to our success and this continues to be pleasing with 70% of AUM outperforming or meeting their benchmark over the three years to 31 December 2009 (where data is available). Good investment performance helps both retain, as well as launch, new business. 2009 was particularly strong with 97% of AUM outperforming, again where data is currently available.

In the first part of 2009, we experienced significant challenges with respect to the open-ended funds which had to continue to sell assets, as had been the case in 2007 and 2008, into falling markets in order to maintain liquidity. Nevertheless, we were not only able to comply with clients' wishes to avoid having to suspend these funds but also maintained good liquidity whilst positioning the funds well for superior investment performance relative to their peer group and benchmarks. The funds benefited from good cash balances arising from early sales as well as above average quality portfolios. This was a deliberate strategy set during 2007 and 2008 and it enabled us to consolidate funds with prime portfolios, let to strong tenants and with low vacancy rates. We envisage this strategy will continue to benefit those funds into 2010 alongside robust active management.

The situation with regard to inflows for the open-ended funds began to shift in the last quarter of the year. The previously witnessed significant outflows were replaced by net fund inflows in the fourth quarter and should this combine with stable and recovering property values, we will be well placed to add to the investment performance of our core funds.

The performance of two direct open-ended funds is worthy of particular note in 2009. The St. James's Place APUT and the Clerical Medical UK Property Fund recorded performance in the top decile of their peer groups. Also, the Invista Global Property Securities Fund has produced an excellent track record, with the Fund outperforming its benchmark index by 1370 basis points for the year to 31 December 2009. These three funds are now being actively marketed and offer potential for growth into 2010 and beyond.

Performance fees

In order to align ourselves efficiently with clients and investors, Invista continues to offer a number of funds with structures offering the potential to earn performance fees. Market conditions in 2009, however, were such that no performance fees were earned during the period by the Group with most funds having “high water” marks for sustained rolling performance which have to exceed positive absolute returns. So, despite outperformance of benchmarks, absolute return hurdles were not exceeded in falling markets. The Invista Real Estate International Fund and the Invista Real Estate Opportunity Fund, however, both have the ability to earn performance fees upon realisation and their initial performance has been encouraging.

Deployment of the balance sheet

During 2009, Invista continued to deploy co-investment capital into growth areas of the business that strategically helped to diversify as well as establish investment track records and attract new investors. The Invista Real Estate International Fund and the Invista Real Estate Opportunity Fund as well as the Invista European Real Estate Trust are good examples of this activity. We continue to adhere to a strict capital discipline with respect to our balance sheet resources and the investments have been measured.

During the year, the Board also established a new committee to focus on balance sheet risk. The Investment Risk Committee is now chaired by Douglas Gardner and provides important oversight and challenge to the Executives by the monitoring of balance sheet deployment and returns. The Company’s profit to cash conversion rate is high and although £19.6 million of new funds have been deployed during the year, Invista at year end had a gross cash balance of £73.7 million (£46.1 million net of outstanding capital commitments at the year end) compared with £87.5 million as at 31 December 2008.

New investments

Big Orange Self Storage

In April 2009, Invista Real Estate International Fund (“IREIF”, in which Invista holds a 50% stake) acquired Big Orange Self Storage Fund (“BOSS”) for a total purchase consideration of £12.95 million. At no additional cost, Invista acquired a fund management platform in the region, comprising a small team of professionals with offices in Hong Kong and Singapore.

The BOSS acquisition by IREIF was followed up in December 2009 by the announcement that IREIF had entered into arrangements for further new equity investment into BOSS of \$43 million by an institutional investor. This new equity will be used to grow the business through the acquisition and conversion of new self storage assets in Asia.

At the year end, the positive fair value adjustment from the acquisition of the BOSS portfolio was £4.2 million.

Invista European Real Estate Trust (“IERET”)

In December 2009, Invista subscribed £2.6 million in cash for new ordinary shares in IERET in connection with a Placing and Open Offer announced by IERET in November 2009. This successful share placing enabled IERET to retire a significant portion of senior debt and to refinance the remainder on commercially more favourable terms. The placing represented a significant positive development for IERET, placing the Trust on a sounder and more stable financial basis for the future.

As a result of the subscription, Invista now holds a 6.4% stake in IERET, the market value of which, at 31 December 2009, was £4.1 million. The value of Invista’s investment in IERET had grown by 41% at year end, reflecting increases in share price movements. The resulting profit of £1.2 million has been taken to reserves.

Existing investments

Invista Castle Limited (“Invista Castle”)

Invista Castle is owned 100% by Invista. Invista Castle owns a portfolio of 317 freehold houses in five separate locations in the south and south-west of England, comprising parts of larger estates and built between 2001 and 2003 under the terms of a Private Finance Initiative project to provide dwellings for senior Ministry of Defence personnel. The residential property portfolio is currently 100% let to the Ministry of Defence.

There is a senior loan facility of £70.4 million which has no loan-to-value (“LTV”) covenant and runs for a term of another 19 years. Additionally, there is a £13.6 million loan facility (known as the acquisition loan) with a LTV covenant of 70%. The valuation of the underlying portfolio of properties fell very marginally by 0.4% during the year to £121.5 million at year end. Both loan facilities are secured by the underlying property portfolio and remain in compliance with their banking covenants. The Invista Castle debt comprises Invista’s total borrowings held against assets.

It remains the intention of Invista to recycle its investment in the Invista Castle portfolio when markets improve.

Invista Real Estate International Fund (“IREIF”)

IREIF is owned 50% by Invista. IREIF’s principal investment is Big Orange Self Storage, which, as noted previously, was acquired during the year by the Fund. The book value of Invista’s investment in the Fund at 31 December 2009 was £17.1 million, set against a total investment to date of £14.6 million.

IREIF’s aim is to continue to look for appropriate real estate opportunities in the Asian region and, together with the new investor in Big Orange Self Storage, expand the self storage proposition across the region.

Invista Real Estate Opportunity Fund (“IREOF”)

IREOF is owned 45% by Invista. IREOF has made four investments since its inception in October 2007. IREOF made no investments in 2009 but has already made one further acquisition in 2010 and continues to look for mis-pricing opportunities to deploy its remaining committed capital in the UK and in Continental Europe.

The book value of Invista’s investment in the Fund at 31 December 2009 was £6.1 million, set against a total investment to date of £7.8 million.

Invista Global Property Securities Fund

The Invista Global Property Securities Fund (the “Fund”) was established in the fourth quarter of 2008 and is owned 100% by Invista. Following the Fund’s strong performance, the Company took the opportunity to reduce its investment in the Fund back to the £10 million originally allocated which repatriated some £2 million back to Invista’s cash reserves in the fourth quarter of 2009. The net asset value of the Fund at 31 December 2009 was £10.8 million.

Celsius

Celsius is owned 50% by Invista. Celsius owns a property portfolio comprising 11 office and industrial properties located in Ile-de-France and elsewhere in regional France. The portfolio's income is secured by strong tenants with some 63% in eight of the assets being generated by Carrefour, the leading French hypermarket group, and Areva, the state controlled French power company. In September 2009, in connection with a refinancing of the underlying debt facility, Invista agreed a two year extension to the existing asset management agreement, expiring in September 2011, on a revised fee basis which is more than twice the previous amount.

Invista continues to hold its investment in Celsius at £nil.

Invista Foundation Property Trust (“IFPT”)

Invista holds a 2.25% stake in IFPT, a listed UK commercial property investment trust, for which Invista also acts as investment manager. The market value of this stake at 31 December 2009 was £2.9 million, representing an increase of £1.7million since the end of 2008.

Diversification of business

New types of funds with geographic diversification serve to develop Invista’s strategy. Creating new styles of funds offers alternative ways for our clients to access real estate returns.

Markets that offer medium-to long-term growth will be targeted. Revenues continue to benefit from increased diversification across both different styles of fund as well as alternative geographic regions. We have access to growth markets in Europe and Asia as well as core plus and opportunistic funds.

Funds and assets under management

AUM has decreased 16% from £6.3 billion as at 31 December 2008 to £5.3 billion as at 31 December 2009.

