



Half Year Results for the six months ended 31 July 2011

Highlights:

- Ongoing progress in implementing the Company's strategic decision to dispose of the Group's property portfolio and return proceeds to shareholders:
 - £3.8 million realised through property disposals during the period
 - Cash payments totalling £4.6 million made to shareholders on 18 August 2011, bringing the total cash returned to shareholders since 31 January 2009 to £45.4 million
- Holders of shares worth £213 in January 2009 have since received £270 in cash and now hold shares worth £56
- Loss before tax: £0.64 million (31 July 2010: profit £2.38 million)
- Triple net asset value per share: 587p (31 January 2011: 639p; 31 July 2010: 629p (restated for the 2 for 3 share capital consolidation on 20 January 2011))
- Pro forma NNNAPS, adjusting for the August 2011 return of cash to shareholders and share capital consolidation, was 667p per share
- Cash available to the Group, after setting aside the £4.6 million returned to shareholders on 18 August 2011 and security deposits required for Court approval of £2.1 million, was £2.1 million.

28 October 2011

CHAIRMAN'S REVIEW

Financial Performance

The results for the six months ended 31 July 2011 reflect the strategic decision of the Company to dispose of its properties and return proceeds to shareholders, which resulted in a reduction in rental income and a decrease in fee income following the takeover of Rugby Estates Investment Trust PLC ("REIT PLC") in 2010.

In the six months ended 31 July 2011 the Group recorded a loss of £0.64 million (31 July 2010: profit £2.38 million). There was no tax charge (31 July 2010: credit £0.02 million). Net revenue items, comprising rental income, fee income and finance income less administrative expenses, resulted in a net loss of £0.1 million (31 July 2010: profit £1.19 million). The directly owned property portfolio recorded a loss of £0.68 million (31 July 2010: loss £1.41 million), comprising a profit from the sale of the property at Staines of £1.17 million with realised and unrealised valuation changes for the other properties amounting to £1.85 million. The contribution of co-investment vehicles to profit was £0.13 million (31 July 2010: £2.6 million). Total comprehensive expense for the period, which takes into account certain gains and losses on co-investment vehicles, was £0.9 million (31 July 2010: income £1.03 million).

We continue to realise the value of the directly-owned property portfolio with individual assets being sold when key lease and asset management events have been completed. We have been working for a considerable time to achieve planning consent for residential development at our industrial site at Chilton Trinity, Somerset and to redevelop our former tool hire depot in Surbiton, Surrey as a convenience supermarket. Achieving these consents will increase the expected realisation proceeds of these properties. In October, we were delighted to achieve consent for the Surbiton property following appeal and a sale of this property to a leading supermarket operator is now in solicitors' hands. The Chilton Trinity planning application continues to suffer from the administrative delays endemic in the UK's planning system but we are now expecting a decision by the end of the year.

Following the property sales during the period and receipt of cash from ING Covent Garden Limited Partnership ("CGLP"), the Board announced, on 30 June 2011, proposals to return 125p per share in cash to shareholders. Following approval by shareholders at a General Meeting and by the Court, cash payments totalling £4.6 million were made to shareholders on 18 August 2011. This brings the total cash returned to shareholders since 31 January 2009 to £45.4 million. The holder of one hundred ordinary shares at 31 January 2009, when the market value was £213, has since received £270 in cash and now holds 14 new ordinary shares with a market value as at 25 October 2011 of £56, representing an increase in shareholder value of 53% since January 2009.

Triple net asset value per share ("NNNAPS") at 31 July 2011, calculated on a going concern basis consistent with previous periods, was 587p (31 January 2011: 639p; 31 July 2010: 629p (restated for the 2 for 3 share capital consolidation on 20 January 2011)). Pro forma NNNAPS, calculated by adjusting triple net assets of £21.6 million at 31 July 2011 for the subsequent return of cash of £4.6 million and the associated 9 for 13 share capital consolidation, was 667p per share. The calculation of NNNAPS is set out in note 10 below. NNNAPS is calculated and reported as a key performance indicator to enable shareholders to assess changes in underlying net assets at estimated market value. This is based on the statement of financial position which is prepared on a going concern basis. Accordingly, NNNAPS does not represent the amount that shareholders would receive on a liquidation of the Company as no allowance is made for such costs as asset disposal fees, termination of employment and other contracts, liquidators' fees and administration expenses during any winding up period.

Rugby Capital

Rugby Capital is the division of the Group that deals with our directly-owned property portfolio. The Group's strategy continues to be to manage the portfolio to maximise net rental income and capital receipts through disposals.

