



HELICAL BAR PLC

Report & Accounts

# 2015





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**FINANCIAL CALENDAR**

Year ended 31 March 2015	Annual General Meeting to be held on 24 July 2015
Final ordinary dividend payable	31 July 2015
Half year ending 30 September 2015	Results and interim ordinary dividend announced November 2015 Interim ordinary dividend payable December 2015
Year ending 31 March 2016	Results and final dividend announced May 2016 Final ordinary dividend payable July 2016

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# 01

## STRATEGIC REPORT

## STRATEGIC REPORT

# What we do

Helical Bar plc is a property investment and development company which operates across many sectors of the property industry.

We aim to deliver market-leading returns by acquiring high-yielding investment properties, applying a rigorous approach to asset management and deploying limited equity into development situations which have the potential to be highly profitable.

Our portfolio is primarily targeted towards London for capital growth and development profits and the regions for high yielding investment assets and trading profits.

↓ HELICAL BAR PLC, HEAD OFFICE LONDON W1S



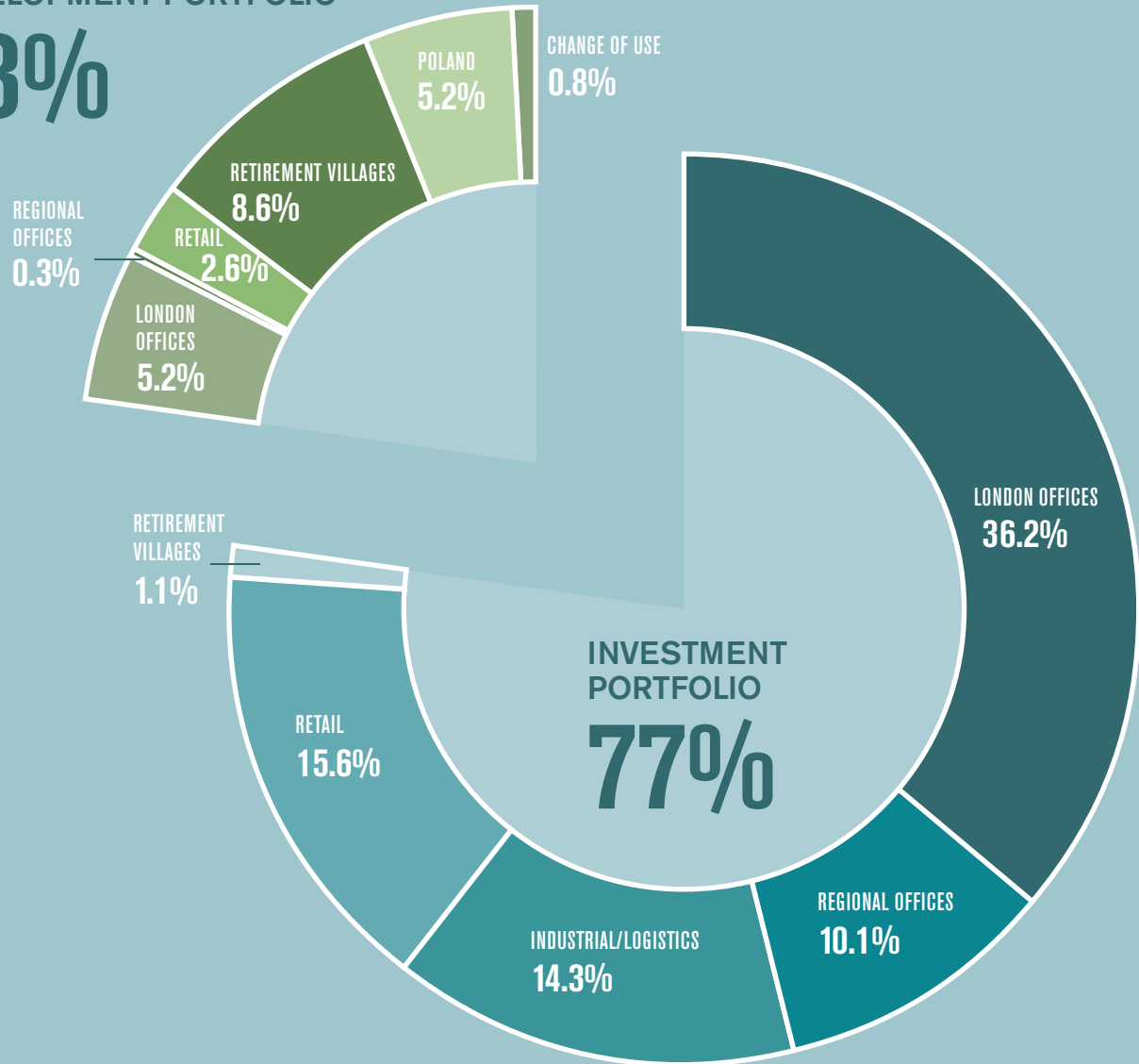


## STRATEGIC REPORT

# Helical's portfolio

## DEVELOPMENT PORTFOLIO

## 23%



## HELICAL'S PORTFOLIO BY FAIR VALUE

OVERALL PORTFOLIO	INVESTMENT £M	%	DEVELOPMENT £M	%	TOTAL £M	%
LONDON OFFICES	370.2	36.2	53.3	5.2	423.5	41.4
REGIONAL OFFICES	103.5	10.1	2.6	0.3	106.1	10.4
INDUSTRIAL/LOGISTICS	145.7	14.3	-	-	145.7	14.3
RETAIL	159.1	15.6	26.3	2.6	185.4	18.2
RETIREMENT VILLAGES	11.3	1.1	87.8	8.6	99.1	9.7
CHANGE OF USE	-	-	8.3	0.8	8.3	0.8
POLAND	-	-	53.3	5.2	53.3	5.2
<b>TOTAL</b>	<b>789.8</b>	<b>77.3</b>	<b>231.6</b>	<b>22.7</b>	<b>1,021.4</b>	<b>100.0</b>

## STRATEGIC REPORT

# Financial highlights

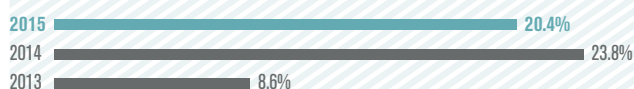
### TOTAL PROPERTY RETURN

**£155.3**million



### PORTFOLIO RETURN - IPD

**20.4%**



### TOTAL DIVIDEND PAID PER SHARE

**6.85**pence



#### ↓ KING STREET LONDON W6



### PROFIT BEFORE TAX

**£87.4**million



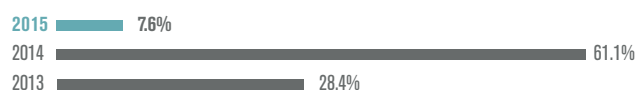
### EPRA EARNINGS PER SHARE

**2.4**pence



### TOTAL SHAREHOLDER RETURN

**7.6%**



#### ↓ BARTS SQUARE LONDON EC1





## SEE-THROUGH PORTFOLIO VALUE

# £1,021.4million



## EPRA NET ASSET VALUE PER SHARE

# 385pence



## SEE-THROUGH NET ASSET VALUE GEARING

# 113%



Note: The see-through figures are reconciled to statutory figures on pages 114-116

## ↓ CHURCHGATE AND LEE HOUSE MANCHESTER



## NET ASSETS

# £404.4million



## SEE-THROUGH LOAN TO VALUE

# 52%



## NET INTEREST COVER RATIO

# 2.5x



## ↓ C-SPACE LONDON EC1





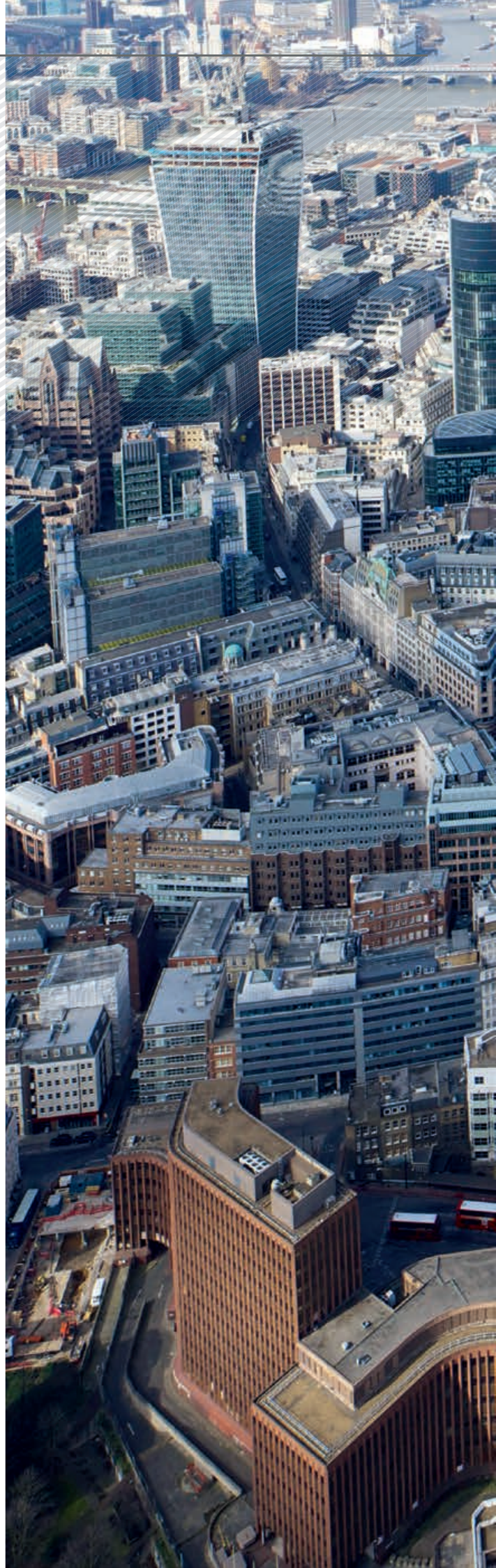
LONDON PORTFOLIO

# One Creechurch Place London EC3

**271,000 sq ft** of offices

**2,227 sq ft** of retail

**Completion expected in September 2016.**









## STRATEGIC REPORT

# Review of the year



## Overview

Our strategy of holding London assets for capital growth and regional assets for income has delivered strong results again this year. Included within the £155.3m total property return is £95.3m of capital appreciation in London and £30.7m from regional income.

At points in the property cycle where there is yield compression and rental growth, we are able to deliver outstanding profits. We achieve these returns from working our assets hard, creating value from asset management and development rather than relying solely on market improvements. This year we have been extremely active, acquiring 58 properties, the equivalent of one purchase every six days. We have entered the delivery phase for the majority of our developments with construction having commenced at The Bower, London EC1, Barts Square, London EC1, One Creechurch Place, London EC3, and C-Space, London EC1. Occupational demand remains very strong in these locations giving us confidence that we will continue to achieve favourable letting outcomes, well in excess of our original expectations.

Our income producing assets continue to perform well with considerable letting progress at Churchgate and Lee House, Manchester, The Shepherds Building, London W14 and New Loom House, London E1. We are enjoying rising income levels as we continue to acquire high yielding assets and begin to capture some of the reversionary potential of our properties.



↑ **THE BOWER OLD STREET LONDON EC1**← **BARTS SQUARE LONDON EC1**↓ **NEW LOOM HOUSE LONDON E1**↑ **C-SPACE LONDON EC1**↓ **SHEPHERDS BUILDING LONDON W14**

## London portfolio

### The Bower, Old Street, London EC1

Development of phase one of the 3.12 acre site has continued and is expected to complete in summer 2015. Letting of the three buildings that make up phase one; The Warehouse, The Studio and Empire House has progressed well. Development of The Tower, phase two, is expected to commence in July 2015.

### Barts Square, London EC1

Construction of phase one of the 3.2 acre site commenced in January 2015. Phase one consists of 144 residential units, of which 64 have been sold and a further two reserved, with completion expected in summer 2017. Phase two, construction of 211,000 sq ft of offices, will commence in 2016, once vacant possession is obtained. Phase three, comprising an additional 92 residential units, is expected to commence at the end of 2016.

### C-Space, London EC1

Significant progress has been made on the extension and complete refurbishment of the 62,000 sq ft office building. It is expected that c. 75% will be let before completion.

### One Creechurch Place, London EC3

Demolition and ground works have completed. The new site will comprise 271,000 sq ft of office space with a further 2,000 sq ft of retail.

### Clifton Street, London EC2

In September Helical exchanged contracts on the forward sale of Clifton Street for £38.25m, crystallising a £16.4m development profit on the Group's own existing contractual commitment to acquire the property upon its completion.

### New Loom House, London E1

The comprehensive refurbishment of a variety of elements of this 112,000 sq ft listed building is expected to complete in early 2016. New lettings at £37.50 psf are being achieved, compared to a current passing rent of £22.00 psf.

### Shepherds Building, London W14

This 151,000 sq ft multi-let office building has seen significant rental growth with the ERV now c. £50 psf compared to an average passing rent of £30.50 psf. The refurbishment of the common parts is now complete.



↑ CHURCHGATE AND LEE HOUSE, MANCHESTER



↑ DURRANTS VILLAGE, FAYGATE, HORSHAM

↓ ST VINCENT STREET, GLASGOW

## Regional portfolio

### Distribution warehouses

The move out of secondary retail into high yielding distribution warehouses has resulted in the Group holding 36 units at the year end. These units have very few bespoke features and the majority are single let, making them relatively straightforward to both re-let and manage.

### Churchgate and Lee House, Manchester

Refurbishment and remodelling of this 248,000 sq ft office has progressed well in the year, with in excess of 30,000 sq ft being let since its acquisition in March 2014.

### St Vincent Street, Glasgow

Construction of the new headquarters for Scottish Power has continued to progress with completion expected in February 2016. As a result we have recognised £1.3m of development management fees in the year.

### Retirement villages

Development has continued at our four primary retirement village sites. Bramshott Place, Liphook is complete with just four of the 151 units left to sell. At Durrants Village, Faygate, the Clubhouse is expected to open in summer 2015 and 28 units have been sold.

### Retail assets

During the year we have sold our shopping centres at Corby Town Centre; Clyde Shopping Centre; The Guineas, Newmarket; Idlewells Shopping Centre, Sutton-in-Ashfield and Town Square, Basildon. Our prime retail asset in Cardiff, The Morgan Quarter, has been retained and continues to be highly reversionary.

### Poland

Sale of our completed out-of-town retail development in Wroclaw, West Poland, is expected in July 2015. At our retail park and shopping centre in Europa Centralna, Gliwice, we have agreed terms for the sale of our 50% interest to our joint venture partner Standard Life. This is expected to complete in July 2015.





↑ THE MORGAN QUARTER, CARDIFF

## Financing

### Convertible Bond issue

The Group issued an unsecured £100m Convertible Bond in June 2014 at a fixed rate of 4.0%. The bond is repayable in 2019 unless the conversion conditions are met, whereby the Group has the option to settle in ordinary shares, the corresponding value in cash or a combination of the two. The initial conversion price is set at a 35% premium above the price on the day of issue and a 59% premium above the Company's EPRA net asset value per share at 31 March 2014.

### Aviva Comercial Finance

In December 2014 the Group entered into a new £81m secured facility with Aviva Commercial Finance fixed for ten years at 3.48%.

### HSBC

In December 2014 our joint venture at Barts Square, London EC1 entered into a five year £165m development facility to fund phase one of the scheme and to finance the holding of the remaining assets.

### Revolving credit facilities

During the year we extended our £75m revolving credit facility with Barclays, now repayable in November 2019. Since the year end we have extended our £100m revolving credit facility with RBS to April 2020 with the option to extend for two further one year periods.

### Cash and cash flow

At the year end the Group had over £229m of cash and agreed, undrawn, committed facilities including its share in joint ventures, as well as £131m of uncharged property on which it could borrow funds.

### Debt profile

At 31 March 2015, Helical's debt had an average maturity of 4.3 years (2014: 3.9 years) and a weighted cost of 4.1% (2014: 4.5%).

## STRATEGIC REPORT

# Chief Executive's statement



## 30%

GROWTH IN NET RENTAL INCOME

## £96.6<sub>M</sub>

GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTY

## £155.3<sub>M</sub>

TOTAL PROPERTY RETURN

## 7.4%

INCREASE IN TOTAL DIVIDEND

## 23%

GROWTH IN EPRA NET ASSET VALUE

## £100<sub>M</sub>

CONVERTIBLE BOND ISSUE

It has been another good year for Helical with returns from its portfolio reaffirming the Group's multi-sectoral and multi-disciplined approach to the property cycle.

This involves identifying opportunities across the property spectrum which contribute to a regular and increasing flow of rental income as well as creating capital growth and development profits throughout the cycle. We seek a balance between an investment portfolio that provides income for the Group and a development programme that, through the use of limited equity, seeks to maximise returns. This balance currently targets, and has achieved, an investment portfolio representing at least 75% of our total property assets and a development programme covering the remaining 25% which is capable of producing exceptional profits. The portfolio is primarily targeted towards London for capital growth and development profits and the regions for high yielding investment assets and trading profits.

### Results for the year

The profit before tax for the year to 31 March 2015 was £87.4m, the second highest in the Group's history following last year's record pre-tax profits of £101.7m. Total property return increased by 10.8% to £155.3m (2014: £140.1m) and included growing net rents of £38.6m (up 30% on 2014) and development profits of £17.6m (2014: £65.0m). The gain on sale and revaluation of the investment portfolio contributed £96.6m (2014: £45.0m) and there were trading profits of £2.5m (2014: £0.3m).

Net finance costs of £21.2m were significantly higher than in 2014 (£12.7m), with the Income Statement also adversely affected by falls in expected future interest rates which led to an £8.4m charge arising from valuing the Group's derivative financial instruments (2014: a gain of £5.3m) and a £3.3m charge from valuing the £100m Convertible Bond issued in June 2014. Recurring administration costs were higher at £10.2m (2014: £8.8m) with increased numbers of head office employees reflecting the growth of the Group's portfolio and the acceleration of the delivery phase of its development programme. Performance related awards, before national insurance costs, reflecting the success of the Group's activities in the year were £13.4m, down from £15.7m in 2014.

The growth in rents and the surpluses on the investment portfolio contributed to an increase in the EPRA net asset value per share to 385p, up 23% from 313p at 31 March 2014. EPRA earnings per share were 2.4p (2014: 33.3p) reflecting the exclusion of the £96.6m (2014: £45.0m) investment portfolio gain from this measure. These results allow the Board to continue its progressive dividend policy and to recommend to shareholders a final dividend of 5.15p, an increase of 8.4% on 2014 (4.75p), taking the total for the year to 7.25p (2014: 6.75p), an overall increase of 7.4%.

### The London Portfolio

The London investment and development portfolio continues to combine exceptional contributions from individual schemes with significant progress in delivering the Group's programme of new and refurbished properties.

At Clifton Street, London EC2, we have forward sold an office development of 45,000 sq ft which is due to complete this summer, for £38.25m, having committed to purchase it on completion for £21.0m. At Barts Square, London EC1, our scheme in joint venture with The Baupost Group LLC, we have exchanged contracts for sale, at an average of £1,574 psf, on 64 of the 92 residential units released in September 2014 from phase one of the development, which commenced in January 2015 and is due for completion in summer 2017. Subsequent phases will commence in 2016.

At The Bower, Old Street, London EC1, our joint venture with Crosstree Real Estate Partners LLP, we expect to complete phase one, the refurbishment and extension of The Warehouse (122,000 sq ft NIA of offices, 5,300 sq ft of restaurant use) and The Studio (18,363 sq ft of offices, 3,746 sq ft of restaurant use) by summer 2015 having pre-let Empire House (20,726 sq ft) to Z Hotels and restaurant Ceviche who carried out their own refurbishment works. The second phase, a complete refurbishment of The Tower at 207 Old Street, is due to commence in summer 2015. At C-Space, London EC1 we expect to complete the refurbishment in August 2015 and are confident that the whole building will be let by the end of this year.



Our 271,000 sq ft office development at One Creechurch Place, London EC3, equity funded with our joint venture partner HOOPP (Healthcare of Ontario Pension Plan), is under construction and due for completion in September 2016. At 23-28 Charterhouse Square, London EC1 we have acquired an existing office building which will comprise 38,600 sq ft of offices and 5,350 sq ft of retail/restaurant use on completion of refurbishment works in late 2016.

At Shepherds Building, London W14, having completed the refurbishment of the common parts, we have recently let space at £47.50 psf which compares to a current average passing rent of £30.50 psf. At New Loom House, London E1, we continue to refurbish space as it becomes available and are achieving rents of £37.50 psf compared to an average rent on acquisition of this building in 2013 of £18 psf. In 2015 we shall be embarking on a substantial refurbishment programme which will provide a new entrance and refresh many of the common parts of the building. At Artillery Lane, London E1 we expect to complete the comprehensive refurbishment of this 17,000 sq ft office building in September 2015, following which we will complete the sale of the building at an agreed price of £15.1m.

This level of asset management activity has contributed to a 27% valuation increase of the London investment portfolio, which is now valued at £370m (47% of the total investment portfolio). Passing rents on the portfolio are £9.3m, but will grow over the next few years towards its ERV, now estimated to be £28.1m.

## The Regional Portfolio

The regional investment and development portfolio provides a growing stream of net rents from a high yielding investment portfolio whilst contributing development surpluses from the retirement village and retail development programmes. The investment portfolio has seen a major switch out of secondary retail assets, acquired in 2010 and 2011, into high yielding distribution warehouses, regional offices and out-of-town retail parks. We have sold our shopping centres at Corby Town Centre; Clyde Shopping Centre; The Guineas, Newmarket; Idlewells Shopping Centre, Sutton-in-Ashfield and Town Square Basildon. We now retain just one in-town retail investment asset at The Morgan Quarter, Cardiff, a prime retail asset opposite the St David's Shopping Centre. We have reinvested the proceeds into 44 new regional assets, primarily distribution warehouses throughout the country but also offices in Manchester, Bristol, Cobham and out-of-town retail park units in Harrogate, Stockport, Great Yarmouth, Southend, Stoke-on-Trent and other locations.

The regional portfolio also includes our retirement village development programme where we have continued construction works at Durrants Village Horsham, Millbrook Village Exeter and Maudslay Park Great Alne near Stratford-upon-Avon. During the year we sold 36 residential units and look forward to the opening of the Clubhouse at Durrants Village later this year. Our retail development programme, with partners Oswin Developments, continues to progress schemes at Truro, Cortonwood, Kingswinford and Evesham having completed its scheme at Shirley, West Midlands.

## Finance

The £100m 4% Convertible Bond, issued in June 2014, continued the move away from the use of secured borrowings which started in 2013 with the issue of the £80m 6% Retail Bond. The issue of these two financing instruments allowed the Group to increase its investment in the property market without significant dilution of existing shareholders and without putting pressure on the Group's loan covenants. We draw a distinction between secured borrowings, on which we have a net LTV (loan to value) of 34% and unsecured forms of debt i.e. our Retail and Convertible Bonds, which increase our overall LTV to 52%. During the year we agreed a 10 year facility with Aviva Commercial Finance and extended our revolving credit facilities with Barclays and, since the year end, with RBS, whilst taking advantage of the low interest rates to arrange medium to long term interest rate hedging. The effect of these financial arrangements has been to extend the average debt maturity to 4.3 years (2014: 3.9 years) whilst reducing our average cost of debt to 4.1% (2014: 4.5%). The Group continues to have a significant level of cash and unutilised bank facilities at the year end of £229m (2014: £186m) to fund any additional purchases and capital works on its portfolio.

## Outlook

Our strategy of investing and developing in London whilst maintaining a high yielding regional investment programme continues to bear fruit. We expect our London portfolio to continue to provide significant surpluses over the next few years as rental levels grow and we complete and let our development schemes. In the regions, we have completed our rotation out of secondary shopping centres and into high yielding distribution warehouses, regional offices and out-of-town retail parks. We have seen good demand from occupiers for the assets in our portfolio and strong interest in those types of assets from institutions. This is leading to a rise in both rental and capital values as the UK economy strengthens outside London.

With the General Election behind us we can look forward with confidence to a more stable domestic political situation, which should help the UK economy to grow, and we anticipate providing shareholders with continued strong growth in the value of our business.

**Michael Slade**  
Chief Executive

12 June 2015





REGIONAL PORTFOLIO

## Churchgate & Lee House Manchester

**248,000 sq ft** of offices  
across 2 buildings and over 8 floors



## STRATEGIC REPORT

# Strategies

## Investment strategy

The investment portfolio, which is mainly let and income producing, has two main purposes:

- To provide a steady stream of rental income for the Group; and,
- To produce above average capital growth over the cycle to contribute to growth in the Group's net asset value.

We seek to achieve this through careful, disciplined selection of properties which currently include multi-let offices in London, distribution warehouses, regional offices and mixed-use portfolios. Our key aim, when undertaking this selection process, is to ensure that there is sustainable demand from potential occupiers for all of our assets. We look to have a blend of London properties, where yields are lower but the potential for capital growth higher, and properties outside London where surplus cash flow is greater.

We acquire properties where good management can enhance value rather than relying simply on market improvements.

We frequently refurbish and/or extend our properties to create value. We also work closely with tenants with the aim of maintaining maximum occupancy in our properties. Our relationship with tenants can lead to opportunities to increase value through re-gearing leases or moving tenants within a building as their businesses expand or contract.

## Development strategy

The Group aims to limit the amount of equity that it deploys into development situations through a variety of different structures. The intention is to maximise the Group's share of profits in a development by leveraging the capital employed by the Group and with a view to managing the risks inherent in the development process. The Group's approach to development activities includes:

- Co-investment alongside a larger partner where we have a minority equity stake, receiving a "waterfall" payment whereby we obtain a greater profit share than the percentage of our investment, depending upon the profitability of the project. This strategy is used for the developments at Barts Square, The Bower and Creechurch Place.
- Reduce up-front equity required by entering into conditional contracts or options. We are using this approach at Creechurch Place and for our out-of-town retail development programme, for example Cortonwood (where land is optioned or put under contract which is conditional upon achieving planning permission and pre-lets to retailers), thereby mitigating the risks of the developments.
- Participation in profit share situations where little or no equity investment is required, seeking to minimise any fixed base fee to maximise our profit share so that our interests are completely aligned with our partners. In this way, for a minimal equity commitment, we can benefit from a significant profit share if we contribute to a project's success by using our skills and experience throughout the entire development process.

## Our risk strategy

Risk is an integral part of any Group's business activities and Helical's ability to identify, assess, monitor and manage each risk to which it is exposed is fundamental to its financial stability, current and future financial performance and reputation. As well as seeing changes in our internal and external environment as potential risks, we also see them as being opportunities which can drive performance.

Risk management starts at Board level where the Directors set the overall risk appetite of the Group and the risk management strategies. Helical's management runs the business within these guidelines and part of its role is to act within these strategies and to report to the Board on how they are being operated.

The Group's risk appetite and risk management strategies are continually assessed by the Board to ensure that they are appropriate and consistent with the Group's overall strategy and with external market conditions. The effectiveness of the Group's risk management strategy is reviewed every six months by the Audit Committee and by the full Board.

The risks faced by the Group do not change significantly from year to year but their importance and the Group's response to them vary in accordance with changes in the internal and external environment. The Board considers not only the current situation but also potential future scenarios and how these might impact our business.

The Board has ultimate responsibility for risk within the business. However, the small size of our team and our flat management structure allows the Executive Directors to have close contact with all aspects of the business and allows us to ensure that the identification and management of risks and opportunities is part of the mindset of all decision makers at Helical.

The principal risks faced by the Group, and the steps taken by the Group to mitigate these risks, can be found in the Principal Risks Review on pages 40 to 42.

Helical is a UK focused property company investing in London for capital growth and the regions for income.



## STRATEGIC REPORT

## Performance

We measure our performance using a number of financial and non-financial key performance indicators ("KPIs").

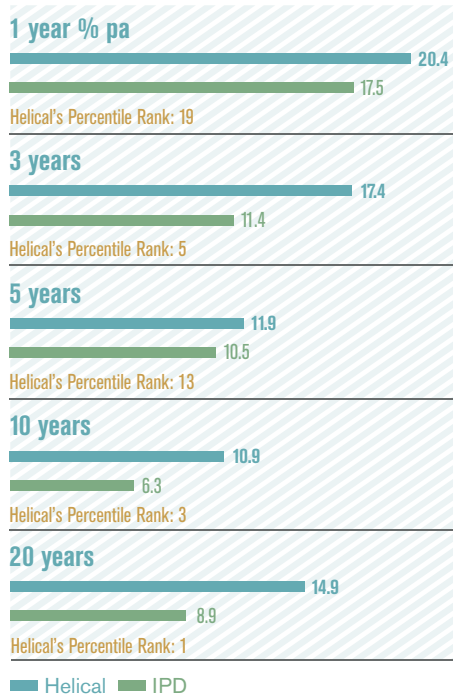
We incentivise management to outperform the Group's competitors by setting appropriate levels for performance indicators against which rewards are measured. We also design our remuneration packages to align management's interests with shareholders' aspirations. Key to this is the monitoring and reporting against identifiable performance targets and benchmarks.

### Investment Property Databank

The Investment Property Databank ("IPD") produces a number of independent benchmarks of property returns which are regarded as the main industry indices.

IPD has compared the ungeared performance of Helical's total property portfolio against that of portfolios within IPD for the last 20 years. The Group's annual performance target is to exceed the top quartile of the IPD database, which it has consistently achieved. Helical's ungeared performance for the year to 31 March 2015 was 20.4% (2014: 23.8%) compared to the IPD median benchmark of 17.5% (2014: 13.4%) and upper quartile benchmark of 19.6% (2014: 15.4%).

Helical Bar portfolio unleveraged returns to 31 March 2015 are as follows:



Source: Investment Property Databank.

Helical's trading & development portfolio (23% of gross assets) is shown in IPD at the lower of book cost or fair value and uplifts are only included on the sale of an asset.

### EPRA net asset value per share (pence)

A property company's share price should reflect growth in net assets per share. The Group's main objective is to maximise growth in assets from increases in investment portfolio values and from retained earnings from other property related activities. Net asset value per share represents the share of net assets attributable to each ordinary share. Whilst the basic and diluted net asset value per share calculations provide a guide to performance, the property industry prefers to use an EPRA adjusted net asset value per share to represent the fair value of net assets on an ongoing long term basis. The adjustments necessary to arrive at this figure are shown in note 34 to these results.

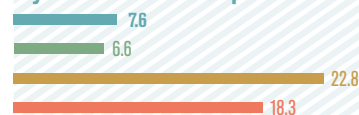
Management is incentivised to exceed 15% pa growth in net asset value per share.

The diluted net asset value per share, excluding trading stock surplus, at 31 March 2015 increased by 15.3% to 332p (2014: 288p). Including the surplus on valuation of trading and development stock, the EPRA net asset value per share at 31 March 2015 increased by 23.0% to 385p (2014: 313p). EPRA triple net asset value per share increased by 17.0% to 364p (2014: 311p).