Assets Under Management	Investment style	As at 31 Dec 08 £ million	As at 31 Dec 09 £ million
HBOS FUNDS			
Clerical Medical With-Profits Property Fund	Balanced UK, Core	1,336	827
Clerical Medical Managed Property Fund	Balanced UK, Core	735	664
Clerical Medical Unit Linked Fund	Balanced UK, Core	345	300
Halifax Life Property Fund	Balanced UK, Core	226	196
Halifax Managed Income Fund	Balanced UK, Core	120	122
Clerical Medical Non-Sterling Fund	Continental Europe, Core	199	177
Clerical Medical Managed Income Fund	UK, Indirect	1	3
Clerical Medical UK Property Fund	UK, Core	63	98
SUB TOTAL		3,025	2,387
SEPARATE ACCOUNTS			
The Equitable Life Assurance Society	Balanced UK, Core	524	448
HBOS Final Salary Pension Scheme Property Fund	Balanced UK, Core	213	230
St James’s Place APUT	Balanced UK, Core plus	66	99
St James’s Place UK Property Fund	Balanced UK, Core	471	511
LRI GP Limited	Balanced UK, Indirect Investment, Core	207	-
SUB TOTAL		1,481	1,288
COLLECTIVE INVESTOR FUNDS			
Invista Foundation Property Trust	Balanced UK, Core plus	418	396
Invista Property Portfolio Fund	Balanced UK Fund of Specialist Funds, Core	44	24
Invista European Real Estate Trust	Balanced continental Europe, Core plus	607	547
Residential	UK Residential	419	395
Invista Real Estate Opportunity Fund LP	Pan European, Opportunistic	56	56
Invista Canmoor	UK, Value Added	66	60
Celsius	France, Core plus	147	99
Invista Real Estate International Fund LP	Asia, Core plus	50	50
Invista Global Property Securities Fund LP	Securities	9	11
BOSS Partnership 1 LP	Self Storage Asset	-	26
SUB TOTAL		1,816	1,664
TOTAL AUM		6,322	5,339

Overview of funds and assets under management

AUM has decreased 16% from £6.3 billion as at 31 December 2008 to £5.3 billion as at 31 December 2009, reflecting a declining UK property market and net outflows from some of the open-ended funds for which Invista is the investment manager.

Net redemptions from open-ended funds totalled £93 million for the year to 31 December 2009 (2008: net outflows £453 million). The total fund flows across all the funds are set out below.

AUM / £million	As at 31 Dec 2008	Net Fund Flows	Valuation Movements	As at 31 Dec 2009
HBOS Funds	3,025	(533)	(105)	2,387
Separate Accounts	1,481	(170)	(23)	1,288
Collective Investor Funds	1,816	81	(233)	1,664
Total	6,322	(622)	(361)	5,339

Revenue for the period is set out below:

Revenue / £million	Year ended 31 Dec 2009	% Year end 31 Dec 2009	Year ended 31 Dec 2008	% Year ended 31 Dec 2008
HBOS Funds	11.4	33%	15.5	34%
Separate Accounts	4.3	13%	7.0	15%
Collective Investor Funds	18.7	54%	23.1	51%
Total	34.4	100%	45.6	100%

HBOS Funds

HBOS Funds are those that Invista manages on behalf of the Lloyds Banking Group (formerly HBOS Group) and where HBOS is responsible for the promotion, distribution and unit pricing. This includes pension, insurance and investment products sold by HBOS under a number of brands, either in the form of specialist property funds or where a proportion of the proceeds of a balanced fund is invested in property.

Notable developments for the period included:

- Strong first full-year trading of the Clerical Medical UK Property Fund, producing a positive ungeared total return to investors of 42.3% (Source: IPD Quarterly Benchmark report Q4 2009).
- The Clerical Medical With Profits, Clerical Medical Managed, Clerical Medical Unit Linked Life and Halifax Life funds have been developing the Rolls Building, London, EC4, a 264,000 sq ft prime Grade-A office building, which has been part pre-let to the Government on a 30 year lease.
- Despite redemptions in the first half of 2009 in the open-ended funds (following net redemptions also in 2007 and 2008) none of the funds was required to be closed, complying with clients' wishes.

Separate Accounts

Separate Accounts are client funds which are managed or advised by Invista. Typically, such a fund will be branded by the client who has responsibility for distribution and property allocation decisions.

The St. James's Place UK Property Fund is one of the Separate Accounts and is an open-ended life and pension fund. As at 31 December 2009, the Fund had a value of £511 million, derived from 41 direct property assets. The Fund holds a diversified portfolio of office, industrial

and retail properties located throughout the UK. The Fund's strategy is to provide an attractive income return together with the potential for income and capital growth. The St. James's Place APUT was launched in 2008 and came top of its IPD quarterly benchmark peer group in 2009 (Source: IPD Quarterly Benchmark report Q4 2009).

Collective Investor Funds

The collective Investor Funds tend to have a more opportunistic and value add investment strategy. Their distribution is usually through the capital markets or third party distributors.

Invista Foundation Property Trust ("IFPT")

IFPT is a London main-market listed investment vehicle managed by Invista providing shareholders with sustainable returns in dividends and NAV growth through investing in diversified commercial real estate in the UK. 2009 was a year of robust performance for IFPT, ending the year with gross assets of £316.5 million. Net Asset Value ("NAV") recovered well during the fourth quarter of the year and IFPT has managed its assets and liabilities to protect shareholders from unnecessary NAV dilution.

Invista's active approach has contributed to the underlying property portfolio producing a sustained period of total return outperformance of its benchmark since inception in 2004. Over the period since inception to December 2009, the fund has outperformed its IPD Quarterly Index Benchmark by 80 basis points. Equally significant over a five period, the property portfolio has produced rental value growth of 1.7%, compared to IPD of -0.3%. This outcome has been met positively by analysts and IFPT's key shareholders and although the share price has continued to remain depressed, due to low levels of liquidity and negative sentiment towards real estate, IFPT is viewed as one of the market leaders in addressing the problems brought about by falling asset values early enough to make a meaningful impact on mitigating the negative market conditions.

Invista European Real Estate Trust ("IERET")

IERET is a London main-market listed investment vehicle managed by Invista providing shareholder returns through investing in diversified commercial real estate in Continental Europe. As at 30 September 2009, IERET had property investments of €541 million, across seven Continental European countries. Active management resulted in selling €70 million of properties at 3% over valuation and extending leases to preserve income security. However, due to wider market conditions and tight credit markets, IERET's NAV decreased by 52.2% during its financial year to 30 September 2009.

On 30 December 2009, IERET completed a successful £58.3 million capital raise which was supported by both existing and new cornerstone investors. This enabled IERET to reduce debt and in parallel achieve more favourable terms such as lower margins, significant covenant headroom, an additional two year duration and reduced exit fees. The capital raise provides greater stability to the balance sheet and a platform for a re-rating of the stock.

From its London and Paris offices, Invista now manages four funds investing in Continental European assets, operating both the core and opportunistic strategies. We have investments in a total of eight countries in Continental Europe.

Residential

The residential property asset class remains helpful for Invista as it seeks to build on a diversified platform of fund types and geographies. Invista managed £395 million (2008: £419 million) of residential assets, comprising some 2,000 properties in total as at 31 December 2009, the fall of only 6% in value over 2008 being mitigated by active management initiatives.

Outlook

Real estate markets have reached the point of inflexion and the direction of value changes has altered from negative to positive movements. There however remain risks to future performance and some market sentiment over correcting. Nevertheless, we have renewed optimism that investor demand for property related funds and products is returning and will now grow in the medium to long term. Invista will continue to remain focused on developing new

and innovative property investment funds to capture investor interest for real estate and spotting the opportunities to outperform.

Finance Director's Statement

Although 2009 was a challenging year for Invista and others in our industry, the Company remained profitable and ended the year in a secure financial position. Cash balances at £73.7 million remained significant. Net of outstanding capital commitments to funds, cash amounted to £46.1 million (2008: £43.1 million) at the year end.

Revenues were lower, principally due to lower assets under management during the year. Overall profitability rose; Invista recorded profit before taxation of £10.0 million (2008: loss of £3.7 million). A detailed analysis is set out below.

Profit and loss account

Profit before taxation, for the year ending 31 December 2009, was £10.0 million (2008: loss £3.7 million).

Profit and loss account	2009 £m	2008 £m
Management fees	24.7	36.4
Performance fees	-	1.7
Other fee income	1.9	1.9
Total fee income	26.6	40.0
Net rental income	7.8	5.6
Revenue	34.4	45.6
Administrative expenses	(17.7)	(21.4)
Net valuation gains/(losses) on investments	0.1	(10.6)
Share of joint venture profits/(losses)	1.5	(22.2)
Operating profit /(loss) before exceptional charge	18.3	(8.6)
Exceptional charge	(3.8)	-
Operating profit/(loss) after exceptional charge	14.5	(8.6)
Net finance (expense)/income	(4.5)	1.5
Foreign exchange	-	3.4
Profit/(loss) before taxation	10.0	(3.7)
Earnings/(loss) per share	2.4p	(4.0)p
Dividend per share	2.3p	2.3p

Total revenue fell by 25% to £34.4 million from £45.6 million in 2008, the fall being heavily influenced by lower management fees as a result of lower average assets under management during the year and the absence of any performance fees in 2009.