During the period, property disposals realised £3.8 million. The properties sold were:

- Staines, Moor Lane
- London E15, Romford Road, Stratford
- Harlow, Printers Way (part disposal - one unit remaining)

Following these transactions and a review of valuations, the Directors' estimate of the market value of the Group's residual directly-owned portfolio as at 31 July 2011 was £14.1 million (31 January 2011: £19.6 million; 31 July 2010: £20.7 million). Sale proceeds realised in the half year of £3.8 million added to the portfolio value as at 31 July 2011 of £14.1 million show an 8.7% reduction from the portfolio valuation of £19.6 million as at 31 January 2011. This reflects the secondary nature of the portfolio and the expectation that the portfolio realisation will be substantially completed during 2012.

At 31 July 2011, 66% of the rental value of the Group's directly-owned portfolio was in offices, with 21% in the industrial sector and 13% in retail. London and South-East England accounted for 43% of the portfolio by capital value, with 35% in the Midlands, and 22% in the South West. Contracted annual rental income as at 31 July 2011 was £1.3 million and the estimated rental value for the portfolio, if fully let, was £1.5 million. Since 31 July 2011, lease expiries principally at Edgbaston have reduced contracted annual rental income to £0.9 million.

Rugby Asset Management (“RAM”)

Rugby Asset Management is the division of the Group that deals with our co-investment and asset management activities.

Fee income for the period was £0.7 million (31 July 2010: £1.5 million). The prior period included £1.1 million (of which £0.6 million was a termination fee) in respect of REIT Plc, which was acquired by ING Real Estate Income Trust in May 2010.

RAM continues to act as Property Adviser to O Twelve Estates Limited and ING Covent Garden Limited Partnership, both vehicles in which the Group is also a co-investor.

RAM actively continues to pursue new asset management initiatives. Attention over the past year has principally focused on two opportunities in the hotel sector. However, a fund to develop budget hotels on the basis of a pre-let to specific major budget hotel operators is no longer progressing. We are actively working with an experienced operator of three star hotels in London to establish a fund to acquire a critical mass of such hotels.

O Twelve Estates Limited (“O Twelve”)

O Twelve was launched in 2006 as an AIM quoted investment fund focused on real estate opportunities to the east of London where the 2012 Olympic Games is the catalyst for major regeneration and infrastructure initiatives. We were delighted that O Twelve was able to complete a Placing and Open Offer in January 2011 which raised £35 million (net of expenses) of new equity in cash. This has enabled O Twelve to restructure its debt, reduce gearing and replenish working capital. The fundamental rationale for the creation of O Twelve continues to be supported by the positive activity in its target area.

RAM currently receives an asset management fee of 0.6% of O Twelve's Gross Asset Value under a contractual arrangement which is subject to review by O Twelve at 31 March 2012. Fee income from O Twelve for the half year under review was £0.5 million (31 July 2010: £0.4 million).

In addition to RAM's role as Property Adviser to O Twelve, the Group holds 7,894,502 ordinary shares in O Twelve representing a 1.64% equity interest.

At 31 March 2011, the latest date for which O Twelve has announced results, its portfolio comprised 20 properties valued at £158.5 million and its net asset value per share was 8.34p. At 31 July 2011, O Twelve's share price was 5.88p and the carrying value in the financial position statement of our interest was £0.5 million. The difference between share price and estimated underlying net assets is not considered to be material for the purposes of calculating the Group's NNNAPS.

ING Covent Garden Limited Partnership (“CGLP”)

RAM has been Property Adviser to CGLP since its creation in March 2002, and the Group holds a 6.46% interest.

During the period, CGLP completed the disposal of virtually the whole of its property portfolio and returned cash to investors, with the Group receiving cash distributions of £2.0 million. The Group’s share of CGLP’s estimated net assets as at 31 July 2011 was £0.2 million, which is the same as the carrying value in the statement of financial position.

RAM’s role as Property Adviser to CGLP is now limited to matters associated with its winding up and any future fee income will not be material.

Financing

At 31 July 2011, Group cash balances amounted to £8.8 million and the Group had no borrowings. After setting aside the £4.6 million returned to shareholders on 18 August 2011 and security deposits required for Court approval of £2.1 million, cash available to the Group was £2.1 million.