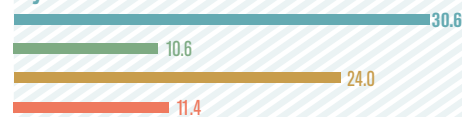
### Total shareholder return

Total Shareholder Return is a measure of the return on investment for shareholders. The table demonstrates this return compared to various indices. Over three, ten, fifteen, twenty and twenty five years Helical's Total Shareholder Return exceeded that of the Listed Retail Estate Sector Index and the IPD UK Monthly Index.

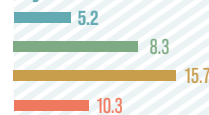
#### 1 year total return % pa



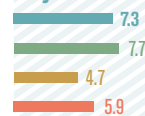
#### 3 years



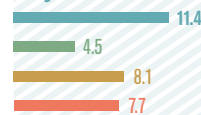
#### 5 years



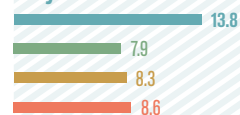
#### 10 years



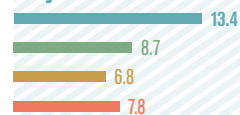
#### 15 years



#### 20 years



#### 25 years



Helical Bar plc

Growth to 31/03/15

UK Equity Market

Growth in FTSE All-Share Return Index to 31/03/15

Listed Real Estate Sector Index

Growth in FTSE 350 Real Estate Super Sector Return Index over 1 year, 3 years, 5 years and 10 years to 31/03/15.

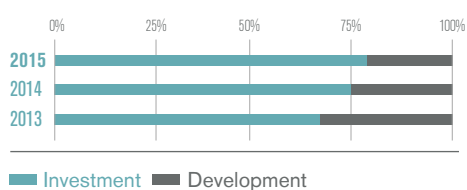
For data prior to 30 September 1999 FTSE All Share Real Estate Sector Index has been used

IPD UK Monthly Index

Growth in Total Return of IPD UK Monthly Index (All Property) to 31/03/15

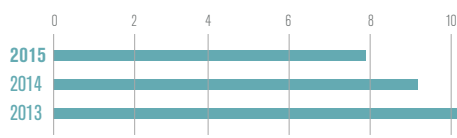
### Investment/development property ratio

Helical's strategy is to hold approximately 75% of its real estate assets as investment property and 25% as development property. Helical believes that at this point in the property cycle, this ratio provides us with sufficient investment return to provide a steady income stream for our investors but allows us to make 'super-profits' on our development schemes.



### Average length of employee service (years)

High levels of staff retention remain a key feature of Helical's business. The Group retains a highly skilled and experienced team. Below is the average length of service of the Group's UK employees:



↑ BARTS SQUARE LONDON EC1

↓ ONE KING STREET LONDON W6







## STRATEGIC REPORT

# Helical's property portfolio

## Investment portfolio overview

Our £789.8m investment portfolio provides income for the Group. We have a strong focus on asset management, maximising net operating income and working closely with our tenants.

Our aim is to have at least 75% of our portfolio in investment properties and 25% in development properties, blending stable recurring income with exposure to potentially superior profitability in developments. We currently have 77% of our assets in investment properties and, having realised our stated goal, we will look to broadly retain this balance going forward.

Our income stream is diverse and secure with no tenant accounting for more than 6.2% of the rent roll. Our average weighted unexpired lease term is 7.0 years (2014: 7.2 years).

The income stream has grown steadily since 2010 and is highly reversionary. The passing rent from our investment portfolio is £36.7m (2014: £37.7m) and the estimated rental value of our portfolio is £59.5m (2014: £45.6m). This reversionary income will be captured through letting vacant units and rent reviews.

The marginal fall in passing rent at 31 March 2015 reflects the impact of the sale of the majority of our in-town retail portfolio, including Corby Town Centre, Clyde Shopping Centre, the Guineas Newmarket and Idlewells in Sutton-in-Ashfield. These assets have been replaced with a number of logistics purchases.

Through judicious buying of under-rented buildings in growth areas, securing lettings and undertaking refurbishments, we aim to generate substantial capital growth in our property values.

## Investment portfolio (Helical's share)

PROJECT TYPE	BOOK VALUE £M	%
LONDON OFFICES	370.2	46.9
REGIONAL OFFICES	103.5	13.1
INDUSTRIAL/LOGISTICS	145.7	18.5
RETAIL	159.1	20.1
RETIREMENT VILLAGES	11.3	1.4
<b>TOTAL</b>	<b>789.8</b>	<b>100.0</b>

## Portfolio yields

	EPRA NET INITIAL YIELD %	REVERSIONARY %	EPRA 'TOPPED-UP' NET INITIAL YIELD %
LONDON OFFICES	2.9	6.2	5.7
REGIONAL OFFICES	5.2	7.6	5.9
INDUSTRIAL/LOGISTICS	7.3	7.3	7.4
RETAIL	6.2	6.5	6.5
<b>TOTAL PORTFOLIO</b>	<b>4.9</b>	<b>6.7</b>	<b>6.3</b>

Note: this analysis excludes Barts Square, London EC1 and The Bower, Old Street, London EC1.

## Valuation movements, portfolio weighting and changes to rental values

	WEIGHTING %	VALUATION INCREASE %	ERV CHANGE SINCE MARCH 2014 %
LONDON OFFICES	46.9	27.0	20.4
REGIONAL OFFICES	13.1	12.2	(0.9)
INDUSTRIAL/LOGISTICS	18.5	1.3	0.6
RETAIL	20.1	2.6	4.4
OTHER	1.4	4.2	-
<b>TOTAL</b>	<b>100.0</b>	<b>11.7</b>	<b>8.6</b>

Note: includes sales, purchases and capital expenditure.

## Capital values, vacancy rates and unexpired lease terms

	CAPITAL VALUE PSF £	VACANCY RATE BY AREA %	AVERAGE UNEXPIRED LEASE TERM (YEARS)
LONDON OFFICES	331	26.8	7.0
REGIONAL OFFICES	189	7.9	5.8
INDUSTRIAL/LOGISTICS	59	0.3	4.8
RETAIL	189	2.2	7.9
<b>TOTAL PORTFOLIO</b>	<b>146</b>	<b>5.1</b>	<b>7.0</b>

## Trading and development portfolio (Helical's share)

PROJECT TYPE	BOOK VALUE £M	FAIR VALUE £M	SURPLUS £M	FAIR VALUE %
LONDON OFFICES	8.0	14.9	6.9	6.5
RESIDENTIAL	26.3	33.3	7.0	14.4
MIXED USE	5.2	5.2	-	2.2
REGIONAL OFFICES	0.7	2.6	1.9	1.1
RETAIL	26.0	26.3	0.3	11.4
RETIREMENT VILLAGES	72.4	87.7	15.3	37.9
POLAND	52.2	53.3	1.1	23.0
CHANGE OF USE	4.5	8.3	3.8	3.5
<b>TOTAL</b>	<b>195.3</b>	<b>231.6</b>	<b>36.3</b>	<b>100.0</b>

Note: the table above includes the Group's share of development properties held in joint ventures.

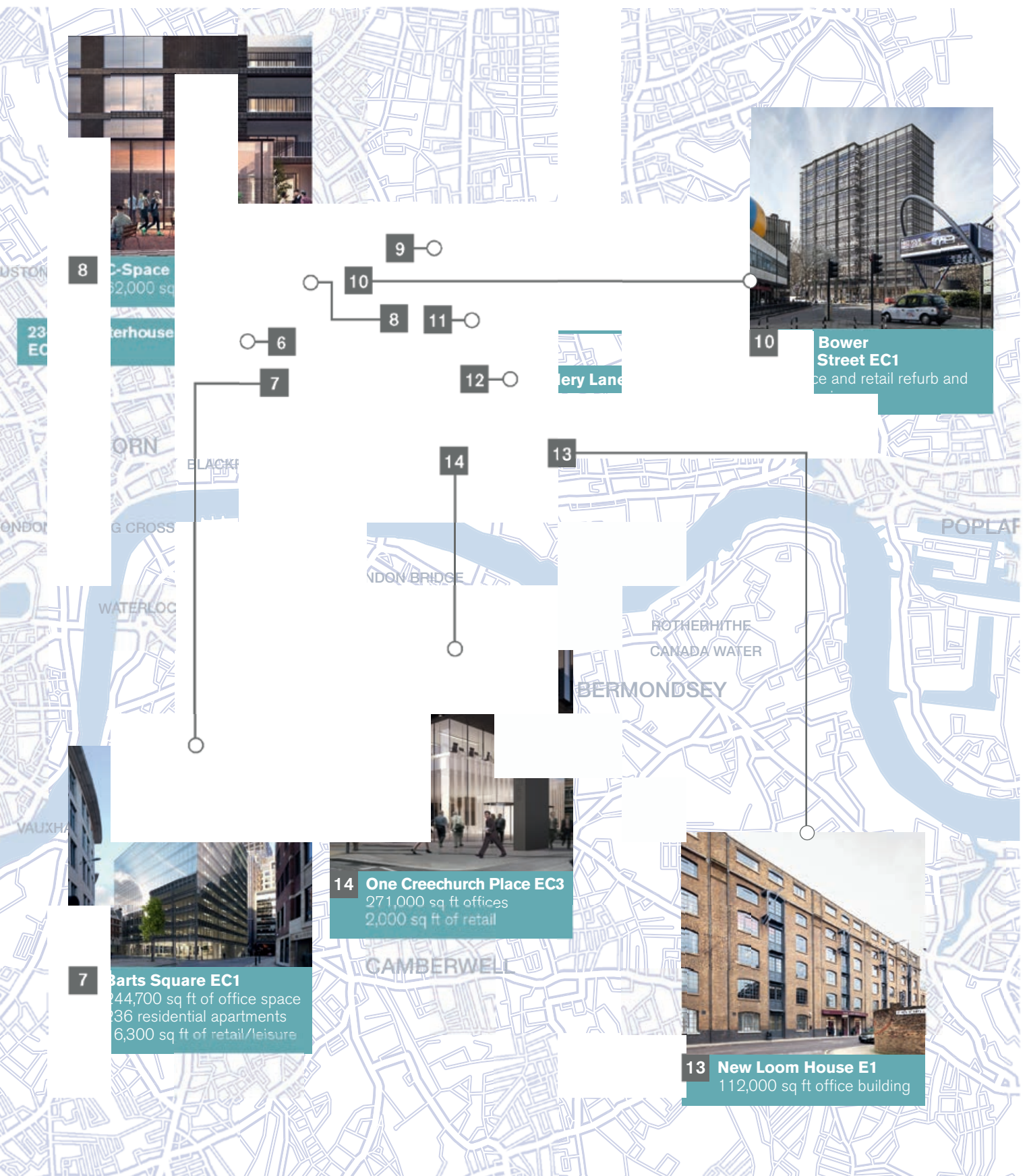


## STRATEGIC REPORT

## London portfolio













## STRATEGIC REPORT

## London portfolio

← THE BOWER WORK STARTED  
ON PHASE ONE IN JANUARY 2015THE BOWER,  
OLD STREET, EC1

This 3.12 acre asset was acquired in November 2012 for £60.8m in joint venture with Crosstree Real Estate Partners LLP (Helical interest 33.3%). The site is in the heart of an area which has become a "creative halo", a district of London which is a hub for technology, media and telecommunications companies and which is benefitting from substantial investment in infrastructure.

Since acquisition, a planning consent has been obtained to increase the floor space on the site by 116,000 sq ft, to refurbish existing areas and significantly upgrade the public realm with the creation of a new pedestrian street.

## Phase One

Building work started on phase one (211 Old Street) in January 2014 comprising The Warehouse, 127,300 sq ft and The Studio, 22,109 sq ft, and is due for completion in July 2015. During this process rental income is still being received on the retail parade and the office building at 207 Old Street. The basement area under the retail parade has been let to Gym Box at a rent of £150,000 pa.

## Phase Two

Comprising The Tower (207 Old Street), planning has been obtained to comprehensively refurbish the existing building of 114,900 sq ft NIA, increasing the building to 170,000 sq ft NIA of office and 7,300 sq ft of retail/restaurant. Works are due to commence in July 2015.

The current letting position on Phase One is as follows:-

	TOTAL SQ FT	LET SQ FT	RENT PSF	TENANTS
<b>THE WAREHOUSE</b>				
OFFICES	122,000	24,434	£50.25	Farfetch
RESTAURANTS	5,300	4,862		Bone Daddies, The Draft House
	<b>127,300</b>	<b>29,116</b>		

The sixth, eighth and ninth floors of The Warehouse are under offer (29,601 sq ft).

<b>THE STUDIO</b>				
OFFICES	18,363	18,363	£40.00-£45.00	John Brown Media
RESTAURANTS	3,746	3,746		Honest Burger, Enoteca da Luca
	<b>22,109</b>	<b>22,109</b>		

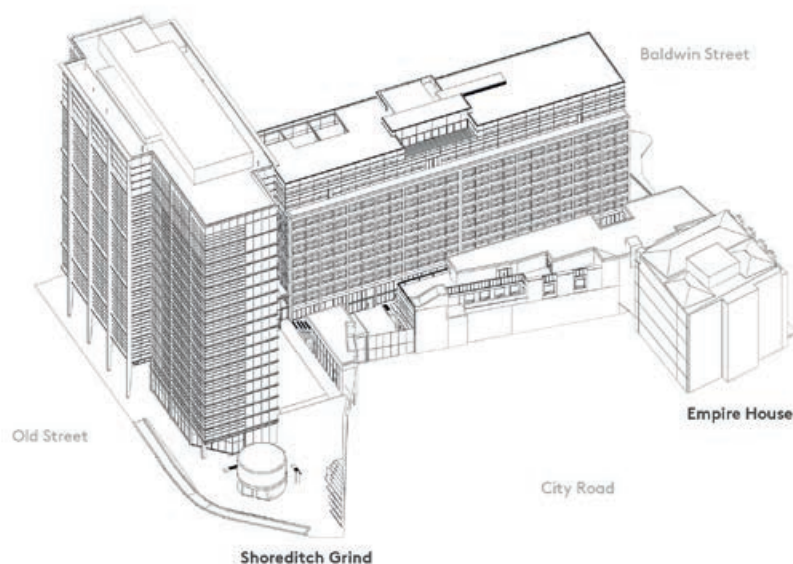
<b>EMPIRE HOUSE</b>			£ PA	
HOTEL	17,315	17,315	650,000	Z Hotels
RESTAURANTS	3,411	3,411	140,000	Ceviche
	<b>20,726</b>	<b>20,726</b>	<b>790,000</b>	

## ← THE BOWER VIEW FROM OLD STREET

## | Z HOTEL

→ THE BOWER VIEW SOUTH TOWARDS  
OLD STREET

## ← THE BOWER NEW PUBLIC REALM









## STRATEGIC REPORT

# London portfolio

## BARTS SQUARE EC1

In joint venture with The Baupost Group LLC (Baupost 66.7%, Helical 33.3%), we own the freehold interest in land and buildings at Bartholomew Close, Little Britain and Montague Street, a 3.2 acre site adjacent to the new Barts Hospital and just south of Smithfield Market. Existing buildings are let to the NHS on a number of short term leases that expire in 2016.

Planning consent has been obtained for a comprehensive redevelopment of 19 buildings to provide a total of 236 residential apartments, three office buildings of 211,000 sq ft, 23,485 sq ft and 10,200 sq ft, 16,300 sq ft of retail/restaurant at ground floor as well as major public realm improvements, which will be incorporated into the wider Smithfield Area Strategy being worked up by the City of London.

### Phase One Residential/offices/retail

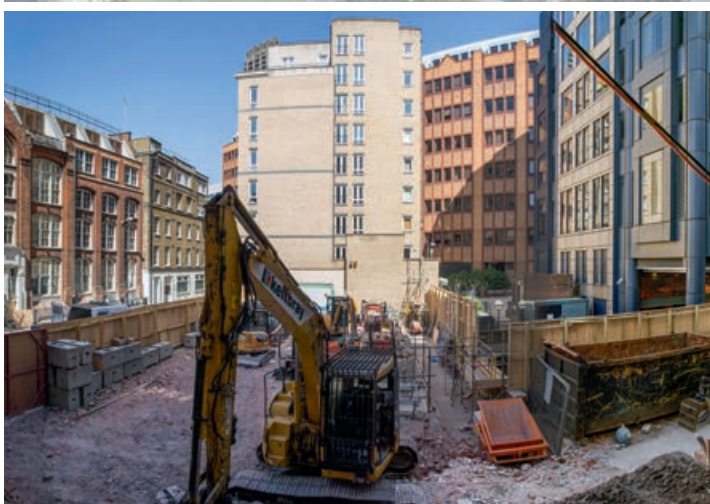
Phase one of the redevelopment of Barts Square, comprising 144 residential units, 10,200 sq ft of retail space, 23,485 sq ft of new offices behind retained facades, the refurbishment of offices at 54-58 Bartholomew Close and public realm improvements. The demolition of buildings in Bartholomew Close and Little Britain commenced in January 2015, with the retention of various façades behind which the buildings are being demolished. Completion of phase one is expected in summer 2017. 92 residential units were launched in September 2014 and 64 have been sold for a total sales value of c. £87m at an average £1,574 psf.

### Phase Two One Bartholomew Close

Demolition of the existing buildings and the construction of a new 12 storey office block of c. 211,000 sq ft, to be called One Bartholomew Close, will commence in 2016, once vacant possession of the building is achieved. The building is due to be completed in 2018.

### Phase Three Residential/retail

Phase three of the redevelopment of the site, involving the demolition of Queen Elizabeth II House, 62 Bartholomew Close and 45-47 Little Britain is expected to commence after vacant possession of these buildings is obtained at the end of 2016. In their place, 92 residential units and 10,700 sq ft of retail space will be constructed.



← ONE BARTHOLOMEW CLOSE VIEW TO ST PAULS

↑ BARTS SQUARE PHASE 3 LITTLE BRITAIN

— ONE & NINETY BARTHOLOMEW CLOSE OFFICES

↓ BARTS SQUARE MIDDLESEX PASSAGE



## STRATEGIC REPORT

## London portfolio

**New Loom House, Whitechapel E1**

This 112,000 sq ft listed building was acquired in 2013 and Helical has secured planning consent for a comprehensive refurbishment/reconfiguration of the common parts to include a new entrance/reception, showers, bike store, refurbishment of c.15,000 sq ft of offices, including the creation of a single 11,000 sq ft unit and 4,000 sq ft of café and restaurants. The works are underway and are due for completion in early 2016. Strong rental growth is already being achieved with new lettings being agreed at £37.50 psf compared to an average passing rent of £22.00 psf. Further increases in rents are anticipated as the opening of Crossrail approaches.

**Enterprise House, Paddington W2**

Enterprise House, Paddington W2 is a freehold investment adjacent to Paddington Station in London comprising 45,000 sq ft of offices. The building was acquired on a sale and lease back agreement from Network Rail, which holds a 20 year lease without breaks, for c. £31m representing a 5.7% yield generating annual rental income of £1.8m.

**Clifton Street, Shoreditch EC2**

In November 2013, we committed to forward purchase a new 45,000 sq ft office building in Clifton Street, London EC2 for £21m. Since contracting to acquire the building, Helical has worked with the developer to achieve a revised planning consent and to refine the building's specifications to ensure it meets the demands of the Shoreditch tech occupiers. It was intended that the Group would complete the freehold purchase upon practical completion of the construction in summer 2015. However, on 30 September 2014, Helical exchanged contracts on the forward sale of Clifton Street for £38.25m, allowing the Group to recognise development profits of £16.4m in the year.

**One King Street, Hammersmith W6**

One King Street, Hammersmith W6 is a 35,000 sq ft building acquired in 2012 comprising 22,000 sq ft of offices and 13,000 sq ft of retail. Refurbishment of the fourth floor and the addition of a fifth floor of offices on top of the building is expected to be completed by August 2015 providing 3,500 sq ft of extra space.

**C-Space, 37-45 City Road EC1**

Helical acquired C-Space in June 2013. Planning consent has been obtained for a complete refurbishment of the building which will increase the existing 50,000 sq ft office building to 62,000 sq ft. The works involve an additional floor and extensions to the third floor, a landscaped courtyard and entrance "pavilion" to the rear and full height glazing to the raised ground floor. Works have commenced and are expected to complete by August 2015. Significant interest is being shown by prospective tenants and we expect to let c. 75% of the new space before completion.

**Artillery Lane, Bishopsgate E1**

Artillery Lane, Bishopsgate E1 is an office building in the City of London. The building is undergoing work to provide 17,000 sq ft of newly refurbished offices and a restaurant. Acquired for £6.8m in 2013 the property has been sold to Standard Life for £15.1m once the refurbishment works which will cost £3.2m are completed in September 2015. A new 25 year lease with Manicomio has been signed on the ground and lower ground floor to operate the restaurant.

↑ **NEW LOOM HOUSE WHITECHAPEL E1**↓ **CLIFTON STREET SHOREDITCH EC2**↓ **C SPACE 37-45 CITY ROAD EC1**



### Shepherds Building, Shepherds Bush W14

This 151,000 sq ft multi-let office building close to the Westfield London shopping centre maintains an occupancy approaching 100%, as it has for seven consecutive years. The refurbishment of the common parts including new receptions and a café/bar is now complete. These works have given the building a refresh and have been positively received by occupiers. Significant rental growth is beginning to be seen with ERV now c. £50 psf compared to an average passing rent of £31.00 psf. The most recent significant letting in the building in February 2015 was at £47.50 psf.

### Chart House, Islington N1

Chart House is a 10,500 sq ft office building in Islington which was acquired during the year. There is currently planning consent for an additional floor of residential on top of the building. It is our intention to renegotiate the planning consent and add an extra floor of office accommodation in place of the planned residential upon getting vacant possession in 2018.

### One Creechurch Place, City of London EC3

Creechurch Place, London EC3 is a landmark City office scheme in the heart of the insurance sector in London. In May 2014, Helical signed a joint venture agreement with HOOPP (Healthcare of Ontario Pension Plan) to redevelop the site. Under the terms of the joint venture, HOOPP and Helical will jointly fund the project on a 90:10 split, with Helical acting as development manager, for which it will receive a promote payment depending on the successful outcome of the scheme. It is anticipated the completed development will have a capital value of circa £250m. Demolition and ground works have been completed to facilitate the construction of a new building comprising 271,000 sq ft NIA of offices and 2,227 sq ft of retail, which is expected to be completed in September 2016.

### King Street, Hammersmith W6

King Street, Hammersmith W6 is a mixed use scheme, in joint venture with Grainger plc, for the regeneration of the west end of King Street. Planning permission for the scheme was granted in April 2014 for 196 apartments, a three screen cinema to be operated by Curzon, new retail, restaurant and café space and replacement offices for the Council with a new public square. During the period the joint venture acquired the existing cinema which is now let on a short term basis to the current operator. Work is expected to commence in late 2015.

### 23-28 Charterhouse Square, Smithfield EC1

In December 2014, Helical exchanged contracts to acquire a new 155 year leasehold interest in 23-28 Charterhouse Square, London EC1 from the Governors of Sutton's Hospital in Charterhouse for £16m. The Group plan to carry out a major refurbishment of the existing building, increasing the current 34,000 sq ft to 38,600 sq ft NIA of offices and 5,350 sq ft of retail/restaurant use with the addition of a new sixth floor. Works are due to commence in December 2015 and the completed building is expected to be delivered in late 2016.

↑ **SHEPHERDS BUILDING SHEPHERDS BUSH W14**

↓ **ONE CREECHURCH PLACE CITY OF LONDON EC3**

↑ **KING STREET HAMMERSMITH W6**

↓ **23-28 CHARTERHOUSE SQUARE SMITHFIELD EC1**





## STRATEGIC REPORT

## Regional portfolio

Our regional portfolio provides significant income for the Group. We have a broad spread of income providing diversity between tenants and sectors of the market.

Our £419.6m regional investment portfolio comprises £103.5m of offices (13.1% of the investment portfolio), £145.7m of industrial/logistics (18.5%), £159.1m of retail comprising £97.9m of retail warehousing and £61.2m of in town retail, largely The Morgan Quarter, Cardiff (in aggregate 20.1%) and £11.3m of retirement village investment assets (1.4%).

Our strategy is to acquire multi-tenanted properties where there is significant opportunity to increase net operating income and capital values. We acquire properties with rents which are low compared to equivalent buildings, providing scope for rental growth. We spend a considerable amount of time talking to our tenants both prior to acquiring properties and during the course of our ownership to ensure that the space they occupy continues to be fit for their purpose.

↑ **CARDIFF THE MORGAN QUARTER**

↑ **CANNOCK LOGISTICS**

— **MANCHESTER CHURCHGATE AND LEE HOUSE**

— **STOKE ON TRENT RETAIL PARK**

↓ **CHEADLE OFFICES**

↓ **WROCLAW POLAND PARK HANDLOWY MLYN**





## STRATEGIC REPORT

## Regional portfolio

## Industrial and logistics

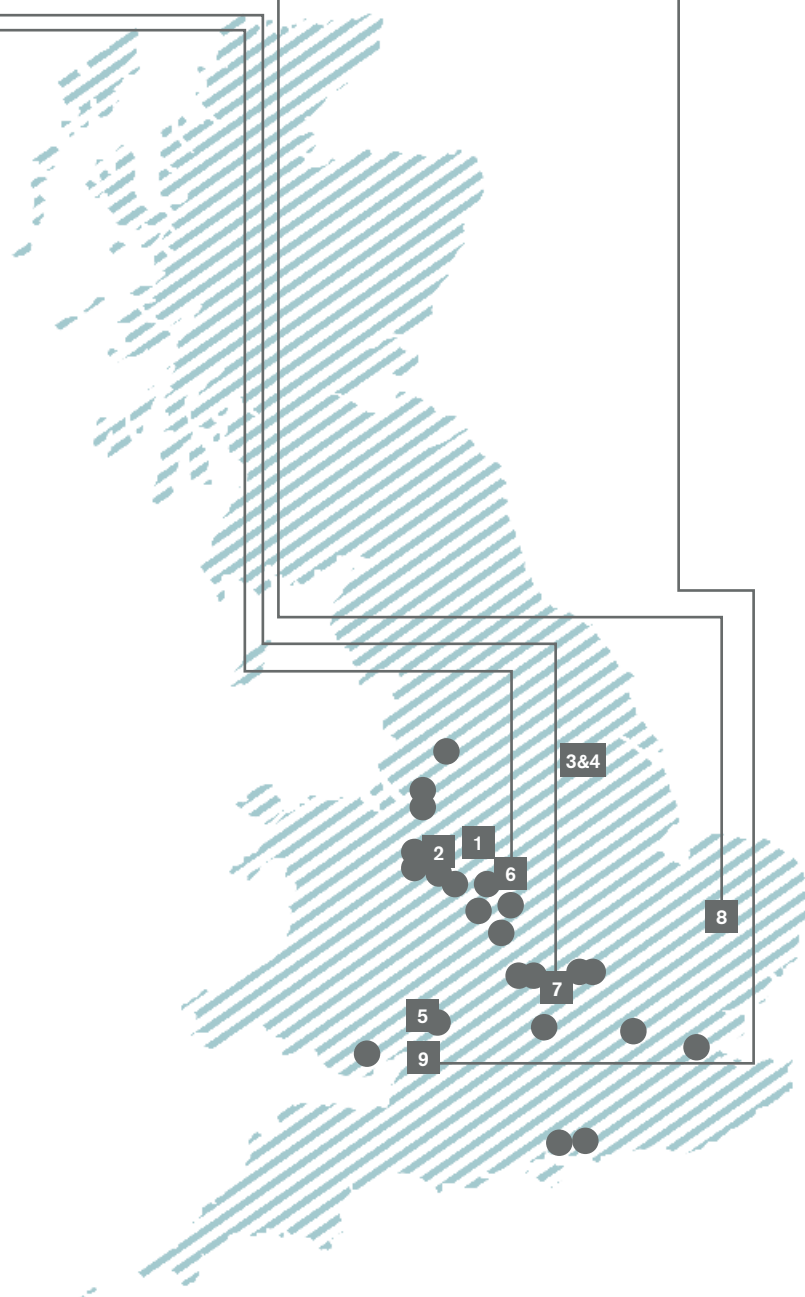


## Distribution warehouses

Helical has 36 distribution and light industrial units located around major UK transport networks. These units generally have very few bespoke features making them straightforward to re-let if vacancies occur. In the majority the assets are single let with a few multi-let estates. Significant assets within the portfolio include a 256,000 sq ft distribution warehouse let to Sainsbury's in Yate, Bristol, a 203,000 sq ft facility in Leighton Buzzard, Bedfordshire, a 188,000 sq ft distribution warehouse in Hinckley, Leicestershire let to Triumph Motorcycles and a 154,000 sq ft distribution warehouse let to Polypipe in Doncaster, Yorkshire.