The fall in revenue was partially mitigated by a substantial reduction in administrative expenses. We were able to reduce these costs by 17% to £17.7 million. A significant contributing factor has been the reduction in salary and related costs (which are down 11% to £13.2 million). This included cash bonus costs which have been curtailed by 40% to £1.2 million (2008: £2.0 million). Other costs, included in administrative expenses, reduced by 32% to £4.5 million (2008: £6.6 million) as a result of an increasing focus on all areas of expenditure, especially discretionary spend.

In 2008, Invista booked valuation losses from other investments of £10.6 million. In 2009, Invista was able to book a modest profit of £0.1 million which related almost entirely to realised gains booked as a result of trading activity within the Invista Global Property Securities Fund.

Joint venture losses were very significantly reduced in comparison with 2008. The principal factor driving the improvement has been the reversal of fair value losses and other write downs experienced in 2008 of £17.1 million to net fair value adjustments of a profit of £3.2 million in 2009 (comprising £4.2 million in respect of the International Fund and a loss of £1.0 million in respect of the Opportunity Fund).

An analysis of profits pre and post FVA (and exceptionals) is set out below.

Profit before fair value adjustments and exceptional charge

Adjusting for the impact of fair value adjustments and exceptional charges, Invista reported profit before taxation of £11.1 million (2008: £23.7 million).

	2009	2008
	£m	£m
Profit before FVA and exceptional charge		
Profit before FVA and exceptionals	11.1	23.7
Adjusting for:		
Celsius, including hedging	-	(18.6)
Fair value adjustment in respect of Castle	(0.5)	(5.9)
Impairment in IFPT shares	-	(4.4)
Other unrealised gains in joint ventures	3.2	1.5
Exceptional charge	(3.8)	-
Profit / (loss) before taxation	10.0	(3.7)
Profit margin (before FVA and exceptionals)	32%	52%

Celsius

In 2008, Invista took the decision to write down the value of its investment in its 50% owned French property joint venture, Celsius, to £nil. As the Directors continue to believe that the open market value of the underlying portfolio remains less than the outstanding debt within the joint venture, Invista continues to hold its investment in Celsius at £nil. All the debt associated with the Celsius joint venture remains non-recourse to Invista.

Invista Castle Limited

The year end valuation of the underlying Invista Castle residential property portfolio was £121.5 million, down just £0.5 million (2008: loss £5.9 million) from the 2008 valuation of £122.0 million. The value of the portfolio has continued to remain relatively stable in light of market conditions, generally, due to the strong fundamentals associated with the underlying lease arrangements with the Ministry of Defence. It remains our expectation that the valuation of Castle's residential portfolio will remain less volatile than other similar assets in the market for this reason.

Invista Foundation Property Trust

Invista's investment in IFPT shares increased in 2009 by £1.7 million. In accordance with IFRS, this uplift has been taken directly to reserves and does not impact profit and loss.

Other unrealised gains in joint ventures

This comprises unrealised fair value gains in the Invista Real Estate International Fund ("IREIF") of £4.2 million (2008: £nil) offset by unrealised losses in the Invista Real Estate Opportunity Fund ("IREOF"). Gains within IREIF were as a result of an uplift of the value of the Big Orange Self Storage assets, which were acquired by IREIF at competitive prices in April 2009. Invista owns 50% of IREIF. IREOF saw the value of its assets fall modestly resulting in Invista booking a loss of £1.0 million in 2009 (2008: profit £1.5 million) via its 45% interest in IREOF.

Net valuation gains/(losses) from investments

Net valuation profits from investments were £0.1 million (2008: loss £10.6 million) and included £0.5 million of fair value adjustments in respect of Invista Castle and £0.6 million of realised gains from the Invista Global Property Securities Fund.

	2009	2008
Net valuation gains/(losses) from investments	£m	£m
Invista Castle Limited	(0.5)	(5.9)
Impairment in IFPT shares	-	(4.4)
Net realised profit/(loss) on Invista Global Property Securities Fund	0.6	(0.3)
Total	0.1	(10.6)

Joint venture losses

Share of losses from jointly controlled entities largely comprises Invista's share of losses arising from its interest in the Invista Real Estate Opportunity Fund and Invista Real Estate International Fund joint venture entities. Invista Castle Limited ceased to be a joint venture on 10 April 2008, after which Invista Castle became 100% owned by Invista. The loss of £21.9 million shown associated with Celsius in 2008 excludes positive currency movements of £5.0 million.

	2009	2008
Share of joint venture losses	£m	£m
Invista Castle	-	(0.6)
Celsius*	-	(21.9)
Invista Real Estate Opportunity Fund	(1.7)	1.0
Invista Real Estate International Fund	3.2	(0.7)
Total	1.5	(22.2)

* including provision in 2008 to write down

Exceptional charge

Invista booked an exceptional charge of £3.8 million in the first half of 2009, in relation to the vesting of various of the Company's employee share schemes where change of control clauses were triggered when Invista's then majority shareholder, HBOS plc, was acquired by Lloyds TSB Group plc (now renamed Lloyds Banking Group plc) in January 2009.

Net finance expense

Net finance expense of £4.5 million (2008: income £1.5 million) was significantly lower than 2008 primarily as a result of lower interest rates and foreign exchange movements.

Balance sheet

As at 31 December 2009, shareholders' funds amounted to £139.1 million (2008: £125.2 million). Cash balances amounted to £73.7 million. Invista's cash balances include £8.9m of cash within the Invista Castle Group, of which £3.9 million is held in debt service and other reserve accounts.

Investments in jointly controlled entities totalled £23.2 million (2008: £5.2 million) and comprise Invista's equity accounted interests in the Invista Real Estate Opportunity Fund and the Invista Real Estate International Fund.

Invista's other investments comprise investment properties owned by Invista Castle of £121.5 million and other investments of £19.5 million. Other investments comprise Invista's investment in the Invista Global Property Securities Fund of £10.7 million, £2.9 million investment in the Invista Foundation Property Trust, £4.1 million investment in the Invista European Real Estate Trust and £1.8 million investment in Investment Property Databank.

Gross debt, as at 31 December 2009, was £84.0 million (2008: £85.4 million) all of which relates to Invista Castle Limited. Debt balances represent senior debt of £70.4 million, due 2028, secured by residential property assets owned by Invista Castle Limited and a £13.6 million

acquisition loan due April 2011, also secured on the assets of Invista Castle Limited. Invista remains in full compliance with banking covenants, including the loan-to-value covenant in respect of the acquisition loan, for both of these facilities.

Taxation

Invista's tax charge in 2009 was impacted adversely by a one-off amount of £1.8 million incurred as a consequence of implementing IFRS accounting standards across the Invista Castle group of companies, which were themselves acquired 100% by Invista in 2008. A reconciliation of Invista's tax charge to the UK Corporation tax rate of 28% is included in the notes to the accompanying financial statements.

Employee Benefit Trust

An Employee Benefit Trust ("EBT") was set up in 2007 to hold shares required to satisfy anticipated future vestings under the Company's employee share incentive schemes.

As at 31 December 2009, the EBT held 2,354,948 ordinary shares in Invista. A second EBT holds shares in respect of the Company's HMRC approved share plans and, as at 31 December 2009, this EBT held a further 1,133,656 ordinary shares in Invista.

