Date: 9 June 2010
On behalf of: First Property Group plc ("First Property" or "the Group")
Embargoed: 0700hrs

First Property Group plc
Preliminary Results for the twelve months to 31 March 2010

First Property Group plc (AIM: FPO), the AIM-listed property fund manager, today announces its preliminary results for the twelve months to 31 March 2010.

Financial Highlights:

	Unaudited Year to 31 March 2010	Audited Year to 31 March 2009	Percentage change
Profit on ordinary activities before tax	**£2.79m**	£3.86m	-27%
Assets under management	**£300m**	£310m	-3%
Diluted earnings per share	**1.97p**	2.74p	-28%
Total dividend	**1.03p**	1.00p	+3%
Net assets	**£15.40m**	£13.48m	+14%
Cash and cash equivalents	**£10.1m**	£10.1m	-%

Operational Highlights:

- Value of assets under management of £300 million (31 March 2009 - £310 million). This has remained broadly unchanged since 2007.
- The Company retained its ranking as the best performing fund manager versus the IPD CEE Benchmark, now for the four year period to 31 December 2009. It was also ranked as the best performing fund manager versus the IPD Polish Benchmark over the same period.
- Diversification of institutional client base with a new £106 million UK fund, the UK Pension Property Portfolio LP, signed on 5 February 2010.
- The new UK fund acquired two properties with a value of just over £10 million during the period and has subsequently acquired a further two properties for an additional £11 million, and has an additional five properties under offer with a value of some £20 million.
- The Group appointed Mr. Peter Moon, previously the Chief Investment Officer of Universities Superannuation Scheme, as a non-executive director. Mr Moon formally joined the Board on 1 May 2010.

A briefing and conference call for analysts will be held at 09:30hrs today at Redleaf Communications Ltd, 11-33 St. John Street, London, EC1M, 4AA. A conference call facility will also be available on +44 208 515 2302, a recorded copy of which will subsequently be posted on the company website, www.fprop.com.

Commenting on the results, Ben Habib, Chief Executive of First Property, said,

"The Group has weathered the economic headwinds of 2008 and 2009 well. We have remained profitable at all times and our funds have performed very well in relative terms. The core business has continued to develop throughout the period and our earnings are now set to grow again as we invest our new UK commercial property fund. The fact that the value of our assets under management has remained largely constant in the face of these headwinds is a testament to the strength of our fund management platform. We expect the value of assets under management to increase by £100 million or 30% over the next 12 to 24 months.

"I look to the future with confidence; we have an excellent track record, a strong balance sheet, a stable and growing earnings platform and, most importantly, an excellent team of people."

For further information please contact:

First Property Group plc — Tel: 020 7731 2844
Ben Habib (Chief Executive) — www.fprop.com
Jeremy Barkes (Director, FJB Capital Advisers)

Arden Partners — Tel: 020 7614 5917
Chris Hardie (Director, Corporate Finance)

Redleaf Communications — Tel: 020 7566 6708
Emma Kane/Adam Leviton/Lucy Salaman — firstproperty@redleafpr.com

- **Publication quality photos are available from Redleaf Communications**

Notes to investors and editors

- First Property Group plc is a commercial property fund manager with operations in the United Kingdom and Central Europe. The performance of its funds under management ranked #1 versus the IPD benchmarks for CEE and Poland for the 4 year period to 31 December 2009.
- The principal business model of First Property Group can be summarised as follows:
  - raise third party funds to invest in income producing commercial property;
  - co-invest in these funds;
  - earn fees for the management of these funds. Fees earned are a function of the value of assets under management as well as the performance of the funds;
  - earn a return on its own capital invested in these funds.
- It also has a 60% shareholding in a mechanical & electrical (M&E) installation and maintenance contractor, First Property Services Limited.
- Further information about the Company and its products can be found at: www.fprop.com.

CHIEF EXECUTIVE'S STATEMENT

Financial Results

I am pleased to report our final results for the twelve months to 31 March 2010.