## Key assets include:

- 1 Centrum 100 Burton Upon Trent**  
93,000 sq ft single let distribution centre  
Let to a third party logistics provider
  - 2 Walkmill Lane Cannock**  
154,000 sq ft single let distribution centre  
Let to Nicholl Food Packaging
  - 3 Aspect Way Doncaster**  
123,000 sq ft single let distribution centre  
Let to Next
  - 4 Kirk Sandalls Doncaster**  
154,000 sq ft single let distribution centre  
Let to Polypipe
  - 5 IO Centre Gloucester**  
63,000 sq ft single let distribution centre  
Comprises five units let to four tenants
  - 6 Triumph Motorcycle Works Hinckley**  
188,000 sq ft single let distribution centre  
Let to Triumph Motorcycles
  - 7 The Stanbridge Buildings Leighton Buzzard**  
203,000 sq ft multi let industrial estate
  - 8 Jeyes Distribution Centre Thetford**  
127,000 sq ft sq ft single let distribution centre  
Let to Jeyes
  - 9 Sainsbury's Distribution Centre Yate**  
256,000 sq ft sq ft single let distribution centre  
Let to Sainsbury's
- **Locations for other industrial/logistics assets**





ST VINCENT STREET GLASGOW





## STRATEGIC REPORT

## Regional portfolio

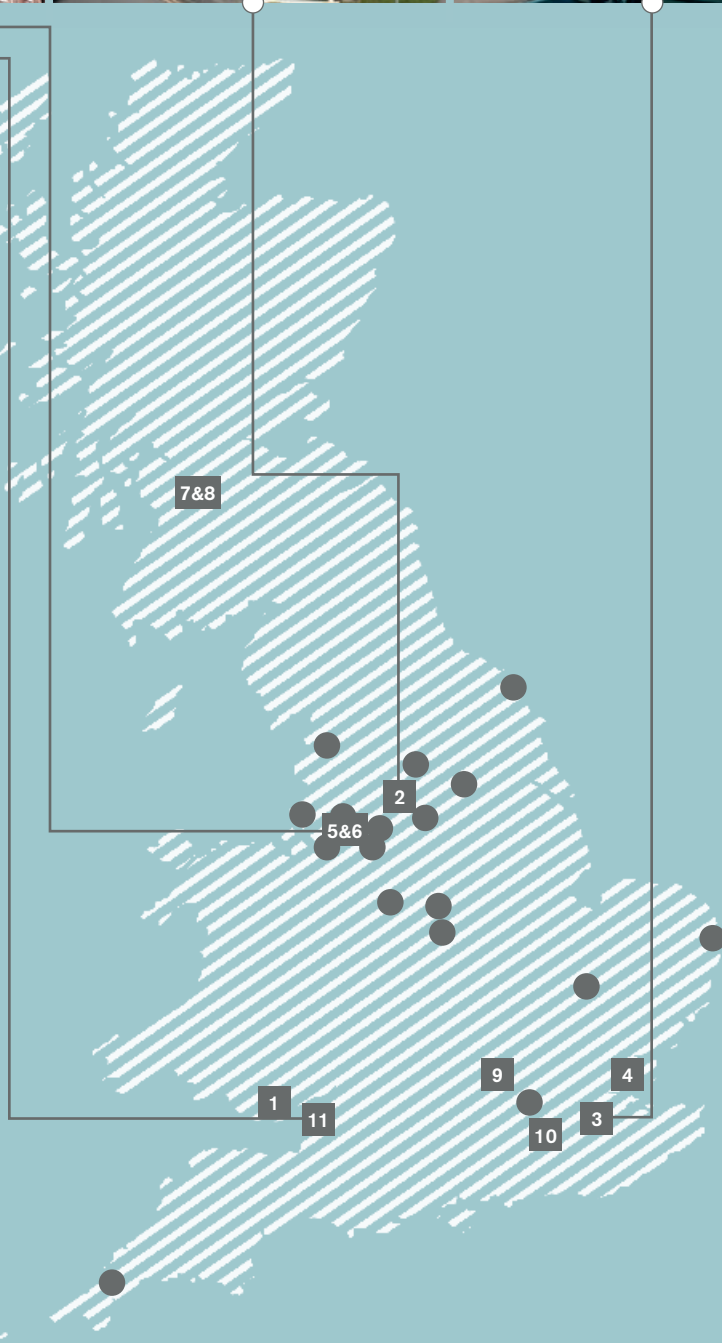
## Office and retail



## Key assets include:

- 1 The Morgan Quarter Cardiff**  
290,000 sq ft mixed use development  
Let to tenants including White Stuff, Urban Outfitters, Molton Brown, Jack Wills and Fred Perry
- 2 Huddersfield Retail Park Huddersfield**  
101,000 sq ft retail park  
Tenants include Matalan, Dunelm, Aldi and B&M
- 3 Otford Road Retail Park Sevenoaks**  
42,000 sq ft retail park  
Let to Wickes, Currys/PC World and Carpetright
- 4 London Road Retail Park Southend on Sea**  
75,000 sq ft retail park  
Fully let to Homebase, Pets At Home and Currys/PC World
- 5 Churchgate and Lee House Manchester**  
248,000 sq ft office building  
Two iconic Grade II Listed interlinked office buildings located in central Manchester
- 6 Dale House Manchester**  
42,000 sq ft office space  
Grade II listed building located in the heart of Manchester's Northern Quarter
- 7 The Hub Glasgow**  
57,000 sq ft multi tenanted offices  
Let to media tenants, adjacent to BBC Scotland
- 8 St Vincent Street Glasgow**  
220,000 sq ft office space  
Development manager of new Scottish Power headquarters
- 9 Manor Park Reading**  
36,000 sq ft office buildings  
Let to Thames Water
- 10 Manor Royal Crawley**  
48,000 sq ft office and industrial use building  
Let to Curzon Estates
- 11 25 King Street Bristol**  
18,000 sq ft office building  
Fully refurbished office building let to a variety of tenants

● Locations for other office and retail assets









## STRATEGIC REPORT

## Regional portfolio

## Office and retail

## REGIONAL OFFICES

**Churchgate and Lee House, Manchester**

Helical acquired Churchgate and Lee House, two interlinked office buildings comprising 248,000 sq ft of offices, in March 2014. We have refurbished the reception, café and fourth floor of Churchgate House and continue to reposition the asset. Projects are underway to refurbish the first floor of Lee House and the Courtyard Suite where we hope to attract TMT Sector tenants. We are also remodelling the reception of Lee House. Since acquisition we have let in excess of 30,000 sq ft and have a further 10,000 sq ft under offer.

**Dale House, Manchester**

Dale House is a 42,000 sq ft office building situated in the Northern Quarter of Manchester. It is fully let to a number of tenants at an average rent of £12.00 psf and was acquired in March 2015 for £7.4m. The property is a long term hold with plans to refurbish the building over time and moving rents upwards as the location improves.

**St Vincent Street, Glasgow**

In partnership with local development partner, Dawn Developments Ltd, Helical is the development manager for the construction of the new headquarters building for Scottish Power at St Vincent Street, Glasgow. The completed building will comprise circa 220,000 sq ft of prime office space in the heart of the City's commercial district. Funded by M&G Investments, the scheme is under construction and all works including Scottish Power's fit out, are due to be completed in February 2016. As part of the overall deal, Helical is taking on three existing Scottish Power sites which are surplus to requirements. At Cathcart we have received planning permission for a change of use of the grounds of Cathcart House to 158 residential units and will look to sell the site. At Yoker, we have agreed heads of terms with a supermarket operator to sell the site and at Falkirk we have agreed a sale of the site with completion expected in October 2015.

## RETAIL WAREHOUSING

We have acquired a number of retail warehouse assets during the year including properties in Harrogate, Stockport, Southend-on-Sea, Scarborough, Ellesmere Port and Stoke-on-Trent. We see good occupational demand in this sector with vacancy levels at a long term low.

## RETAIL DEVELOPMENTS

**Parkgate, Shirley, West Midlands**

The Shopping Centre at Parkgate, Shirley, where Helical has a 50% interest has completed on site and the 80,000 sq ft Asda together with a number of other retailers have opened successfully for trade. The space beyond the food-store is 80% pre-let to occupiers such as Peacocks, 99p Stores, Pizza Express, Wetherspoons, Prezzo, Shoe Zone and Shirley Library. Two residential sites have been sold to provide 97 private and extra-care units, six apartments and eight townhouses which are being built out directly. The food-store has been pre-sold to Asda and the retail units will be marketed for sale once the remaining units are let.

A second phase high density residential led scheme is being considered on a ten acre site opposite the Parkgate scheme. Terms have been agreed with a care home provider, a residential developer and a supermarket operator for a petrol filling station.

**Truro**

In Truro Helical has entered into a Conditional Purchase Agreement on the six acre Truro City Football Club site and have submitted a Planning Application for a 78,000 sq ft non-food retail park. The scheme proposals provide for the relocation of the football club and, if approved, we anticipate starting on site in May 2016.

**Cortonwood**

Planning consent has been secured at appeal and marketing is in hand for an 80,000 sq ft Open A1 non-food retail park. Negotiations are proceeding with a number of leading fashion retailers and a start on site is anticipated in January 2016, once funding has been obtained.

**Park Handlowy Mlyn, Wroclaw**

Wroclaw is a large city in West Poland, some 100km from the German border and 470km south of Warsaw. This 9,600 sq m (103,000 sq ft) out-of-town retail development was completed in December 2008 and is fully let to a number of domestic and international retailers including Sports Direct, T K Maxx, Media Expert, Makro, Deichmann, Smyk, Komfort and others. We have agreed terms to sell the development at a price marginally above book value and expect to complete the sale by July 2015.

**Europa Centralna, Gliwice**

This retail park and shopping centre was built in 50:50 joint venture with clients of Standard Life. The scheme is situated to the south of Gliwice at the intersection of the A4 and A1 motorways. This highly visible scheme has good accessibility and is becoming a major regional shopping destination. It comprises approximately 66,000 sq m (720,000 sq ft) of retail space, incorporating three distinct parts; being a foodstore, DIY and household goods and fashion outlets. The scheme is now over 85% let to Tesco, Castorama, H&M, Media Saturn, Sports Direct, Julia and others. Construction was completed in February 2013 and the scheme opened on 1 March 2013. Helical's sale of 50% in 2011 includes a provision that we will sell the remaining ownership stake two years after the date of completion of the development to the same clients of Standard Life. This is now expected to complete in July 2015.



## STRATEGIC REPORT

# Retirement villages

A retirement village is a private residential community in which active over-55s are able to live independently in retirement. Residents have typically down-sized from a larger family home into a cottage or apartment which ensures no maintenance or security issues.

With access to a central clubhouse containing a bar and restaurant facilities, health and fitness rooms and surrounded by maintained grounds, this retirement option is proving increasingly popular. The Group has four retirement village developments.

## Bramshott Place, Liphook, Hampshire

The original Bramshott Place Village was an Elizabethan mansion built in 1580, although now only the original Grade II listed Tudor Gatehouse remains which Helical has fully restored. The land and buildings were derelict when we acquired the site in 2001. Changing planning from its previously designated employment use to a retirement village took several years but was eventually achieved in 2006.

The development of 151 cottages and apartments, and the new clubhouse, has completed. To date, we have sold 147 units with one reserved and just three units, all apartments, left to sell.

## Durrants Village, Faygate, Horsham, West Sussex

Durrants Village, a 30 acre site, had operated as a saw-mill with outside storage for many years. Helical was granted planning permission, at appeal, in May 2009 where the Inspector allowed a development comprising a retirement village of 148 units, eight affordable housing units, a 50 bed residential care home and a central facilities clubhouse building. Following changes to the scheme the development will now comprise 173 units. The first phase started in May 2012 for the construction of the retirement village and clubhouse and we have sold 28 units, exchanged on one further sale and have reservations on 10 additional units in the first two phases.

## Maudslay Park, Great Alne, Warwickshire

This is a Green Belt site which has 320,000 sq ft of built footprint and benefits from Major Development Site planning policy. Covering 82 acres, this site received outline planning permission in April 2011 for a retirement village of 164 units. Demolition and enabling works have completed and construction is due to commence shortly.

## Millbrook Village, Exeter

This 19 acre site was acquired in 2007 from the St Loye's Foundation, a long established rehabilitation college in the City of Exeter. Resolution to grant planning permission was obtained in October 2009 for a retirement village of 206 units, a 50 bed residential care home, an affordable extra-care block of 50 units and a central facilities clubhouse building. Demolition, site clearance and archaeological survey work have been completed. In 2011 we received planning consent for 63 open market housing units on part of the site and sold this in summer 2012. Construction of a 164 unit retirement village and clubhouse in phases on the remainder of the site commenced in October 2013. We have sold seven units, have exchanged contracts on a further four units and have reservations on 22 other units.

↑ MAUDSLAY PARK GREAT ALNE

↓ MILLBROOK VILLAGE EXETER

↓ BRAMSHOTT PLACE LIPHOOK





## STRATEGIC REPORT

# Purchases, capital expenditure & sales

## Investment property portfolio values

At 31 March 2015, the investment property portfolio was valued at £789.8m (31 March 2014: £600.7m), with £701.5m (31 March 2014: £493.2m) held in wholly owned subsidiaries and £88.3m (31 March 2014: £107.5m) held in joint ventures, as set out below.

	WHOLLY OWNED £000	IN JOINT VENTURE £000	SEE-THROUGH £000
VALUATION AT 31 MARCH 2014	493,201	107,504	600,705
ACQUISITIONS	245,656	-	245,656
CAPITAL EXPENDITURE	25,437	15,698	41,135
DISPOSALS	(130,729)	(40,515)	(171,244)
TRANSFER TO STOCK	-	(20,516)	(20,516)
REVALUATION SURPLUS - HELICAL	66,904	26,134	93,038
- PROFIT SHARE PARTNERS	1,052	-	1,052
<b>VALUATION AT 31 MARCH 2015</b>	<b>701,521</b>	<b>88,305</b>	<b>789,826</b>

## Acquisitions and sales

It has been another extremely active year of buying and selling. During the year we have acquired 58 properties, the equivalent of one purchase every six days. In aggregate, we have acquired £276.7m of assets (including costs) with £245.7m added to our investment portfolio and £31.0m traded out of portfolios, either on acquisition or shortly afterwards. Net sales values totalled £211.2m with £133.8m of net proceeds from the sale of investment properties, £41.4m being our share of the net proceeds of the sale of Clyde Shopping Centre and £36.0m being the net proceeds from the sale of trading properties. Including capital expenditure of £41.1m, this represents a net investment in investment assets of £106.6m.

During the year we acquired five portfolios of industrial/logistics, out-of-town retail and office investments. In April 2014 we acquired The Constellation Portfolio, a mixed-use portfolio for £40.2m reflecting an 8.35% net initial yield. In August we acquired a portfolio of eleven industrial and distribution warehouse assets, known as the Boss Portfolio, for £29.7m, reflecting a net initial yield of 8.0% (excluding a vacant property at Rugby which was subsequently sold). In December we acquired the Sun and Mint Portfolios for £46.6m, reflecting a net initial yield of 7.9%. The Sun Portfolio comprised three single let units and two multi let industrial estates of eight units. We also acquired the 4:2 Portfolio for £22.1m reflecting a net initial yield of 8.3%. This comprised three office properties and two industrial properties

(excluding an office in Southampton which was sold on completion of the purchase). In addition we have purchased two retail warehouses in Harrogate and Stockport for £12.1m at a net initial yield of 6.95% and a regional distribution warehouse in Yate, Bristol, for £11.5m at a net initial yield of 10.1%. We have also acquired a distribution facility in Leighton Buzzard for £9.9m at a net initial yield of 7.85% and a distribution warehouse in Hinckley, Leicestershire for £9.5m at a net initial yield of 7.75%, as well as a number of smaller assets.

The most significant sales have been of our shopping centres, including Corby for £71.7m, Clydebank for £69.7m (Helical's share 60%), Newmarket for £18.2m and Sutton-in-Ashfield for £16.1m. This has concluded our move out of in-town retail.

## Capital Expenditure

We have a refurbishment and redevelopment programme upgrading and increasing space at a number of our investment properties.

PROPERTY	CAPEX BUDGET (HELICAL SHARE) £M	CURRENT TOTAL SPACE SQ FT	REFURBISHED SPACE SQ FT	NEW SPACE SQ FT	COMPLETION DATE
THE BOWER, OLD ST, LONDON EC1	15.9	285,000	116,000	53,000	July 2015
NEW LOOM HOUSE, LONDON E1	4.7	112,000	20,000	-	April 2016
CHURCHGATE & LEE HOUSE, MANCHESTER	1.5	248,000	66,000	-	October 2015
ONE KING STREET, HAMMERSMITH, LONDON W6	2.9	35,000	5,000	4,000	August 2015
C SPACE, LONDON EC1	12.5	50,000	50,000	12,000	August 2015
ARTILLERY LANE, LONDON E1	3.2	17,000	17,000	2,000	September 2015



## STRATEGIC REPORT

# Asset management review

During the year contracted income increased by £1.1m as a result of new lettings and rent reviews, net of any losses from breaks and expiries (2014: £0.4m).

There was significant activity within the investment portfolio with a lease event on over 200 leases.

We concluded £5.1m of new lettings and uplifts at renewal (12.2% rent roll) and benefited from uplifts at rent review of £0.1m (0.3% rent roll), offsetting the loss of rent at lease end or break (£4.0m, 9.6% rent roll) and a further £0.1m through tenant administrations (0.3% rent roll).

RENT LOST AT BREAK/EXPIRY	(£4.0m)
RENT LOST TO ADMINISTRATIONS	(£0.1m)
RENT REVIEWS	£0.1m
LEASE RENEWALS AND NEW LETTINGS	£5.1m
TOTAL CHANGE	£1.1m

Overall we have seen good letting demand across the portfolio, maintaining our vacancy rate around 5.0% (31 March 2014: 4.6%). Approximately £1m of rent has deliberately been forgone as properties are vacated for redevelopment and refurbishment. We have seen strong take up and rental growth in our London office portfolio with estimated rental values increasing by 20.4% in the year for our London portfolio (excluding Barts Square, London EC1, which will be redeveloped).

## Lease expiries or tenant break options

	YEAR TO MARCH 2016	YEAR TO MARCH 2017	YEAR TO MARCH 2018	YEAR TO MARCH 2019	YEAR TO MARCH 2020
% OF RENT ROLL	9.0	14.0	10.7	12.6	11.4
NUMBER OF LEASES	76	86	68	37	34
AVERAGE RATE PER LEASE (£)	49,100	67,400	65,000	141,000	139,000

We have a strong rental income stream and a diverse tenant base, with no single tenant accounting for more than 6.2% of the rent roll. The top 10 tenants account for 33% of the total rent roll and the tenants come from diverse industries.

RANK	TENANT	TENANT INDUSTRY	RENT (HELICAL) £M	RENT ROLL %
1	ENDEMOL UK	Media	2.3	6.2
2	NETWORK RAIL INFRASTRUCTURE	Infrastructure	2.0	5.5
3	DSG RETAIL	Retail	1.3	3.5
4	HOMEbase	Retail	1.3	3.5
5	SAINSBURY'S SUPERMARKETS	Retail	1.3	3.5
6	ECONOMIC SOLUTIONS	Government	1.0	2.6
7	B&Q	Retail	0.8	2.1
8	TRIUMPH MOTORCYCLES	Manufacturing	0.8	2.1
9	NICHOLL FOOD PACKAGING	Manufacturing	0.8	2.1
10	CAPITA LIFE & PENSIONS REGULATED SERVICES	Professional Services	0.8	2.1
<b>TOTAL</b>			<b>12.4</b>	<b>33.2</b>



## STRATEGIC REPORT

## Financial review



## REVIEW OF THE YEAR

The main areas that we focused on in the year to 31 March 2015 were to drive growth in rents through asset management, to increase our exposure to London assets where we see continued growth in rental and capital values, to grow the overall size of our regional portfolio and to switch out of secondary shopping centres and into high yielding distribution warehouses, out-of-town retail parks and offices.

The results for the year, having delivered on these initiatives, have created growing rental surpluses, significant revaluation gains on the investment portfolio and profits from the development programme in London and are reflected in pre-tax profits of £87.4m (2014: £101.7m) and shareholders' funds which increased by 19% in the year to 31 March 2015. The Group's portfolio, including its share of property held in joint ventures, increased to £1,021m (2014: £802m), largely the result of investment property acquisitions during the year funded by a £100m Convertible Bond plus substantial revaluation surpluses. This expansion of the Group's activities has resulted in an increase in its loan to value to 52% (2014: 46%) and an increase in balance sheet gearing to 132% (2014: 107%).

During the year the Group continued to lengthen and diversify its borrowings profile. New secured borrowings included an £81m 10 year fixed rate investment facility, supplemented by the issue of a five year unsecured Convertible Bond, raising a further £100m. These new sources of funding enabled the Group to extend its overall debt maturity profile to 4.3 years (2014: 3.9 years), with a reduced weighted average cost of debt of 4.1% (2014: 4.5%).

At 31 March 2015, the Group had unutilised bank facilities of £93m and £136m of cash. These facilities are available to fund the Group's retirement village development programme, refurbishment works at C-Space, London EC1, The Bower, Old Street, London EC1 and the phase one construction works at Barts Square, London EC1.

## EPRA Earnings

EPRA Earnings is a measure of operational performance representing the net income generated from a company's operational activities. These activities exclude gains on the sale and revaluation of investment properties, trading property gains and losses and fair value movements of assets and liabilities, most notably in respect of derivative financial instruments, net of associated tax. The measure, as defined by the European Public Real Estate Association, does not make any adjustment for additional costs associated with such excluded gains, the most notable of which are performance related awards. At Helical such awards derive from all sources of profits and gains and, accordingly, to provide a more meaningful comparison, an Adjusted Earnings per share is noted below, which is calculated on earnings before the charge for performance related awards relating to those items excluded from this measure.

EPRA Earnings per share were 2.4p (2014: 33.3p), reflecting the Group's share of net rental income of £38.6m (2014: £29.8m), development profits of £17.6m (2014: £65.0m) and excluding gains on sale and revaluation of investment properties of £96.6m (2014: 45.0m) and trading profits of £2.5m (2014: £0.3m). After adding back performance related awards of £15.6m (2014: £11.6m), Adjusted Earnings per share were 16.0p (2014: 43.3p).

EPRA EARNINGS	31.03.15 £000	31.03.14 £000
EPRA EARNINGS AS PER NOTE 14	2,805	38,934
ADD PERFORMANCE RELATED AWARDS	15,647	11,613
ADJUSTED EARNINGS	18,452	50,547
EPRA EARNINGS PER SHARE	2.4p	33.3p
ADJUSTED EARNINGS PER SHARE	16.0p	43.3p

## EPRA Net Asset Value

EPRA net asset value per share increased by 23.0% to 385p per share (2014: 313p). This rise was principally due to a total comprehensive income of £74.9m (2014: £86.7m), plus an increase in the surplus on valuation of the trading and development stock to £36.2m (2014: £27.5m).

EPRA NET ASSET VALUE	31.03.15 £000	31.03.15 PER SHARE p	31.03.14 £000	31.03.14 PER SHARE p
NET ASSET VALUE	404,098	332	340,382	288
EPRA ADJUSTMENTS FOR:				
FAIR VALUE OF TRADING AND DEVELOPMENT STOCK, INCLUDING IN JOINT VENTURES	36,243		27,479	
FAIR VALUE OF FINANCIAL INSTRUMENTS	8,568		(243)	
FAIR VALUE OF CONVERTIBLE BOND	3,263		-	
DEFERRED TAX	16,956		2,444	
EPRA NET ASSET VALUE	469,128	385	370,062	313

## Rental income and property overheads

Gross rental income receivable by the Group in respect of wholly owned properties increased by 27.7% to £38.3m (2014: £30.0m). The Group's share of gross rents receivable in joint ventures reduced to £6.1m (2014: £6.6m) reflecting the termination of leases at Barts Square, London EC1 where the phase one residential development has commenced. See-through gross rents totalled £44.4m, an increase of 21.4% on 2014. After taking account of head rents payable on those properties held on long leases, and the costs of managing the assets, void costs and letting costs, see-through net rents increased by 29.5% to £38.6m (2014: £29.8m). Bad debts from tenant administrations and failures fell below 0.1% of gross rents (2014: 0.4%).

## Development programme

Development profits were down on last year, which had seen exceptional profits at 200 Aldersgate London and White City of £62m. This year we have recognised 95% of the profit on the Clifton Street, London EC2 forward sale to UBS (Triton), amounting to £16.4m and development management fees on our Barts Square, London EC1 The Bower, Old Street, London EC1 and One Creechurch Place, London EC3 developments, totalling £1.1m. In addition, our development management role in building the new Scottish Power headquarters in Glasgow has generated fees of £1.3m. In our joint ventures we have recognised £1.9m of development profit on our schemes at Leisure Plaza and C4.1, both in Milton Keynes. Our retirement village programme contributed £1.0m of profits. Set against these profits is an impairment of £3.0m against our retail development at Europa Centralna, Poland and a provision against a site in Telford of £1.0m.

## Share of results of joint ventures

Helical has increasingly sought to acquire larger assets in joint ventures with property funds that provide the majority of the equity required to purchase the assets, who in turn rely on Helical to provide the asset management or development expertise. These joint ventures include our share of the investment properties at Clyde Shopping Centre, Clydebank (sold in March 2015) and The Bower, Old Street, London EC1, and our development schemes at Barts Square, London EC1; One Creechurch Place, London EC3; Europa Centralna, Gliwice, Poland; Shirley Town Centre, West Midlands; Leisure Plaza, Milton Keynes and King Street, London W6. Detailed analysis of the financial position of our share of these joint ventures is provided in note 19 to this report and in the see-through analysis on pages 114-116. In the year under review, net rents of £4.4m (2014: £5.4m) were received, offset by net finance costs of £3.6m (2014: £2.5m). A gain on revaluation of the investment portfolio of £26.1m (2014: £15.7m), primarily arose in respect of Barts Square, London EC1 and The Bower, Old Street, London EC1. Net of taxes, our joint ventures contributed £27.5m (2014: £16.4m).



## Administration costs

Administration costs, before performance related awards, increased by 16%, from £8.8m to £10.2m. This reflects an increase in the number of asset managers and development executives within the Group as it expands its investment portfolio and moves through the delivery phase of its development portfolio as well as from costs incurred in connection with the move of the Company's head office to Hanover Square, London W1S.

Performance related share awards and bonus payments, before National Insurance costs, reduced to £13.4m (2014: £15.7m) for the year. Of this amount, the £6.4m (2014: £6.3m) charge for share awards under the Performance Share Plan is expensed through the Income Statement but added back to Shareholders Funds through the Statement of Changes in Equity. The £6.9m (2014: £9.4m) accrual for bonus payments comprises £5.8m (2014: £5.1m) which will be paid in June 2015, £nil (2014: £2.9m) which will be carried forward to next year in accordance with the terms of the Annual Bonus Scheme 2012 and £1.1m (2014: £1.4m) which will be paid in deferred shares to be held for a minimum of three years. In addition, National Insurance of £3.0m (2014: £2.2m) has been accrued in the year.

	2015 £000	2014 £000
ADMINISTRATION COSTS	10,156	8,816
SHARE AWARDS	6,432	6,333
DIRECTORS AND SENIOR EXECUTIVES BONUSES	6,920	9,357
NIC ON SHARE AWARDS AND BONUSES	3,022	2,170
TOTAL	26,530	26,676

## Finance costs, finance income and derivative financial instruments

Interest payable on bank loans including our share of loans on assets held in joint ventures but before capitalised interest increased to £24.7m (2014: £17.3m), reflecting the increased debt taken on to finance the expansion of the Group's investment activities.

The fall in medium and long term interest rate projections since 31 March 2014 contributed to a charge of £8.4m (2014: credit of £5.3m) on the derivative financial instruments which have been valued on a mark to market basis.

### Debt profile at 31 March 2015 – excluding the effect of arrangement fees

FACILITY TYPE	TOTAL FACILITY £000	TOTAL UTILISED £000	AVAILABLE FACILITY £000	NET LTV* %	WEIGHTED AVERAGE INTEREST RATE %	AVERAGE MATURITY YEARS
SECURED DEBT - INVESTMENT FACILITIES	395,127	372,198	22,929	58.2	3.7	4.6
- DEVELOPMENT AND SITES	68,300	47,365	20,935	53.2	3.7	2.0
TOTAL WHOLLY OWNED	463,427	419,563	43,864	35.9	3.7	4.3
IN JOINT VENTURES	109,936	71,158	38,778	27.0	4.5	3.0
TOTAL SECURED DEBT	573,363	490,721	82,642	34.1	3.8	4.1
UNSECURED DEBT - RETAIL BOND	80,000	80,000	-	-	6.0	5.2
- CONVERTIBLE BOND	100,000	100,000	-	-	4.0	4.2
- WORKING CAPITAL	10,666	666	10,000	-	-	-
FAIR VALUE ADJUSTMENT OF CONVERTIBLE BOND	3,263	3,263	-	-	-	-
TOTAL UNSECURED DEBT	193,929	183,929	10,000	-	4.9	4.6
TOTAL SEE-THROUGH DEBT	767,292	674,650	92,642	52.1	4.1	4.3

\*Net LTV is the ratio of gross borrowings less cash deposits to the fair value of the property portfolio.

Capitalised interest increased from £2.8m to £3.6m as development schemes progressed. Other interest payable increased from £2.5m to £6.3m as the Group wrote off £2.8m of costs incurred in issuing the £100m Convertible Bond. As a consequence of these movements, total finance costs increased by £10.3m from £17.0m to £27.3m. Finance income earned was £2.5m (2014: £1.2m).

## Taxation

The deferred tax charge for the year is principally derived from the revaluation surpluses recognised in the year offset by tax losses which the Group believe will be utilised against profits in the foreseeable future.

## Investment portfolio

The issue of the £100m Convertible Bond in June 2014, together with sales of over £170m of investment assets, mainly shopping centres where our asset management initiatives were completed, provided funds, net of loan repayments, for £246m of acquisitions and £41m of further value enhancing capital expenditure. Revaluation surpluses of £68m (£1m attributable to our profit share partners) in our main portfolio and £26m in our joint venture assets, increased the overall size of the investment portfolio on a see-through basis to £790m (2014: £601m). The sales of investment assets generated profits of £2.5m (2014: £8.6m) in the main portfolio and £1.1m (2014: £nil) in our joint ventures.

## Debt and financial risk

Since 31 March 2014, the Group has raised £100m through the issue of a five year Convertible Bond with a 4.0% coupon and £81m of long term debt repayable in December 2024 with a fixed interest rate of 3.48%. The composition of the Group's debt structure has significantly changed since 31 March 2014 with unsecured debt now representing 27% of debt drawn at 31 March 2015.

In total, Helical's outstanding debt at 31 March 2015 of £674.6m had an average maturity of 4.3 years (2014: 3.9 years) and a weighted cost of 4.1% (2014: 4.5%).



The Group arranges its borrowings to suit its investment and development intentions as follows:

### Investment facilities

These are typically for four to five years, financing the Group's investment portfolio and a fully let retail development at Wroclaw in Poland with loan to value and income covenants. The value of the Group's properties secured on these facilities at 31 March 2015 was £639.0m (2014: £486.3m) with a corresponding loan to value of 58% (2014: 53%). The average maturity of the Group's investment facilities at 31 March 2015 was 4.6 years (2014: 3.7 years).

### Development and site holding facilities

These facilities finance the construction of the retirement villages at Durrants Village, Horsham, Maudslay Park, Great Alne and Millbrook Village, Exeter. They also include a site holding facility at Telford. The average maturity of the Group's development and site holding facilities at 31 March 2015 was 2.0 years (2014: 3.0 years).

### Joint venture bank facilities

As noted above we hold a number of investment and development properties in joint venture with third parties and include in the above table our share, in proportion to our economic interest, of the debt associated with each asset. During the year we agreed a new five year facility to December 2019 providing finance for the first phase of the redevelopment of Barts Square, London EC1. The average maturity of the Group's share of bank facilities in joint ventures at 31 March 2015 was 3.0 years (2014: 2.5 years).

### Retail Bond

In June 2013, the Group raised £80m from the issue of an unsecured Retail Bond with a 6.00% coupon. This bond is repayable in June 2020.

### Convertible Bond

In June 2014, the Group raised £100m from the issue of an unsecured Convertible Bond with a 4.0% coupon, repayable in June 2019 or, subject to certain conditions, convertible at the option of the bondholders into ordinary shares, unless a cash settlement option is exercised by the Company. The initial conversion price has been set at £4.9694 per share, representing a 35% premium above the price on the day of the issue and a premium of 59% above the Company's EPRA net asset value per share at 31 March 2014.