Principal Risks and Uncertainties

The risks and uncertainties facing the Group for the remaining six months of the financial year are:

- prospects for growth in the UK economy continue to be weak and the effect of government spending policies increases the risk of economic stagnation and of tenant default, falls in rental values and more difficult letting conditions. This would adversely affect the rental income from and the capital value of the Group’s directly-owned properties. This in turn would reduce the amount of cash available to be returned to shareholders, or delay the realisation period for the portfolio;
- increases in investment yields which would adversely affect the value of the Group’s portfolio;
- lack of liquidity and limited investor interest, in particular as a result of the very limited availability of debt financing for purchasers of secondary property, may result in realisation proceeds achievable during the intended realisation period being less than previous valuations;
- co-investment vehicles with bank borrowings may breach loan covenants or have difficulty in arranging additional or alternative financing. This in turn would adversely affect the value of the Group’s holdings in those vehicles and future management fee income;
- lack of investor appetite for managed property funds, the Group’s limited ability to co-invest and competition for mandates from other asset management firms may make growth of the Group’s asset management business difficult to achieve. Existing appointments may be terminated and competitive pressures on management fees may inhibit the profitability of the asset management business.

Prospects

In the present economic climate there are few grounds to expect the value of our residual directly-owned property portfolio to increase over the next few years as a result of general market forces. Accordingly, we are actively continuing our sales programme with the timing of disposals being driven by the circumstances of each individual property. This is particularly linked to lettings, rent reviews and other asset management initiatives with the achievement of planning consent at Chilton Trinity as a major goal. On the assumption that there are no further major shocks to the wider economy or the financial system, the Directors currently expect the disposal of the directly-owned property portfolio to have been substantially completed during 2012. Given the limited market activity and the intention to complete the portfolio realisation over the next year, shareholders should be aware that actual property realisations may not achieve current estimates of value and that whilst upsides arising from planning consents, if achieved, may offset shortfalls on other properties, the overall effect on returns of cash to shareholders cannot be predicted with accuracy.

The cost base of the Group remains under continuous review and we continue to expend considerable effort, in a difficult market, into generating new asset management business for RAM.

A number of property disposals are planned for the second half of the financial year and further returns of cash to shareholders will be announced when economically viable amounts have been realised.

David Tye

Chairman

28 October 2011

GROUP STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 31 July 2011

	Notes	31 July 2011 Unaudited £'000	31 July 2010 Unaudited £'000	31 January 2011 Audited £'000
Sales of properties		3,817	15,812	18,148
Rental income		787	1,394	2,368
Fees receivable		722	1,511	2,586
Revenue		5,326	18,717	23,102
Direct costs of:				
Sales of properties		(2,558)	(16,216)	(18,391)
Net realisable value adjustment to inventory		(1,938)	(996)	(311)
Rental income		(210)	(154)	(367)
Fees receivable		(4)	(10)	(17)
Direct costs		(4,710)	(17,376)	(19,086)
Administrative expenses		(1,410)	(1,577)	(4,816)
Share of post-tax results of associates		-	-	11
Gains and losses on financial assets:				
- distributions received		1,951	798	1,277
- unrealised impairment losses		(1,813)	-	(2)
- gains previously recognised in other comprehensive income		-	1,797	1,797
Finance costs		-	-	(2)
Finance revenue		12	21	160
(Loss) / profit before taxation		(644)	2,380	2,441
Income tax credit / (charge)		-	18	(63)
(Loss) / profit for the period attributable to equity holders of the parent		(644)	2,398	2,378
Other comprehensive income				
Fair value (losses) and gains on financial assets		(256)	432	(69)
Gains realised on disposal		-	(1,797)	(1,797)
Other comprehensive (expense)/income for the period (net of tax)		(256)	(1,365)	(1,866)
Total comprehensive (expense)/income for the period attributable to equity holders of the parent		(900)	1,033	512
Basic and diluted (loss)/earnings per share (July 2010: restated)	4	(25.1)p	67.6p	67.0p

