

8 Investment property

Investment property

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2007	906.9	275.6	1,182.5
Acquisitions	21.8	–	21.8
Costs capitalised	14.1	0.7	14.8
Disposals	(223.2)	(61.2)	(284.4)
Transfer from investment property-development	61.9	–	61.9
Transfer on purchase of leasehold	16.1	(16.1)	–
Net valuation gain/(deficit) on investment property	0.5	(9.3)	(8.8)
Book value at 31 March 2008	798.1	189.7	987.8
Costs capitalised	9.6	(0.2)	9.4
Transfer from investment property-development	2.4	–	2.4
Net valuation deficit on investment property	(237.8)	(47.4)	(285.2)
Book value at 31 March 2009	572.3	142.1	714.4

Investment property–development

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2007	131.8	–	131.8
Costs capitalised	37.2	–	37.2
Interest capitalised	1.9	–	1.9
Disposals	(31.2)	–	(31.2)
Transfer to investment property	(61.9)	–	(61.9)
Net valuation gain on investment property-development	7.7	–	7.7
Book value at 31 March 2008	85.5	–	85.5
Costs capitalised	16.0	–	16.0
Interest capitalised	1.7	–	1.7
Disposals	(11.9)	–	(11.9)
Transfer to investment property	(2.4)	–	(2.4)
Net valuation deficit on investment property-development	(22.9)	–	(22.9)
Book value at 31 March 2009	66.0	–	66.0
Total investment property	638.3	142.1	780.4

	2009 £m	2008 £m
Net valuation deficit on investment property	(308.1)	(1.1)
Net valuation deficit on development property taken to the income statement	(6.8)	(1.8)
Loss on sale of investment properties	(0.6)	(5.8)
Deficit from investment property	(315.5)	(8.7)

8 Investment property (continued)

The investment and development properties (note 9) were valued on the basis of market value by CB Richard Ellis, external valuers, as at 31 March 2009 in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors ("the Standards") and has been primarily derived using comparable recent market transactions on arm's-length terms. In their valuation report, CBRE have noted, in accordance with Guidance Note 5 of the Standards, that the current volatility in the global financial system has created a significant degree of turbulence in commercial real estate markets. Furthermore, the lack of liquidity in the capital markets means that it may be difficult to achieve a sale of property assets in the short-term. As a result there is a greater degree of uncertainty in the valuation than would exist in a stable market. The book value of investment property includes £8.5 million (2008: £8.5 million) in respect of the present value of future ground rents.

At 31 March 2009 the Group had capital commitments of £1.3 million (2008: £24.3 million).

At 31 March 2009 properties with carrying value of £169.8 million (2008: £253.5 million) were secured under first mortgage debenture stock (see note 13).