Revenue during the period amounted to £10,383,000 (2009: £11,226,000), yielding a decreased profit on ordinary activities before taxation of £2,789,000 (2009: £3,862,000). The reduction in profit can largely be attributed to a reduction in earnings on our cash balances given the very low interest rate environment, a reduction in earnings of First Property Services, and the absence of the payment of performance fees within First Property Asset Management.

Diluted earnings per ordinary share were 1.97 pence (2009: 2.74 pence).

The Group ended the period with net assets of £15.40 million (2009: £13.48 million) and a cash balance of £10.1m (2009: £10.1m).

Dividend

In view of these results, our strong balance sheet, and the outlook for the future, the Company paid a second interim dividend of 0.72 pence per share on 1 April 2010. Given this second interim dividend, which brings our total dividend payments for the year to 1.03 pence (2009: 1.0 pence), the Board has decided not to recommend a final dividend.

Review of operations

Property fund management ("First Property Asset Management Limited" or "FPAM")

Revenue earned by this division amounted to £3,888,000 (2009: £4,571,000), generating an operating profit of £2,755,000 (2009: £3,457,000). This represents 66% of Group operating profit (2009: 68%) prior to the deduction of unallocated central PLC costs. This 15% reduction in revenue is explained by our not having earned a performance fee in the period (2009: £589,000). It should be noted that our annual fund management fee income remained broadly stable.

At 31 March 2010 the value of assets under management within the fund management division stood at £300 million (2009: £310 million). The assets we manage are denominated in a mixture of currencies with 90% of our assets being denominated in Euros. The value of our assets under management and the fee income we earn for managing these assets, which is linked to the value of the assets, is therefore subject to changes in the Euro/ £ exchange rate. The value of assets under management of £300 million at 31 March 2010 was based on a Euro/ £ exchange rate of 1.12.

There were five property acquisitions made on behalf of funds we manage during the period, amounting to £40 million, and no sales of properties. The gross asset value of the portfolio, on a like for like basis, declined by 14% in GBP terms during the period but the property acquisitions served to keep the value of assets under management roughly stable.

These funds are managed within fixed life closed ended funds. The largest of these funds, Fund Seven, which we manage on behalf of USS and which accounts for 91% of our funds under management at the period end, was awarded as a ten year contract in 2005.

The most significant milestone achieved by this division during the year was the award of a new £106 million fund management mandate to invest in income producing commercial properties in the UK on behalf of three pension funds. This fund raising was completed towards the end of the financial year, on 5 February 2010, and therefore fees from this contract have made little contribution to the year just ended. We have thus far acquired four properties on behalf of this fund, with an aggregate value of £21 million. A further five properties are under offer with an aggregate value of an additional £20 million. Fees earned from this contract will make a contribution to our earnings in the current financial year as this fund is invested. The significance to the Group of this new fund is greater than simply the growth in assets under management; it also diversifies our institutional client base and reinforces our credentials as an institutional fund manager. We have undertaken to co-invest a total of £1 million of Group cash in this new UK fund. The returns we earn on this investment will be reported under Group Properties in future periods.

At our interim results I announced that we are seeking to raise additional funds to invest in Poland. We are still seeking to raise these funds and are in discussions with several potential investors but we are not close to signing any agreements. We intend to co-invest alongside investors in our new funds. In so doing our ability to raise funds as well as the income we earn on these funds will be increased.

The geographic split by value of our funds under management at the period end was 85% in Poland, 4% in Romania, and 11% in UK. We expect these weightings to shift in favour of the UK in the coming months given our recent and continuing purchases in the UK on behalf of our new UK fund.

I am pleased to report that in both CEE and in Poland, the Company has retained its ranking as the best performing fund manager versus the IPD Benchmark for both these jurisdictions, for the four years to 31 December 2009.