Dividend

The Board has proposed a maintained final dividend of 1.6 pence per ordinary share, making a full year total dividend of 2.3 pence per ordinary share (2008: 2.3 pence). The dividend will be paid on 14 May 2010 to holders of ordinary shares on the register at the close of business on 16 April 2010.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

		2009	2008
	Note	£000	£000
Fee income		26,543	39,963
Net rental and related income		7,849	5,665
Revenue	2	34,392	45,628
Administrative expenses	4	(17,687)	(21,368)
Share of profits/ (losses) of jointly controlled entities	13	1,481	(22,247)
Net valuation profits/ (losses) on investments	5	90	(10,560)
Operating profit/ (loss) before exceptional charge		18,276	(8,547)
Exceptional charge on early vesting of share options	6	(3,766)	-
Operating profit/ (loss) after exceptional charge	3	14,510	(8,547)
Net finance (expense) / income	7	(4,514)	4,889
Profit/ (loss) before tax		9,996	(3,658)
Income tax expense	8	(3,591)	(6,725)
Profit /(loss) for the year attributable to equity holders of the Parent Company		6,405	(10,383)
Earnings per share			
Basic earnings/ (loss) per share	9	2.44p	(3.96p)
Diluted earnings/ (loss) per share	9	2.33p	(3.96p)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	2009 £000	2008 £000
Profit/ (loss) for the year		6,405	(10,383)
Other comprehensive income:			
Net change in fair value of available for sale investments	14	5,418	(278)
Deferred tax on net change in fair value of available for sale investments		(334)	(47)
Movement on swaps		5,860	(12,310)
Deferred tax on movement in swaps		(1,639)	3,481
Movement on joint venture swaps	13	(7)	250
Deferred tax on movement in joint venture swaps	13	-	(150)
Foreign currency translation adjustment on available for sale investments		(15)	-
Foreign currency translation differences in respect of investments held by joint ventures		(221)	-
Other comprehensive income/ (expense) for the year, net of tax		9,062	(9,054)
Total comprehensive income/ (expense) for the year attributable to equity holders of the Parent Company		15,467	(19,437)

CONSOLIDATED BALANCE SHEET

At 31 December 2009

	Note	2009 £000	2008 £000
Non-current assets			
Investment properties	11	121,500	122,000
Property, plant and equipment	12	987	1,254
Investments in jointly controlled entities	13	23,236	5,222
Investments	14	19,486	11,566
Deferred tax assets		2,208	2,739
Total non-current assets		167,417	142,781
Current assets			
Trade and other receivables	15	4,526	6,388
Cash and cash equivalents		73,663	87,484
Total current assets		78,189	93,872
Total assets		245,606	236,653
Current liabilities			
Interest bearing loans and borrowings	16	1,227	1,287
Trade and other payables	17	6,250	8,981
Current tax liabilities		8,634	3,740
Total current liabilities		16,111	14,008
Non-current liabilities			
Interest bearing loans and borrowings	16	81,120	82,301
Derivatives used for hedging		8,653	14,500
Other payables	17	617	687
Total non-current liabilities		90,390	97,488
Total liabilities		106,501	111,496
Net assets		139,105	125,157
Equity			
Share capital	18	76	76
Share premium account		108,768	108,768
Capital contribution reserve	19	1,782	1,782
Hedge reserve	19	(5,542)	(9,756)
Retained earnings		34,021	24,287
Total shareholders' equity		139,105	125,157

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Share capital	Share premium	Capital contribution reserve	Hedge reserve	Retained earnings	Total
Note	£000	£000	£000	£000	£000	£000
	18		19	19	19	
Balance at 1 January 2008	76	108,768	1,782	(1,027)	38,402	148,001
Loss for the year	-	-	-	-	(10,383)	(10,383)
Net change in fair value of available for sale investments	-	-	-	-	(278)	(278)
Deferred tax on net change in fair value of available for sale investments	-	-	-	-	(47)	(47)
Movement on swaps	-	-	-	(12,310)	-	(12,310)
Deferred tax on movement in swaps	-	-	-	3,481	-	3,481
Movement on joint venture swaps	-	-	-	250	-	250
Deferred tax on movement in joint venture swaps	-	-	-	(150)	-	(150)
Total comprehensive income	-	-	-	(8,729)	(10,708)	(19,437)
Dividends paid	-	-	-	-	(6,042)	(6,042)
EBT share purchases	-	-	-	-	(474)	(474)
Employee share expense	-	-	-	-	3,109	3,109
Balance at 31 December 2008	76	108,768	1,782	(9,756)	24,287	125,157
Profit for the year	-	-	-	-	6,405	6,405
Net change in fair value of available for sale investments	-	-	-	-	5,418	5,418
Deferred tax on net change in fair value of available for sale investments	-	-	-	-	(334)	(334)
Movement on swaps	-	-	-	5,860	-	5,860
Deferred tax on movement in swaps	-	-	-	(1,639)	-	(1,639)
Movement on joint venture swaps	-	-	-	(7)	-	(7)
Foreign currency translation adjustment on available for sale investments	-	-	-	-	(15)	(15)
Foreign currency translation differences in respect of investments held by joint ventures	-	-	-	-	(221)	(221)
Total comprehensive income	-	-	-	4,214	11,253	15,467
Dividends paid	-	-	-	-	(6,062)	(6,062)
EBT share purchases	-	-	-	-	(1,618)	(1,618)
Employee share expense	-	-	-	-	6,056	6,056
Tax on employee share expense	-	-	-	-	105	105
Balance at 31 December 2009	76	108,768	1,782	(5,542)	34,021	139,105

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2009

	2009	2008
	£000	£000
Profit/ (loss) for the year	6,405	(10,383)
Adjustments for:		
Tax	3,591	6,725
Investment income	(1,177)	(6,180)
Net finance expense	5,754	4,678
Employee share awards	6,056	3,109
Depreciation/amortisation	505	495
Loss on disposal of property, plant & equipment	1	-
Net (gain)/ loss on sale of investments	(608)	264
Share of gains/ (losses) of jointly controlled entities	(1,481)	17,279
Fair value adjustment on acquisition	(3)	5,052
Change in fair value of investment properties	500	5,864
Change in fair value of other investments	30	-
Decrease in provisions	-	45
Changes in working capital:		
Decrease in trade and other receivables	1,862	2,880
Decrease in trade and other payables	(2,897)	(4,154)
Cash flows from operating activities	18,538	25,674
Income taxes paid	(34)	(19,273)
Net cash from operating activities	18,504	6,401
Cash flows from investing activities		
Investment income	1,177	6,645
Acquisition of property, plant and equipment	(203)	(184)
Acquisition of investment properties	-	(57,968)
Acquisition of investments in joint ventures	(16,761)	(17,467)
Acquisition of other investments	(12,648)	(31,128)
Disposal of other investments	10,757	16,772
Net cash flows from investing activities	(17,678)	(83,330)
Cash flows from financing activities		
Dividends paid	(6,062)	(6,042)
EBT share purchases	(1,618)	(474)
Increase in loans	-	65,633
Repayments of loans	(1,374)	(28,158)
Interest paid	(5,593)	(3,558)
Net cash flows from financing activities	(14,647)	27,401
Net decrease in cash and cash equivalents	(13,821)	(49,528)
Opening cash and cash equivalents	87,484	137,012
Cash and cash equivalents at 31 December	73,663	87,484

COMPANY INCOME STATEMENT

The Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The Company made a loss of £2,157,000 for the year ended 31 December 2009 (2008: profit of £9,233,000).

COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	2009 £000	2008 £000
(Loss)/ profit for the year		(2,157)	9,233
Other comprehensive income:			
Net change in fair value of available for sale investments	14	2,869	183
Deferred tax on net change in fair value of available for sale investments		(335)	(51)
Other comprehensive income for the year, net of tax		2,534	132
Total comprehensive income for the year		377	9,365

COMPANY BALANCE SHEET

At 31 December 2009

	Note	2009 £000	2008 £000
Non-current assets			
Investments	14	31,884	20,079
Total non-current assets		31,884	20,079
Current assets			
Trade and other receivables	15	65,900	63,882
Cash and cash equivalents		46,336	62,685
Total current assets		112,236	126,567
Total assets		144,120	146,646
Current liabilities			
Trade and other payables	17	1,509	3,924
Current tax liabilities		1,020	324
Total current liabilities		2,529	4,248
Non-current liabilities			
Deferred tax liability		335	-
Total non-current liabilities		335	-
Total liabilities		2,864	4,248
Net assets		141,256	142,398
Equity			
Share capital	18	76	76
Share premium account		108,768	108,768
Capital contribution reserve	19	1,782	1,782
Other reserve	19	13,036	6,875
Retained earnings		17,594	24,897
Total shareholders' equity		141,256	142,398