### Short term working capital facilities

These facilities provide working capital for the Group.

### Cash and cash flow

At 31 March 2015, the Group had over £229m (2014: £186m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures as well as £131m (2014: £82m) of uncharged property on which it could borrow funds.

### Net borrowings and gearing

Net borrowings held by the Group have increased during the year from £312.8m to £477.2m. Including the Group's share of net debt of its joint ventures the Group's share of total net debt has increased from £365.1m to £531.9m. There has been a corresponding increase from 99% to 113% in see-through net asset value gearing. This gearing measure, which is the ratio of see-through net borrowings to EPRA net asset value, represents a longer term view than the standard gearing measure.

NET BORROWINGS AND GEARING	2015	2014
NET BORROWINGS – INCLUDING JOINT VENTURES	<b>£531.9m</b>	£365.1m
NET ASSETS	<b>£404.4m</b>	£340.5m
GEARING – GROUP	<b>118%</b>	92%
GEARING – INCLUDING JOINT VENTURES	<b>132%</b>	107%
SEE-THROUGH NET ASSET VALUE GEARING	<b>113%</b>	99%

### Hedging

At 31 March 2015 the Group had £496.9m (2014: £291.5m) of fixed rate debt with an average effective interest rate of 4.4% (2014: 4.8%) and £98.1m (2014: £84.6m) of floating rate debt with an average effective interest rate of 2.4% (2014: 3.50%). In addition, the Group had £143.2m of interest rate caps at an average of 4.0% (2014: £132m at 4.0%). In the joint ventures, the Group's share of fixed rate debt was £49.6m (2014: £29.6m) with an average effective interest rate of 5.0% (2014: 6.0%), and £21.6m (2014: £43.6m) of floating rate debt with an effective rate of 3.4% (2014: 3.3%). In addition, the joint ventures benefited from £35.0m (2014: £49.0m) of interest rate caps at an average of 5.0% (2014: 5.0%).

### Interest cover

In assessing the results of the Group for each financial year, Helical considers its interest cover as a measure of its performance and its ability to finance its annual interest payments from its net operating income, before revaluation gains or losses on the investment portfolio and net realisable provisions on the trading and development stock. In the year to 31 March 2015, this interest cover was 2.5 times (2014: 8.3 times).

	2015	2014
SEE-THROUGH NET OPERATING INCOME	<b>£62.7m</b>	£103.1m
SEE-THROUGH NET FINANCE COSTS	<b>£24.8m</b>	£12.3m
INTEREST COVER	<b>2.5x</b>	8.3x

**Tim Murphy**  
Finance Director

12 June 2015

## STRATEGIC REPORT

# Principal risks review

Risk is an integral part of any group's business activities and Helical's ability to identify, assess, monitor and manage each risk to which it is exposed is fundamental to its financial stability, current and future financial performance and reputation. As well as seeing changes in our internal and external environment as potential risks, we also see them as being opportunities which can drive performance.

Risk management starts at Board level where the Directors set the overall risk appetite of the Group and the risk management strategies. Helical's management runs the business within these guidelines and part of its role is to act within these strategies and to report to the Board on how they are being operated.

The Group's risk appetite and risk management strategies are continually assessed by the Board to ensure that they are appropriate and consistent with the Group's overall strategy and with external market conditions. The effectiveness of the Group's risk management strategy is reviewed every six months by the Audit Committee and by the full Board.

The risks faced by the Group do not change significantly from year to year but their importance and the Group's response to them vary in accordance with changes in the internal and external environment. The Board considers not only the current situation but also potential future scenarios and how these might impact our business.

The Board has ultimate responsibility for risk within the business. However the small size of our team and our flat management structure allows the executive directors to have close contact with all aspects of the business and allows us to ensure that the identification and management of risks and opportunities is part of the mindset of all decision makers at Helical.

The principal risks faced by the Group, and the steps taken by the Group to mitigate these risks, are as follows:

## STRATEGIC RISK

**Strategic risk includes the risk that the Group's business strategy or capital structure results in the Group underperforming the rest of the property sector, or being unable to take advantage of opportunities that may arise.**

RISK DESCRIPTION	MITIGATION/ACTION
<p><b>Group's strategy is inconsistent with market conditions, for example:</b></p> <ul style="list-style-type: none"> <li>- Asset concentration/lot size impacts on liquidity (e.g. if investments become difficult to sell, does this affect our liquidity?)</li> <li>- Asset concentration/mix creates excessive volatility in property revaluation movements</li> </ul>	<p>Management constantly monitors and considers changes to the Group strategy in the light of any changes to market conditions. The management team is very experienced and has a good track record in the property market</p> <p>Due to the small size of the Group and the management team, changes to the strategy can be effected quickly</p>

## MARKET RISK

**Market risks are risks specific to the economy as a whole and to the property sector.**

RISK DESCRIPTION	MITIGATION/ACTION
<b>Property values decline</b>	<p>Helical management reviews external data</p> <p>Helical has been active in disposing of non-performing assets and rebalancing its portfolio for the changing market</p> <p>Helical keeps a diversified portfolio to prevent being over-exposed to one sector</p>
<b>Reduced tenant demand for space</b>	<p>Our focus is on buying well let investment properties in good locations</p> <p>We continue to ensure that vacant space is kept to a minimum</p>
<b>Appropriate timing of investment and divestment decisions</b>	Our management team is highly experienced
<b>Market conditions result in difficulties in divestment of properties at a time when the proceeds are required for new investments</b>	Management constantly reviews the market conditions



**FINANCIAL RISK**

The Group is subject to a number of financial risks due to the way in which it is funded.

<b>RISK DESCRIPTION</b>	<b>MITIGATION/ACTION</b>
<b>Accuracy of property valuations</b>	Helical uses external independent valuers and/or members of executive management with extensive experience in the industry. Management maintains regular contact with valuers to understand movements in valuations
<b>Inability to roll over loans</b>	Good relationship with several established lending institutions Borrowing is spread between a number of different institutions We arrange debt repayment dates to spread the maturity profile of bank loans over several years
<b>Availability of bank lending</b>	Funding requirements are regularly reviewed
<b>Increase in cost of borrowing</b>	Interest rates on 82% of loans are hedged Hedging is regularly monitored to ensure that it remains at an appropriate level Use of interest rate swaps and caps where appropriate
<b>Breaching loan covenants</b>	Adherence to loan covenants is closely monitored with reference to both current and forecast compliance
<b>Breaching covenants of the retail bond</b>	Adherence to the retail bond covenants is closely monitored
<b>Insufficient liquidity to take advantage of opportunities</b>	The Group maintains a sufficient level of cash resources or undrawn committed bank facilities Management ensures that cash resources do not fall below current forecast requirements
<b>Maintaining income streams/tenant default</b>	Tenant covenant strength is considered when making property decisions Management maintains dialogue with managing agents and tenants to reduce the risk of unexpected non-payment Management ensures there is no over-reliance on individual tenants
<b>Inappropriate capital structure (i.e. too highly geared)</b>	The Group's capital structure and gearing is constantly monitored to ensure that they reflect investment/development intentions and the Board's view on the property cycle
<b>Loss of deposits due to banking counterparty failure</b>	Management ensures that all deposits remain at well capitalised institutions Regular monitoring of financial institutions

**PEOPLE RISK**

The Group's continued success is reliant on our management and staff and successful relationships with our joint venture partners.

RISK DESCRIPTION	MITIGATION/ACTION
Succession planning	The Nominations Committee and the Board regularly review succession planning issues
Lack of the right personnel to ensure the Group's strategy is adhered to	Senior management team is very experienced The Directors monitor staff resources to ensure they are appropriate to any changes in the business
Retention and incentivisation of key personnel	Remuneration is set to attract, motivate and retain high calibre staff Employee turnover is low
Health & safety issues	The Group's Health and Safety policy is updated annually by the Board and reports are reviewed monthly by the Executive Committee and at every Board meeting Use of specialist professional advice Not involved in high risk activities No significant issues reported in the year
Bribery and corruption risk	Anti-bribery policy and procedures are in place which are distributed to all staff. The Board is firmly behind the Group's anti-bribery stance Management identify and monitor projects with a greater exposure to bribery and corruption We avoid doing business in high risk territories

**DEVELOPMENT RISK**

The Group derives a significant part of its results from development activity. Development profits are more likely to be subject to fluctuation due to external factors as they are more opportunistic in nature.

RISK DESCRIPTION	MITIGATION/ACTION
Inability to add to the current development pipeline	Experienced development team with an excellent track record Good reputation in the property sector
Inability to manage current developments	Experienced development team recently expanded to ensure adequate resources available
Changes in legislation leading to delays in receiving planning permission	Good relationships with planning consultants and local authorities Management keeps up to date with planning legislation Use of specialist professional advisors
Lack of demand for new property	The Group's strategy is to avoid doing speculative developments on its own balance sheet
Inability to find suitable contractors/JV partners	Well established network of contractors, joint venture partners and professional advisors
Counterparty risk (contractors, joint venture partners, contract parties)	Management monitors counterparties to review their ability to meet their obligations and to monitor the likelihood that they will become insolvent



BARTS SQUARE LONDON EC1





## STRATEGIC REPORT

# Corporate responsibility

The Group recognises that its business activities impact on the environment and the wider communities in which it operates. Helical implements responsible environmental and social practices across its direct business, via partners, contractors and suppliers and through its joint venture activities.

An endorsement of Helical's commitment to managing environmental and social impacts is its continued listing in the FTSE4Good Index. The FTSE4Good Index measures the performance of companies that meet globally recognised corporate responsibility standards and facilitates investment in those companies. Maintaining listed status on this Index remains a key priority for Helical, and informs the evolving approach to Corporate Responsibility.

## Managing Corporate Responsibility

Each year the Group reviews and updates its environmental management system, which has been in place since 2003. The updated environmental management system, which is available on the Company website, is embedded within the operations of Helical. Key elements of the system include:

- 'Environment' and 'Corporate Responsibility' policies which set out Helical's high-level commitment across a number of impact areas. These are reviewed annually at Board level and are implemented by the senior management team.
- Annual (and ongoing) performance targets to enable Helical to focus its efforts throughout the year on measurable and achievable performance goals. This year the Group has continued to report on energy and water consumption at its larger managed multi-let assets, and measured performance against quantitative targets set in 2014. In addition, the proportion of waste recycled has been measured at managed assets and Group owned development projects.
- Key Performance Indicators (KPIs) to help Helical monitor progress towards these targets and to ensure they are able to report in line with investor disclosure requirements, notably FTSE4Good. It should be acknowledged that the particular business model of the buying and selling of assets means that absolute performance measures can be difficult to compare year on year, hence this year the reporting against selected intensity (resource consumption) and like for like KPIs will be investigated.
- Checklists to assist in applying minimum sustainability requirements across its development activities. Helical has developed a sustainability project management checklist to ensure that sustainability issues are incorporated into all decisions throughout the development lifecycle. In addition, an Environmental Impact Checklist is issued to individual contractors in order to address corporate goals at the construction stage.
- Effective use of internal audit and review through quarterly meetings of key Helical personnel, external corporate responsibility advisors and principal managing agents to ensure effective delivery of the objectives and targets.

The management system developed has been designed specifically to reflect the flexibility of the Group's business model. It also reflects the key role that Helical's partners play in delivering enhanced sustainability outcomes in all its business ventures, be they developments/refurbishments or in the management of individual multi-let assets.

## Review of progress in the year to 31 March 2015

The benefits of managing environmental and social impacts include increased ability to secure planning consents, improved marketability of assets to prospective tenants, reduced operating costs of assets, mitigating the risk of future legislation and regulation, and enhanced corporate reputation.

Below we outline the progress in relation to the each of Helical's Corporate Responsibility impact areas.

## Environment

The Group's corporate commitments to environmental issues are outlined in the Group's Environmental Policy which can be found on the Company website. The policy details Helical's commitments across a range of impact areas and its development and property management activities. For this year, Helical set itself 29 targets (versus 26 in 2014) to guide the environmental element of its Corporate Responsibility programme over the 12 months. These targets address a range of impacts arising from the development and property management activities, including resource use and waste production, pollution, biodiversity, timber sourcing, tenant engagement, flood risk and sustainable design and construction. A full list of these targets can be found on the Company website. The performance against the key targets is summarised below.

- Previously, year on year improvement targets have been reported for the Head Office at Farm Street, London W1J 5RS, however, in August 2014 Helical moved to 5 Hanover Square, London W1S 1HQ. Performance data has been collated for energy but improvement targets will not be set until a full year's baseline data is available. Waste and water consumption data will not be available going forward as the office is a multi-let building and the data is difficult to obtain from the owner.
- Helical managed multi-let offices continue to improve their energy and water efficiency through the implementation of low and no cost measures. The specific target for 2015 was to achieve a 2% improvement against the 2014 baseline. A review of the data in the table below shows that performance is variable, complicated by the changing nature of the portfolio with three new properties purchased in the year, including Churchgate & Lee House, Manchester and 25 King Street, Bristol. Other changes include the ongoing refurbishment of The Bower (207 and 211), Old Street, London EC1 and the Head Office move from 11-15 Farm Street, London W1J, to 5 Hanover Square, London W1S. The table highlights the inherent difficulties in monitoring such a varying portfolio where there is significant year on year change.
- Of those that can be compared, The Hub, Glasgow has shown an improved performance with a 7% decrease in gas consumption, however it also reports a 4.5% increase in electricity due to data understatement in 2014 during the fit out project. The data received during 2015 is more representative of the actual usage. The Hub also saw a 46% increase in water use during 2015; which can be attributed to an increase in occupancy levels. The Shepherds Building, London W14 has increased its electricity consumption, which can be linked to the café area and showers now being metred under common parts; however water consumption has decreased by 6%.
- Helical's shopping centres, where comparative figures are available, show a similar story, where the performance is unsurprisingly allied to overall occupancy and programmed refurbishment. Overall electricity usage at Corby Town Centre reduced by 3%, despite an increase during quarter four as a result of additional full time plant equipment running due to onsite works. Corby Town Centre saw an unusual 84% reduction in its gas usage during the year. This significant reduction was a result of a new more efficient boiler being installed. The Morgan Quarter, Cardiff saw an increase in energy usage relating to development works at the Creative Quarter which ran to early 2015.
- Water consumption increased in both Corby and Cardiff during the year. At Cardiff this is as a direct result of work associated with the current development of the Creative Quarter. These works relate to the re-location of welfare facilities, increase in office tenant occupancy and relocation of the centre management office to the Creative Quarter.
- Helical continues to offer recycling facilities at all managed assets. New Loom House, London EC1 is diverting nearly 100% waste from landfill as did Corby Town Centre and Clyde Shopping Centre prior to their sale in March 2015. Where data is available at other managed assets, Helical comfortably exceeded its ongoing target of a recycling rate of at least 35%. The only exception to this is The Morgan Quarter, Cardiff, where Helical are currently reviewing waste management strategies via the cleaning contract to increase recycling rates.



- One of Helical's ongoing targets is to proactively engage with tenants to encourage improvements in efficient use of the buildings. Individual property managers have engaged with tenants to try and see if there are ways in which efficiency initiatives can be introduced and to particularly encourage increased recycling within the portfolio.
- Of those multi-let office buildings that can be compared, The Hub, Glasgow and Shepherds Building, the average percentage change of electricity use equated to a 24% increase in 2015 in comparison to 2014 for Shepherd's Building, London W14 but a 2% decrease for the Hub. The Morgan Quarter, Cardiff's electricity use increased by a nominal 2% in 2015 in comparison to 2014.

Helical has maintained its registration with the Carbon Reduction Commitment Energy Efficiency Scheme (CRC). The confirmed purchased allowance for 1 April 2013 to 31 March 2014 was 5,602 tonnes. The projected allowance for the year to 31 March 2015 is a similar figure based on the current reported emissions for the portfolio as a whole. Helical has again reported to the Carbon Disclosure Project in the year and achieved an improvement in its disclosure scoring 77%. In line with the mandatory requirement for reporting its greenhouse gas emissions, Helical has provided a separate disclosure in this report.

Below, Helical presents its utility consumption performance for multi-let buildings under management as well as their Head Office (where data availability permits). As previously, the data provision focuses on energy consumption that is the responsibility of the landlord within common parts, vacant space and during refurbishment.

## Head office and multi-let offices

	ELECTRICITY 2013-14 KWH	ELECTRICITY 2014-15 KWH	GAS 2013-14 KWH	GAS 2014-15 KWH	WATER 2013-14 M <sup>3</sup>	WATER 2014-15 M <sup>3</sup>
HEAD OFFICES						
11-15 FARM STREET, LONDON W1J*	117,512	<b>44,820<sup>2</sup></b>	42,377	<b>10,182<sup>2</sup></b>	969	<b>190<sup>2</sup></b>
5 HANOVER SQUARE, LONDON W1S*	-	<b>51,397<sup>5</sup></b>	-	<b>N/A<sup>7</sup></b>	-	<b>N/A<sup>7</sup></b>
SHEPHERDS BUILDING, LONDON W14	451,612	<b>559,366</b>	No gas <sup>1</sup>	<b>No gas</b>	6,800 <sup>4</sup>	<b>6,387<sup>4</sup></b>
THE HUB, GLASGOW	164,375	<b>171,868</b>	691,714	<b>659,465</b>	3,812	<b>5,569</b>
NEW LOOM HOUSE, LONDON EC1	220,816 <sup>2</sup>	<b>266,449</b>	No gas <sup>1</sup>	<b>No gas<sup>1</sup></b>	3,080 <sup>3</sup>	<b>5,137</b>
CHURCHGATE & LEE HOUSE, MANCHESTER	-	<b>509,331</b>	-	<b>No gas<sup>1</sup></b>	-	<b>12,693</b>
207 OLD STREET, LONDON	1,253,605	<b>2,405,475<sup>3</sup></b>	104,463	<b>133,725</b>	2,565	<b>62</b>
211 OLD STREET, LONDON	204,552	<b>N/A</b>	55,349	<b>N/A</b>	2801	<b>N/A</b>
25 KING STREET, BRISTOL	-	<b>31,999<sup>8</sup></b>	-	<b>129,490<sup>8</sup></b>	-	<b>N/A</b>

### Notes:

\* refers to asset that was not in ownership

'N/A' refers to data not available

\* refers to part year occupancy due to office move

1 No gas refers to assets where gas is not used on site

2 Data for only part of the year as moved to Hanover Square in August 2014

3 Electricity being supplied to construction areas

4 Does not include a full years' worth of data

5 Data up to February 2015

6 211 Old Street, London EC1 is undergoing refurbishment.

7 Managed let and waste and water data not available

8 Office purchased December 2014

## Retail

	ELECTRICITY 2013-14 KWH	ELECTRICITY 2014-15 KWH	GAS 2013-14 KWH	GAS 2014-15 KWH	WATER 2013-14 M <sup>3</sup>	WATER 2014-15 M <sup>3</sup>
THE GUINEAS SHOPPING CENTRE, NEWMARKET	156,823	<b>35,661<sup>2</sup></b>	No gas	<b>No gas</b>	588	<b>125<sup>2</sup></b>
IDLEWELLS SHOPPING CENTRE, SUTTON-IN-ASHFIELD	332,404	<b>157,213<sup>1</sup></b>	33,429	<b>253<sup>1</sup></b>	189	<b>125<sup>1</sup></b>
CORBY TOWN CENTRE	739,433	<b>715,699<sup>3</sup></b>	2,097	<b>337<sup>3</sup></b>	1,389	<b>1,598<sup>3</sup></b>
THE MORGAN QUARTER, CARDIFF	329,056	<b>335,978</b>	No gas	<b>No gas</b>	172	<b>374</b>
CLYDE SHOPPING CENTRE	1,143,382	<b>994,594<sup>3</sup></b>	No gas	<b>No gas</b>	332 <sup>3</sup>	<b>73</b>
HUDDERSFIELD RETAIL PARK	-	<b>237,144</b>	-	<b>N/A</b>	-	<b>N/A</b>

### Notes:

'No gas' refers to assets where gas is not used on site within landlord control

'NA' refers to data not available at time of reporting e.g. inaccessible water meters or property not in Helical ownership for full year

\* refers to asset that was not in ownership

1 refers to the asset being sold part way through the year

2 Guineas Shopping Centre sold after Q1

3 Corby Shopping Centre & Clyde Sold in March 2015

## Waste

MULTI-LET OFFICES	WASTE SEGREGATED ON SITE YEAR TO MARCH 2014 %	WASTE SEGREGATED ON SITE YEAR TO MARCH 2015 %	WASTE DIVERTED FROM LANDFILL YEAR TO MARCH 2014 %	WASTE DIVERTED FROM LANDFILL YEAR TO MARCH 2015 %
SHEPHERDS BUILDING, LONDON W14	60	<b>60</b>	100	<b>100</b>
THE HUB, GLASGOW	17.50	<b>61</b>	80	<b>88</b>
NEW LOOM HOUSE, LONDON EC1	50	<b>50</b>	100	<b>100</b> <sup>1</sup>
CHURCHGATE & LEE HOUSE, MANCHESTER	N/A	<b>11</b>	NA	<b>77</b>
207 OLD STREET, LONDON	50	<b>50</b>	50	<b>50</b>
211 OLD STREET, LONDON	50	<b>N/A</b> <sup>2</sup>	50	<b>N/A</b> <sup>2</sup>

### Notes:

**'N/A'** refers to data not available

<sup>1</sup> Waste contractor reports that a total of 60% of waste is recycled - this includes the proportion done on site, with a further amount done off site. Anything that cannot be recycled (c40% of total) is incinerated.

<sup>2</sup> 211 Old Street, London EC1 is undergoing refurbishment.

## Retail

	WASTE SEGREGATED ON SITE YEAR TO MARCH 2014 %	WASTE SEGREGATED ON SITE YEAR TO MARCH 2015 %	WASTE DIVERTED FROM LANDFILL YEAR TO MARCH 2014 %	WASTE DIVERTED FROM LANDFILL YEAR TO MARCH 2015 %
IDLEWELLS SHOPPING CENTRE	40	<b>42</b> <sup>1</sup>	87	<b>89</b> <sup>1</sup>
CORBY TOWN CENTRE	80 <sup>2</sup>	<b>80</b> <sup>4</sup>	100 <sup>2</sup>	<b>100</b> <sup>4</sup>
THE MORGAN QUARTER, CARDIFF	35	<b>25</b> <sup>3</sup>	-	<b>25</b> <sup>3</sup>
CLYDE SHOPPING CENTRE	39	<b>46</b> <sup>5</sup>	96	<b>93</b> <sup>5</sup>

### Notes:

<sup>1</sup> Sold Q1 2015

<sup>2</sup> No data for Q1 2014

<sup>3</sup> Current waste contractor does not provide for waste segregation

<sup>4</sup> Corby Town Centre sold in March 2015

<sup>5</sup> Clyde Shopping Centre sold in March 2015

The suitability of the targets will be reviewed against the performance for the year ended March 2015 and revised accordingly to ensure that they remain challenging yet achievable.

## Greenhouse gas emissions reporting

For the reporting year 1 April 2014 to 31 March 2015 the 2014 UK Government's Conversion Factors for Company Reporting has been followed. Greenhouse gas emissions are reported using the following parameters to determine what is included within the reporting boundaries.

- Scope 1 – direct emissions includes any gas data for landlord controlled parts and fuel use for company owned vehicles. Fugitive emissions from air conditioning are included where it is Helical's responsibility within the managed portfolio.
- Scope 2 – indirect energy emissions includes purchased electricity throughout the Group operations within landlord controlled parts. Electricity used in refurbishment projects has not been recorded separately. In the majority of cases the electricity consumed is recorded for the individual properties as part of the data collection for the management of common parts, and contractors have been required to collect project specific data.

The table below highlights that overall GHG emissions have increased by 44% year on year. The reason for this is primarily due to the increased number of properties that have been acquired over the reporting period and the diversity of the portfolio. Other contributing factors to the increase are:

- 207 Old Street energy consumption has been high due to construction activities.
- Air conditioning is more fully reported than in previous years
- Construction sites have not been reported in previous years

For the reasons explained on page 44, namely the changing nature of the portfolio, only two multi-let office buildings and one Shopping Centre can report its carbon intensity. At the Hub and Shepherds Building, average carbon intensity equates to 0.09 tCO<sub>2</sub>e/m<sup>2</sup>, while The Morgan Quarter, Cardiff has a carbon intensity of 0.02 tCO<sub>2</sub>e/m<sup>2</sup>.

Greenhouse gas emissions (tonnes CO<sub>2</sub>e) are set out below for the year.

	1 APRIL 2013 TO 31 MARCH 2014	1 APRIL 2014 TO 31 MARCH 2015
SCOPE 1: DIRECT EMISSIONS	494 tonnes	<b>607 tonnes</b>
SCOPE 2: INDIRECT EMISSIONS	2,619 tonnes	<b>3,879 tonnes</b>
TOTAL ALL SCOPES	3,113 tonnes	<b>4,486 tonnes</b>



The specific target set by Helical is to reduce energy consumption by 2% per annum in the principal managed assets. As discussed earlier in this section of the report, year on year performance is variable across the portfolio complicated by the changing nature of the portfolio through acquisition and divestment, increasing occupancy and ongoing refurbishment of the component assets.

### Construction site performance

As part of the ongoing refurbishment and development programme, a number of key performance indicators are measured and recorded for the Group's schemes, as follows.

### BREEAM/Considerate Constructors Scheme (CCS)

In accordance with Helical's corporate objectives, six out of the eligible six commercial developments are registered under the BREEAM scheme to meet a minimum of BREEAM Very Good. The Bower, Old Street, London EC1, Leisure Plaza, Milton Keynes, St Vincent Street, Glasgow and One Creechurch Place, London EC3 have indicated that they are expecting to achieve an 'Excellent' rating. Where schemes also include residential elements such as Barts Square, London EC1, the objective is to achieve Code for Sustainable Homes Level 4. In addition, of the schemes registered with CCS all are expected to achieve scores well above compliance as well as above the current industry average of 35.70 with One Creechurch Place, London EC3 being awarded a Bronze Medal.

### Energy and Water

Out of the sixteen developments, ten are required to report on the monitoring of purchased water and energy use. The remaining six developments report purchased water and energy use under its managed buildings data set.

	ELECTRICITY YEAR TO MARCH 2015 KWH	GAS YEAR TO MARCH 2015 KWH	WATER YEAR TO MARCH 2015 M <sup>3</sup>
TOTAL	727,051	48,423	5,894

### Waste

Eleven out of sixteen developments have indicated that they have a Site Waste Management Plan and the majority of these divert more than 85% of waste disposal from landfill.

	HAZARDOUS WASTE GENERATED ON SITE IN TONNES YEAR TO MARCH 2015	WASTE SEGREGATED ON SITE IN TONNES YEAR TO MARCH 2015	WASTE DIVERTED FROM LANDFILL IN TONNES YEAR TO MARCH 2015
TOTAL	10	5,072	4,052

### Ecology/Biodiversity

Six out of the sixteen sites have indicated that they have prepared an ecology report for their development. For The Bower, Old Street, London EC1 the number of green and brown roofing bird boxes installed around the site is maximised. Within Millbrook Village, Exeter there are a number of ecological features, including enhancing the wildlife area closest to the Mill Race and the bat house building, installing additional bat boxes on retained trees, adding reptile habitat, and also installing bee/invertebrate boxes within the wildlife area. To encourage biodiversity in an urban area, a green roof for the auditorium area has been installed at St Vincent Street, Glasgow. One Creechurch Place, London EC3 which is currently under construction has landscaping and enhancement of biodiversity incorporated into the design, as well as a green roof. Durrants Village, Faygate has a bat house, an exclusion zone for badger protection and a wild flower meadow is to be planted.

### Resource use/Supply chain

A strong performance is shown by all sites that reported against the key performance indicator for sourcing sustainable timber. Eleven sites sourced 100% of their timber from sustainable sources and a further four sites sourced a minimum of 80% timber from sustainable sources.

### Proximity to public transport/Sustainable travel

The majority of Helical's developments are within 1,000m of a rail station and seven developments include cycle provisions on site.

### Flood risk/Climate change

It is a Group objective to ensure that Sustainable Urban Drainage Systems (SuDS) are included into the design to mitigate against flooding. This is only relevant to seven of the developments of which three have incorporated SuDS.

### Environmental incidents/Environmental Management

There have been no prosecutions or fines for environmental pollution incidents reported on the operational sites during the year. Where appropriate to the size and capital value of the developments, certified Environmental Management Systems (EMS) are implemented. This applied to six projects during the year.

### Employees

- As at 31 March 2015, Helical had 52 permanent employees, 35 of whom were based at Helical's head office in London, 6 employed by a related company, Asset Space Limited, and 11 in Poland.
- Gender diversity of the Board and the Company as at 31 March 2015 is set out below:

	MALE	FEMALE
BOARD	100%	-
SENIOR MANAGERS	83%	17%
ALL EMPLOYEES	41%	59%

- Helical continues to enforce its equal opportunities, anti harassment and anti sexual discrimination policies. They also continue to monitor compliance with its anti-bribery and whistle blowing policies. There have been no incidents to report against these policies to date.
- A high level of staff retention remains a key feature of its business. Helical has retained a highly skilled and experienced team and the table below shows a breakdown of staff by length of service.

	TOTAL NUMBER OF STAFF AS AT 31 MARCH 2015	AVERAGE LENGTH OF SERVICE (YEARS)
EXECUTIVE DIRECTORS	5	20.09
SENIOR MANAGERS	6	17.00
ALL EMPLOYEES	52	5.96

- Helical's staff retention levels not only reflect competitive remuneration and benefits packages but also its commitment to enhancing the professional and personal skills of its team by supporting employee training and development, by means of training courses, seminars and mentoring where appropriate. As in previous years, Helical continues to evaluate training needs in line with business objectives. There are no human rights issues of which the Board are aware that are considered relevant to the Group.

## Communities

The Group takes a strong interest in community issues and seeks to be actively engaged with the local communities that it works with on an ongoing basis. Our community initiatives over the year included the following:

- For the third time, The Morgan Quarter, Cardiff ran an initiative called Trading Places during November and December 2014, in partnership with the University of South Wales. Students from six local colleges worked with the shopping centre and the University in a business game including running stalls within a pop-up shop, using a vacant shop unit within the Morgan Quarter. This enabled this group of 16-18 year olds to put their entrepreneurial skills into practice, whilst also being given the opportunity to understand the higher education opportunities on offer at the University.

The project aims to help develop and nurture self-sufficient, entrepreneurial young people who will contribute positively to economic and social success. A review of Trading Places took place in February 2015, which concluded that the scheme continues to achieve its objectives. Plans are in place for a fourth Trading Places to take place during November and December 2015.