GROUP STATEMENT OF FINANCIAL POSITION
as at 31 July 2011

	Notes	31 July 2011 Unaudited £'000	31 July 2010 Unaudited £'000	31 January 2011 Audited £'000
Non-current assets				
Investment in associates	5	-	2	-
Financial assets	5	648	3,094	2,717
Total co-investments	5	648	3,096	2,717
Property, plant and equipment		234	288	259
Total non-current assets		882	3,384	2,976
Current assets				
Property inventories		13,759	19,044	18,018
Trade and other receivables		1,698	1,036	942
Current tax assets		15	1,560	26
Cash and short term deposits		8,807	26,817	4,894
Total current assets		24,279	48,457	23,880
Total assets		25,161	51,841	26,856
Current liabilities				
Trade and other payables		2,804	2,137	3,649
Current tax liabilities		-	-	-
Total current liabilities		2,804	2,137	3,649
Non-current liabilities				
Deferred taxation		10	12	10
Total non-current liabilities		10	12	10
Total liabilities		2,814	2,149	3,659
Net assets		22,347	49,692	23,197
Equity				
Called up share capital	6	441	1,721	428
Own shares – held for AESOP		(155)	(210)	(121)
Share premium account		8,189	19,848	8,189
Capital redemption reserve		4,402	4,402	4,402
Unrealised gains and losses		3	760	259
Retained earnings		9,467	22,688	9,384
LTIP reserve		-	483	656
Total equity	8	22,347	49,692	23,197

GROUP STATEMENT OF CASH FLOWS
for the six months ended 31 July 2011

		6 months to 31 July 2011 Unaudited £'000	6 months to 31 July 2010 Unaudited £'000	Year to 31 January 2011 Audited £'000
	Notes			
Cash flows from operating activities before changes in working capital	9	(659)	3	(307)
Decrease in property inventories		4,259	16,801	17,827
(Increase) / decrease in receivables		(757)	1,090	1,180
(Decrease) / increase in payables		(845)	(637)	875
Cash generated from operations		1,998	17,257	19,575
Finance costs		-	-	(2)
Finance revenue		13	14	157
Tax received / (paid)		11	(3)	1,448
Cash flows from operating activities		2,022	17,268	21,178
Cash flows from investing activities				
Dividends received from associates		-	-	13
Proceeds from sale of financial assets		-	3,144	3,144
Distributions received from financial assets		1,951	798	1,277
Purchase of interests in financial assets		-	-	(126)
Purchase of property, plant and equipment		(3)	(3)	(4)
Cash flows from investing activities		1,948	3,939	4,304
Cash flows from financing activities				
LTIP grant vested		-	(324)	(324)
Shares issued		13	120	120
Purchase of own shares by AESOP		(70)	(96)	(58)
Return of cash to shareholders	3	-	-	(26,236)
Cash flows from financing activities		(57)	(300)	(26,498)
Net increase / (decrease) in cash and cash equivalents		3,913	20,907	(1,016)
Cash and cash equivalents at start of period		4,894	5,910	5,910
Cash and cash equivalents at end of period		8,807	26,817	4,894

GROUP STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 July 2011

	Notes	6 Months to 31 July 2011 Unaudited	6 Months to 31 July 2010 Unaudited	Year to 31 January 2011 Audited
		£'000	£'000	£'000
Opening shareholders' equity	8	23,197	48,750	48,750
Total comprehensive (expense)/income for the period		(900)	1,033	512
Shares issued in period		13	120	120
Cash payments to shareholders	3	-	-	(26,236)
Purchase of own shares – for AESOP		(70)	(96)	(58)
Share based payment charge - AESOP		36	36	87
Share based payment charge - LTIP		71	173	346
LTIP grants vested		-	(324)	(324)
Closing total equity	8	22,347	49,692	23,197

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Accounting Policies

The interim financial information for the period ended 31 July 2011 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board and does not constitute full statutory accounts for that period. The statutory accounts for the year ended 31 January 2011, which were prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS”) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The auditors’ opinion on those accounts was unqualified, did not include any references to any matters to which the auditors drew attention without qualifying their report, and did not contain a statement made under section 498(2) or section 498(3) of the Companies Act 2006.

The financial information in this report comprises the Group statement of financial position as at 31 July 2011, 31 January 2011 and 31 July 2010 and related statements of Group comprehensive income, cash flow and changes in equity and related notes for the periods then ended (“financial information”). The financial information has been prepared in accordance with the Group’s principal accounting policies as set out in the Annual Report for the period ending 31 January 2011.

The endorsed IFRS that will be effective (or available for early adoption) in the financial statements for the year ending 31 January 2012 are still subject to change and to additional interpretation and therefore cannot be determined with certainty. Accordingly, the accounting policies for the period will only be determined finally when the consolidated financial statements are prepared for the year ending 31 January 2012.

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the application of accounting policies and amounts reported in the statements of comprehensive income and financial position. Such decisions are made at the time the financial statements are prepared and adopted based upon the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The measurement of fair value of available for sale financial assets and assessment of the net realisable value of property inventories constitute the principal areas of judgement exercised by the Board in the preparation of these financial statements. The underlying market valuations of property inventories and investment properties held by available for sale financial assets are carried out by directors and by external advisors whom the Board considers to be suitably qualified to carry out such valuations.