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

Note	Share capital £000	Share premium £000	Capital contribution reserve £000	Other reserve £000	Retained earnings £000	Total £000
	18		19	19	19	
Balance at 1 January 2008	76	108,768	1,782	3,766	22,048	136,440
Profit for the year	-	-	-	-	9,233	9,233
Net change in fair value of available for sale investments	-	-	-	-	183	183
Deferred tax on net change in fair value of available for sale investments	-	-	-	-	(51)	(51)
Total comprehensive income	-	-	-	-	9,365	9,365
Dividends paid	-	-	-	-	(6,042)	(6,042)
EBT share purchases	-	-	-	-	(474)	(474)
Share award to employees of the subsidiary	-	-	-	3,109	-	3,109
Balance at 31 December 2008	76	108,768	1,782	6,875	24,897	142,398
Loss for the year	-	-	-	-	(2,157)	(2,157)
Net change in fair value of available for sale investments	-	-	-	-	2,869	2,869
Deferred tax on net change in fair value of available for sale investments	-	-	-	-	(335)	(335)
Total comprehensive income	-	-	-	-	377	377
Dividends paid	-	-	-	-	(6,062)	(6,062)
EBT share purchases	-	-	-	-	(1,618)	(1,618)
Share award to employees of the subsidiary	-	-	-	6,056	-	6,056
Tax on share awards to employees of the subsidiary	-	-	-	105	-	105
Balance at 31 December 2009	76	108,768	1,782	13,036	17,594	141,256

COMPANY CASH FLOW STATEMENT
For the year ended 31 December 2009

	2009	2008
	£000	£000
(Loss)/ profit for the year	(2,157)	9,233
Adjustments for:		
Tax	801	324
Investment income	(676)	(3,321)
Dividends received from subsidiaries	(10,400)	(33,000)
Share of losses of jointly controlled entities	-	19,933
Fair value adjustment on acquisition	-	4,420
Changes in working capital:		
Decrease/ (increase) in trade and other receivables	(2,018)	(55,545)
Increase in trade and other payables	(2,415)	2,582
Cash flows from operating activities	(16,865)	(55,374)
Income taxes paid	-	(1,488)
Net cash from operating activities	(16,865)	(56,862)
 Cash flows from investing activities		
Investment income	676	3,597
Dividends received from subsidiaries	10,400	33,000
Acquisition of other investments	(2,880)	(5,000)
Net cash flows from investing activities	8,196	31,597
 Cash flows from financing activities		
Dividends paid	(6,062)	(6,042)
EBT share purchases	(1,618)	(474)
Net cash flows from financing activities	(7,680)	(6,516)
 Net decrease in cash and cash equivalents	(16,349)	(31,781)
Opening cash and cash equivalents	62,685	94,466
Cash and cash equivalents at 31 December	46,336	62,685

NOTES TO THE FINANCIAL STATEMENTS – GROUP AND COMPANY

1. Basis of preparation

Both the Parent Company financial statements and the Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the EU ('Adopted IFRS') that are effective at 31 December 2009 and comply with article 4 of the EU IAS regulation.

The following Adopted IFRSs relevant to the Group have been applied to these financial statements for the first time in 2009 with new disclosures and comparatives presented accordingly. There is no financial impact arising from the application of these standards, only presentational changes and some additional or expanded notes to the accounts.

- Revised IAS 1 'Presentation of Financial Statements' which impacts the presentation and format of the primary statements resulting in a Statement of Comprehensive Income accompanying the Income Statement and the inclusion of a Statement of Changes in Equity as a primary statement.
- IFRS 8 'Operating Segments' which requires segment disclosure based on the components of an entity that management monitors in making operating decisions. The segment information for the year ended 31 December 2009 and for the comparative period is presented in note 12.
- Amendments to IFRS 7 'Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments' which requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on the historical cost basis, except for valuation of certain financial instruments, investments and investment properties.

The preparation of financial statements in conformity with Adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Key judgements management have taken relate to valuation, in most instances, of share awards, properties, available for sale investments and swaps. The Group uses external professional valuations to assist in this judgement. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Revenue

	2009	2008
	£000	£000
Investment management fees	24,625	35,921
Performance fees	-	1,685
Transaction fees	37	480
Administration fees and other income	1,881	1,877
Fee income	26,543	39,963
Gross rental income	8,718	6,344
Property operating expenses	(869)	(679)
Net rental and related income	7,849	5,665
Revenue	34,392	45,628

Net rental and related income has arisen since 10 April 2008 when the Group acquired the 50% of the issued share capital of Invista Castle Limited that it did not already own from its former joint venture partner.

3. Operating profit/ (loss)

Operating profit/ (loss) has been arrived at after charging:

	2009	2008
	£000	£000
Depreciation of property, plant and equipment	505	495
Operating lease rentals	813	884
Auditors' remuneration for:		
- Statutory audit of Group	58	58
- Statutory audit of subsidiaries	100	101
- Audit-related regulatory reporting	3	3
- Further assurance services	-	20
- Tax advisory services	42	3

Operating lease rentals of £813,000 relate to the Group's office premises in London, Paris and Hong Kong. The lease costs have been spread evenly over the lease terms.

The Group's current leasehold premises in London at on the 4th Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA are under a ten year lease which began in July 2007 and which expires in 2017. A rent free period applied until 25 November 2008, the benefit of which has been spread over the lease term.

On 21 December 2009 an agreement was entered into to surrender the lease for the Group's leasehold office premises on the 4th Floor at Exchequer Court and to enter into a new lease on the 6th Floor at the same address. Surrender of the existing lease and completion of the new lease will occur on vacant possession of the existing 4th Floor which is expected to occur during March 2010. As a result of this an accelerated release of the remaining provision for the rent free period will be spread over the period from 21 December 2009 to March 2010. The partial provision release made to the income statement by 31 December 2009 is reflected in the operating lease rental figure reported above. However, the effect of this on operating profit is offset by an accelerated depreciation charge over the same period relating to the anticipated write off of fixed assets at 4th Floor, Exchequer Court.

Rental of the Group's office in France at 21, rue des Pyramides – 75001 Paris is under a nine year lease which began in January 2008 and which expires in 2017.

The Group's office in Hong Kong at Unit 820, 8/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong is under a 19 month lease which began in July 2009 and which expires in January 2011.

4. Administrative expenses

	2009	2008
	£000	£000
Employee costs		
Wages and salaries	8,798	9,441
Share based payments	2,264	3,109
Social security costs	1,437	1,519
Other pension costs	695	693
Total (including Directors)	13,194	14,762
Occupancy costs	1,373	1,552
Other administrative costs	3,120	5,054
Total administrative expenses	17,687	21,368

Other administrative costs includes a realised gain of £3,000 on acquisition of Big Orange Self Storage Holdings (Cayman) Limited.

The average number of persons employed by the Group (including Directors) during the year was 97 (2008: 103), of which 48 (2008: 52) were investment professionals. This includes the employees taken on on 17 December 2009 when the Group acquired 100% of the share capital of Big Orange Self Storage Holdings (Cayman) Limited and its subsidiaries. The Big Orange Self Storage business has 22 employees based in Singapore involved in self storage property management.

The Company had no employees during the year (2008: nil).

5. Net valuation profits/ (losses) on investments

	Note	2009	2008
		£000	£000
Revaluation of investment properties	11	(500)	(5,864)
Impairment of investment in IFPT shares		-	(4,420)
Impairment of investment in IPPF		(18)	(12)
Total impairment of investments	14	(18)	(4,432)
Net realised profit/ (loss) on available for sale investments		608	(264)
Net valuation profits/ (losses) on investments		90	(10,560)

The net realised profit on available for sale investments arises from sales of securities made by the Invista Global Property Securities Fund Limited Partnership.

6. Exceptional charge

The exceptional charge of £3,766,000 in the year to 31 December 2009 results from the accelerated vesting of certain of the Group's employee share schemes as a consequence of the change of control that occurred in January 2009 when Invista's parent, HBOS plc, was acquired by Lloyds TSB Group plc (now renamed Lloyds Banking Group plc).

7. Net finance (expense)/ income

	2009	2008
	£000	£000
Interest income on loans to joint ventures	-	443
Interest income on bank deposits	566	5,214
Interest income on available for sale investments	69	26
Total interest income	635	5,683
Dividend income on available for sale investments	542	497
Commission from underwriting	87	-
Net change in fair value of ineffective cash flow hedge	(12)	16
Net foreign exchange gain on loans to joint ventures	-	4,968
Other foreign exchange losses	(12)	(1,597)
Net foreign exchange (loss) / gain	(12)	3,371
Finance expense	(5,754)	(4,678)
Net finance (expense)/ income	(4,514)	4,889

On 3 May 2007 Invista Residential Property Trust Limited entered into two loan agreements with its then joint venture company Invista Castle Limited on which interest income was earned. Following the 100% acquisition of Invista Castle Limited on 10 April 2008 the total value of these loans were converted to ordinary share capital at which point interest income was no longer earned.