The outlook for our fund management activities is good. The value of assets under management is expected to increase by some £100 million (representing an increase of 30% in the value of assets under management at 31 March 2010) over the next 12 to 24 months as the new UK fund is invested. In addition we believe that, as long as the recent concerns over the credit worthiness of certain European countries does not translate into a double dip recession for Europe, the value of our assets in Poland should have bottomed out and should begin to increase again. There are signs of tenant demand increasing and investor appetite returning to Poland – both of which are very welcome. Our fund management fees, which are calculated by reference to the value of assets under management, should therefore grow this year. Any new funds we launch during the year will serve to accelerate this growth. We are exposed to the Euro/ £ exchange rate and if the current weakness in the Euro should persist, the growth in the value of assets under management and our fee income may be slowed but we expect fee income to grow in any event.

<u>Group Properties</u>

Revenue from properties we own and from investments we have made in funds we manage was £2,573,000 (2009: £1,202,000), producing an operating profit of £1,208,000 (2009: £984,000). This represents 29% (2009: 19%) of Group operating profit prior to the deduction of unallocated central PLC costs. This 114% growth in revenue is attributable to a full year's contribution to earnings from our interest in Blue Tower, an office block in Warsaw and the acquisition during the year of a majority stake in its management company which I describe in greater detail below.

We hold two properties on the Group balance sheet, both of which are held at the lower of cost or valuation for accounting purposes. We have not had these properties externally re-valued but are confident that their valuation comfortably exceeds their purchase cost. They generated an aggregate rental income of £1,557,000 during the year, the balance of income being service charge receipts mostly generated in the property management company acquired during the year. These two properties generated an annualised pre-tax return on equity deployed of 17% during the year.

Both assets are located in Warsaw and were purchased as special situations with the aim of utilising FPAM’s asset management expertise to unlock capital value, whilst providing a high rate of running return in the intervening period.

The first property is a Class C office building in a residential suburb of Warsaw which we acquired in November 2007 for £2.6 million and which has no borrowings secured against it. In line with our business plan, we have now achieved planning consent for the change of its use to residential, although we are appealing against one of the conditions of the consent. In the meantime the asset is earning us a pre-tax return on equity of some 12% per annum.

The second property is a Class B office building, Blue Tower, located in the centre of Warsaw’s central business district (CBD), in which we acquired a 28% interest in December 2008 for USD 13.0 million (£8.5 million), and against which we have secured a non-recourse loan of USD 10.6 million (£6.9 million). The pre-tax return on equity we are earning from this property is currently some 34% per annum.

This building’s management company was owned by a number of different owners with no single owner exercising control, resulting in an inefficient and costly management service. One of our aims at the time of purchase was to consolidate the shareholdings in the management company under our control in order to allow us to cut the management and maintenance costs of the building. We achieved part of this goal in November 2009 when we increased our shareholding in the management company from 30% to 68% by acquiring a third party’s interest at a cost of £302,000. We have now set about cutting costs within this company and expect to increase our earnings from this investment by at least £150,000 per annum once we have completed this exercise later this year.

At the year end the Group also owned a 41% interest in each of two of FPAM’s funds, funds five and six. In accordance with IFRS these are reported at the Group level as “share of associate’s net assets”. These two shareholdings yielded post tax profits in the year of £233,000 (2009: £135,000). These are both geared funds and the 73% increase in post tax profits from 2009 is largely attributable to reductions in interest rates, although rent levels in both funds have also increased. We hold these shares at cost plus their share of accumulated profits. At the period end the carried value of the Group’s interest in these two funds was £672,000.

Given the success we have had in increasing the income being earned from the two properties we own as well as the income we will earn on co-investments in our funds, we expect this division to make an increased contribution to our earnings in the year to March 2011.

First Property Services Ltd ("FPS")

Revenue earned by this subsidiary, in which we own a 60% share, was £3,863,000 (2009: £5,355,000), resulting in an operating profit of £183,000 (2009: £613,000). This represents 4% (2009: 18%) of Group operating profit prior to the deduction of unallocated central PLC costs.

The carried book value of FPS is £213,000 (2009: £187,000), which is calculated by reference to its net asset value less the 40% minority interest which we do not own.