- Clyde Shopping Centre encouraged local businesses to follow its lead and boost its environmental performance by making a Resource Efficiency Pledge, which asks businesses and organisations to show their commitment to the environment by taking action to enhance their green credentials. The shopping centre signed up to the pledge to demonstrate its dedication to the environment and to encourage its employees, partners and tenants to also take steps towards achieving a low carbon economy. Initiatives in place at Clyde include food waste composting for tenants, LED lighting and timers, water harvesting and on site electric vehicles. The shopping centre's commitment to greener practices has seen it nominated for a number of sustainability awards.

In addition, Clyde runs several community projects to maintain links to the local community. These include providing electronic equipment for schools, a safe child scheme (the Harry Otter Kids Club) and bee keeping on the premises. Support is also given to a number of local charities and community groups by providing free spaces within the shopping centre to hold stalls. The centre also raised around £10,000 for Llandaid during the year.

## Health & safety

Helical's Health & Safety policy aims to develop a corporate culture that is committed to the prevention of injuries and ill health to its employees or others that may be affected by its activities. The Board of Directors and senior staff are responsible for implementing this policy and they look to

- Corby Town Centre has sponsored Corby Football Club Youth Team for the past two seasons. This helps to fund a number of projects focussed on encouraging physical activity for young people and raising awareness of health issues. In addition, space is made available in the town centre during the summer for Corby Football Club to hold interactive football based events, utilising a pop up five-a-side football pitch. Corby first team players regularly attend these events, which help to encourage support for the local team.
- Idlewells Shopping Centre, Sutton-in-Ashfield invited local community groups and charities to bid for funding to run a project. A shortlist was created followed by a public vote to decide which project should receive the funding. With over 900 votes cast, a local playgroup won the funding to host a Christmas Party for terminally ill children. As well as funding one charity to run a specific project, Idlewells also supports many other local groups and charities to raise money by providing free mall space for stalls and coffee mornings.
- The Guineas, Newmarket allocated free space in the shopping centre to a number of charities and other not-for-profit organisations, to enable them to host stalls for fundraising and raising awareness of their activities.
- Helical is also part of the recently formed Aldgate Partnership which has been created to help promote the Aldgate area. Members of the group currently include landowners, commercial occupiers, and developers. The Aldgate Partnership will work together to deliver a range of interventions to support community development and develop a premier business hub with high quality public realm and environment that is a desirable destination for all employees, residents and visitors.

ensure that health and safety considerations are always given priority in planning and in day-to-day activities. The Group's Health & Safety Policy was reviewed and updated in February 2015 to reflect the latest legislative and regulatory developments. The Group's Health & Safety policy can be found on the Company website and a summary of performance for fourteen active sites is below.

	NO OF RIDDOR REPORTABLE	NO OF LOST TIME ACCIDENTS	NO OF FATALITIES	NO OF HOURS WORKED	ACCIDENT FREQUENCY RATE FOR LOST TIME ACCIDENTS [LTAFR]	ACCIDENT INCIDENCE RATE LOST TIME ACCIDENTS [LTIFR]
TOTAL	7	15	0	1,186,224	1.26	0.01

Health & Safety Executive data for all UK Construction, shows that there were 3,293 reported over-seven-day injuries to employees in the year compared with 3,213 in the previous year, a rate of 260.1 per 100,000 (262.0). Over the previous three years, there were an average number of 5,180 over-three-day reports and an average rate of 382.5 for years 2009–2011. In comparison, for the year to March 2015 Helical have delivered over one million man hours of construction, with no fatalities and only 7 RIDDOR reportable accidents.

In relation to CSCS accreditation, all projects have a minimum of 85% CSCS accreditation with ten sites achieving 95% or above.

The Strategic Report contained on pages 1-48, was approved by the Board on 12 June 2015.

On behalf of the Board

**Michael Slade**  
Chief Executive



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# 02

## GOVERNANCE

AT HELICAL WE BELIEVE THAT ROBUST  
CORPORATE GOVERNANCE IS OF FUNDAMENTAL  
IMPORTANCE IN DELIVERING LONG-TERM  
SUCCESS FOR SHAREHOLDERS

## GOVERNANCE

## Chairman's review



Dear Shareholder,

This Annual Report reflects on another excellent set of results for Helical Bar building on the record profits of last year. Our London portfolio has produced a valuation increase of 27.0% and is now valued at £370m (47% of the total investment portfolio). The switch within our regional portfolio from shopping centres to industrial assets, mainly distribution warehouses and offices, helps to maintain the balance between a high yielding investment portfolio and a London investment and development programme providing both capital and rental growth.

### Our Governance

The Board is accountable to the Group's shareholders for good corporate governance. We believe in applying the highest principals of corporate governance and have complied throughout the year with the principles set out in the UK Corporate Governance Code, except in relation to those matters referred to on page 54.

### Major Decisions

The Board meeting agendas during the year contained many issues including consideration and approval of the £100m Convertible Bond, a review of the Group's strategy, succession issues, and Board changes including the departure of investment director, Jack Pitman, and the appointment of a new Remuneration Committee Chairman, Michael O'Donnell.

### Convertible Bond

In June 2014, the Company issued £100m of Convertible Bonds with a 4% coupon repayable in 2019 or, subject to certain conditions, convertible at the option of bondholders into ordinary shares, unless a cash settlement option is exercised by the Company. The initial conversion price has been set at £4.9694 per share, representing a premium of 35% above the price on the day of issue and a premium of 59% above the Company's previously reported EPRA net asset value per share.

### Annual Strategy Review

In September 2014, the Company undertook its annual strategy review examining the economic, geopolitical, societal and environmental risks affecting the business. This review reaffirmed the Company's principal objective of combining investment and development activity to ensure maximum shareholder returns whilst managing risks appropriately. The development pipeline is larger than competitors/peers with the use of deal structures with joint venture parties and third party finance in order to secure superior returns at the same time as mitigating risk. The investment portfolio has two main purposes, to provide an income stream to cover overheads, finance costs and dividends and to produce above average growth over the economic cycle.

### Board Composition and Evaluation

In order that we may implement our strategy successfully the Board annually evaluates its own performance and that of its committees and directors. As Helical is currently a FTSE Small Cap company the Code does not require the Company to undertake this evaluation process externally. This evaluation concluded that the Board and its committees continue to operate effectively.

In February 2015 Andrew Gulliford stepped down as Chairman and member of the Remuneration Committee and as member of the Audit and Remuneration Committee. He was replaced as Chairman of the Remuneration Committee by Michael O'Donnell, who has been on the board and a member of that Committee since 2011. Andrew Gulliford remains on the board as a non-executive director and continues to advise the Board on property matters. Also in February 2015 Jack Pitman, an executive director since 2007, stepped down from the Board and left the Company on 31 March 2015. We thank him for his significant contribution to the Company over the last 14 years. He played an important part in the growth of the investment portfolio and in our retirement village business and we wish him every success in his new venture.

### Investor Relations

We have an extensive programme of meetings and presentations with shareholders throughout the year with the majority of these taking place in the periods following our annual and half year results. In addition, we took part in an investor conference in January 2015 where we met with a number of financial institutions. The Chief Executive, Michael Slade, and the Finance Director, Tim Murphy, attend the majority of meetings with an investment director, Duncan Walker, and a development director, Gerald Kaye or Matthew Bonning-Snook, also attending. The Senior Independent Director, Richard Gillingwater, is available to meet shareholders and attended one investor meeting during the year. I am also available to meet shareholders if they wish to raise any matters with me.

The following pages describe in greater detail our governance structure and the work of the Board and its Committees.

**Nigel McNair Scott**  
Chairman

12 June 2015



## GOVERNANCE

# Governance structure

BOARD OF DIRECTORS			
<b>EXECUTIVE COMMITTEE</b> Michael Slade - Chairman Tim Murphy Gerald Kaye Matthew Bonning-Snook Duncan Walker	<b>NOMINATIONS COMMITTEE</b> Nigel McNair Scott - Chairman Richard Gillingwater Michael O'Donnell Richard Grant	<b>AUDIT COMMITTEE</b> Richard Grant - Chairman Michael O'Donnell Richard Gillingwater	<b>REMUNERATION COMMITTEE</b> Michael O'Donnell - Chairman Richard Gillingwater Richard Grant

The Board of Helical is collectively responsible for providing the leadership of the Company within a framework of controls and reporting structures which assist in pursuing its strategic aims and business objectives. It comprises the Chairman, the Chief Executive, four non-executive directors and four executive directors. The Board delegates operational responsibilities to an Executive Committee and governance responsibilities to Nominations, Audit and Remuneration Committees whilst retaining overall responsibility for the running of the Company.

## LEADERSHIP

The Chairman is Nigel McNair Scott. The Chief Executive is Michael Slade and the four executive directors are Tim Murphy (Finance Director), Gerald Kaye, Matthew Bonning-Snook and Duncan Walker. The non-executive directors are Richard Gillingwater (Senior Independent Director), Richard Grant, Andrew Gulliford and Michael O'Donnell. All the directors will be offering themselves for re-appointment at the 2015 AGM.

Biographies of all directors and details of their shareholdings in the Company are on pages 52 and 53.

## Roles of Chairman and Chief Executive

The Chairman and the Chief Executive are responsible for the leadership of the Company. The Chairman's primary responsibility is for leading the Board and ensuring its effectiveness, whilst the Chief Executive is responsible for running the Company's business. The division of responsibilities is clearly established at Helical, is set out in writing and is approved by the Board.

## Board responsibilities

The main purpose of the Board is to create and deliver the long term success of the Group and returns for its shareholders. The Board is collectively responsible for providing the entrepreneurial leadership of the Group within a framework of controls and reporting structures which assist the Group in pursuing its strategic aims and business objectives. The Board sets the Group's strategic aims, ensures that the necessary financial and human resources are in place for the Group to meet its objectives and also reviews management performance. The Board sets the Group's values and standards and ensures that the Group's obligations to its shareholders and others are understood and met.

All directors take decisions objectively in the interests of the Group. As part of their roles as members of the Board, non-executive directors constructively challenge and help develop proposals on strategy and the risk appetite of the Group. Non-executive directors scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of the executive directors and have a prime role in appointing and, where necessary, removing executive directors. In conjunction with the Nominations Committee, the Board considers succession planning of Board members and senior management. In addition to Boardroom discussions, the Chairman maintains contact with other non-executive directors by telephone and at least annually, will hold meetings with the non-executive directors without the executive directors present. Richard Gillingwater (Senior Independent Director) holds meetings of the independent non-executive directors separately from the rest of the Board at least once a year to ensure that any issues may be discussed without the presence of a non-independent director.

The Board has a schedule of matters specifically reserved to it for decision. The Board controls the business but delegates day-to-day responsibility to the executive management. An Executive Committee, comprising all the executive directors, meets regularly to discuss the development of strategy, to review and implement proposed transactions, to review policies and procedures (including health and safety), to monitor budget and financial performance and to assess risk. The full Board reviews all minutes of proceedings at Executive Committee meetings and receives reports from the Executive Committee Chairman (Michael Slade) at every Board meeting.

However, there are a number of matters which are required to be or, in the interests of the Group, should only be, decided by the Board as a whole. A summary of the schedule of matters reserved for the Board is set out below:

- **Strategy and management** - responsibility for the overall management of the Group; approval of the Group's long-term strategic aims and objectives; approval of annual operating and capital expenditure budgets; oversight of the Group's operations and review of performance; extension of the Group's activities into new business areas; approval of major capital projects and projects outside the normal course of business; any decision to cease to operate all or any material part of the Group's business.
- **Structure and capital** - changes to the Group's capital structure; major changes to the Group's corporate structure; changes to the Group's management and control structure; changes to the Group's listing or plc status.
- **Financial reporting and controls** - approval of half yearly report, approval of interim and final results announcements; approval of annual report and accounts, including the directors' report, corporate governance statement and the directors' remuneration report; approval of dividend policy; approval of significant changes in accounting policies or practices; approval of treasury policies; approval of material unbudgeted capital or operating expenditures.
- **Internal controls** - ensuring maintenance of a sound system of control and risk management.
- **Contracts** - approval of major capital projects; approval of contracts above limits of authority delegated by the Board.
- **Communication** - approval of resolutions and corresponding documentation to be put to shareholders in general meeting; approval of all circulars and listing particulars.
- **Board membership and other appointments to senior management** - appointment and removal of the Company Secretary; membership of Board committees following recommendations from the Nominations Committee.
- **Corporate governance matters** - including directors' performance evaluations and review of the Company's corporate governance arrangements.
- **Remuneration** - determine the remuneration policy for the Chairman, executive directors, Company Secretary and other senior executives following recommendation from the Remuneration Committee; determine the remuneration of the non-executive directors subject to the Articles of Association and shareholder approval as appropriate.
- **Approval of policies** - including anti-bribery policy; whistleblowing procedures; equal opportunities policy; diversity policy; share dealing code; health and safety policy; environmental and corporate social responsibility policy; charitable donations policy.

## GOVERNANCE

## Board of Directors

**Chairman****Nigel McNair Scott**

Nigel McNair Scott, MA FCA FCT, joined the Board as a non-executive director in 1985 and was subsequently appointed Finance Director in 1987. He was appointed Chairman of the Company after the 2012 AGM. He is Chairman of Reaction Engines Limited, a former Chairman of Avocet Mining plc and a former director of Johnson Matthey plc and Govett Strategic Investment Trust. Nigel is Chairman of the Nominations Committee.

**Chief Executive****Michael Slade**

Michael Slade, BSc (Est Man) FRICS FSVA, joined the Board as an executive director in 1984 and was appointed Chief Executive in 1986. He is President of Land Aid, the property industry charity, a Fellow of the College of Estate Management, Fellow of Wellington College, a trustee of Purley Park charity and Sherborne School Foundation and Vice Admiral of the Marie Rose Trust.

**Senior Independent Director****Richard Gillingwater**

Richard Gillingwater, CBE, is the non-executive Chairman of Henderson Group plc and Deputy Chairman and Chairman elect of SSE plc. He was, until 2013, Dean of Cass Business School. Prior to this he was Chief Executive and later Chairman of the Shareholder Executive, after a career in investment banking at Kleinwort Benson and then at BZW/Credit Suisse First Boston. He has also been a non-executive director of P&O, Debenhams, Tomkins, Qinetiq Group, Kidde Hiscox and Morrisons. Richard is the Senior Independent Director of Helical and is a member of the Nominations, Audit and Remuneration Committees.

**Chairman of Audit Committee****Richard Grant**

Richard Grant, BA (Oxon), ACA is the Finance Director at Cadogan Estates Limited and former corporate finance partner at PricewaterhouseCoopers, whom he joined in 1975. Richard is the Chairman of the Audit Committee and a member of the Nominations and Remuneration Committees.

**Chairman of Remuneration Committee****Michael O'Donnell**

Michael O'Donnell was appointed to the Board in June 2011. He is a former Managing Director of LGV Capital, a private equity firm. Through his company, Ebbside Partners, he acts as a consultant to, and investor in, private companies. He is Chairman of Amore, the elderly care business of the Priory Group and is a non-executive director of Park Resorts, a caravan park operator. Michael is Chairman of the Remuneration Committee and a member of the Nominations and Audit Committees.

**Non-Executive Director****Andrew Gulliford**

Andrew Gulliford, BSc (Est.Man), FRICS, was appointed to the Board as a non-executive director in 2006. A former Deputy Senior Partner of Cushman & Wakefield Healey & Baker (now Cushman & Wakefield LLP), he is a non-executive director of F&C UK Real Estate Investments Limited and various other companies.





### Finance Director Tim Murphy

Tim Murphy, BA (Hons) FCA, joined the Group in 1994 and became Finance Director of the Company in 2012. Prior to joining Helical, he worked for accountants Grant Thornton and KPMG. He has responsibility for financial strategy and reporting, treasury and taxation.



### Director Gerald Kaye

Gerald Kaye, BSc (Est Man) FRICS, was appointed to the Board as an executive director in 1994 and is jointly responsible for the Group's development activities. He is a past President of the British Council for Offices and is a trustee of The Prince's Regeneration Trust. He is a former director of London & Edinburgh Trust Plc and former Chief Executive of SPP, LET, EUROPE NV.



### Director Matthew Bonning-Snook

Matthew Bonning-Snook, BSc (Urb Est Surveying) MRICS, was appointed to the Board as an executive director in 2007. Prior to joining Helical in 1995 he was a Development Agent and Consultant at Richard Ellis (now CBRE). He is jointly responsible for the Group's development activities.



### Director Duncan Walker

Duncan Walker, MA (Hons) (Oxon), PG Dip Surveying, joined the Group in 2007 and was appointed to the Board as an executive director in 2011. Prior to joining Helical, Duncan led Edinburgh House Estate's investment team. He is responsible for the Group's investment portfolio.

	LEGALLY OWNED 31.3.14	LEGALLY OWNED 31.3.15	DEFERRED SHARES	ALL-EMPLOYEE RESTRICTED	ALL-EMPLOYEE UNRESTRICTED	TOTAL 31.3.15	PSP AWARDS UNVESTED
<b>EXECUTIVE DIRECTORS</b>							
MICHAEL SLADE	12,849,738	12,648,820	-	18,887	21,004	12,688,711	1,951,101
TIM MURPHY	95,520	152,257	6,731	18,773	1,004	172,034	918,866
GERALD KAYE	1,252,871	1,046,753	209,039	18,882	20,967	1,086,602	1,487,080
MATTHEW BONNING - SNOOK	162,929	118,034	202,222	18,841	20,593	157,468	1,231,865
DUNCAN WALKER	-	67,145	111,827	17,157	5,287	89,589	1,022,159
<b>NON-EXECUTIVE DIRECTORS</b>							
NIGEL MCNAIR SCOTT	2,722,556	2,620,941	-	-	-	2,620,941	420,895
ANDREW GULLIFORD	14,328	14,328	-	-	-	14,328	-
RICHARD GILLINGWATER	11,500	11,500	-	-	-	11,500	-
RICHARD GRANT	15,000	15,000	-	-	-	15,000	-
MICHAEL O'DONNELL	62,000	62,000	-	-	-	62,000	-

The information in this table is subject to audit.

## GOVERNANCE

# Governance review

At Helical we believe that robust corporate governance is of fundamental importance in delivering for shareholders the long-term success of the Company through the effective, entrepreneurial and prudent management of the Company. The Board of Helical is collectively responsible for providing the leadership of the Company within a framework of controls and reporting structures which assist in pursuing its strategic aims and business objectives.

## The UK Corporate Governance Code (the "Code")

The Board is accountable to the Group's shareholders for good corporate governance and we believe in applying the highest principles of corporate governance. Except in relation to the appointment of Nigel McNair Scott, who was formerly the Group's Finance Director before his appointment as Chairman of the company in 2012, and the posting of the Notice of Meeting and related papers for the 2014 AGM, we have complied throughout the year with the principles as set out in the section of the Code headed "The Main Principles of the Code". The Group also takes into account the corporate governance guidelines of institutional shareholders and their representative bodies.

## Composition of the Board

The Code requires a Board to have an appropriate balance of skills, experience, independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively. Helical operates with a strong management team of senior decision makers backed up by a finance team and other support staff. The Group is keen to promote exceptional talent to Board level at the earliest opportunity to expose such individuals to the broader issues facing the business, encourage their long term commitment to the Group and to provide for future succession. It is for these reasons that Helical's Board includes five executive directors, which is more than those of other comparable listed real estate companies.

Provision B.1.2 of the Code notes that companies such as Helical, which are below the FTSE350, are required to have at least two independent non-executive directors. The Board has determined that in Helical's case a total of four non-executive directors, of which three are independent, is appropriate to balance the current executive team, to provide the experience and advice that the executive team seeks and to ensure the interests of shareholders and other stakeholders are adequately protected. The current independent non-executive directors are Richard Gillingwater, Richard Grant and Michael O'Donnell. With effect from 1 March 2015, Andrew Gulliford was no longer considered independent under the Code, having been a director for nine years.

In the Board's view, the composition of the Board has an appropriate balance of skills, experience, independence and knowledge of the Company as required by the Code.

## Annual evaluation of the Board and its Committees

The annual evaluation process, led by the Senior Independent Director, involves each director submitting an appraisal in respect of the performance of the main Board, its committees and directors, including the Chairman. Since the Company is outside the FTSE350 and as permitted by the Code, it does not currently make use of an external evaluation process.

During the year the Board undertook a formal evaluation of its own performance and that of its committees and the Senior Independent Director reported the results of that evaluation process to the Board. The process covered criteria including real estate matters, Board composition and Board and Committee processes. There were no significant areas of concern raised by the Directors and any points raised have been dealt with appropriately.

## Directors - information and professional development

The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties and its directors are free to seek any further information they consider necessary. The directors have access to the services of a Company Secretary who is responsible for advising the Board on all governance matters and ensuring compliance with Board procedures and applicable laws and regulations. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and non-executive directors, as well as facilitating induction of new directors and assisting with professional development as required. The Board ensures that directors have access to independent professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as directors. Training is available for all directors as necessary.

## Nominations Committee

The report of the Nominations Committee, which describes the work of the Committee, is on page 56.

## ACCOUNTABILITY

### Audit Committee

The Audit Committee Chairman is Richard Grant, who is the Finance Director of Cadogan Estates Limited and a former partner of PricewaterhouseCoopers. As a result, the Board considers that he has recent and relevant financial experience. The report of the Chairman of the Audit Committee describing the issues considered by the Committee in the year under review is on pages 56 to 57.

## Risk management and internal controls

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. Such a system is designed to manage, but cannot eliminate, the risk of failure to achieve business objectives. There are inherent limitations in any control system and, accordingly, even the most effective system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The key features of the Group's system of internal control are as follows:

- Clearly defined organisational responsibilities and limits of authority. The day-to-day involvement of the executive directors in the running of the business ensures that these responsibilities and limits are adhered to.
- Financial controls and review procedures.
- Financial information systems including cash flow, profit and capital expenditure forecasts. The Board receives regular and comprehensive reports on the day-to-day running of the business.
- An Audit Committee which meets with the auditors and deals with any significant internal control matters. In the year under review the Audit Committee met with the Auditors on two occasions.
- The Board is responsible for the management of the Group's risk profile which is reviewed by the Audit Committee during the year. An analysis of the Group's principal risks can be found on pages 40 to 42.

## Internal audit

The Board reviewed its position during the year to 31 March 2015 and reaffirmed its stance that in view of the relatively small size of the Group it does not consider that an internal audit function would provide any significant additional assistance in maintaining a system of internal controls.



## Going concern

The directors have reviewed the current and projected financial position of the Group making reasonable assumptions about future trading performance.

The key areas of sensitivity are:

- Timing and value of property sales.
- Availability of loan finance and related cash flows.
- Future property valuations and their impact on covenants and potential loan repayments.
- Committed future expenditure.
- Future rental income and bad debts.
- Payment timings and the value of trade receivables.

The forecast cash flows have been sensitised to reflect those cash inflows which are less certain and to take account of a potential deterioration of property valuations. From their review, the directors believe that the Group has adequate resources to continue to be operational as a going concern for the foreseeable future.

## Attendance at Board and Committee meetings during the year

Six scheduled meetings of the Board were held during the year ended 31 March 2015. In addition, several unscheduled meetings were arranged to discuss particular transactions and events. On occasions, directors who are not members of the Committees attend at the invitation of the Committee Chairman. The attendance record of the directors at the scheduled meetings and at meetings of the Board's committees is shown in the table below:

	FULL BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATIONS COMMITTEE
NUMBER OF MEETINGS HELD DURING THE YEAR UNDER REVIEW	6	5	7	2
<b>CHAIRMAN</b>				
NIGEL MCNAIR SCOTT	6	-	-	2
<b>EXECUTIVE DIRECTORS</b>				
MICHAEL SLADE	6	-	-	-
TIM MURPHY	6	-	-	-
GERALD KAYE	6	-	-	-
MATTHEW BONNING - SNOOK	6	-	-	-
DUNCAN WALKER	6	-	-	-
<b>NON-EXECUTIVE DIRECTORS</b>				
RICHARD GILLINGWATER	6	4*	6*	1*
ANDREW GULLIFORD	6	5	7	2
MICHAEL O'DONNELL	6	5	7	2
RICHARD GRANT	6	5	7	2
<b>FORMER DIRECTOR</b>				
JACK PITMAN	5	-	-	-

\* Richard Gillingwater was absent from these meetings due to an operation which had to be performed at short notice.

## REMUNERATION

This information is contained in the Directors' Remuneration Report on pages 58 to 71.

## RELATIONS WITH SHAREHOLDERS

### Notice of Annual General Meeting

The Code recommends that the Notice of AGM and related papers be sent to shareholders at least 20 working days before the meeting. For the 2014 AGM the Notice and related papers were sent out 18 working days before the AGM.

### Engagement with shareholders

The directors value the views of the Company's shareholders and recognise their interest in the Group's strategy and performance, Board membership and quality of management. They hold regular meetings with, and give presentations to, the Company's institutional shareholders to discuss the Group's results and objectives. The directors regularly meet, with the help of the Company's brokers, institutions that do not currently hold shares in the Group to inform them of the Company's objectives. Michael Slade, as Chief Executive, attends most of these meetings and is usually accompanied by one of the other executive directors.

During the year under review, Andrew Gulliford, then Chairman of the Remuneration Committee, engaged with principal shareholders (holding more than 3% of the Company's shares) and shareholder representative bodies to seek their approval for the renewal of the Company's Long Term Incentive Plan, which was approved by shareholders at the 2014 AGM.

The Senior Independent Director, Richard Gillingwater, was available to meet with shareholders throughout the year under review and will hold meetings with shareholders whenever requested in order to ensure sufficient understanding of any issues and concerns they may have.

The AGM is used to communicate with investors and they are encouraged to participate. The Chairman, Senior Independent Director and members of the Audit, Remuneration and Nominations Committees will attend the AGM and will be available to answer questions. Separate resolutions are proposed on each issue in order that they can be given proper consideration and there is a separate resolution to consider the annual report and accounts. All proxy votes are counted and the level of proxies lodged on each resolution will be indicated after it has been dealt with by a show of hands.

The directors receive regular reports from sector analysts and investor relations advisors on how the Group is viewed by its shareholders. The Group communicates with all shareholders through the issue of regular press releases and through its website at [www.helical.co.uk](http://www.helical.co.uk).

PRINCIPAL INVESTOR RELATION ACTIVITIES	
MAY 2014	Annual results announcement and presentation for 2013/14
JUNE 2014	Investor Roadshow presentation London
JULY 2014	Q1 Interim Management Statement Annual General Meeting
NOVEMBER 2014	Half year results announcement and presentation
DECEMBER 2014	Investor roadshow presentation, London and Netherlands
JANUARY 2015	JPMC Investor Conference
FEBRUARY 2015	Q3 Interim Management Statement

By order of the Board

**James Moss ACA**  
Company Secretary

12 June 2015

## GOVERNANCE

# Nominations committee report



Dear Shareholder,

In accordance with the UK Corporate Governance Code, the role of the Nominations Committee, and my primary responsibility as its Chairman, is to ensure that the Company is headed by an effective Board which is collectively responsible for the long-term success of the Company. This is best achieved through the provision of entrepreneurial leadership and a talented executive team, supported by committees with an appropriate balance of skills, experience, independence and knowledge of the Company to be able to constructively challenge and assist the executive team in achieving its objectives. Alongside me, the Committee comprises Richard Gillingwater, Richard Grant and Michael O'Donnell.

## Board appointments

Appointments to the Board and its Committees are made against objective criteria. Care is taken to ensure that appointees have enough time available to devote to the job. The Nominations Committee controls the process for Board appointments and makes recommendations to the Board. The Board is mindful of the Group's diversity policy and the Committee will give full consideration to diversity, including gender diversity, when recommending to the Board any future Board appointments. All Board appointments will be based on experience and will be made on merit.

## The work of the Nominations Committee in the year

The Committee met twice during the year. A record of attendance at all Board and Committee meetings is shown on page 55.

The Committee reviewed the following matters during the year:

- Structure, size and composition of the Board;
- Membership of the Board committees;
- Performance Evaluation of the Board and its committees; and
- Succession planning

The terms of reference of the Nominations Committee, which were reviewed during the year, are available on request and are included on the Group's website at [www.helical.co.uk](http://www.helical.co.uk).

## Directors' re-election

The Board believes that the requirements of Code Provision B.7.1 of the UK Corporate Governance Code should be fulfilled. This provision requires all directors of FTSE350 companies to be subject to annual re-election by shareholders. Whilst the Company is not in the FTSE350, the Board has chosen to comply with this provision as it accepts that shareholders should annually have the right to vote on each director's re-election to the Board.

At the Annual General Meeting to be held on 24 July 2015, the following resolutions relating to the appointment of directors are being proposed:

- The re-election of Nigel McNair Scott as non-executive Chairman;
- The re-election, as executive directors, of Michael Slade, Tim Murphy, Gerald Kaye, Matthew Bonning-Snook and Duncan Walker; and
- The re-election, as non-executive directors, of Richard Gillingwater, Richard Grant, Andrew Gulliford and Michael O'Donnell.

The Nominations Committee confirms to shareholders that, following the annual formal performance evaluation and taking into account their qualifications and experience, these directors continue to be effective and demonstrate commitment to their roles. Biographical details of the directors are given on pages 52 to 53.

I trust that shareholders will support the Committee and vote in favour of these resolutions.

**Nigel McNair Scott**

Chairman of the Nominations Committee

12 June 2015

## GOVERNANCE

# Audit committee report



Dear Shareholder,

I chair the Audit Committee and the other members are Richard Gillingwater and Michael O'Donnell. Further details of these directors may be found on pages 52 to 53. None of the Committee members have any personal or financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-directorships, or any day-to-day involvement in running the business.

The Committee endorses the principles set out in the FRC Guidance on Audit Committees. The Board has formal and transparent arrangements for considering how it applies the Group's financial reporting and internal control principles and for maintaining an appropriate relationship with its auditors. Whilst all directors have a duty to act in the interests of the Group the Committee has a particular role, acting independently from the executive directors, to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control. Appointments to the Committee are made by the Board on the recommendation of the Nominations Committee in consultation with the Audit Committee Chairman.

The terms of reference of the Audit Committee, which were reviewed during the year, are available on request and are included on the Company's website at [www.helical.co.uk](http://www.helical.co.uk).

## The work of the audit committee in the year

The Committee met five times during the year and a record of attendance at these meetings is shown on page 55. It is common practice at Helical for Audit Committee meetings to be attended by all Board members who are available, whether or not they are members of the Committee so that their contribution to the matters discussed may be obtained.

In conjunction with the Board, the Audit Committee reviewed the following matters during the year:

- Review of risk and internal controls;
- Recommendations to the Board for the payment of dividends;
- The financial statements of the Group and the announcement of the annual results to 31 March 2014 and the interim statement on the half year results to 30 September 2014;
- The re-appointment of the Group's external auditor; and
- The external auditors' independence and the provision of non-audit services by the external auditor.