2. Segmental Analysis

The Group reports internally on two principal business segments. Rugby Capital deals with the Group's property trading and development activities including the Group's directly-owned portfolio and collaborative ventures substantially involving the Group's equity. Rugby Asset Management deals with the Group's co-investment and asset management activities. The Group does not operate outside the United Kingdom.

	Rugby Capital £'000	Rugby Asset Management £'000	Unallocated items £'000	2011 £'000
Period ended 31 July 2011				
Group Statement of Comprehensive Income				
Sale of properties	3,817	-	-	3,817
Rental income	787	-	-	787
Fees receivable	-	722	-	722
Revenue	4,604	722	-	5,326
Profit on sales of properties	1,259	-	-	1,259
Net realisable value adjustment to inventory	(1,938)	-	-	(1,938)
Net rental income	577	-	-	577
Net fees receivable	-	718	-	718
Administrative expenses	-	-	(1,410)	(1,410)
Gains and losses on financial assets	-	138	-	138
Finance revenue	-	-	12	12
(Loss) / profit before taxation	(102)	856	(1,398)	(644)
Period ended 31 July 2011				
Group Statement of Financial Position				
Financial assets	-	648	-	648
Property, plant and equipment	-	-	234	234
Property inventories	13,759	-	-	13,759
Receivables – current	968	383	347	1,698
Current tax assets	-	-	15	15
Cash and short term deposits	-	-	8,807	8,807
Current liabilities	(1,440)	(19)	(1,345)	(2,804)
Non-current liabilities	-	-	(10)	(10)
Net assets	13,287	1,012	8,048	22,347
Other Segment information				
Additions to property, plant and equipment			3	3
Depreciation			28	28

All non-current assets are UK based.

41% of Revenue was generated from one customer in respect of the sale of one property

Segmental Analysis (continued)

	Rugby Capital £'000	Rugby Asset Management £'000	Unallocated items £'000	2010 £'000
Period ended 31 July 2010				
Group Statement of Comprehensive Income				
Sale of properties	15,812	-	-	15,812
Rental income	1,394	-	-	1,394
Fees receivable	-	1,511	-	1,511
Revenue	17,206	1,511	-	18,717
(Loss) on sales of properties	(404)	-	-	(404)
Net realisable value adjustment to inventory	(996)	-	-	(996)
Net rental income	1,240	-	-	1,240
Net fees receivable	-	1,501	-	1,501
Administrative expenses	-	-	(1,577)	(1,577)
Gains and losses on financial assets	-	2,595	-	2,595
Finance revenue	-	6	15	21
Profit / (loss) before taxation	(160)	4,102	(1,562)	2,380
Period ended 31 July 2010				
Group Statement of Financial Position				
Investments in associates	-	2	-	2
Financial assets	-	3,094	-	3,094
Property, plant and equipment	-	-	288	288
Property inventories	19,044	-	-	19,044
Receivables – current	452	293	291	1,036
Current tax assets	-	-	1,560	1,560
Cash and short term deposits	-	-	26,817	26,817
Current liabilities	(1,690)	(15)	(432)	(2,137)
Non-current liabilities	-	-	(12)	(12)
Net assets	17,806	3,374	28,512	49,692
Other Segment information				
Additions to property, plant and equipment			3	3
Depreciation			30	30

All non-current assets are UK based.

38% of Revenue was generated from one customer in respect of the sale of one property

Segmental Analysis (continued)

	Rugby Capital £'000	Rugby Asset Management £'000	Unallocated items £'000	2011 £'000
Year ended 31 January 2011				
Group Statement of Comprehensive Income				
Sale of properties	18,148	-	-	18,148
Rental income	2,368	-	-	2,368
Fees receivable	-	2,586	-	2,586
Revenue	20,516	2,586	-	23,102
(Loss) on sales of properties	(243)	-	-	(243)
Net realisable value adjustment to inventory	(311)	-	-	(311)
Net rental income	2,001	-	-	2,001
Net fees receivable	-	2,569	-	2,569
Administrative expenses	-	-	(4,816)	(4,816)
Share of results of associate	-	11	-	11
Gains and losses on financial assets	-	3,072	-	3,072
Finance costs	-	-	(2)	(2)
Finance revenue	-	-	160	160
Profit / (loss) before taxation	1,447	5,652	(4,658)	2,441