FPS is a mechanical & electrical (M&E) contractor. Revenue from ongoing maintenance contracts has been steady at some £0.5 million per annum. However, sales of new installation contracts, which typically take a few months to complete, are not contractually recurring, and the reduction in profit is as a result of reduced sales from this activity.

FPS is naturally exposed to the state of the UK economy and whilst its earnings appear to have now stabilised at this lower level, we are not expecting any imminent return to growth in this subsidiary.

Commercial property markets outlook

Poland:

Poland is the only economy in the 27 member European Union to have avoided recession in 2009 according to the IMF. It recorded GDP growth during the year of some 1.8% and according to the IMF is now the sixth largest economy in Europe and nineteenth largest in the World. The IMF forecasts GDP growth for 2010 of 2.75%, a shade lower than the Polish Central Bank's GDP growth forecast of 3.1%. Given the robustness of its economy, rental growth in the commercial property market looks a greater certainty in Poland than it does in most other EU countries. Yet commercial property asset prices are some 30% cheaper in yield terms compared to Western Europe. When this higher yield is combined with the lower rents prevalent in Poland, the difference in capital values between Western Europe and Poland makes Poland a compelling investment proposition. There are now signs of both tenant and investor interest increasing in Poland. The risk of a double dip recession hangs over Europe at the moment but as long as this risk does not manifest itself, we expect rents and asset values to begin to rise again in Poland.

United Kingdom:

We remain cautious about the outlook for the UK. The UK commercial property market has recovered significantly since its lows in 2009 but these increases in value mask the economic pressure on occupants. With the exception of certain pockets of the UK (most notably central London), we expect occupier demand to remain subdued until the banking sector has recapitalised itself, the Government has reduced its budget deficit and the economy begins to grow again. This may take many years. Our focus in the UK is therefore largely on property which is let on long leases to credit worthy tenants. The rate of increase in the value of properties in the UK appears now to have slowed down considerably and we are monitoring the market for any early signs of reductions in value. Thus far this has not been apparent in well located and well let properties but the clouds over the UK economy and property market remain.

Current trading and prospects

The Group has weathered the economic headwinds of 2008 and 2009 well. We have remained profitable at all times and our funds have performed very well in relative terms. The core business has continued to develop throughout the period and our earnings are now set to grow again as we invest our new UK commercial property fund. The fact that the value of our assets under management has remained largely constant in the face of these headwinds is a testament to the strength of our fund management platform. We expect the value of assets under management to increase by £100 million or 30% over the next 12 to 24 months.

I look to the future with confidence; we have an excellent track record, a strong balance sheet, a stable and growing earnings platform and most importantly an excellent team of people.

Ben Habib
Chief Executive

9 June 2010

CONSOLIDATED INCOME STATEMENT
for the year to 31 March 2010

	Notes	**12 months to 31 March 2010 (unaudited)** **Total results £'000**	Year to 31 March 2009 (audited) Total results £'000
Revenue -existing operations	2/3	**9,520**	11,226
-business acquisitions	4	**863**	**-**
		10,383	11,226
Cost of sales		**(4,394)**	(4,350)
Gross profit		**5,989**	6,876
Operating expenses		**(3,249)**	(3,442)
Share of associated companies' profits after tax		**233**	135
Operating profit	3	**2,973**	3,569
Dividend income		**9**	-
Interest income		**138**	408
Interest expense		**(331)**	(115)
Profit on ordinary activities before taxation	4	**2,789**	3,862
Tax expense	5	**(478)**	(642)
Profit for the year		**2,311**	3,220
Attributable to:			
Equity holders of the parent company		**2,243**	3,042
Minority interests		**68**	178
Earnings per Ordinary 1p share - basic	6	**2.07p**	2.81p
- diluted	6	**1.97p**	2.74p