Also on 10 April 2008, as a result of acquiring 100% of the share capital of Invista Castle Limited, the Group took interest bearing loans held by Invista Castle Limited onto the Group balance sheet. This comprises two loans with a value outstanding at the end of the year of £84.0 million (2008: £85.4 million) (see note 16). Both the bank loans are secured by way of a fixed and floating charge over the assets of Invista Castle Limited. Interest is fixed on both loans by way of swap instruments at a weighted average interest rate of 6.6% per annum.

Underwriting commission mainly arose during the year ended 31 December 2009 when the Group participated in the underwriting of shares in Invista European Real Estate Trust ("IERET") as part of a placing and offer by IERET.

8. Income tax expense

a) Analysis of tax expense

	2009	2008
	£000	£000
Current tax:		
Corporation tax charge for the year at a rate of 28% (2008: 28.5%)	5,048	6,725
Adjustments in respect of prior years	(15)	191
Deferred tax:		
Deferred tax credit	(1,463)	(191)
Adjustments in respect of prior years	21	-
Total income tax expense	3,591	6,725

b) Reconciliation of effective tax rate

The standard corporation tax rate in the UK changed from 30% to 28% on 1 April 2008, resulting in an average corporation tax rate for 2008 of 28.5% (rounded).

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2008: 28.5%). The differences are explained below:

	2009	2008
	£000	£000
Profit/ (loss) before taxation	9,996	(3,658)
Profit/ (loss) multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28.5%)	2,799	(1,043)
Tax effect of share of results of joint ventures	(415)	5,040
Non-deductible expenses and income	96	1,017
Effect of different tax rates of subsidiaries operating in other jurisdictions	81	(282)
Non-utilisation of tax losses	34	363
Reductions in tax rate	-	(7)
Effect of revaluations of investments	(265)	2,187
Tax on conversion to IFRS in subsidiaries	1,840	-
Other	(585)	(359)
Adjustments in respect of prior years	6	(191)
Income tax expense	3,591	6,725

£0.1 million of losses are being carried forward for which no deferred tax asset has been recognised (2008: £1.2 million).

For year ending 31 December 2009 the Invista Castle subsidiary statutory accounts are required to be prepared under IFRS for the first time. These accounts were previously prepared under UK GAAP. As a result of the transition Invista has recognised an additional £1.8 million tax charge in 2009. The charge arises on the different treatment of rental income and lifecycle costs between the UK GAAP basis and the IFRS basis used for the consolidated accounts. No deferred tax liability was recognised by the Group in respect of this difference as the acquisition of Invista Castle was treated as an asset acquisition rather than a business combination.

Tax arrangements put in place at the time of IPO in September 2006 in respect of HBOS plc (now Lloyds Banking Group plc) are detailed in full in the Admission document.

9. Earnings per share

Basic and diluted earnings per ordinary share are based upon the Group profit attributable to ordinary shareholders of £6,405,000 (2008: loss of £10,383,000).

Number of shares

	2009	2008
Weighted average number of ordinary shares for the purposes of basic earnings per share	262,035,878	261,986,358
Effect of dilutive potential ordinary shares:		
Share options	13,111,825	8,737,351
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>275,147,703</u>	<u>270,723,709</u>

The weighted average number of ordinary shares for the purposes of basic earnings per share includes 50,000 preferred ordinary shares as detailed in note 18.

10. Segmental information

The Group's primary business segments, based on the Group's management and reporting structure, are the Investment Management, Residential Property and Other Investing Activities business segments. HBOS funds (those managed on behalf of Lloyds Banking Group), Collective Investor Funds, and Separate Accounts are grouped under Investment Management as the nature of these relationships is that of property investment management and therefore deemed by the Directors to relate to one defined business segment, that of Investment Management.

The Directors consider there to be only one material geographical segment being the United Kingdom. The results analysed by the three business segments are shown below:

Year to 31 December 2009	Investment Management	Residential Property	Other Investing Activities	Group total
	£000	£000	£000	£000
Revenue	26,514	7,849	29	34,392
Administrative expenses	(17,637)	(69)	19	(17,687)
Share of profits of jointly controlled entities	-	-	1,481	1,481
Net valuation gains/ (losses) on investments	-	(500)	590	90
Operating profit before exceptional charge	8,877	7,280	2,119	18,276
Exceptional charge	(3,766)	-	-	(3,766)
Operating profit after exceptional charge	5,111	7,280	2,119	14,510
Finance income	135	(9)	1,114	1,240
Finance expense	-	(5,752)	(2)	(5,754)
Net finance (expense)/ income	135	(5,761)	1,112	(4,514)
Profit before tax	5,246	1,519	3,231	9,996
Income tax expense	(1,411)	(1,889)	(291)	(3,591)
Profit/ (loss) after tax	3,835	(370)	2,940	6,405
At 31 December 2009	Investment Management	Residential Property	Other Investing Activities	Group total
	£000	£000	£000	£000
Depreciation	505	-	-	505
Total assets	24,554	131,581	89,471	245,606
Total liabilities	11,558	93,869	1,074	106,501
Non-current assets	2,792	121,826	42,799	167,417
Interest bearing loans and borrowings	-	82,329	18	82,347

Year to 31 December 2008	Investment Management	Residential Property	Other Investing Activities	Group total
	£000	£000	£000	£000
Revenue	39,963	5,665	-	45,628
Administrative expenses	(20,516)	(102)	(750)	(21,368)
Share of losses of jointly controlled entities	-	-	(22,247)	(22,247)
Net valuation losses on investments	-	(5,864)	(4,696)	(10,560)
Operating (loss)/ profit	19,447	(301)	(27,693)	(8,547)
Finance income	2,220	213	7,134	9,567
Finance expense	-	(4,678)	-	(4,678)
Net finance income/ (expense)	2,220	(4,465)	7,134	4,889
(Loss)/ profit before tax	21,667	(4,766)	(20,559)	(3,658)
Income tax expense	(6,899)	475	(301)	(6,725)
(Loss)/ profit after tax	14,768	(4,291)	(20,860)	(10,383)

At 31 December 2008	Investment Management	Residential Property	Other Investing Activities	Group total
	£000	£000	£000	£000
Depreciation	495	-	-	495
Total assets	22,981	133,594	80,078	236,653
Total liabilities	11,454	99,714	328	111,496
Non-current assets	1,828	124,491	16,462	142,781
Interest bearing loans and borrowings	-	83,570	18	83,588

11. Investment properties

Group

	£000
At 1 January 2008	-
Acquisition of remaining 50% of Invista Castle Limited	127,864
Revaluation of investment properties at 31 December 2008	(5,864)
Closing balance at 31 December 2008 - at valuation	122,000
Revaluation of investment properties at 31 December 2009	(500)
Closing balance at 31 December 2009 - at valuation	121,500

The Group took investment properties to the value of £127,864,000 on to its balance sheet when it acquired 100% of the share capital of Invista Castle Limited on 10 April 2008.

The fair value of the investment properties is provided by a firm of independent chartered surveyors and has been prepared in accordance with The RICS Appraisal and Valuation Standards, Sixth Edition.

12. Property, plant and equipment

Group					
	Leasehold improvements £000	Fixtures & fittings £000	Computer equipment £000	Motor vehicles £000	TOTAL £000
Cost					
At 1 January 2008	494	917	480	-	1,891
Additions	41	92	47	4	184
Disposals	-	(45)	-	-	(45)
At 31 December 2008	535	964	527	4	2,030
Additions	54	84	99	4	241
Disposals	-	-	-	(4)	(4)
At 31 December 2009	589	1,048	626	4	2,267
Accumulated depreciation					
At 1 January 2008	29	85	167	-	281
Charge for the year	65	189	240	1	495
At 31 December 2008	94	274	407	1	776
Charge for the year	131	275	99	-	505
Disposals	-	-	-	(1)	(1)
At 31 December 2009	225	549	506	-	1,280
Carrying value					
At 31 December 2009	364	499	120	4	987
At 31 December 2008	441	690	120	3	1,254

The additions figure in 2009 includes £38,000 representing the fair value of fixed assets acquired on 17 December 2009 as a result of the acquisition by the Group of 100% of the share capital of Big Orange Self Storage Holdings (Cayman) Limited and its subsidiary companies.