	Rugby Capital £'000	Rugby Asset Management £'000	Unallocated items £'000	2011 £'000
Year ended 31 January 2011				
Group Statement of Financial Position				
Financial assets	-	2,717	-	2,717
Property, plant and equipment	-	-	259	259
Property inventories	18,018	-	-	18,018
Receivables – current	667	138	137	942
Current tax assets	-	-	26	26
Cash and short term deposits	-	-	4,894	4,894
Current liabilities	(1,522)	(21)	(2,106)	(3,649)
Non-current liabilities	-	-	(10)	(10)
Net assets	17,163	2,834	3,200	23,197

Other Segment information

Additions to property, plant and equipment			4	4
Depreciation			59	59

All non-current assets are UK based.

31% of Revenue was generated from one customer in respect of the sale of one property

3. Cash payments to Shareholders

	Payment date	Per share (pence)	Amount absorbed £000
Paid			
6 months to 31 July 2011	-	-	-
6 months to 31 July 2010	-	-	-
Year ended 31 January 2011	2 September 2010	175p	20,079
	31 January 2011	115p	6,157
			26,236

4. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the period of £644,000 (31 July 2010: profit £2,398,000; 31 January 2011: profit £2,378,000) and 3,585,500 ordinary shares (31 July 2010: 3,545,600 (restated); 31 January 2011: 3,550,630), the weighted average number of shares in issue during the period. There are no dilutive shares in issue at the end of the period and therefore no diluted earnings per share.

5. Co-investments

The Group's co-investments represent investments in undertakings for which the Group is also the principal property adviser. The Group has investments in, and is property adviser to, ING Covent Garden Limited Partnership and O Twelve Estates Limited. The Group's interest in Rugby Estates Investment Trust Plc was sold on 14 May 2010. London Industrial Partnership Limited was dissolved on 6 April 2011.

	31 July 2011	31 July 2010	31 January 2011
	£000	£000	£000
	Unaudited	Unaudited	Audited
Investment in associates			
London Industrial Partnership Limited (11.76% interest)			
At 31 January 2011	-	2	2
Share of results	-	-	11
Dividend received	-	-	(13)
At 31 July 2011	-	2	-
Financial assets			
ING Covent Garden Limited Partnership (6.46% interest)			
At 31 January 2011	1,997	2,768	2,768
Impairment charge	(1,813)	(410)	(771)
At 31 July 2011	184	2,358	1,997
O Twelve Estates Limited (1.64% interest)			
At 31 January 2011	720	518	518
Acquisition of ordinary shares	-	-	126
Fair value adjustment	-	218	76
Impairment charge	(256)	-	-
At 31 July 2011	464	736	720
Rugby Estates Investment Trust Plc (8.47% interest)			
At 31 January 2011	-	2,520	2,520
Sale proceeds	-	(3,144)	(3,144)
Gain realised on disposal	-	624	624
At 31 July 2011	-	-	-
Total financial assets at 31 July 2011	648	3,094	2,717
Total co-investments	648	3,096	2,717

The Group's investments in ING Covent Garden Limited Partnership and O Twelve Estates Limited are classified as "available-for-sale financial assets" in accordance with IAS 39.

During the period the Group received cash distributions of £1,951,000 (31 July 2010: £798,000; 31 January 2011: £1,277,000) from ING Covent Garden Limited Partnership which have been credited to the Income Statement.

6. Issued share capital

Ordinary Shares of 15p	31 July 2011 Unaudited	31 July 2010 Unaudited (restated)	31 January 2011 Audited
	No.	No.	No.
Number of ordinary shares in issue			
At 31 January 2011 (shares of 12p)	3,569,558	11,424,993	11,424,993
Issued in period	111,938	48,582	48,584
Share capital consolidation			
- 18 August 2010 (into shares of 15p)	-	-	(6,119,240)
- 20 January 2011 (into shares of 12p)	-	-	(1,784,779)
At 31 July 2011 (shares of 12p)	3,681,496	11,473,575	3,569,558
Shares held by AESOP*			
- Unawarded	(4,367)	(19,855)	(1,719)
- Conditionally awarded but not yet earned by employees	(27,821)	(36,549)	(15,630)
Number of ordinary shares for calculating basic earnings per share and net assets per share			
at period end	3,649,308	11,417,171	3,552,209
(restated)	-	(3,552,008)	-
weighted average during the period	3,585,482	11,396,574	3,550,630
(restated)	-	(3,545,600)	-

*AESOP – the Group’s All Employee Share Ownership Plan.