CONSOLIDATED BALANCE SHEET
as at 31 March 2010

	Notes	**As at 31 March 2010 (unaudited) £'000**	As at 31 March 2009 (audited) £'000
Non-current assets			
Goodwill		**139**	25
Property, plant and equipment		**107**	109
Interest in associates	7	**337**	104
Other financial assets	7	**99**	42
Deferred tax assets		**142**	89
Total non - current Assets		**824**	369
Current assets			
Inventories – land and buildings		**11,365**	11,130
Trade and other receivables	8	**2,902**	2,874
Cash and cash equivalents		**10,126**	10,096
Total current assets		**24,393**	24,100
Current liabilities :			
Trade and other payables	9	**(2,490)**	(3,110)
Financial liabilities		**(25)**	(25)
Current tax liabilities		**(7)**	(166)
Total current liabilities		**(2,522)**	(3,301)
Net current assets		**21,871**	20,799
Total assets less current liabilities		**22,695**	21,168
Non - current liabilities:			
Financial Liabilities		**(7,029)**	(7,452)
Deferred tax liabilities		**(12)**	(112)
Net assets		**15,654**	13,604
Equity			
Called up share capital		**1,136**	1,116
Share premium		**5,423**	5,307
Merger reserve		**-**	-
Foreign Exchange Translation Reserve		**844**	169
Share-based payment reserve		**105**	80
Retained earnings		**7,895**	6,806
Issued capital and reserves attributable to the equity holders of the parent		**15,403**	13,478
Equity minority interest		**251**	126
Total equity		**15,654**	13,604

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2010

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share Based Payment Reserve £'000	Foreign Exchange Translation Reserve £'000	Purchase/Sale of own Shares £'000	Retained Earnings £'000	Equity Minority Interest £'000
At 1 April 2009	1,116	5,307	-	80	169	(564)	7,370	126
Profit for the period							2,311	
Issue of new shares	20	116						
FETR*					675			6
Treasury Shares						(61)		
MI on acquisition								89
Equity M I							(68)	68
Share based payments				25				
Dividends Paid							(1,093)	(38)
At 31 March 2010	**1,136**	**5,423**	**-**	**105**	**844**	**(625)**	**8,520**	**251**
At 1 April 2008	1,116	5,298	5,823	71	780	(634)	(468)	83
Profit for the period							3,220	
Transfer of merger reserve			(5,823)				5,823	
FETR*					(611)			
Treasury Shares		9				70		
Equity MI							(178)	178
Share based payments				9				
Dividends Paid							(1,027)	(135)
At 1 April 2009	**1,116**	**5,307**	**-**	**80**	**169**	**(564)**	**7,370**	**126**

- Foreign exchange translation reserve

CONSOLIDATED CASH FLOW STATEMENT
for the year to 31 March 2010

		12months to 31 March 2010 (unaudited)	12 months to 31 March 2009 (audited)
		£'000	£'000
Cash flows from operating activities			
Operating profit		**2,973**	3,569
Adjustments for:			
Depreciation of property, plant and equipment		**60**	77
(Profit)/loss on sale of property, plant and equipment		**2**	2
(Profit)/loss on sale of investments		**-**	2
Share of associates profit after tax		**(233)**	(135)
Impairment loss on investments		**-**	11
Share based payments		**25**	9
(Increase)/decrease in inventories		**5**	(8,558)
(Increase)/decrease in trade and other receivables		**229**	5,225
Increase/(decrease) in trade and other payables		**(1,413)**	(1,041)
Other non cash adjustments		**(42)**	-
Cash generated from operations		**1,606**	(839)
Income taxes paid		**(790)**	(1,435)
Net cash flow from operating activities		**816**	(2,274)
Cash flow from investing activities			
Proceeds on disposal of investments		**-**	35
Purchase of investments		**(99)**	(98)
Cash paid on acquisition of new subsidiary	4	**(260)**	-
Cash and cash equivalents received on acquisition of new subsidiary	4	**368**	-
Proceeds on disposal of property, plant and equipment		**14**	7
Purchase of property, plant and equipment		**(49)**	(70)
Interest received		**138**	408
Dividends received		**9**	-
Net cash flow from investing activities		**121**	282
Cash flow from financing activities			
Proceeds from issue of shares		**136**	-
Proceeds from bank borrowings		**-**	7,400
Interest paid		**(331)**	(115)
Proceeds from finance lease		**25**	-
Repayment of finance lease		**(41)**	1
Sale/(Purchase) of treasury shares		**(61)**	79
Dividends paid		**(1,093)**	(1,027)
Dividends paid to minority interest		**(38)**	(135)
Net cash flow from financing activities		**(1,403)**	6,203
Net increase/(decrease) in cash and cash equivalents		**(466)**	4,211
Cash and cash equivalents at the beginning of period		**10,096**	6,245
Currency translation gains/losses on cash and cash equivalents		**496**	(360)
Cash and cash equivalents at the end of the period		**10,126**	10,096