The Audit Committee met the external auditor on two occasions to discuss matters arising from the annual and interim audits.

Other matters formally reviewed and discussed by the Committee during the year included:

- Review of various company policies including those relating to anti-bribery, share dealing and whistleblowing;
- Review of the group's need for an internal audit function and issues related to IT risk and business continuity planning; and
- Review of the annual bonus scheme calculations to ensure they are in accordance with the scheme rules and that any judgements are appropriate.



In discharging its responsibilities in connection with the preparation of the financial statements for the year to 31 March 2015, the Committee is responsible for reviewing the appropriateness of the Group's accounting policies, assumptions, judgements and estimates as applied by the executive management to the financial statements. During this review the following matters were considered:

- **Internal controls**

The Committee annually reviews the need for an internal audit function and recently reaffirmed its stance that in view of the close involvement of the executive directors in the running of the business and the relatively small size of the Group, it does not consider an internal audit function would provide any additional assistance in maintaining a system of internal control. However, periodically, the Committee asks the Group's auditors to review its internal controls and their most recent report was presented to the Committee in April 2015. Grant Thornton's 'Report on the Design and Operating Effectiveness of Internal Controls of Helical Bar plc' provided a review of the Group's control environment and internal controls. This report did not highlight any material weaknesses in the design and effectiveness of the Group's systems and controls. Its key recommendations will be reviewed and, where appropriate, additional controls will be introduced during the year.

- **Valuation**

The valuation of the Group's investment and trading and development portfolio is the key area of judgement in preparing the annual and half yearly financial statements and reports. For this reason the fair value of the Group's investment portfolio is determined by independent third party experts familiar with the markets in which the Group operates and suitably professionally qualified to enable them to provide appropriate valuations of the portfolio.

The Group's trading and development stock is accounted for in a different way to investment properties, being carried in the financial statements at the lower of cost and net realisable value. Accordingly, the Committee reviews the assumptions made in considering whether an asset should be written down to its net realisable value, if lower than cost. In addition, the Committee reviews those instances where stock is considered to have a fair value above its current book value. The surplus of fair value above book value is not included in the Group's balance sheet nor is any movement reflected in the income statement. However, in accordance with the best practice recommendations of the European Public Real Estate Association, the surplus is included in the calculation of the EPRA net asset value per share at each balance sheet date. The fair value calculation of the trading and development stock is reviewed by an independent third party valuer and by Andrew Gulliford, FRICS, a non-executive director.

- **Directors' Remuneration**

The Group operates two bonus schemes and two performance share plans, as explained in the Directors' Remuneration Report on pages 58 to 71. The determination of the bonuses to be paid and the awards to be made involve judgement and are required to be calculated in accordance with the scheme rules, as approved by shareholders.

Accordingly, the Committee is presented with the calculations to confirm that they have been made in accordance with the scheme rules and that any judgements involved in these calculations are appropriate.

- **Revenue Recognition**

Where the Group enters into complex material transactions, judgement must be applied in determining when revenue should be recognised. Technical papers are presented to the Committee on each issue and the Committee also requests that the Group's external auditors provide commentary.

The Committee assesses the appropriateness of the proposed revenue recognition for each transaction and any issues requiring significant judgement are discussed between the external auditor and Richard Grant, Chair of the Audit Committee, independently from the Executive Board.

### Effectiveness of the external auditor

During the year, the Audit Committee reviewed Grant Thornton UK LLP's fees, effectiveness and whether the agreed audit plan had been fulfilled and the reasons for any variation from the plan. The Audit Committee also considered its robustness and the degree to which Grant Thornton UK LLP was able to assess key accounting and audit judgements and the content of the management report issued by the external auditor. This was performed through meeting with the external auditor and discussing the issues they had addressed. The Audit Committee concluded that both the audit and the audit process were effective.

### Audit independence

The Audit Committee considers the external auditor to be independent and has satisfied itself of the effectiveness of the external auditor. The Audit Committee has noted the rules on mandatory audit firm rotation contained in the EU Audit Regulation and the requirements under the UK Corporate Governance Code. Helical is currently below the threshold for inclusion in the FTSE 350 and, accordingly, there is no requirement for it to consider the rotation of its auditor. Grant Thornton UK LLP has been the auditor of the Group for greater than ten years and there has been no audit tender during this time. However, the Committee will continue to monitor the effectiveness of the external auditor and will act in accordance with the EU regulations and the Code as appropriate.

The Group's policy on awarding non-audit work to its auditor is designed to ensure that the Group receives the most appropriate advice without compromising the independence of the auditor. A policy of reviewing audit independence has been adopted whereby non-audit services undertaken by the auditor are approved prior to work being carried out. Fees for non-audit work cannot exceed £20,000 without the appointment being approved by the Audit Committee. In the year to 31 March 2015, no fees were paid to the auditors for non-audit work.

### Annual General Meeting

At the Annual General Meeting to be held on 24 July 2015 the following resolutions relating to the auditor are being proposed:

- The re-appointment of Grant Thornton UK LLP as Independent Auditor; and
- To authorise the Directors to set the remuneration of the Independent Auditor.

I hope that shareholders will support the Committee and vote in favour of these resolutions.

#### Richard Grant

Chairman of the Audit Committee

12 June 2015

## GOVERNANCE

# Directors' remuneration report

## Annual statement



Dear Shareholder

I am pleased to present the Remuneration Committee's Report on directors' remuneration for the year to 31 March 2015. This report has been approved by the Board of Helical Bar plc.

The main duty of the Remuneration Committee ("Committee") is to determine and agree with the Board, the framework or broad policy for the remuneration of the Chairman and the executive directors and, subject to proposals being submitted by the Chief Executive, recommend and monitor the level and structure of remuneration for such other members of the executive management who report directly to the Chief Executive. The remuneration of non-executive directors shall be a matter for the Chairman and Executive members of the Board.

This Directors' Remuneration Report has been prepared in accordance with the Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations issued by the Department for Business, Innovation and Skills in 2013. In particular, the report has been divided into the following two sections:

- Remuneration Policy Report, which sets out the Group's policy on the remuneration of executive and non-executive directors; and
- Annual Report on Remuneration, which discloses how the remuneration policy has been implemented in the year ended 31 March 2015 and how the policy will be operated in the year ending 31 March 2016.

The Committee is not proposing any changes to the Group's remuneration policy and will not, therefore, be seeking a renewal of shareholders' approval of the Directors' Remuneration Policy at the forthcoming AGM on 24th July 2015. However, an advisory vote on the Annual Statement and the Annual Report on Remuneration will be tabled at the 2015 AGM.

### Remuneration issues dealt with during the year

The Committee considered a number of matters during the financial year under review and the following decisions were taken:

- Basic salaries of executive directors were reviewed in July 2014 and inflationary increases of 2% were awarded with effect from 1 July 2014 to Michael Slade, Tim Murphy, Gerald Kaye and Jack Pitman. As disclosed in last year's Directors' Remuneration Report; (i) Matthew Bonning-Snook's basic salary was last increased on 1 January 2014, and, consequently, no further increase was awarded in July 2014; and (ii) Duncan Walker's basic salary was increased by 16% from 1 July 2014 to reflect his significantly increased contribution to the business and to bring his remuneration more in alignment with his fellow directors;
- The fees payable to the non-executive directors were reviewed and inflationary increases of 2% were awarded with effect from 1 July 2014;
- The Committee reviewed the awards made in accordance with the terms of the Performance Share Plan 2004 ("2004 PSP") in 2011 and considered the performance of the Company during the three year performance period to 31 March 2014. The performance conditions required for vesting of the shares were partially met and 62.56% of shares vested;
- The Committee determined annual bonus awards for the year to 31 March 2014 in accordance with the rules of the Helical Bar Annual Bonus Scheme 2012 and the Executive Bonus Plan 2011;
- The Committee recommended that the Company's Employee Share Ownership Plan Trust ("ESOP") acquire a further 3,790,000 shares in the Company to enable it to satisfy the anticipated vesting of share awards in 2015 and future years;
- The Committee approved the terms of the Performance Share Plan 2014 ("2014 PSP") and 94.4% of shareholders voted to approve the Plan at the 2014 AGM;
- The Committee resolved in July 2014 to make an award of shares under the terms of the 2014 PSP; and,
- The Committee determined the leaving arrangements for Jack Pitman.

The implementation of these decisions is detailed in this report, together with additional information on the fixed and variable remuneration paid and payable to the directors of the Group.

### Performance and reward during 2014

As noted in the Strategic Report on pages 1 to 48, the Group has delivered an increase in EPRA net assets per share of 23.0% (2014: 18.6%) and a total portfolio return, as reported by IPD, of 20.4% (2014: 23.8%). Pre-tax profits of the Group, before performance related awards, were £104m (2014: £120m).

Subsequent to the year end, and in accordance with the rules of the Helical Bar Annual Bonus Scheme 2012 and the Executive Bonus Plan 2011, cash and deferred shares have been approved for inclusion in the financial statements for the year to 31 March 2015. Details of the bonuses payable are disclosed in the Annual Report on Remuneration below.

Awards made under the 2004 PSP in 2012 were subject to two performance conditions over the three years to 31 March 2015. Two thirds of the awards were based on absolute net asset value performance with a vesting threshold of 7.5% p.a. (24% over three years) growth and maximum vesting at 15.0% p.a. (52% over three years) growth. The remaining third of the awards were based on a comparison of the Group's portfolio return to the IPD Total Return index with a vesting threshold of the median of the index and full vesting at the upper quartile of the index. The performance criteria were measured at the end of the three year period and 100% of the awards are expected to vest.

The Committee believes that the provision for annual cash and deferred shares bonuses and the expected 2004 PSP vesting in respect of the performance periods ending 31 March 2015 accurately and fairly represents the reward determined by the Group's remuneration schemes based on the performance of the Group over the respective performance periods.

### Remuneration policy for 2015/16

The Remuneration Committee of Helical Bar plc is committed to ensuring that its remuneration policy remains aligned to the interests of shareholders, incentivising management to increase total returns and growing net asset value per share whilst ensuring that an appropriate balance is maintained between the targets set for management and the risk profile of the Group.

The Committee believes that it has struck the right balance between fixed annual remuneration and an incentive structure with challenging targets which seeks to reward outperformance with a mixture of cash-based annual bonus payments and longer term share awards.

Reviewing the current remuneration the Committee has determined that the basic salaries of the executive directors, should be increased from 1 July 2015 by 2% (2014: 2%), which is below the average 8% (2014: 6%) awarded to all other employees of the Group.

### Annual General Meeting

At the Annual General Meeting to be held on 24 July 2015 the following resolution relating to remuneration is being proposed:

- The approval of the Annual Statement and Annual Report on Remuneration for the year ended 31 March 2015.

I trust that shareholders will support the Committee and vote in favour of this resolution.

**Michael O'Donnell**

Chairman of the Remuneration Committee

12 June 2015



## GOVERNANCE

# Remuneration policy report

The Report of the Remuneration Committee has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Act"). The Remuneration Policy Report noted below was approved by shareholders at the Annual General Meeting held on 25 July 2014 and has an effective date from that point and for a period of three years. The Company's remuneration policy follows the principles and guidelines of the Listing Rules and the UK Corporate Governance Code 2012 as they relate to directors' remuneration.

## Remuneration policy report

This section of the Remuneration Report sets out the remuneration policy of the Group. There have been no changes to this policy since 1 April 2014 and the Committee believes that the policy continues to support the Group's strategy and is aligned with shareholders' interests.

## Remuneration policy

Helical's approach to the remuneration of its executive directors is to provide a basic remuneration package below the median level of its peers within the listed real estate sector (the FTSE 350 Super Sector Real Estate Index, excluding storage companies and agencies) combined with an incentive based bonus and share scheme structure aligned with the interests of its shareholders. Remuneration within the real estate sector is monitored and reviewed regularly to ensure that the Group's positioning of its remuneration remains in line with these objectives. In addition to this external view, the Committee also monitors the remuneration levels of senior management below Board level and the remuneration of other employees to ensure that these are taken into account in determining the remuneration of executive directors and considers environmental, social, governance and risk issues.

In determining such policy, the Committee shall take into account all factors which it deems necessary. The objective of the remuneration policy shall be to ensure that executive directors and senior management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group. Within the terms of the agreed policy, the Committee shall determine, for the executive directors:

- the total individual remuneration packages of each executive director including, where appropriate, basic salaries, bonuses, share awards, and other benefits;
- targets for any performance related remuneration schemes; and
- service agreements incorporating termination payments and compensation commitments.

## Operation of performance related remuneration

The Committee operates the two annual bonus schemes and the two PSP schemes (2004 and 2014) in accordance with their respective rules, as approved by shareholders, and the Listing Rules. In seeking shareholder approval to the performance related remuneration schemes the Committee has incorporated a number of shareholder protections and will apply these in the operation of the schemes. In particular, the Committee has:

- applied a profit sharing and net asset value model to ensure cash bonuses vest only on performance and with maximum limits;
- included clawback provisions in the Annual Bonus Scheme 2012 and the 2014 PSP;
- retained absolute discretion with regard to the payment of cash bonuses or the vesting of shares in the determination of good/bad leavers, or change of control or if payment of bonuses is not deemed to be in the interests of shareholders; and
- included enhanced share retention guidelines.

## Directors' remuneration policy table

The table below summarises the directors' remuneration policy:

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION
SALARY	<ul style="list-style-type: none"> <li>- Reflects the value of the individual and their role and responsibilities</li> <li>- Reflects delivery against key personal objectives and development</li> <li>- Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income</li> </ul>	<ul style="list-style-type: none"> <li>- Normally reviewed annually, effective 1 July</li> <li>- Paid in cash on a monthly basis; not pensionable</li> <li>- Takes periodic account against companies with similar characteristics and sector comparators</li> <li>- Targeted between lower quartile and median</li> <li>- Reviewed in context of the salary increases across the Group</li> </ul>
ANNUAL BONUS: CEO AND FINANCE DIRECTOR	<ul style="list-style-type: none"> <li>- Provides focus on delivering net asset value growth above sector benchmark</li> <li>- Rewards and helps retain key executives and is aligned to the Group's risk profile</li> <li>- Maximum bonus only payable for achieving demanding targets</li> </ul>	<ul style="list-style-type: none"> <li>- Payable in cash and deferred shares (until minimum shareholding guidelines met)</li> <li>- Non-pensionable</li> </ul>
ANNUAL BONUS: OTHER EXECUTIVE DIRECTORS	<ul style="list-style-type: none"> <li>- Provides focus on delivering returns from the Group's property portfolio</li> <li>- Aligned with shareholders through a profit sharing model, with appropriate hurdles and shareholder protections</li> <li>- Rewards and helps retain key executives and is aligned to the Group's risk profile</li> <li>- Maximum bonus only payable for achieving demanding targets</li> </ul>	<ul style="list-style-type: none"> <li>- Payable in cash and deferred shares</li> <li>- Non-pensionable</li> </ul>
LONG TERM INCENTIVE AWARDS	<ul style="list-style-type: none"> <li>- Aligned to main strategic objective of delivering long-term value creation</li> <li>- Aligns executive directors' interests with those of shareholders</li> <li>- Rewards and helps retain key executives and is aligned to the Group's risk profile</li> </ul>	<ul style="list-style-type: none"> <li>- Discretionary annual grant of conditional share awards under the 2014 PSP</li> </ul>
OTHER BENEFITS	<ul style="list-style-type: none"> <li>- There is no Group pension scheme and no contributions are paid into the directors' own pension plans</li> <li>- Provide insured benefits to support the individual and their family during periods of ill health, accidents or death</li> <li>- Cars or car allowances to facilitate effective travel</li> </ul>	<ul style="list-style-type: none"> <li>- Benefits provided through third party providers</li> <li>- Insured benefits include: private medical cover, life assurance and permanent health insurance</li> <li>- Other benefits may be provided where appropriate</li> </ul>
SHARE OWNERSHIP GUIDELINES	<ul style="list-style-type: none"> <li>- To provide alignment of interests between executive directors and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>- Executive directors are required to build and maintain a specified shareholding through the retention of the post-tax shares received on the vesting of awards</li> <li>- Participants in the 2004 PSP and 2014 PSP are required to retain shares acquired for at least two years after vesting</li> </ul>
NON-EXECUTIVE DIRECTOR FEES	<ul style="list-style-type: none"> <li>- Reflects time commitments and responsibilities of each role and fees paid by similarly sized companies</li> <li>- The remuneration of the non-executive directors is determined by the Executive Board</li> </ul>	<ul style="list-style-type: none"> <li>- Cash fee paid monthly</li> <li>- Fees are reviewed on an annual basis</li> <li>- Fixed three year contracts with three month notice periods</li> </ul>

In addition to the above, executive directors may also participate in any all-employee share arrangement operated by the Company, up to prevailing HMRC limits. However, employees including directors, who participate in the Group's performance share plans are excluded from the Helical Bar 2010 Approved Share Option Scheme.



MAXIMUM	PERFORMANCE TARGETS
<ul style="list-style-type: none"> <li>- No maximum or maximum salary increase is operated</li> <li>- Salary increases will not normally exceed the average increase awarded to other employees</li> <li>- Increases may be above this level if there is an increase in the scale, scope or responsibility of the role or to allow the basic salary of newly appointed executives to move towards market norms as their experience and contribution increases</li> </ul>	<ul style="list-style-type: none"> <li>- N/A</li> </ul>
<ul style="list-style-type: none"> <li>- £2m p.a. in total, maximum £1.5m p.a. per individual</li> <li>- Dividend equivalent payments (in cash or in shares) may be payable on deferred shares</li> </ul>	<ul style="list-style-type: none"> <li>- Performance normally measured over one year</li> <li>Sliding scale targets based on: <ul style="list-style-type: none"> <li>- The amount by which the increase in the Group's net asset value exceeds an industry benchmark</li> <li>- Subject to achieving minimum relative performance levels</li> <li>- Details of actual targets are set out on pages 66 to 67</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>- 300% of salary p.a. plus additional 300% in year five and year ten</li> <li>- Dividend equivalent payments (in cash or in shares) may be payable on deferred shares</li> </ul>	<ul style="list-style-type: none"> <li>- Performance normally measured over one year</li> <li>Sliding scale targets based on: <ul style="list-style-type: none"> <li>- Profits/losses of the business plus growth in values of the investment, trading and development portfolio after charging for the Group's finance, administration costs and the use of the Group's equity</li> <li>- Clawback provisions apply as set out on page 67</li> <li>- Details of profit sharing arrangements are set out on page 67</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>- 300% of salary p.a. for all executive directors</li> <li>- Dividend equivalent payments (in cash or in shares) may be payable</li> </ul>	<ul style="list-style-type: none"> <li>- Performance normally measured over three years</li> <li>- 10% of an award vests at threshold performance</li> <li>- Performance targets linked to net asset value per share, total property return and total shareholder return</li> <li>- Details of actual targets for the awards to be granted in 2015 are set out on pages 64 and 65</li> <li>- Clawback provisions apply to awards granted under the 2014 PSP</li> </ul>
<ul style="list-style-type: none"> <li>- N/A</li> </ul>	<ul style="list-style-type: none"> <li>- N/A</li> </ul>
<ul style="list-style-type: none"> <li>- N/A</li> </ul>	<ul style="list-style-type: none"> <li>- Aim to hold a shareholding to equal or exceed 200% of basic salary (increasing to 300% on the first vesting of awards granted under the 2014 PSP)</li> </ul>
<ul style="list-style-type: none"> <li>- No maximum or maximum fee increase is operated</li> <li>- Fee increases may be guided by the average increase awarded to Executive Directors and other employees and/or general movements in the market</li> <li>- Increases may be above this level if there is an increase in the scale, scope or responsibility of the role</li> </ul>	<ul style="list-style-type: none"> <li>- N/A</li> </ul>

## Recruitment policy

In considering the structure of the Board, the balance between executive directors and independent non-executive directors and the skills, knowledge and experience required to ensure the Board functions in accordance with the Group's objectives, the Committee will seek to apply the following principles in relation to the remuneration of new directors, whether by internal promotion or external appointment:

ELEMENT	POLICY
SALARY	The salary of newly appointed executive directors would reflect the individual's experience and skills, and be targeted at between lower quartile and median of appropriate sector comparables, taking into account internal comparisons. On initial appointment, salaries would generally be set at a level lower than benchmarked for that role to allow for pay increases to market levels subject to satisfactory progress and contribution.
BENEFITS	Benefits would be as are currently provided and periodically reviewed, being car or car allowance, private medical cover, permanent health insurance and life assurance.
PENSION	There is no Group pension scheme for directors and no contributions are payable to directors' own pension schemes.
ANNUAL BONUS	Annual bonus arrangements would be set in line with existing arrangements as approved by shareholders, with the Committee retaining the right to pro-rata any bonus payable in respect of the year of appointment.
LONG TERM INCENTIVES	Annual awards under the terms of the 2014 PSP will be made in accordance with the terms of that Plan.
SHARE INCENTIVE PLAN	In line with that of existing executive directors.
BUY-OUT AWARDS	Should it be deemed necessary to compensate a new director for loss of bonus or incentives from a previous employer, the Committee may structure the remuneration of such director to buy-out any such bonus or incentives on a like-for-like basis in respect of currency (i.e. cash versus shares), timing and performance targets. Where possible such buy-out will be structured within the Company's existing incentive arrangements but the Committee has the discretion to implement the exemption under rule 9.4.2 of the Listing Rules.
NON-EXECUTIVE DIRECTORS	Newly appointed non-executive directors will be paid fees at a level consistent with existing non-executive directors. Fees would be paid pro-rata in the year of appointment.

## How employee pay is taken into account and how it compares to the remuneration policy of executive directors

All permanent employees of the Company, including executive directors, receive a basic remuneration package including base salary, private medical cover, permanent health insurance, life assurance and membership of the Share Incentive Plan. In addition, directors and senior management are entitled to the use of company cars or the payment of a car allowance. Whilst employees below Board level are not entitled to participate in the Executive Bonus Plan 2011 or Annual Bonus Scheme 2012, discretionary bonuses are paid to employees on an individual basis depending on their performance and contribution. The Performance Share Plan is available to all employees but is primarily utilised to incentivise executive directors and senior management. An Inland Revenue approved Share Option Scheme is available for the Committee to grant options to those who do not receive awards under the Performance Share Plan. Consequently, directors are not granted awards under this scheme. In determining executive remuneration, the Committee considers the overall remuneration of all the Company's employees and, other than in exceptional circumstances, seeks to award increases in salaries at levels below those made to other staff and within its own guidelines. The remaining remuneration is weighted towards performance related awards. The Committee does not consult with its employees when drawing up the Company's remuneration policy.

## Performance Metrics

The performance metrics used in the two annual bonus schemes and the long term incentive plan are aligned with the Company's Key Performance Indicators, discussed on pages 16 to 17.

The Executive Bonus Plan 2011 compares the net asset value per share performance of the Company to an index of property performance as measured by the Investment Property Databank ("IPD"). The intention is to compare the Company's overall financial performance to that of the real estate sector's primary index. The scheme is open to the Chief Executive and the Finance Director.

The Annual Bonus Scheme 2012 is a profit sharing model which takes the results of the Company, including valuation movements on its property portfolio, and, after charging all finance costs, non-performance related administration costs and a charge for the use of the Company's equity, allocates the net results into a profit pool for payment to participants with maximum limits, deferral, clawback and other shareholder protections. The scheme is open to executive directors, other than the Chief Executive and the Finance Director.

Long term incentives, awarded in accordance with the rules of the 2004 PSP are subject to an absolute net asset value growth test and a relative performance metric based on the performance of the Company's property portfolio compared to an IPD index. For the 2014 PSP, these two criteria are joined by a third metric, based on relative Total Shareholder Return.

## Service contracts

The service contract of Michael Slade operates from 1 August 2007, those of Gerald Kaye and Matthew Bonning-Snook from 1 March 2010, that of Duncan Walker from 24 June 2011 and of Tim Murphy from 24 July 2012. No service contract provides for more than a one year notice period. All service contracts can be inspected at the registered offices of the Company.

## Leaver Policy

On termination of employment each director may be entitled to a payment in lieu of notice of basic salary and other contractual entitlements i.e. provision of a car, health and life insurance. The Group may make payments in lieu of notice as one lump sum or in instalments, at its own discretion. If the Group chooses to pay in instalments the director is obliged to seek alternative income over the relevant period and to disclose the amount to the Group. Instalment payments will be reduced by any alternative income.



Awards under the Executive Bonus Plan 2011 may be payable with respect to the period of the financial year served although amounts will be paid at the normal payout date and, normally, pro-rated for the period of the financial year worked. Under the Helical Bar Annual Bonus Scheme 2012, participants shall not normally be entitled to receive any distribution under the scheme following cessation and shall immediately cease to have any interests, benefits, rights and/or entitlements under the scheme howsoever arising on the date of such cessation except where good leaver status applies (i.e. death; injury, disability; redundancy; retirement; sale or transfer of employing company or business outside of the Group or any other reason permitted by the Committee). For good leavers, individuals would cease to accrue future amounts into Bonus Award Pools although would continue to receive deferred share awards and any remaining amounts held in the Bonus Award Pools for a period of three years from cessation.

Any share-based entitlements granted to an executive director under the Company's share plans will be determined based on the relevant plan rules.

For awards granted under the 2004 PSP, awards will normally lapse at cessation except where the good leaver status applies (e.g. death, redundancy, retirement due to injury, disability or retirement otherwise with the Committee's agreement). For good leavers, awards will vest at cessation having regard to the satisfaction of the relevant performance conditions and the time elapsed since the date of the award (rounded up to the nearest whole year).

For awards granted under the 2014 PSP, awards held by good leavers will vest on the normal vesting date subject to performance conditions and time pro-rating, unless the Committee determines that awards should vest at cessation and/or time pro-rating should not apply.

### Non-executive directors

Non-executive directors are appointed by a Letter of Appointment and their remuneration is determined by the Board. Current letters of Appointment, setting out the terms of appointment, operate from 1 April 2015. The appointment of non-executive directors is terminable on three months' notice. Non-executive directors are not eligible to participate in any new awards made under the terms of the Group's bonus or share award schemes. In exceptional circumstances, where an executive director becomes a non-executive director e.g. Nigel McNair Scott became Chairman in 2012, ongoing participation in awards previously made in bonus and share schemes will be subject to the rules of those schemes and will be subject to the discretion of the Committee.

### Share ownership guidelines

Senior executives will not normally be permitted to sell shares received through the 2004 PSP/2014 PSP, other than to meet taxation (and national insurance contributions) liabilities, for at least two years and until they own shares to the value of 200% of basic salary for executive directors and 100% of salary for other executives. This is increased for executive directors to 300% on the first vesting of share awards in respect of the 2014 PSP.

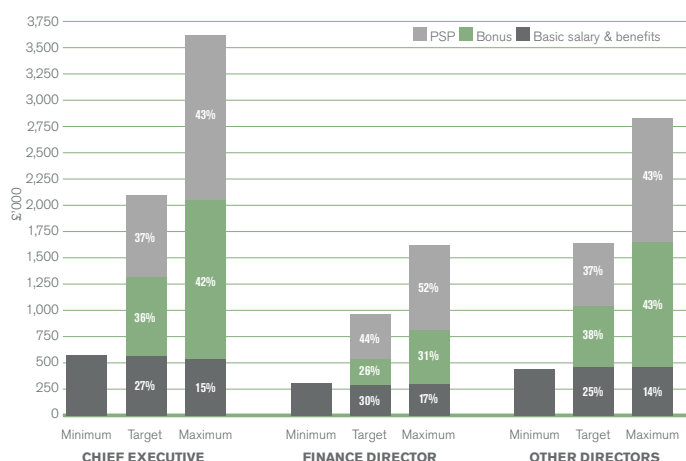
### Alignment with shareholder interests

The Remuneration Committee has analysed the potential gains that may be made by executives (directors and those below Board level) through the 2004 PSP/2014 PSP and other incentive arrangements currently in place. It has concluded that the share of the increase in the value of the Group (measured as the increase in the net asset value, before incentives, plus cash returned as dividends to shareholders) that could accrue to all executives through the Group's long and short-term incentive and bonus plans at the point at which the maximum awards vest over the term of the plans might be of the order of 20%. At this point, in absolute terms, the Group will have increased its triple net asset value by at least 15% per annum with the Group's relative performance placing it in the top quartile of IPD and Total Shareholder Return, over each three year period.

### Reward scenarios

The charts below show how the composition of the executive directors' remuneration packages varies at three performance levels, namely, at minimum (i.e. fixed pay), target (assumed to be 50% of the maximum incentive levels) and maximum levels, under the policy set out in the table overleaf.

#### Value of remuneration packages at different levels of performance



The chart is based on:

- salary levels effective 1 April 2015.
- an approximated annual value of benefits (no pension is provided).
- a £1.5m maximum annual bonus for the Chief Executive, a £500,000 maximum annual bonus for the Finance Director and a 300% of salary maximum annual bonus for the other executive directors (based on Gerald Kaye's package for simplicity) (with target assumed to be 50% of the maximum).
- a 300% of salary award under the 2014 PSP in line with the normal maximum award (with target assumed to be 50% of the maximum). No share price appreciation in respect of the 2014 PSP awards has been assumed.

### Remuneration Committee

The Committee comprises Michael O'Donnell, as Chairman, Richard Gillingwater and Richard Grant, all of whom have served throughout the year. Andrew Gulliford stepped down as Chairman and member of the Committee on 11 February 2015. Each member of the Committee is an independent non-executive director. The Company Secretary acts as Secretary to the Committee. The terms of reference of the Committee are available on request and are included on the Group's website at [www.helical.co.uk](http://www.helical.co.uk).

### Advisors to the Committee

The Committee consults the Chief Executive and Finance Director about its proposals and has access to professional advice from independent remuneration consultants, New Bridge Street, to help it determine appropriate remuneration arrangements. Terms of reference for New Bridge Street, which provided no other services to the Company, are available from the Company Secretary on request. Their fees for the year to 31 March 2015 amounted to £42,710 (2014: £46,167).

## GOVERNANCE

# Annual report on remuneration

## IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE YEAR TO 31 MARCH 2016

### Executive directors' basic annual salary and benefits-in-kind

The basic package of salary and benefits is designed to match the experience and responsibilities of each director and is reviewed annually to ensure that it is consistent with and appropriate to their responsibilities and expectations. The Group does not provide any separate pension provision for executive directors and expects individuals to provide for their retirement through their basic salaries and incentive payments. Executive directors' basic annual salaries at 31 March 2015 and increases from 1 July 2015 are as follows:

	AT 1 APRIL 2015 £	INCREASES WEF 1 JULY 2015 £	AT 1 JULY 2015 £
MICHAEL SLADE	525,300	10,500	535,800
TIM MURPHY	280,500	5,600	286,100
GERALD KAYE	405,800	8,100	413,900
MATTHEW BONNING-SNOOK	375,000	7,500	382,500
DUNCAN WALKER	318,270	6,330	324,600

The Committee's policy in respect of basic salaries is that they should be reviewed annually and increased to reflect an appropriate level of salary inflation or greater to reflect increases in the scale, scope or responsibility of their roles or to allow recently appointed executives to move to market norms as their experience and contribution increase. Reflecting this policy, the Committee has determined that all the executive directors, will receive increases of 2% from 1 July 2015, compared to an average 8% awarded to other employees.