13. Investments in jointly controlled entities

The following table sets out the Group's carrying value in each of its joint ventures as at 31 December 2009:

	Celsius European Holdings S.à.r.l.	Invista Castle Limited	Invista Real Estate Opportunity Fund Limited Partnership	Invista Real Estate International Fund Limited Partnership	Cave Pearls S.à.r.l.	Ramsay Finance S.à.r.l.	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Cost and carrying amount							
At 1 January 2008	4,949	19,000	195	-	-	-	24,144
Additions – investments	-	-	4,293	790	9	9	5,101
Additions – loans	12,023	-	-	-	-	-	12,023
Foreign exchange movement	4,968	-	-	-	-	-	4,968
Share of (losses)/ profits	(21,889)	(573)	964	(749)	-	-	(22,247)
Joint venture hedge movements	(72)	611	(289)	-	-	-	250
Deferred tax on joint venture hedge movements	21	(171)	-	-	-	-	(150)
Acquisition of 100% shareholding	-	(18,867)	-	-	-	-	(18,867)
Balance at 31 December 2008	-	-	5,163	41	9	9	5,222
Additions – investments	-	-	2,901	13,860	-	-	16,761
Foreign exchange movement	-	-	(221)	-	-	-	(221)
Share of profits/ (losses)	-	-	(1,710)	3,209	(9)	(9)	1,481
Joint venture hedge movements	-	-	(7)	-	-	-	(7)
Balance at 31 December 2009	-	-	6,126	17,110	-	-	23,236

Celsius European Holdings S.à.r.l.

Invista acquired a 50% interest in and joint control of Celsius European Holdings S.à.r.l. (incorporated in Luxembourg) in 2007.

On 4 May 2007 Celsius European Holdings S.à.r.l. acquired a portfolio of European properties for cash consideration financed by way of equity from the two joint venture partners and the balance by way of non-recourse debt.

During 2008 the lender for the debt was placed into moratorium in Iceland (a step towards administrative receivership in that country) and this combined with the economic market conditions made a refinancing of Celsius unachievable in 2008. At 31 December 2008 the Group's investment in Celsius European Holdings S.à.r.l. was held at £nil as the Directors considered that the value of the underlying investment portfolio and other assets did not exceed the face value of the debt and the interest rate swap value.

In September 2009 Celsius was successful in extending the underlying debt facility for 2 years until September 2011. At 31 December 2009 the Group continues to hold its investment at £nil as the Directors consider that the value of the underlying investment portfolio and other assets

continues to not exceed the face value of the debt at €141.3 million and interest rate swap value, which taken together amounts to a total liability of €152.5 million.

Invista Castle Limited

Invista acquired a 50% interest in and joint control of Invista Castle Limited in 2007.

On 31 May 2007 Invista Castle Limited acquired certain UK residential assets for cash consideration financed from the issue of equity from the two joint venture partners and the balance by way of non-recourse debt.

On 10 April 2008 the Group acquired the remaining 50% of the issued ordinary share capital of Invista Castle Limited that it did not already own from the Group's joint venture partner, making it a wholly owned subsidiary.

Invista Real Estate Opportunity Fund Limited Partnership

Invista acquired a 50% interest in and joint control of Invista Real Estate Opportunity Fund Limited Partnership in 2007. During 2008 Invista's interest decreased to 44.64% but it retained joint control.

Since inception the fund has made property and land acquisitions totalling £27.7million.

Invista has committed to invest £25 million into the fund. During 2009 Invista has made further investments of £2,901,000 into the joint venture, bringing the total invested to date to £7,750,000.

Invista Real Estate International Fund Limited Partnership

Invista acquired a 50% interest in and joint control of Invista Real Estate International Fund Limited Partnership ("IREIF") on 8 May 2008.

On 30 April 2009 IREIF acquired the Big Orange Self Storage Fund ("BOSS") for a total purchase consideration of £12.95m. BOSS was established in 2006 and supplies self storage, mini storage and storage management solutions in Hong Kong and Singapore. BOSS currently owns circa 35,000 sq m of self storage space across five sites and is regarded as one of the leading operators in the region.

The BOSS acquisition was followed up in December 2009 by the announcement that IREIF had entered into arrangements for further new equity investment of US \$43 million into BOSS by an institutional investor. This new equity will be used to grow the business through the acquisition and conversion of new self storage assets in Asia.

Invista has committed to invest £25 million into IREIF. During 2009 Invista has made further investments of £13,860,000 into the joint venture, bringing the total invested to date to £14,650,000.

Cave Pearls S.à.r.l. and Ramsay Finance S.à.r.l.

Invista acquired a 50% interest in and joint control with one other joint venture partner of Cave Pearls S.à.r.l. and Ramsay Finance S.à.r.l. (both entities incorporated in Luxembourg) in October 2008.

There has been no business activity in these joint venture companies during 2009. The carrying value of the investments in these entities has been written down to £nil at 31 December 2009 as the joint ventures are both in a net liability position totalling £61,000.

The following tables illustrate summarised financial information relating to the carrying value of the Group's investment in its joint ventures as at 31 December 2009 and at 31 December 2008:

	Invista Real Estate Opportunity Fund Limited Partnership £000	Invista Real Estate International Fund Limited Partnership £000	TOTAL £000
Share of joint venture balance sheet at 31 December 2009			
Non-current assets	12,168	15,816	27,984
Current assets	2,936	1,582	4,518
Share of gross assets	15,104	17,398	32,502
Current liabilities	(3,909)	(288)	(4,197)
Non-current liabilities	(5,069)	-	(5,069)
Share of gross liabilities	(8,978)	(288)	(9,266)
Share of net assets/ carrying value of investments in joint ventures	6,126	17,110	23,236
Revenue (net rental income)	181	119	300

	Invista Real Estate Opportunity Fund Limited Partnership £000	Invista Real Estate International Fund Limited Partnership £000	Cave Pearls S.à.r.l. £000	Ramsay Finance S.à.r.l. £000	TOTAL £000
Share of joint venture balance sheet at 31 December 2008					
Non-current assets	10,442	-	-	-	10,442
Current assets	732	303	9	9	1,053
Share of gross assets	11,174	303	9	9	11,495
Current liabilities	(1,146)	(262)	-	-	(1,408)
Non-current liabilities	(4,865)	-	-	-	(4,865)
Share of gross liabilities	(6,011)	(262)	-	-	(6,273)
Share of net assets/ carrying value of investments in joint ventures	5,163	41	9	9	5,222
Revenue (net rental income)	154	-	-	-	154

14. Investments

	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Available for sale	19,486	11,566	8,769	3,020
Subsidiary undertakings	-	-	23,115	17,059
Balance at 31 December	19,486	11,566	31,884	20,079

Available for sale

	Group £000	Company £000
Cost and carrying amount		
At 1 January 2008	2,419	2,257
Additions	31,117	5,000
Disposals	(17,260)	-
Impairment of available for sale investments	(4,432)	(4,420)
Net change in fair value of available for sale investments	(278)	183
Balance at 31 December 2008	11,566	3,020
Additions	12,726	2,880
Disposals	(10,206)	-
Impairment of available for sale investments	(18)	-
Net change in fair value of available for sale investments	5,418	2,869
Balance at 31 December 2009	19,486	8,769

The Group's available for sale investments consist of the following:

Invista Global Property Securities Fund Limited Partnership

The Group's available for sale investments have included those investments held by the Invista Global Property Securities Fund Limited Partnership ("the Fund") since its launch on 12 September 2008. The Fund invests in a diversified portfolio of real estate securities that are listed on exchanges throughout the world. Invista has been the sole investor in the Fund to date and as such the Fund's results are fully consolidated in these financial statements. The intention is that other investors will be brought into the Fund now that a performance track record has been established, and that, as a result, Invista's holding in the Fund will reduce.

In October 2009 the Fund disposed of sufficient investments to repay in cash £2,000,000 of the initial seeding provided by the Group.

As at 31 December 2009 the Group's balance sheet included investments held by the Invista Global Property Securities Fund Limited Partnership at a market value of £10,691,000 (2008: £8,507,000), with £10,190,000 (2008: £6,524,000) invested in equities and £501,000 (2008: £1,983,000) in corporate bonds. The market values at 31 December 2009 include an increase in the fair value the investments held by the Fund during the year of £2,542,000 which was taken through reserves.

Invista Foundation Property Trust

By the end of 2008 the Group had purchased 7,283,807 shares in Invista Foundation Property Trust ("IFPT") at a total cost of £5,658,000, reflecting Invista's commitment at the time of Admission to AIM to retain residual equity stakes in the real estate funds it creates and manages.