NOTES TO THE CONSOLIDATED RESULTS
for the year ended 31 March 2010

1. Basis of Preparation

- These preliminary financial statements have not been audited and are derived from the statutory accounts within the meaning of section 434 of the Companies Act 2006. They have been prepared in accordance with the Group's accounting policies as set out in the Group's latest annual financial statements for the year ended 31 March 2009. These accounting policies are drawn up in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted by the European Union (EU). Whilst the financial information included in this preliminary statement has been prepared in accordance with IFRS, this announcement does not itself contain sufficient information to fully comply with IFRS. The comparative figures for the financial year ended 31 March 2009 are not the statutory accounts for the financial year but are derived from those accounts prepared under IFRS which have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include references to any matter to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.
- These preliminary financial statements were approved by the Board of Directors on 8th June 2010.

2. Revenue

Revenue consists of revenue arising in the United Kingdom 41% (2009: 59%) and Central and Eastern Europe 59% (2009: 41%) and all relates solely to the Group's principal activities.

3. Segmental Analysis

Segment Reporting 12 months to 31 March 2010

	Property fund management	Group Properties	First Property Services ("FPS")	Other fees & income	Unallocated central overheads	**TOTAL**
	£'000	£'000	£'000	£'000	£'000	**£'000**
External revenue						
- existing operations	3,888	1,710	3,863	59	-	**9,520**
- business acquisitions	-	863	-	-	-	**863**
	3,888	**2,573**	**3,863**	**59**	**-**	**10,383**
Deprecation and amortisation	(14)	(3)	(34)	(2)	-	**(53)**
Operating profit						
- existing operations	2,755	1,156	183	-	(1,173)	**2,921**
- business acquisitions	-	52	-	-	-	**52**
	2,755	**1,208**	**183**	**-**	**(1,173)**	**2,973**
Analysed as:						
Before performance fees and related items:	2,821	1,227	183	-	(827)	**3,404**
Performance fees	-	-	-	-	-	**-**
Staff bonus	(66)	(19)	-	-	(346)	**(431)**
Assets	610	12,380	1,280	24	10,923	**25,217**
Liabilities	(113)	(7,650)	(1,435)	(2)	(363)	**(9,563)**
Net assets	497	4,730	(155)	22	10,560	**15,654**

Segment Reporting 12 months to 31 March 2009

	Property fund management	Group Properties	First Property Services ("FPS")	Other fees & income	Unallocated central overheads	**TOTAL**
	£'000	£'000	£'000	£'000	£'000	**£'000**
External revenue	4,571	1,202	5,355	98	-	**11,226**
Deprecation and amortisation	(14)	(2)	(52)	(1)	(8)	**(77)**
Operating profit	3,457	984	613	8	(1,493)	**3,569**
Analysed as:						
Before performance fees and related items:	2,962	995	653	8	(869)	**3,749**
Performance fees	589	-	-	-	-	**589**
Staff bonus	(94)	(11)	(40)	-	(624)	**(769)**
Assets	582	11,658	2,045	88	10,096	**24,469**
Liabilities	(231)	(7,598)	(2,166)	(48)	(822)	**(10,865)**
Net assets	351	4,060	(121)	40	9,274	**13,604**

Interest income and interest expense are not allocated to a separate segment because all cash is managed centrally. Head office costs and overheads that are common to all segments are shown separately under unallocated central costs. Assets, liabilities and costs that relate to Group central activities have not been allocated to business segments.