On 27 May 2011, 111,933 ordinary shares were issued at par to satisfy vestings under the Company’s Long Term Incentive Plan (“LTIP”). On 30 July 2011, five ordinary shares were issued for 410p each in cash.

The number of ordinary shares in issue at 31 July 2010 has been restated for the 7 for 15 share capital consolidation on 18 August 2010 and for the 2 for 3 share capital consolidation on 20 January 2011.

As a result of the 9 for 13 share capital consolidation on 3 August 2011, the number of ordinary shares in issue at 28 October 2011 is 2,548,728.

7. Reduction of Capital and return of cash to Shareholders

On 30 June 2011 the Company published a circular to shareholders convening a General Meeting to enable a return of cash to shareholders of 125p per share. The necessary resolutions were passed at the General Meeting on 18 July 2011. As part of this process, application was made to the Court for a reduction of capital and this was confirmed by the Court on 3 August 2011.

In connection with this the following actions took place with respect to the Company's share capital:

On 30 July 2011, five ordinary shares were issued for 410p each in cash, thus increasing the number of Ordinary Shares of 12p in issue to 3,681,496 in order to facilitate the share capital consolidation.

On 3 August 2011:

- i. the 3,681,496 Ordinary Shares of 12p each were subdivided into 3,681,496 Ordinary Shares of 9p, 1,717,140 B shares of 3p each and 1,964,356 C shares of 3p each. Shareholders had elected whether to take B shares or C shares;
- ii. the B shares were redeemed by the Company for 125p per share, to be paid to shareholders on 18 August 2011, and cancelled;
- iii. a dividend was declared of 125p per C share, to be paid to shareholders on 18 August 2011, and the C shares were cancelled; and
- iv. the 3,681,496 Ordinary Shares of 9p were consolidated on a nine for thirteen basis into 2,548,728 Ordinary Shares of 13p each.

On 18 August 2011 the cash payments, absorbing £4,601,870, in respect of the B share redemptions and the C share dividends were made to shareholders.

At 31 July 2011, the return of cash remained conditional on Court approval. Accordingly, the return of cash and the changes to share capital and reserves set out above, together with future payments of up to £230,093.50 under the Property Realisation Incentive Plan as a result of the return of cash, are not reflected in the interim financial statements for the period ending 31 July 2011.

8. Changes in equity

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Unrealised gains and losses £'000	LTIP reserve £'000	Own shares held for treasury £'000	Own shares held for AESOP £'000	Total Shareholders' Equity Unaudited £'000
At 1 February 2011	428	8,189	4,402	9,384	259	656	-	(121)	23,197
Total comprehensive income	-	-	-	(644)	(256)	-	-	-	(900)
Issue of shares	13	-	-	-	-	-	-	-	13
LTIP grants vested	-	-	-	727	-	(727)	-	-	-
LTIP charged to income statement	-	-	-	-	-	71	-	-	71
AESOP shares purchased	-	-	-	-	-	-	-	(70)	(70)
AESOP shares charged to income statement	-	-	-	-	-	-	-	36	36
At 31 July 2011	441	8,189	4,402	9,467	3	-	-	(155)	22,347

Changes in equity (continued)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained Earnings £'000	Unrealised gains and losses £'000	LTIP reserve £'000	Own shares held for treasury £'000		Total Shareholders' Equity Audited £'000
At 1 February 2010	1,714	19,735	4,402	19,600	2,125	1,324	-	(150)	48,750
Total comprehensive income	-	-	-	2,378	(1,866)	-	-	-	512
LTIP grants vested	-	-	-	690	-	(1,014)	-	-	(324)
LTIP charged to income statement	-	-	-	-	-	346	-	-	346
AESOP shares purchased	-	-	-	-	-	-	-	(58)	(58)
AESOP shares charged to income statement	-	-	-	-	-	-	-	87	87
Issue of shares	7	113	-	-	-	-	-	-	120
Reduction of capital	(1,293)	-	-	1,293	-	-	-	-	-
Reduction of share premium	-	(11,659)	-	11,659	-	-	-	-	-
Return of cash 2 September 2010	-	-	-	(20,079)	-	-	-	-	(20,079)
Return of cash 31 January 2011	-	-	-	(6,157)	-	-	-	-	(6,157)
At 31 January 2011	428	8,189	4,402	9,384	259	656	-	(121)	23,197