### Benefits-in-Kind

Benefits-in-kind provided to executive directors comprise the provision of a company car or car allowance, private medical cover, permanent health insurance and life insurance. There is no Group pension scheme for directors and no contributions will be paid by the Group to the directors' own pension schemes.

### Non-executive directors' fees

In line with executive directors, the non-executive directors receive annual inflationary increases which, with effect from 1 July 2015, will be 2%.

Non-executive directors' annual fees at 31 March 2015 and increases from 1 July 2015, are as follows:

	1 APRIL 2015 £	1 JULY 2015 £
NIGEL MCNAIR SCOTT – CHAIRMAN	153,000	156,000
RICHARD GILLINGWATER – SENIOR INDEPENDENT DIRECTOR	51,000	52,000
RICHARD GRANT – CHAIRMAN OF THE AUDIT COMMITTEE	51,000	52,000
ANDREW GULLIFORD – PROPERTY ADVISOR TO THE BOARD	51,000	52,000
MICHAEL O'DONNELL – CHAIRMAN OF THE REMUNERATION COMMITTEE	51,000*	52,000

\* Fees payable to Michael O'Donnell were increased from £40,800 to £51,000 on his appointment as Chairman of the Remuneration Committee.

## ANNUAL BONUSES

### Executive Bonus Plan 2011

Michael Slade and Tim Murphy will continue to be eligible to participate in the Executive Bonus Plan 2011 (the "2011 Plan") for the year ending 31 March 2016. The Committee may, at its discretion, award bonuses in respect of the

year ending 31 March 2016 subject to performance conditions based on absolute net asset value, un-gear total property return and relative net asset value per share versus the IPD, the aim of which is to link the size of bonuses paid to the financial growth of the Group over that financial year.

The total amount payable under the 2011 Plan in any one year will continue to be limited to £2.0m. An individual employee's participation in the 2011 Plan is limited so that the bonus which may be paid to him under the 2011 Plan will not exceed £1.5m per annum. There is a further limit that payments under the 2011 Plan in any year may not exceed 20% of the Group's pre-tax profits adding back any payments under the Group's bonus schemes. Among other constraints the Committee could restrict the bonuses if payment would affect the financial or trading position of the Group.

Participants in this scheme who do not have a minimum shareholding in the Company of 200% of basic salary will receive up to one third of any bonus in shares deferred for three years.

The main features of the 2011 Plan and details of how it operated for the year ended 31 March 2015, which will be consistent with how it will operate for the year ending 31 March 2016, are set out on pages 66 to 67. The year to 31 March 2016 will be the final year of operation of the 2011 Plan and proposals for its replacement will be considered during that year and put to shareholders for approval at the 2016 AGM.

### Helical Bar Annual Bonus Scheme 2012

Gerald Kaye, Matthew Bonning-Snook and Duncan Walker will continue to participate in the Helical Bar Annual Bonus Scheme 2012 which was approved by Shareholders at the 2012 AGM. Neither the Chief Executive nor the Finance Director participate in the Scheme given their participation in the 2011 Plan. This scheme provides annual bonuses based on the performance of the Group's property portfolio and is aligned with shareholders' interests through a profit sharing model, with appropriate hurdles and shareholder protections (including deferral and clawback).

The distribution of the Bonus Award Pools to participants will continue to be restricted for 2015/16 to the lower of 70% of the balance of the Bonus Award Pool and 300% of salary. Any excess will be deferred and carried forward to the subsequent year to form part of the Bonus Award Pool for the subsequent year(s).

The main features of the 2012 Bonus Scheme and details of how it operated for the year ended 31 March 2015, which will be consistent with how it will operate for the year ending 31 March 2016, are set out on page 67.

Jack Pitman, a former director, will continue to receive annual bonuses out of the Bonus Award Pool as at 31 March 2015 in accordance with the "Good Leaver" provisions of the scheme.

## LONG-TERM INCENTIVES

### Performance Share plan

It is anticipated that long-term incentives will be granted to all executive directors and senior management in the form of shares awarded under the terms of the 2014 PSP Scheme. For executive directors the awards will be granted at 300% of base salary.

The main features of the 2014 PSP are as follows:

- awards will normally vest no earlier than the third anniversary of their grant to the extent that the applicable performance conditions (see below) have been satisfied and the participant is still employed by the Group. Once exercisable, awards will remain capable of exercise for a period of normally no more than six months.
- no award may be granted to an individual in any financial year over shares worth more than three times salary.
- there are three performance conditions, one based on absolute growth in the Group's net asset value per share, one based on the gross (ungeared) total property return per share relative to other property funds as determined by IPD and one based on relative total shareholder return.
- performance conditions for the awards to be granted in 2015 will, subject to shareholder approval, be measured over the three years following grant as follows:



- for the growth in net asset value, the "fully diluted triple net" net asset value as at the start of the financial year in which a grant takes place will be compared to the value three years later (having added back dividends):

ANNUAL COMPOUND INCREASE AFTER THREE YEARS	% OF AWARD VESTING
15% P.A. OR MORE	33.3
BETWEEN 7.5% P.A. AND 15% P.A.	Pro rata between 3.3 and 33.3
7.5% P.A.	3.3
BELOW 7.5% P.A.	Zero

If UK inflation (RPI) is higher than 3% per annum over the three year period then the required compound increases will be raised by the excess over the 3% per annum average.

- for the total property return v IPD property funds condition:

RANKING AFTER THREE YEARS	% OF AWARD VESTING
UPPER QUARTILE OR ABOVE	33.3
BETWEEN MEDIAN AND UPPER QUARTILE	Pro rata between 3.3 and 33.3
MEDIAN	3.3
LESS THAN MEDIAN	Zero

- for the relative TSR condition:

RANKING AFTER THREE YEARS	% OF AWARD VESTING
UPPER QUARTILE OR ABOVE	33.3
BETWEEN MEDIAN AND UPPER QUARTILE	Pro rata between 3.3 and 33.3
MEDIAN	3.3
LESS THAN MEDIAN	Zero

The comparator group for the awards to be granted in 2015 will be the companies included in the FTSE 350 Super Sector Real Estate Index, excluding storage companies and agencies.

Share awards will lapse in full where:

- net asset value per share (having added back dividends) does not increase over the three year performance period; or
- the gross return falls below the IPD median, the growth in triple net asset value is below 7.5% per annum and relative TSR is below median over the three year period.

## APPLICATION OF THE REMUNERATION POLICY IN THE YEAR TO 31 MARCH 2015

### Balance of fixed versus variable pay

In line with its policy, the Committee seeks to ensure that the balance of remuneration provides a basic salary below the median, and performance related bonuses and share awards that reward absolute performance and outperformance relative to the Group's peer group. In the year to 31 March 2015, the balance of fixed versus variable pay on an actual basis for the executive directors compared to the maximum payable was as follows:

	ACTUAL £	SHARE OF TOTAL %	MAXIMUM £	SHARE OF TOTAL %
BASIC SALARIES AND BENEFITS-IN-KIND	2,742,000	11	2,742,000	11
ANNUAL BONUS SCHEME 2012	4,271,000	18	4,271,000	18
EXECUTIVE BONUS PLAN 2011	2,000,000	8	2,000,000	8
PERFORMANCE SHARE PLAN SHARES VESTED	15,051,000	63	15,051,000	63
	24,064,000	100	24,064,000	100

Note: Performance Share Plan shares vested reflect the market value of shares that are expected to vest (actual) or could vest (maximum) in respect of the three year performance period to 31 March 2015 in accordance with the terms of the Group's Performance Share Plan.

## Directors' remuneration

Remuneration in respect of the directors was as follows:

		FIXED			VARIABLE				
		BASIC SALARY/ FEES £000	BENEFITS £000	SUB-TOTAL £000	ANNUAL CASH BONUS £000	DEFERRED BONUS SHARES £000	SHARE AWARDS £000	SUB-TOTAL £000	TOTAL £000
EXECUTIVE DIRECTORS									
MICHAEL SLADE	2014-15	523	29	552	1,500	-	3,468	4,968	5,520
	2013-14	511	45	556	1,500	-	1,287	2,787	3,343
TIM MURPHY	2014-15	279	19	298	500	-	1,456	1,956	2,254
	2013-14	269	21	290	468	32	515	1,015	1,305
GERALD KAYE	2014-15	404	38	442	811	406	2,601	3,818	4,260
	2013-14	395	48	443	796	398	965	2,159	2,602
MATTHEW BONNING-SNOOK	2014-15	375	43	418	750	375	2,081	3,206	3,624
	2013-14	330	49	379	750	375	772	1,897	2,276
DUNCAN WALKER	2014-15	307	17	324	637	318	1,734	2,689	3,013
	2013-14	269	17	286	550	275	450	1,275	1,561
NON-EXECUTIVE DIRECTORS									
NIGEL MCNAIR SCOTT	2014-15	152	26	178	-	-	1,630	1,630	1,808
	2013-14	150	42	192	-	-	862	862	1,054
ANDREW GULLIFORD	2014-15	51	-	51	-	-	-	-	51
	2013-14	50	-	50	-	-	-	-	50
RICHARD GILLINGWATER	2014-15	51	-	51	-	-	-	-	51
	2013-14	50	-	50	-	-	-	-	50
RICHARD GRANT	2014-15	51	-	51	-	-	-	-	51
	2013-14	50	-	50	-	-	-	-	50
MICHAEL O'DONNELL	2014-15	42	-	42	-	-	-	-	42
	2013-14	40	-	40	-	-	-	-	40
FORMER DIRECTORS									
JACK PITMAN¹	2014-15	323	12	335	974	-	2,081	3,055	3,390
	2013-14	316	22	338	637	318	772	1,727	2,065
TOTAL	2014-15	2,558	184	2,742	5,172	1,099	15,051	21,322	24,064
	2013-14	2,430	244	2,674	4,701	1,398	5,623	11,722	14,396

<sup>1</sup>Jack Pitman stepped down from the Board on 13 February 2015 and left the Company on 31 March 2015.

The information in this table is subject to audit

## Executive Bonus Plan 2011

In 2011, shareholders approved the renewal of the Executive Bonus Plan (the "2011 Plan") for a further five years. Michael Slade and Tim Murphy were eligible for 2011 Plan bonuses during the year. Total 2011 Plan bonuses for the year to 31 March 2015 of £2,000,000 (2014: £2,000,000) have been accrued in the financial statements for the year to 31 March 2015 and are payable in June 2015.

The performance conditions which applied for the year ended 31 March 2015 were as follows:

- increase in net asset value: net asset value at the end of the financial year exceeds net asset value at the beginning of the financial year;

- absolute performance of the portfolio - un-gearred total return: the percentage increase in the total return on property assets of the Group over the financial year (the "Performance Period") is greater than the percentage increase achieved by the portfolio ranked nearest to three-quarters up the performance table (taken in ascending order of return) (the "Upper Quartile") of the portfolios of all quarterly valued funds measured by the Investment Property Databank at the beginning of the relevant Performance Period and compounded monthly during the Performance Period (the "IPD Total Return Benchmark"); and
- performance of the net asset value per share: the percentage increase in net asset value per share for the Performance Period must be greater than the percentage increase achieved by the Upper Quartile of the portfolios of all quarterly valued funds measured by the Investment Property Databank at the beginning of the relevant Performance Period and compounded monthly during the Performance Period (the "IPD Capital Growth Benchmark").



The total amount of bonus payable in the year ended 31 March 2015 was determined by:

- calculating the difference between the percentage increase in net asset value per share for the Performance Period and the percentage increase in the Upper Quartile of the IPD Capital Growth Benchmark over the same period (the "Difference"); and
- calculating the sum of the amounts payable in relation to each 1% of the Difference on the following basis:

AMOUNT OF DIFFERENCE	% OF BASE NET ASSET VALUE PAYABLE
LESS THAN 1%	0.01
1% TO LESS THAN 2%	0.02
AND THEREAFTER FOR EVERY ADDITIONAL 1%	An increment of 0.01
FOR EXAMPLE: FROM 4% TO LESS THAN 5%	0.05

If the net asset value at the end of a financial year is less than the net asset value at the beginning of that year, the bonus payable for any subsequent year will be calculated by reference to the highest net asset value in the preceding year.

In the year to 31 March 2015, the application of the bonus calculation to the results of the Group resulted in a potential total bonus payment of £4,612,000. This was reduced to the maximum amount payable of £2,000,000. Bonuses paid under the terms of this 2011 Plan in the last six years are as follows:

YEAR	AMOUNT PAID £
2015	2,000,000
2014	2,000,000
2013	1,297,000
2012	nil
2011	nil
2010	nil

### Helical Bar Annual Bonus Scheme 2012

The Helical Bar Annual Bonus Scheme 2012 was approved by shareholders at the 2012 AGM. This scheme provides annual cash bonuses based on the performance of the Group's property portfolio and is aligned with shareholders through a profit sharing model, with appropriate hurdles and shareholder protections (including deferral and clawback). Total 2012 Bonus Scheme Bonuses have been accrued in the financial statements for the year to 31 March 2015 and the cash element will be payable in June 2015.

The main features of the 2012 Bonus Scheme as applied to the year to 31 March 2015 are as follows:

- the scheme participants were Gerald Kaye, Matthew Bonning-Snook, Duncan Walker and former director, Jack Pitman. Neither the Chief Executive nor the Finance Director participate in the Scheme given their participation in the 2011 Plan;
- all property assets held during the year were allocated to one of two pools namely the "Investment Pool" or the "Development Pool" ("Profit Pools");
- investment assets are included at valuation as at 31 March 2014 with subsequent valuation movements increasing or decreasing the size of the relevant Profit Pool. Development assets were also included at valuation as at 31 March 2014 with subsequent valuation movements increasing or decreasing the size of the Profit Pool. Any opening surpluses or deficits in the value of the trading and development assets as at the introduction of the scheme on 1 April 2012 were only included in the Profit Pools if they were realised;

- development profits, development management fees, net rents, other income and profits/losses on the sale of property assets were allocated to the relevant Profit Pools; and
- profits in the two Profit Pools were eligible for the award of bonuses once they were sufficient to exceed the recovery of all related finance costs, a charge for the use of the Company's equity at a rate equivalent to the Company's weighted average cost of debt plus a margin (reviewed regularly to reflect any changes in the cost of debt and the risk profile of the Company's activities), the Group's total administrative costs (excluding performance related remuneration) and any unallocated losses from the previous three financial years.

### SHAREHOLDER PROTECTIONS

- no more than 10% of profits are available to participants for distribution ("Bonus Award Pool") at the end of the relevant financial year. Pool allocations between participants are based on a set formula agreed at the start of the financial year;
- the distribution of the Bonus Award Pools to participants are restricted in any financial year to the lower of 70% of the balance of the Bonus Award Pool and 300% of salary (except in years five and ten as noted below). Any excess is deferred and carried forward to the subsequent year to form part of the Bonus Award Pool for the subsequent year(s);
- two thirds of any payment is made in cash after the relevant financial year end and one third is deferred for three years into Helical Bar plc shares;
- in addition to any annual payments, at the end of the fifth and tenth years of operating the scheme, any Bonus Award Pool not paid out will be distributed to participants in the form of deferred shares for three years, subject to an additional individual limit of 300% of salary each time;
- no payments will be made where the Company has not generated a profit (amounts will be deferred until a profit is generated). In addition, the Remuneration Committee will retain discretion to increase the deferred share amount (up to 100% of the payment) or not to make a payment at all (with any amounts reverting back to the Company rather than remaining in the Bonus Award Pool) where it is considered appropriate to do so;
- net losses will be carried forward in Profit Pools for offset against future net profits. Carry forward of losses will be for a minimum of three years, subject to extension at the request of the Remuneration Committee;
- The scheme will operate a clawback provision whereby amounts deferred, amounts held in Bonus Award Pools or the net of tax amounts paid may be recovered in the event of a misstatement of results, an error being made in assessing the calculation of Bonus Award Pools or in the event of gross misconduct; and
- The share of any increase in value of the Company (measured as the increase in net asset value plus cash returned as dividends) that could accrue to all executives through the Group's long and short-term incentive and bonus plans at maximum vesting/payouts during the lifetime of the plans will continue to be no more than 20%.

## Bonus Scheme Pools - Year to 31 March 2015

The amount transferred to the Bonus Pool based on the results of the Group for the year to 31 March 2015 and its allocation to cash and deferred share awards is as follows:

	2015 £	2014 £
AMOUNT TRANSFERRED TO BONUS POOL BASED ON THE RESULTS FOR THE YEAR	12,788,000	10,641,000
BONUS POOL BROUGHT FORWARD	7,295,000	752,000
BONUS POOL AVAILABLE FOR DISTRIBUTION	20,083,000	11,393,000
AMOUNT PAID AS CASH BONUSES	3,172,000	2,732,000
AMOUNT PAID AS DEFERRED SHARES	1,099,000	1,366,000
BONUS POOL CARRIED FORWARD	15,812,000	7,295,000
	20,083,000	11,393,000

## Other matters

- shareholder approval for the Plan was obtained for ten years from 1 April 2012, although the Remuneration Committee will review the operation of the Plan after five years;
- awards may be satisfied through shares purchased in the market or by new issue or treasury shares. Where new issue or treasury shares are used, the ABI's 5% in ten year dilution limit will apply; and
- on a change of control of the Company, any amounts accrued over the financial year up to the relevant date, and any amounts held within the Bonus Award Pools, and any deferred shares would be distributed.

## 2004 PSP awards vesting in 2015

The 2004 PSP award, granted on 31 May 2012, will vest after 1 June 2015. The expected vesting percentage is as follows:

METRIC	PERFORMANCE CONDITION	THRESHOLD TARGET	STRETCH TARGET	ACTUAL	% VESTING
NAV (FULLY DILUTED TRIPLE NET)	Total property return v IPD property 10% of this part of an award vests for compound NAV growth of 7.5% p.a. increasing pro-rata to 100% of this part of an award vesting for compound NAV growth of 15% p.a.	7.5%	15%	18.1%	66.67%
TPR	Total property return v IPD property 10% of this part of an award vests for median ranking increasing pro-rata to 100% of this part of an award vesting for upper quartile or above performance	Median 10.8%	Upper quartile 12.3%	17.4%	33.33%
TOTAL					100.00%

The main feature of the 2004 PSP, which remains operative for the awards made in 2012 and 2013 and which will vest in 2015 and 2016 respectively, are substantially the same as for 2014 PSP except that the two performance criteria are as follows:

ANNUAL COMPOUND INCREASE AFTER THREE YEARS	% OF AWARD VESTING
15% P.A. OR MORE	66.7
BETWEEN 7.5% P.A. AND 15% P.A.	Pro rata between 6.6 and 66.7
7.5% P.A.	6.6
BELOW 7.5% P.A.	Zero

If UK inflation (RPI) is higher than 3% per annum over the three year period then the required compound increases will be raised by the excess over the 3% per annum average.

- For the total property return v IPD property funds condition:

RANKING AFTER THREE YEARS	% OF AWARD VESTING
UPPER QUARTILE OR ABOVE	33.3
BETWEEN MEDIAN AND UPPER QUARTILE	Pro rata between 3.3 and 33.3
MEDIAN	3.3
LESS THAN MEDIAN	Zero



Based on the above and given that net value per share (having added back dividends) increased over the three year performance period, details of the shares under award and the expected value at vesting is as follows:

EXECUTIVE DIRECTORS	NUMBER OF SHARES AT GRANT	NUMBER OF SHARES EXPECTED TO LAPSE	NUMBER OF SHARES EXPECTED TO VEST	ESTIMATED VALUE AT VESTING <sup>1</sup> (£'000)
MICHAEL SLADE	895,522	-	895,522	3,468
TIM MURPHY	376,119	-	376,119	1,456
GERALD KAYE	671,641	-	671,641	2,601
MATTHEW BONNING-SNOOK	537,313	-	537,313	2,081
DUNCAN WALKER	447,761	-	447,761	1,734
NON-EXECUTIVE DIRECTOR (NB AWARDS WERE ORIGINALLY GRANTED WHEN NIGEL MCNAIR SCOTT WAS AN EXECUTIVE DIRECTOR)				
NIGEL MCNAIR SCOTT	420,895	-	420,895	1,630
JACK PITMAN – FORMER DIRECTOR	537,313	-	537,313	2,081

<sup>1</sup>The share price used to calculate the expected value at vesting was 387.24p, based on the average share price over the three months to 31 March 2015.

The 2004 PSP numbers presented for the comparatives in the remuneration table above are based on the 2004 PSP awards granted on 5 July 2011. The three year performance period to 31 March 2014 showed that the net asset value per share, calculated in accordance with the terms of the 2004 PSP, had increased by 10.42% p.a. During this three year period the total return of Helical's property portfolio, as determined by IPD, was 12.9% compared to the median of the IPD Benchmark which showed a return of 8.3%. Therefore, 62.56% of the shares vested.

The information in this section is subject to audit.

## 2014 PSP awards granted in the year

The following conditional awards were granted on 25 July 2014 under the 2014 PSP in the year:

INDIVIDUAL	BASIS OF AWARD (AS A % OF SALARY)	FACE VALUE £000	VESTING AT THRESHOLD	VESTING AT MAXIMUM	PERFORMANCE PERIOD
MICHAEL SLADE	300%	1,576	10%	100%	3 years to 31 March 2017
TIM MURPHY	300%	842	10%	100%	3 years to 31 March 2017
GERALD KAYE	300%	1,217	10%	100%	3 years to 31 March 2017
MATTHEW BONNING-SNOOK	300%	1,125	10%	100%	3 years to 31 March 2017
DUNCAN WALKER	300%	955	10%	100%	3 years to 31 March 2017
JACK PITMAN – FORMER DIRECTOR	300%	974	10%	100%	3 years to 31 March 2017

The total number of awards made to directors under the terms of the 2004 PSP and 2014 PSP which have not yet vested are as follows:

DIRECTOR	SHARES AWARDED 31.5.12 AT 167.50P	SHARES AWARDED 24.06.13 AT 243.75P	SHARES AWARDED 25.07.14 AT 358.00P	TOTAL SHARES AWARDED
MICHAEL SLADE	895,522	615,384	440,195	1,951,101
TIM MURPHY	376,119	307,692	235,055	918,866
GERALD KAYE	671,641	475,384	340,055	1,487,080
MATTHEW BONNING-SNOOK	537,313	380,307	314,245	1,231,865
DUNCAN WALKER	447,761	307,692	266,706	1,022,159
NIGEL MCNAIR SCOTT	420,895	-	-	420,895
JACK PITMAN – FORMER DIRECTOR	537,313	380,307	272,053	1,189,673

It is currently expected that 100% of the shares awarded on 31 May 2012, 100% of the shares awarded on 24 June 2013 and 66% of the shares awarded on 25 July 2014 will vest.

As detailed below, Jack Pitman, a former director, will be treated as a good leaver under the 2004 PSP and 2014 PSP. Awards will vest under terms of the relevant plans, subject to performance and time pro-rating.

The information in this section is subject to audit.

## Vesting of PSP awards

Awards to executive directors which have vested in accordance with the terms of the 2004 PSP in the last six years are as follows:

YEAR	VALUE £
2015	15,051,000
2014	5,623,000
2013	nil
2012	nil
2011	nil
2010	nil

## Helical Bar 2002 Approved Share Incentive Plan

Under the terms of this Plan employees of the Group are given annual awards of free shares with a value of £3,600 and participants are allowed to purchase additional shares up to a value of £1,800, to be matched in a ratio of 2:1 by the Company. Provided participants remain employed by the Group for a minimum of three years they will retain the free and matching shares.

Shares allocated to, or purchased on behalf of, the directors under the rules of the Plan were as follows:

	17 MARCH 2015 AT 382.85p	13 JANUARY 2015 AT 368.75p	2 DECEMBER 2014 AT 351.00p	16 SEPTEMBER 2014 AT 340.5p	29 AUGUST 2014 AT 333.0p	20 JUNE 2014 AT 335.0p
MICHAEL SLADE	354	224	384	264	544	1,812
TIM MURPHY	354	110	384	264	543	1,812
GERALD KAYE	354	223	384	264	543	1,812
MATTHEW BONNING-SNOOK	354	221	384	264	537	1,812
DUNCAN WALKER	354	125	384	264	300	1,812
JACK PITMAN – FORMER DIRECTOR	-	223	384	264	543	1,812

Shares held by the Trustees of the Plan at 31 March 2015 were 438,898 (2014: 443,588).

The information in this section is subject to audit.

## Payments for loss of office - departure of Jack Pitman

Jack Pitman stepped down from the Board on 13 February 2015. He continued to receive his base salary and car allowance until his departure on 31 March 2015. No further payments in respect of salary and car allowance have been or will be made post cessation. His membership of the Group's health insurance scheme will continue until its renewal in October 2015 but other benefits-in-kind ceased on 31 March 2015. In respect of his incentives, it was determined by the Remuneration Committee that Jack Pitman should be treated as a Good Leaver for the purposes of the Annual Bonus Scheme 2012 and the 2004 PSP and 2014 PSP. He will receive cash bonuses in respect of the Annual Bonus Scheme 2012 for the year to 31 March 2015 and in respect of the balance remaining in that scheme at that date for a further three years in line with the plan rules, subject to offset of future losses and clawback. The 2012 PSP is expected to vest in June 2015, subject to the performance conditions being met. The 2013 PSP award will vest subject to performance and time pro-rating and the 2014 PSP award (granted under the 2014 PSP) is expected to vest in June 2017, again subject to performance and time pro-rating.

The information in this section is subject to audit.

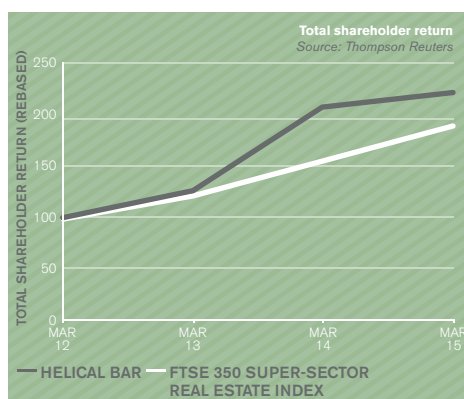
## Total shareholder return

The total shareholder returns for a holding in the Group's shares in the three years and six years to 31 March 2015 compared to a holding in the FTSE 350 Super-sector Real Estate Index are shown in the graphs. This index has been chosen because it includes the majority of listed real estate companies.

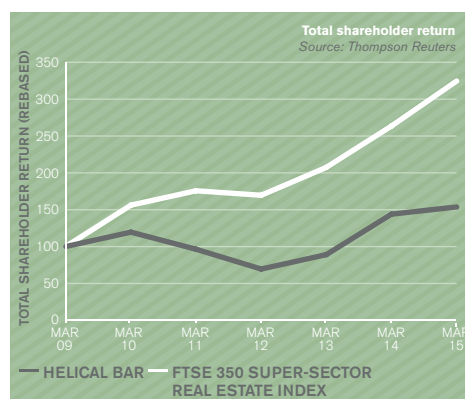
The table showing the relative performance of Helical during the three years to 31 March 2015 matches the performance period for the 2004 PSP Award granted on 31 May 2012 and which will vest after 1 June 2015.

## Share price

The market price of the ordinary shares at 31 March 2015 was 394.25p (2014: 373.75p). This market price varied between 320.00p and 401.75p during the year.



THIS GRAPH SHOWS THE VALUE, BY 31 MARCH 2015, OF £100 INVESTED IN HELICAL BAR ON 31 MARCH 2012, COMPARED WITH THE VALUE OF £100 INVESTED IN THE FTSE 350 SUPERSECTOR REAL ESTATE INDEX.



THIS GRAPH SHOWS THE VALUE, BY 31 MARCH 2015, OF £100 INVESTED IN HELICAL BAR ON 31 MARCH 2009, COMPARED WITH THE VALUE OF £100 INVESTED IN THE FTSE 350 SUPERSECTOR REAL ESTATE INDEX.



## Remuneration of the Chief Executive

The table below presents single figure remuneration for the Chief Executive over the past six years, together with past annual bonus payouts and relevant 2004 PSP and Share Option vestings.

YEAR ENDED	NAME	TOTAL REMUNERATION £000	ANNUAL BONUS £000 (% OF MAX PAYOUT)	2004 PSP £000 (% OF MAX VESTING)	SHARE OPTION £000 (% OF MAX VESTING)
31 MARCH 2015	MICHAEL SLADE	5,520	1,500 (100%)	3,468 (100%)	n/a
31 MARCH 2014	MICHAEL SLADE	3,343	1,500 (100%)	1,287 (62%)	n/a
31 MARCH 2013	MICHAEL SLADE	1,523	973 (65%)	- (-%)	n/a
31 MARCH 2012	MICHAEL SLADE	541	- (-%)	- (-%)	n/a
31 MARCH 2011	MICHAEL SLADE	538	- (-%)	- (-%)	n/a
31 MARCH 2010	MICHAEL SLADE	1,500	- (-%)	- (-%)	973 (100%)

PERCENTAGE INCREASES IN CHIEF EXECUTIVE REMUNERATION	2015 £000	2014 £000	CHANGE %
<b>CHIEF EXECUTIVE</b>			
SALARY	523	511	2
BENEFITS	29	45	(36)
BONUS	1,500	1,500	-
<b>AVERAGE EMPLOYEE</b>			
SALARY	68	66	3
BENEFITS	2	3	(33)
BONUSES	25	25	-

RELATIVE IMPORTANCE OF THE SPEND ON PAY	2015 £000	2014 £000	CHANGES %
STAFF COSTS	16,101	17,424	(8)
DISTRIBUTIONS TO SHAREHOLDERS	7,944	6,660	19
NET ASSET VALUE OF THE GROUP	404,363	340,527	19

## Directors' share interests and shareholding guidelines

	SALARY £	SHAREHOLDING REQUIREMENT £	VALUE OF BENEFICIALLY HELD AND DEFERRED SHARES <sup>1</sup> £	RATIO OF SHARES HELD TO REQUIREMENT %
MICHAEL SLADE	525,300	1,050,600	53,213,000	5,065
TIM MURPHY	280,500	561,000	672,000	120
GERALD KAYE	405,800	811,600	5,362,000	661
MATTHEW BONNING-SNOOK	375,000	750,000	1,432,000	191
DUNCAN WALKER	318,270	636,540	774,000	122

<sup>1</sup>Value as per share price on 10 June 2015 of 440.25p

## Shareholder voting at the last AGM

At the 2014 AGM the Directors' Remuneration Report and the Directors' Remuneration Policy received the following votes from shareholders:

	POLICY TOTAL NUMBER OF VOTES	% OF VOTES CAST	REPORT TOTAL NUMBER OF VOTES	% OF VOTES CAST
FOR	86,038,316	92%	69,603,704	75%
AGAINST	7,075,625	8%	23,510,237	25%
TOTAL VOTES CAST (FOR AND AGAINST)	93,113,941	100%	93,113,941	100%
VOTES WITHHELD	228,025	-	228,025	-
TOTAL VOTES CAST (INCLUDING WITHHELD VOTES)	93,341,966	-	93,341,966	-

Approved by the Board on 12 June 2015 and signed on its behalf.