4. Business Acquisition

On 31 December 2009, the Group increased its interest in CORP- SA (registered in Poland) from 30% to 68% for a total cash cost of £302,000. CORP SA is the property management company for The Blue Tower, an office block in central Warsaw in which the Group has a 28% interest. Based on the audited accounts for the year ended 31 December 2009, the fair value goodwill generated by the Group's total investment amounts to £114,000 which figure will be subject to an annual impairment review. The profit before tax of CORP-SA for the three months to 31 March 2010 amounted to £52,000 and for the twelve months ended 31 December 2009, the audited profit before tax was £125,000.

Acquisition of CORP-SA **Share of net assets acquired**	**31 March 2010**	31 March 2009
Cash	**368**	-
Accounts receivable	**163**	-
Property, plant and equipment	**12**	-
Trade payables	**(355)**	-
Fair value of goodwill	**114**	-
Total purchase price paid in cash	**302**	-
Cash paid to acquire 28% of CORP-SA in year ended 31 March 2009	**(42)**	-
Cash paid on acquisition of CORP-SA year ended 31 March 2010	**(260)**	-
Cash and cash equivalents acquired on purchase of CORP- SA	**368**	-
Acquisition of CORP-SA net of cash and cash equivalents acquired year ended 31 March 2010	**(108)**	-

5. Tax Expense

The tax charge is based on a combination of actual current tax charged and an effective rate that is expected to apply to the profits for the full year.

6. Earnings per Ordinary 1p Share

	12 months ended 31 March 2010	12 months ended 31 March 2009
Basic	**2.07p**	2.81p
Diluted	**1.97p**	2.74p

The basic earnings per ordinary share is calculated on the profit on ordinary activities after taxation and after minority interest on the weighted average number of ordinary shares in issue, during the period.

Figures in the table below have been used in the calculations.

	Number	Number
Weighted average number of ordinary shares in issue	**108,250,972**	108,079,973
Share options	**5,950,000**	3,100,000
Total	**114,200,972**	111,179,973

	£'000	£'000
Basic earnings	**2,243**	3,042
Diluted earnings assuming full dilution at closing share price	**2,255**	3,046

7. Investments – Interest in Associates and Other Financial Assets

	12 months ended 31 March 2010	12 months ended 31 March 2009
	£'000	£'000
Cost of investment at beginning of period	**104**	(50)
Share of accumulated post tax profit	**233**	135
Additions – other financial assets	**99**	56
Disposals	**-**	(37)
Cost of investment at end of period	**436**	104

The investments in the associates are held at cost plus share of post tax profits based on the cost model for accounting for investment properties under IAS 40. If the Group had adopted the fair value model for accounting for investment properties, the carrying value of these investments in associated companies would increase by £727,000 to £1,398,000.

The addition is in respect of the Group's 0.9% interest in UK Pension Portfolio L.P., a new property fund raised in February 2010.

8. Trade and Other Receivables

	12 months ended 31 March 2010	12 months ended 31 March 2009
	£'000	£'000
Trade receivables	**986**	1,475
Amounts due from undertakings in which the company has a participation interest	**15**	230
Other receivables	**769**	200
Prepayments and accrued income	**1,132**	969
	2,902	2,874

On 1 April 2010 the directors have paid a second interim dividend of 0.72pence per ordinary share in place of a final dividend (2009: 0.7pence). The cash for this interim dividend amounting to £776,000 was in-transit over the financial year end and has been included in prepayments. The total dividend for the year will be subject to shareholder approval at the Annual General Meeting

9. Trade and Other Payables

	12 months ended 31 March 2010	12 months ended 31 March 2009
	£’000	£’000
Trade payables	**1,258**	1,392
Other taxation and social security	**387**	180
Other payables and accruals	**785**	1,453
Deferred income	**60**	85
	2,490	3,110

10. The final results are being circulated to all shareholders and can be downloaded from the company’s web site (www.fprop.com). Further copies can be obtained from the registered office at 17 Quayside Lodge, William Morris Way, London SW6 2UZ.