At 31 December 2008, as a result of a sustained fall in the share price of IFPT, an impairment of £4,420,000, including an amount previously taken to reserves, was booked in the income statement. At 31 December 2009 an increase in fair value of £1,675,000 reflecting a subsequent increase in the share price was taken through reserves.

Investment Property Databank

In the period ended 31 December 2006 5% of the ordinary shares in Investment Property Databank (a company registered in England and Wales) were transferred for nil consideration from Insight Investment Management Limited. The difference between the book value of the investment of £1,782,000 and the consideration of £nil was credited to reserves as a capital contribution. Investment Property Databank is a market leader in the provision of property information services. Since the fair value of this investment cannot be reliably measured as the shares are not quoted on a market it is held at cost. The investment represents a non-short term strategic holding for Invista.

Invista European Real Estate Trust

During the year to 31 December 2009 the Group acquired a total of 16,625,221 shares in Invista European Real Estate Trust ("IERET") at a total cost of £2,880,000, reflecting Invista's commitment at the time of Admission to AIM to retain residual equity stakes in the real estate funds it creates and manages. These shares were acquired in two main tranches: the first tranche was acquired during the period to 30 June 2009 and totalled 3,427,898 shares at a cost of £240,000, and the second tranche of 13,197,323 shares at a cost of £2,640,000 was acquired during December 2009 in connection with a £58.3 million placing and offer by IERET.

As part of the transaction the Group received underwriting commission of £86,000 which has been taken to the income statement.

At 31 December 2009 an increase in fair value in the Group's investment in IERET of £1,194,000 attributable to an increase in the share price was taken through reserves.

Invista Property Portfolio Limited Liability Partnership

In addition, the Group has a £50,000 capital investment in Invista Property Portfolio Limited Liability Partnership (which relates to the Invista Property Portfolio Fund, a Guernsey domiciled fund). A decrease in the fair value of this investment based on the returns to members of the fund since acquisition was taken as an impairment of £12,000 through the income statement at 31 December 2008 and this impairment was increased by a further £18,000 based on the reported position at 30 June 2009. In the remaining months to 31 December 2009 an increase of £6,000 in the fair value of the investment occurred and this increase was taken through reserves.

15. Trade and other receivables

	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Trade receivables	2,185	2,633	-	-
Amounts owed by Invista Group undertakings	-	-	65,764	63,860
Other receivables	256	221	50	22
Prepayments and accrued income	2,085	3,534	86	-
Balance at 31 December	4,526	6,388	65,900	63,882

16. Interest bearing loans and borrowings

	Group 2009 £000	Group 2008 £000
Non-current liabilities		
Bank loan – acquisition	13,638	13,638
Bank loan - senior debt	69,092	70,388
Amount loaned from other related company	-	18
	82,730	84,044
Less: arrangement costs	(1,610)	(1,743)
Balance at 31 December	81,120	82,301

Current liabilities		
Bank loan - senior debt	1,296	1,374
Amount loaned from other related company	18	-
	1,314	1,374
Less: arrangement costs	(87)	(87)
Balance at 31 December	1,227	1,287

The bank loans above are interest bearing loans held within the Invista Castle group of companies.

The senior debt is fully repayable by 31 October 2028. Invista Castle Limited also has a bank loan with an outstanding balance of £13,638,000 which matures on 30 April 2011. This second bank loan remains in compliance with a loan-to-value covenant of 70% in respect of the total debt package within the Invista Castle Group.

Both the bank loans are secured by way of a fixed and floating charge over the underlying residential property portfolio of the Invista Castle Group. Interest is fixed on both loans by way of swap instruments at a weighted average interest rate of 6.6% per annum.

At 31 December 2009 £3,929,000 (2008: £4,149,000) of the cash balances held by the Invista Castle group of companies were held in debt service and maintenance reserve accounts.

In October 2008 Invista European Celsius Holdings S.à.r.l took out a loan for €19,000 with a maturity date of 13 October 2010 at a fixed interest rate of 7.7% pa from one of the Celsius joint venture companies Mondeville AP1 S.à.r.l.

The Company had no loans and borrowings at 31 December 2009 (2008: £nil).

17. Trade and other payables

	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Current liabilities				
Trade payables	116	543	-	-
Amounts owed to Lloyds Banking Group* undertakings	167	106	-	-
Amounts owed to Invista Group undertakings	-	-	1,397	3,428
Other taxation and social security	898	987	-	-
Other payables	940	561	34	9
Accruals and deferred income	4,129	6,784	78	487
Balance at 31 December	6,250	8,981	1,509	3,924
Non-current liabilities				
Other payables	617	687	-	-
Balance at 31 December	617	687	-	-

* Balances shown at 31 December 2008 were with HBOS Group undertakings

Non-current liabilities for the Group relate to a provision for National Insurance payable on share scheme awards and deferred cash bonuses for French Office employees.

18. Share capital

	2009	2008
	£000	£000
Issued capital		
Authorised		
400,000,000 ordinary shares of £0.0001 each	40	40
50,000 preferred ordinary shares of £1 each	50	50
	<u>90</u>	<u>90</u>
Allotted, called up and fully paid		
264,657,750 ordinary shares of £0.0001 each	26	26
50,000 preferred ordinary shares of £1 each	50	50
	<u>76</u>	<u>76</u>

The Company has two classes of ordinary shares which carry no right to fixed income.

Out of the profits available for distribution and resolved to be distributed, the holders of the preferred ordinary shares shall be entitled to a dividend of an amount per preferred ordinary share equal to 125% of the dividend to be paid per ordinary share to the holders of the ordinary shares. The dividend to be paid to the holders of preferred ordinary shares must be paid at the same time as the dividend to be paid to holders of ordinary shares.

Preferred ordinary shareholders are entitled in priority to any payment to the holders of any other class of shares in the event of return on capital on winding-up. Voting rights are equal for both classes of shares.

19. Reserves

The capital contribution reserve holds the book value of the Investment Property Databank investment of £1,782,000 (as described in note 14) which was transferred from Insight Investment Management Limited for nil consideration.

The hedge reserve represents the movement in the Group's subsidiary and share of joint venture interest rate hedges and corresponding deferred tax amounts.

An Employee Benefit Trust (EBT) was set up in 2007 to hold shares required to satisfy options granted as part of share incentivisation schemes that have been established. During 2009 a further 3,960,844 Invista shares (nominal value £396.08) were purchased by the EBT at a cost of £1,524,000. The purchase represented 1.50% of the called-up share capital of the Company. As at 31 December 2009 the EBT held 2,354,948 shares in Invista, representing 0.89% of called-up share capital.

A second EBT holds shares in respect of our HMRC approved share plans. During 2009 a further 222,824 Invista shares (nominal value £22.28) were purchased by the second EBT at a cost of £94,000. The purchases represented 0.08% of the called-up share capital of the Company. As at 31 December 2009 this second EBT held a total of 1,133,656 shares in Invista, representing 0.43% of called-up share capital.

During the year ended 31 December 2009 4,034,015 shares in the share schemes vested (representing 1.52% of called up share capital with a nominal value of £403.40). The value of the vested share awards of £2,187,000 was offset against EBT share purchase and employee share expense provisions previously booked to retained earnings.

In the Company the other reserve also reflects the value of share awards made to employees of the Company's subsidiary.

20. Dividends

After the balance sheet date final 2009 dividends of 1.6 pence per ordinary share and 2.0 pence per preferred ordinary share were proposed by the Directors, making the full year 2009 total dividend 2.3 pence per ordinary share and 2.875 pence per preferred ordinary share. The final dividend has not been provided for but the estimated impact on retained earnings based on the number of shares in issue at 31 December 2009 is £4,198,000. Ordinary dividends are charged direct to reserves only when the Company has a contractual obligation to pay.

The following dividends have been charged direct to retained earnings during the year:

	2009	2008
	£	£
Ordinary dividends		
2007 final dividend paid of 1.6 pence per ordinary share	-	4,202,458
2008 interim dividend paid of 0.7 pence per ordinary share	-	1,838,575
2008 final dividend paid of 1.6 pence per ordinary share	4,215,457	-
2009 interim dividend paid of 0.7 pence per ordinary share	1,845,027	-
Preferred ordinary dividends		
2007 final dividend paid of 2.0 pence per preferred ordinary share	-	1,000
2008 interim dividend paid of 0.875 pence per preferred ordinary share	-	438
2008 final dividend paid of 2.0 pence per preferred ordinary share	1,000	-
2009 interim dividend paid of 0.875 pence per preferred ordinary share	438	-
Total	6,061,922	6,042,471

The 2009 interim dividend was paid on 28 August 2009.