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Unrealised gains and losses £'000	LTIP reserve £'000	Own shares held for treasury £'000		Total Shareholders' Equity Unaudited £'000
At 1 February 2010	1,714	19,735	4,402	19,600	2,125	1,324	-	(150)	48,750
Total comprehensive income	-	-	-	2,398	(1,365)	-	-	-	1,033
Issue of shares	7	113	-	-	-	-	-	-	120
LTIP grants vested	-	-	-	690	-	(1,014)	-	-	(324)
LTIP charged to income statement	-	-	-	-	-	173	-	-	173
AESOP shares purchased	-	-	-	-	-	-	-	(96)	(96)
AESOP shares charged to income statement	-	-	-	-	-	-	-	36	36
At 31 July 2010	1,721	19,848	4,402	22,688	760	483	-	(210)	49,692

9. Notes to the Statement of Cash Flows

Reconciliation of cash flows from operating activities

	6 months to 31 July 2011 Unaudited £'000	6 months to 31 July 2010 Unaudited £'000	Year ended 31 January 2011 Audited £'000
(Loss) / profit before taxation	(644)	2,380	2,441
Gains realised on financial assets	-	(1,797)	(1,797)
Finance costs	-	-	2
Finance revenue	(12)	(21)	(160)
Income from investments	(1,951)	(798)	(1,277)
Share of results of Associate	-	-	(11)
Share based payment charge - LTIP	71	173	346
Share based payment charge - AESOP	36	36	87
Depreciation	28	30	59
Unrealised impairment losses on financial assets	1,813	-	2
Loss on disposal of property, plant and equipment	-	-	1
Cash flows from operating activities before changes in working capital	(659)	3	(307)

10. Additional information for shareholders

Net assets per share

	31 July 2011 £m Unaudited	31 July 2010 £m Unaudited (restated)	31 January 2011 £m Unaudited
Net assets per statement of financial position	22.3	49.7	23.2
Market value of property inventories	14.1	20.7	19.6
Less: book value of property inventories	(13.8)	(19.0)	(18.0)
Tax payable if property inventories are sold at market value	-	(0.5)	(0.4)
LTIP obligation	-	(0.5)	(0.7)
PRIP obligation if property inventories and co-investments are realised (ii)	(1.0)	(2.5)	(1.0)
Share of underlying net assets of co-investments (iii)	0.6	3.1	2.7
Less: co-investments per statement of financial position	(0.6)	(3.1)	(2.7)
Triple net assets ("NNNAPS")	21.6	47.9	22.7
Number of ordinary shares (iv)	3,681,496	7,611,447	3,552,209
Triple net assets per share - undiluted	587p	629p	639p

- (i) Triple net assets per share is calculated and reported as a key performance indicator to enable shareholders to assess changes in underlying net assets at estimated market value. This is based on the statement of financial position which is prepared on a going concern basis. Accordingly, triple net assets per share does not represent the amount that shareholders would receive on a liquidation of the Company as no allowance is made for such costs as asset disposal fees, termination of employment and other contracts, liquidators' fees and administration expenses during any winding up period.
- (ii) At the General Meeting held on 15 June 2009 shareholders approved two executive incentive schemes. Under the Property Realisation Incentive Plan ("PRIP") the executive directors will receive up to 5% of distributions to shareholders arising from the realisation of the Group's property portfolio and capital returns from co-investments between 1 February 2009 and 31 January 2014. If the Group's properties were sold at market value and co-investments were realised at share of estimated net assets as at 31 July 2011, and the proceeds distributed to shareholders, the further cost to the Group would be approximately £1.0 million. Under the Value Creation Plan ("VCP"), employees may receive benefits if certain performance targets relating to the value of the asset management business are achieved by 31 January 2014. This has no measurable effect on triple net assets as at 31 July 2011
- (iii) The directors do not consider there to be a material difference between the Group's share of the estimated underlying net assets of the co-investments at 31 July 2011 and their carrying value.
- (iv) The number of ordinary shares and triple net assets per share as at 31 July 2010 have been restated to allow for the effects of the 2 for 3 share consolidation on 31 January 2011.

Pro forma net assets per share following the return of cash and share capital consolidation after 31 July 2011 as set out in note 7 above are calculated as follows:

	£m
Triple net assets as at 31 July 2011	21.6
Cash returned to shareholders	(4.6)
Pro forma triple net assets	17.0
Number of shares as at 31 July 2011 (note 6)	3,681,496
Number of shares adjusted for 9 for 13 consolidation	2,548,728
Pro forma triple net assets per share	667p