**Michael O'Donnell**

Chairman of the Remuneration Committee

## GOVERNANCE

# Report of the directors

## Strategic report

A review of the Company's business during the year, the principal risks and uncertainties facing the Group and future prospects and developments are included in the Chairman's Review on page 50, the Chief Executive's statement on pages 12 to 13, the strategic report on pages 1 to 48 and the Principal Risks report on pages 40 to 42, which should be read in conjunction with this report.

## Directors

The directors who held office during the year and up to the date of this report are listed below:

	AGE	DATE OF APPOINTMENT	DATE OF RESIGNATION	TITLE
<b>CHAIRMAN</b>				
NIGEL MCNAIR SCOTT	69	December 1985		Chairman
<b>EXECUTIVE DIRECTORS</b>				
MICHAEL SLADE	68	August 1984		Chief Executive
TIM MURPHY	55	July 2012		Finance Director
GERALD KAYE	57	September 1994		Executive Director
MATTHEW BONNING-SNOOK	47	August 2007		Executive Director
DUNCAN WALKER	36	June 2011		Executive Director
<b>NON-EXECUTIVE DIRECTORS</b>				
RICHARD GILLINGWATER	58	July 2012		Non-executive director
RICHARD GRANT	61	July 2012		Non-executive director
ANDREW GULLIFORD	68	March 2006		Non-executive director
MICHAEL O'DONNELL	48	June 2011		Non-executive director
JACK PITMAN – FORMER DIRECTOR	46	August 2007	13 February 2015	Executive Director

Details of the directors' interests in the ordinary shares of the Company are shown on page 53.

Biographical details of all directors are shown on pages 52 and 53. All the directors currently serving will offer themselves for re-election at the AGM to be held on 24 July 2015. Details of directors' remuneration and their interests in share awards are set out in the Directors' Remuneration Report on pages 58 to 71.

## Corporate governance

The Group's corporate governance policies, compliance with the UK Corporate Governance Code and Going Concern statement are set out on pages 54 to 55.

## Directors' conflict of interest

Under the Companies Act 2006 (the "Act"), Directors are subject to a statutory duty to avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. As is permissible under the Act, the Company's Articles of Association allow the Board to consider, and if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. Directors are required to notify the Company of any conflict or potential conflict of interest under an established procedure and any conflicts or potential conflicts are noted at each Board meeting.

## Results and dividends

The results for the year are set out in the Consolidated Income Statement on page 78 and Consolidated Statement of Comprehensive Income on page 78. An interim dividend of 2.10p (2014: 2.00p) was paid on 30 December 2014 to shareholders on the shareholder register on 12 December 2014. A final dividend of 5.15p (2014: 4.75p) per share is recommended for approval at the Annual General Meeting ("AGM") to be held on 24 July 2015. The total ordinary dividend paid in the year of 6.85p (2014: 5.70p) per share amounts to £7,944,000 (2014: £6,660,000).

## Directors' liability insurance and indemnity

The Company maintains Directors and Officers Liability Insurance. To the extent permitted by UK Law, the Company also indemnifies the directors against claims made against them as a consequence of the execution of their duties as directors of the Company.

## Political donations

The Company's policy with regard to political donations is to ensure that shareholder approval is sought before making any such payments. No shareholder approval has been sought and, accordingly, the Company made no political donations in the year to 31 March 2015.

## Financial instruments, capitalised interest and long term incentive schemes

The information required in respect of financial instruments, as required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 is shown in note 36 on pages 104 to 107.

Interest capitalised on the Group property portfolio is shown on pages 89 and 95. Long term incentive schemes are explained on pages 64 to 65.



## Change of control

Certain agreements between the Company or its subsidiaries and entities including lending banks, joint venture partners and development partners contain termination rights to take effect in the event of a change of control of the Group. Given the commercial sensitivity of these agreements, the directors do not intend to disclose specific details.

The Company's Employee Share Incentive Plan contains provisions relating to the vesting and exercise of options in the event of a change of control of the Company.

Further to the issue on 24 June 2013 of £80 million 6.00% bonds due in 2020 (the "Bonds"), upon a change of control event as defined by the terms and conditions of the Bonds, the bondholders will have the option to require the Company to redeem or, at the Company's option, purchase the Bonds at their nominal amount together with accrued interest.

Similarly, if a change of control event occurs, the holders of the Convertible Bonds of £100m, issued on 17 June 2014 at 4.00% and due in June 2019, have the right to require the issuer to redeem the Convertible Bonds at their principal amount and accrued interest.

There are no agreements between the Company and Directors or employees providing for the compensation for loss of office or employment as a result of a takeover bid.

## Employment and environmental matters

Information in respect of the Group's employment and environmental matters and greenhouse gas reporting is contained in the Corporate Responsibility Report on pages 44 to 48.

## Post balance sheet events

There were no material post balance sheet events.

## Group structure

Details of the Group's principal subsidiary undertakings are disclosed in note 18 to the Financial Statements on pages 91 to 92.

## Share capital

Details of the Company's issued share capital are shown in note 28 to the Financial Statements on page 100. The Company's share capital consists of both ordinary shares and deferred shares. Each class of shares rank *pari passu* between themselves. There are no restrictions on the transfer of shares in the Company other than those specified by law or regulation (for example: insider trading laws) and pursuant to the Listing Rules of the Financial Conduct Authority whereby certain employees of the Group require the approval of the Company to deal in the ordinary shares. On a show of hands at a general meeting of the Company, every holder of ordinary shares present in person and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The notice of the 2015 Annual General Meeting (AGM) specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the meeting. There are no restrictions on voting rights other than as specified by the Company's Articles of Association.

## Purchase of own shares

The Company was granted authority at the 2014 Annual General Meeting to make market purchases of its own ordinary shares. No ordinary shares were purchased under this authority during the year and up to the date of this report. The authority will expire at the conclusion of the 2015 AGM, at which a resolution will be proposed to renew this authority.

## Substantial shareholdings

As at 1 June 2015, the shareholders listed below had notified the Company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of the Group:

	NUMBER OF ORDINARY SHARES AT 1 JUNE 2015	%
ABERDEEN ASSET MANAGERS	15,551,401	13.2
MICHAEL SLADE	12,688,711	10.7
BAILLIE GIFFORD	7,688,919	6.5
OLD MUTUAL	6,856,860	5.8
INVESTEC ASSET MANAGEMENT	5,861,046	5.0
BLACK ROCK, INC.	5,731,209	4.8
AVIVA	5,269,258	4.5
JP MORGAN CHASE	4,865,402	4.1
DIMENSIONAL FUND ADVISORS	4,569,862	3.9

## Amendment of Articles of Association

The Company's Articles of Association can be amended only by a special resolution of the members, requiring a majority of not less than 75% of such members voting in person or by proxy.

## Annual General Meeting

The Annual General Meeting of the Company will be held on 24 July 2015 at 11.30 a.m. at The Connaught, Carlos Place, Mayfair, London W1K 2AL. The special business at the 2015 AGM will include resolutions dealing with the authority to issue shares, the disapplication of pre-emption rights, the authority for the Company to purchase its own shares and the authority to call general meetings on not less than 14 clear days' notice. The notice of meeting, containing explanations of all the resolutions to be proposed at that meeting, is enclosed with this Annual Report and can be found on the Group's website at [www.helical.co.uk](http://www.helical.co.uk).

## Auditors

The Group's auditors, Grant Thornton UK LLP, have expressed their willingness to continue in office and resolutions to reappoint them and to authorise the directors to determine their remuneration will be proposed at the AGM.

## Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant information and to establish that the Company's auditors are aware of that information.

By order of the Board

**James Moss ACA**

Company Secretary

12 June 2015

## GOVERNANCE

# Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with applicable law and regulations.

The directors consider that the annual report and the financial statements, taken as a whole, provide the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and Remuneration Report comply with the Companies Act 2006 and article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and,
- the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

**Michael Slade**  
Chief Executive

12 June 2015

**Tim Murphy**  
Finance Director



## GOVERNANCE

# Independent Auditor's report

TO THE MEMBERS OF HELICAL BAR PLC

## Our opinion on the financial statements is unmodified

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

## Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other

purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## What we have audited

Helical Bar plc's financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

## Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

AUDIT RISK	HOW WE RESPONDED TO THE RISK
<p><b>Revenue recognition</b></p> <p>The risk: The Group enters into contracts under which the recognition of revenue and profit often involves management judgement in applying International Accounting Standard (IAS) 18, IAS 11 and International Financial Reporting Interpretations Committee (IFRIC) 15, or is determined by complex criteria such as staged recognition of revenue upon completion of specified contractual obligations. In addition, auditing standards prescribe a presumed risk of fraud in revenue recognition in that revenue may be misstated through improper recognition.</p> <p>We have therefore identified revenue recognition as a significant risk requiring special audit consideration.</p>	<p>Our response: Our audit work included, but was not limited to:</p> <ul style="list-style-type: none"> <li>evaluating the Group's revenue recognition policies are in line with accounting standards and their application to key development contracts;</li> <li>testing property proceeds to completion statements;</li> <li>agreeing rental income to tenant records and reconciling differences to relevant evidence such as changes to lease terms;</li> <li>testing a sample of revenue items for each revenue stream, agreeing items selected for testing to supporting documentation;</li> <li>reviewing contracts to ensure that revenue and profit has been correctly accounted for; and</li> <li>discussing and challenging key management judgements in interpreting contractual terms.</li> </ul> <p><b>The Group's accounting policy on the recognition of income is shown in note 38 and the components of that income are included in note 2.</b></p>
<p><b>Valuation of investment properties</b></p> <p>The risk: The Group holds investment property for rental income and capital appreciation which it has chosen to revalue to fair value at each reporting date in accordance with IAS 40 'Investment Property'. The fair values of significant investment properties are determined by professionally qualified external valuers.</p> <p>These valuations involve a number of estimates and assumptions, some of which derive from information provided by management and can be highly judgemental. In addition a small percentage difference in individual property valuations could, when aggregated, result in a material misstatement. We have therefore identified the valuation of investment properties as a significant risk requiring special audit consideration.</p>	<p>Our response: Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the approach to, and controls over, the valuation of investment property through discussions with management;</li> <li>meeting with the external valuer, discussing and challenging the estimates, assumptions and valuation methodology used;</li> <li>discussing and challenging the estimates, assumptions and valuation methodology used in the directors' valuations;</li> <li>comparing the accuracy of prior period valuations in the context of subsequent sales;</li> <li>reviewing the accounting treatment of complex transactions to confirm the recognition of any sale or purchase as appropriate; and</li> <li>assessing the independence and credentials of the external valuer and evaluating the adequacy of the valuer's work in respect of our audit.</li> </ul> <p><b>The group's accounting policy on investment properties is included in note 38 and its disclosures about investment properties are shown in note 15. The Audit Committee also identified the valuation of the Group's investment and trading and development portfolio is the key area of judgement in its report on pages 56 and 57, where the Committee also describes how it addressed this issue.</b></p>
<p><b>Directors' remuneration – bonus and performance share plans</b></p> <p>The risk: The Group operates three directors' bonus and share plans being the Executive Bonus Plan 2011, the Helical Bar Annual Bonus Scheme 2012 and the Performance Share Plan.</p> <p>Determining the charge in respect of the Performance Share Plan in accordance with IFRS 2 'Share Based Payments' involves complex calculations and elements of management judgement. The bonus calculation is driven by the results of the Group and the performance of the property portfolio, the latter of which is considered a key area of management judgement. We have therefore identified the bonus and performance share plans as areas requiring particular audit attention.</p>	<p>Our response: Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>confirming that the calculation methodologies adopted accord with the schemes' rules;</li> <li>discussing and challenging management judgements over the key inputs into the bonus calculation and performance share plan. Appropriate explanations and supporting evidence were provided;</li> <li>confirming that matters in relation to the changes in the performance measures, to include an increase in total shareholder returns, and approval of awards that required approval of the Remuneration Committee have been approved;</li> <li>assessing and challenging management assumptions relating to the development stock surplus which is a key input into the bonus calculation. Supporting evidence was provided for explanations obtained; and</li> <li>challenging the assumptions underlying the forecast net asset value growth of the Group over the three year vesting period of the Performance Share Plan options and future bonus cap.</li> </ul> <p><b>The group's disclosure of staff costs, share options and share based payments is shown in note 8.</b></p>

## OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

### Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable user would be changed or influenced. We determined materiality for the audit of the Group financial statements as a whole to be £3.605 million, which is approximately 1% of net assets. This benchmark is considered the most appropriate because this is a key performance measure used by the Board of Directors to report to investors on the financial position of the Group. We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements. We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the Audit Committee to be £181,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

### Overview of the scope of our audit

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We consider the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Group's business and was risk-based. The Group's properties are spread across wholly owned statutory entities and the Group's 11 joint ventures. The components of the Group were evaluated by the group audit team based on a measure of materiality, considering each as a percentage of total Group assets, revenues and profit before tax, to assess the significance of each component and to determine the planned audit response. For those components that were deemed significant either a full scope or targeted audit approach was determined based on their relative materiality to the Group and our assessment of audit risk. For significant components requiring a full scope approach we evaluated and tested controls over the financial reporting systems identified as part of our risk assessment, reviewed the accounts production process and addressed critical accounting matters.

In order to address the audit risks described above, as identified during our planning procedures, we performed a full scope audit of the consolidated financial statements of the parent company, Helical Bar plc, and of the financial information of the Group's operations throughout the United Kingdom. The operations that were subject to full scope audit procedures make up 82% of net assets. Statutory audits of subsidiaries are performed to lower materiality where applicable.

While the majority of the operations are located within the United Kingdom, the Group has joint ventures overseas. Through an analysis of these operations we determined that targeted audit procedures should be carried out, these targeted procedures addressed the significant risks described above. Those components subjected to targeted audit procedures comprise 18% of net assets.

The components that were subject to full scope audit procedures make up 82% of the Group's net assets at the balance sheet date, 100% of the Group's revenue for the year and 68% of the Group's profit before tax for the year. In total our full scope and targeted procedures covered 100% of the Group's net assets at the balance sheet date, 100% of the Group's revenue for the year and 100% of the Group's profit before tax for the year.

## OTHER REPORTING REQUIRED BY REGULATION

### Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following:

**Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:**

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

**In particular, we are required to report to you if:**

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

**Under the Companies Act 2006 we are required to report to you if, in our opinion:**

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Under the Listing Rules, we are required to review:**

- the directors' statement, set out on page 55, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

### Responsibilities for the financial statements and the audit

#### What an audit of financial statements involves:

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### What the directors are responsible for:

As explained more fully in the Statement of Directors' Responsibilities set out on page 74, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

#### What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Charles Hutton-Potts

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

12 June 2015



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# 03

## FINANCIAL STATEMENTS

## FINANCIAL STATEMENTS

## Consolidated income statement

FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
<b>REVENUE</b>	2	<b>106,341</b>	123,637
NET RENTAL INCOME	3	<b>34,233</b>	24,402
DEVELOPMENT PROPERTY PROFIT	4	<b>15,674</b>	62,825
TRADING PROPERTY GAIN	5	<b>2,503</b>	252
SHARE OF RESULTS OF JOINT VENTURES	19	<b>27,497</b>	16,448
OTHER OPERATING INCOME		<b>368</b>	230
<b>GROSS PROFIT BEFORE NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES</b>		<b>80,275</b>	104,157
NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES	6	<b>69,384</b>	29,325
IMPAIRMENT OF AVAILABLE FOR SALE ASSETS	22	<b>(773)</b>	(88)
<b>GROSS PROFIT</b>		<b>148,886</b>	133,394
ADMINISTRATIVE EXPENSES	7	<b>(26,530)</b>	(26,676)
<b>OPERATING PROFIT</b>		<b>122,356</b>	106,718
FINANCE COSTS	9	<b>(23,678)</b>	(13,983)
FINANCE INCOME	9	<b>2,480</b>	4,135
CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS	36	<b>(8,389)</b>	5,312
CHANGE IN FAIR VALUE OF CONVERTIBLE BOND	26	<b>(3,263)</b>	-
FOREIGN EXCHANGE LOSSES		<b>(2,061)</b>	(501)
<b>PROFIT BEFORE TAX</b>		<b>87,445</b>	101,681
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	10	<b>(12,669)</b>	(14,126)
<b>PROFIT AFTER TAX</b>		<b>74,776</b>	87,555
- ATTRIBUTABLE TO EQUITY SHAREHOLDERS		<b>74,489</b>	87,603
- ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		<b>287</b>	(48)
<b>PROFIT FOR THE YEAR</b>		<b>74,776</b>	87,555
<b>BASIC EARNINGS PER SHARE</b>	14	<b>64.6P</b>	75.0P
<b>DILUTED EARNINGS PER SHARE</b>	14	<b>60.8P</b>	73.2P

## Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
<b>PROFIT FOR THE YEAR</b>		<b>74,776</b>	87,555
IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS	22	-	(936)
EXCHANGE DIFFERENCE ON RETRANSLATION OF NET INVESTMENTS IN FOREIGN OPERATIONS		<b>149</b>	51
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>74,925</b>	86,670
- ATTRIBUTABLE TO EQUITY SHAREHOLDERS		<b>74,638</b>	86,718
- ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		<b>287</b>	(48)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>74,925</b>	86,670

The exchange differences on retranslation of net investments in foreign operations will be reclassified to the Income Statement in the future.



## FINANCIAL STATEMENTS

## Consolidated and company balance sheets

AS AT 31 MARCH 2015

	NOTE	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
<b>NON-CURRENT ASSETS</b>					
INVESTMENT PROPERTIES	15	701,521	493,201	-	-
OWNER OCCUPIED PROPERTY, PLANT AND EQUIPMENT	17	2,361	1,050	2,292	949
INVESTMENT IN SUBSIDIARIES	18	-	-	36,585	36,584
INVESTMENT IN JOINT VENTURES	19	71,585	62,980	15	15
DERIVATIVE FINANCIAL INSTRUMENTS	36	1	1,867	-	315
TRADE AND OTHER RECEIVABLES	23	1,555	7,673	-	-
DEFERRED TAX ASSET	11	-	8,458	1,233	749
<b>TOTAL NON-CURRENT ASSETS</b>		<b>777,023</b>	<b>575,229</b>	<b>40,125</b>	<b>38,612</b>
<b>CURRENT ASSETS</b>					
LAND, DEVELOPMENTS AND TRADING PROPERTIES	20	92,578	98,160	-	-
PROPERTY DERIVATIVE FINANCIAL ASSET	21	16,388	-	-	-
AVAILABLE-FOR-SALE INVESTMENTS	22	4,342	4,973	-	-
CORPORATE TAX RECEIVABLE		1,418	-	1,418	-
TRADE AND OTHER RECEIVABLES	23	65,216	33,337	777,728	491,437
CASH AND CASH EQUIVALENTS	24	120,993	63,237	13,942	30,376
		<b>300,935</b>	<b>199,707</b>	<b>793,088</b>	<b>521,813</b>
<b>TOTAL ASSETS</b>		<b>1,077,958</b>	<b>774,936</b>	<b>833,213</b>	<b>560,425</b>
<b>CURRENT LIABILITIES</b>					
TRADE AND OTHER PAYABLES	25	(65,802)	(49,230)	(416,696)	(235,578)
CORPORATE TAX PAYABLE		-	(5,370)	-	(2,908)
BORROWINGS	26	(45,428)	(1,275)	(6,120)	-
		<b>(111,230)</b>	<b>(55,875)</b>	<b>(422,816)</b>	<b>(238,486)</b>
<b>NON-CURRENT LIABILITIES</b>					
TRADE AND OTHER PAYABLES	25	-	(2,150)	-	-
BORROWINGS	26	(552,813)	(374,811)	(169,109)	(82,399)
DERIVATIVE FINANCIAL INSTRUMENTS	36	(8,096)	(1,573)	(11,080)	(192)
DEFERRED TAX LIABILITY	11	(1,456)	-	-	-
		<b>(562,365)</b>	<b>(378,534)</b>	<b>(180,189)</b>	<b>(82,591)</b>
<b>TOTAL LIABILITIES</b>		<b>(673,595)</b>	<b>(434,409)</b>	<b>(603,005)</b>	<b>(321,077)</b>
<b>NET ASSETS</b>	2	<b>404,363</b>	<b>340,527</b>	<b>230,208</b>	<b>239,348</b>
<b>EQUITY</b>					
CALLED-UP SHARE CAPITAL	28	1,447	1,447	1,447	1,447
SHARE PREMIUM ACCOUNT		98,798	98,678	98,798	98,678
REVALUATION RESERVE		108,060	33,106	-	-
CAPITAL REDEMPTION RESERVE		7,478	7,478	7,478	7,478
OTHER RESERVES		291	291	1,987	1,987
RETAINED EARNINGS		188,229	200,455	120,498	129,758
OWN SHARES HELD		-	(950)	-	-
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		<b>404,303</b>	<b>340,505</b>	<b>230,208</b>	<b>239,348</b>
NON-CONTROLLING INTERESTS		60	22	-	-
<b>TOTAL EQUITY</b>		<b>404,363</b>	<b>340,527</b>	<b>230,208</b>	<b>239,348</b>

The financial statements were approved by the Board of Directors on 12 June 2015.

Michael Slade  
DirectorTim Murphy  
Director

## FINANCIAL STATEMENTS

# Consolidated and company cash flow statements

FOR THE YEAR TO 31 MARCH 2015

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
PROFIT/(LOSS) BEFORE TAX	87,445	101,681	(1,780)	29,549
DEPRECIATION	544	719	517	653
REVALUATION GAIN ON INVESTMENT PROPERTIES	(66,904)	(20,714)	-	-
GAIN ON SALES OF INVESTMENT PROPERTIES	(2,480)	(8,611)	-	-
PROFIT ON SALE OF PLANT AND EQUIPMENT	(23)	-	-	-
NET FINANCING COSTS	20,806	9,529	6,260	1,121
CHANGE IN VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS	8,389	(5,312)	-	(1,098)
PROFIT ON FORWARD PROPERTY CONTRACT	(16,388)	-	-	-
CHANGE IN FAIR VALUE OF CONVERTIBLE BOND	3,263	-	-	-
SHARE BASED PAYMENT CHARGE	6,432	6,333	-	-
SHARE OF RESULTS OF JOINT VENTURES	(27,497)	(16,448)	-	-
IMPAIRMENT OF AVAILABLE FOR SALE ASSETS	773	88	-	-
FOREIGN EXCHANGE MOVEMENT	2,213	109	3,014	-
OTHER NON-CASH ITEMS	-	(10)	(23)	(10)
<b>CASH INFLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>16,573</b>	<b>67,364</b>	<b>7,988</b>	<b>30,215</b>
CHANGE IN TRADE AND OTHER RECEIVABLES	(25,975)	3,680	(286,291)	(165,193)
CHANGE IN LAND, DEVELOPMENTS AND TRADING PROPERTIES	4,125	(11,306)	-	-
CHANGE IN TRADE AND OTHER PAYABLES	13,162	16,096	182,976	87,763
<b>CASH INFLOW/(OUTFLOW) GENERATED FROM OPERATIONS</b>	<b>7,885</b>	<b>75,834</b>	<b>(95,327)</b>	<b>(47,215)</b>
FINANCE COSTS	(22,277)	(17,645)	(12,216)	(6,087)
FINANCE INCOME	2,480	1,236	5,157	1,810
TAX PAID	(7,064)	(6,903)	(6,841)	(6,903)
	(26,861)	(23,312)	(13,900)	(11,180)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(18,976)</b>	<b>52,522</b>	<b>(109,227)</b>	<b>(58,395)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
PURCHASE OF INVESTMENT PROPERTY	(271,093)	(199,944)	-	-
SALE OF INVESTMENT PROPERTY	133,209	56,914	-	-
COST OF CANCELLING INTEREST RATE SWAP	-	8	-	-
INVESTMENT IN SUBSIDIARIES	-	-	(1)	(150)
INVESTMENT IN JOINT VENTURES	(10,141)	(650)	-	-
RETURN OF INVESTMENT IN JOINT VENTURES	11,778	2,668	-	-
DIVIDENDS FROM JOINT VENTURES	17,013	1,350	-	-
AVAILABLE-FOR-SALE ASSET ADDITIONS	(144)	-	-	-
SALE OF PLANT AND EQUIPMENT	23	34	23	34
PURCHASE OF LEASEHOLD IMPROVEMENTS, PLANT AND EQUIPMENT	(1,859)	(646)	(1,859)	(646)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(121,214)</b>	<b>(140,266)</b>	<b>(1,837)</b>	<b>(762)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
BORROWINGS DRAWN DOWN	375,503	274,369	104,200	80,000
SHARES ISSUED	120	-	120	-
BORROWINGS REPAYED	(156,381)	(152,636)	(1,746)	(7,842)
PURCHASE OF OWN SHARES	(13,349)	(950)	-	-
EQUITY DIVIDENDS PAID	(7,944)	(6,660)	(7,944)	(6,660)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>197,949</b>	<b>114,123</b>	<b>94,630</b>	<b>65,498</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	57,759	26,379	(16,434)	6,341
EXCHANGE LOSSES ON CASH AND CASH EQUIVALENTS	(3)	(5)	-	-
CASH AND CASH EQUIVALENTS AT 1 APRIL	63,237	36,863	30,376	24,035
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>120,993</b>	<b>63,237</b>	<b>13,942</b>	<b>30,376</b>



## FINANCIAL STATEMENTS

# Consolidated and company statements of changes in equity

FOR THE YEAR TO 31 MARCH 2015

GROUP	SHARE CAPITAL £000	SHARE PREMIUM £000	REVALUATION RESERVE £000	CAPITAL REDEMPTION RESERVE £000	OTHER RESERVES £000	RETAINED EARNINGS £000	OWN SHARES HELD £000	NON-CONTROLLING INTERESTS £000	TOTAL £000
AT 31 MARCH 2013	1,447	98,678	10,593	7,478	291	135,211	-	70	253,768
TOTAL COMPREHENSIVE INCOME/(EXPENSE)	-	-	-	-	-	86,718	-	(48)	86,670
REVALUATION SURPLUS	-	-	20,714	-	-	(20,714)	-	-	-
REALISED ON DISPOSALS	-	-	1,799	-	-	(1,799)	-	-	-
PERFORMANCE SHARE PLAN	-	-	-	-	-	6,333	-	-	6,333
SHARE SETTLED BONUS	-	-	-	-	-	1,366	-	-	1,366
PURCHASE OF OWN SHARES	-	-	-	-	-	-	(950)	-	(950)
DIVIDENDS PAID	-	-	-	-	-	(6,660)	-	-	(6,660)
AT 31 MARCH 2014	1,447	98,678	33,106	7,478	291	200,455	(950)	22	340,527
TOTAL COMPREHENSIVE INCOME	-	-	-	-	-	74,638	-	287	74,925
REVALUATION SURPLUS	-	-	66,904	-	-	(66,904)	-	-	-
REALISED ON DISPOSALS	-	-	8,050	-	-	(8,050)	-	-	-
PAYMENT TO MINORITY INTEREST	-	-	-	-	-	-	-	(249)	(249)
PERFORMANCE SHARE PLAN	-	-	-	-	-	6,432	-	-	6,432
PERFORMANCE SHARE PLAN DEFERRED TAX	-	-	-	-	-	2,477	-	-	2,477
SHARE SETTLED BONUS	-	-	-	-	-	1,424	-	-	1,424
NEW SHARE CAPITAL ISSUED	-	120	-	-	-	-	-	-	120
DIVIDENDS PAID	-	-	-	-	-	(7,944)	-	-	(7,944)
PURCHASE OF OWN SHARES	-	-	-	-	-	-	(13,349)	-	(13,349)
OWN SHARES HELD RESERVE TRANSFER	-	-	-	-	-	(14,299)	14,299	-	-
AT 31 MARCH 2015	1,447	98,798	108,060	7,478	291	188,229	-	60	404,363

For a breakdown of Total Comprehensive Income/Expense, see the Consolidated Statement of Comprehensive Income on page 78.

Included within changes in equity are net transactions with owners of £10,840,000 (2014: £89,000) made up of: the performance share plan charge of £6,432,000 (2014: £6,333,000) and related deferred tax of £2,477,000 (2014: £nil), dividends paid of £7,944,000 (2014: £6,660,000), the purchase of own shares of £13,349,000 (2014: £950,000), new share capital issued of £120,000 (2014: £nil) and the share settled bonuses of £1,424,000 (2014: £1,366,000).

The adjustment to retained earnings of £6,432,000 adds back the performance share plan charge (2014: £6,333,000), in accordance with IFRS 2 Share-Based Payments.

COMPANY	SHARE CAPITAL £000	SHARE PREMIUM £000	REVALUATION RESERVE £000	CAPITAL REDEMPTION RESERVE £000	OTHER RESERVES £000	RETAINED EARNINGS £000	TOTAL £000
AT 31 MARCH 2013	1,447	98,678	-	7,478	1,987	113,346	222,936
TOTAL COMPREHENSIVE EXPENSE	-	-	-	-	-	23,072	23,072
DIVIDENDS PAID	-	-	-	-	-	(6,660)	(6,660)
AT 31 MARCH 2014	1,447	98,678	-	7,478	1,987	129,758	239,348
TOTAL COMPREHENSIVE INCOME	-	-	-	-	-	(1,316)	(1,316)
DIVIDENDS PAID	-	-	-	-	-	(7,944)	(7,944)
NEW SHARE CAPITAL ISSUED	-	120	-	-	-	-	120
AT 31 MARCH 2015	1,447	98,798	-	7,478	1,987	120,498	230,208

Total Comprehensive Income is made up of the loss after tax of £1,316,000 (2014: gain of £23,072,000).

Included within changes in equity are net transactions with owners of £7,824,000 (2014: £6,660,000) made up of dividends paid of £7,944,000 (2014: £6,660,000) and new share capital issued of £120,000 (2014: £nil).

## Notes:

Share capital - represents the nominal value of issued share capital.

Share premium - represents the excess of value of shares issued over their nominal value.

Revaluation reserve - represents the surplus/deficit of fair value of investment properties over their historic cost.

Capital redemption reserve - represents amounts paid to purchase issued shares for cancellation at their nominal value.

Retained earnings - represents the accumulated retained earnings of the Group.

## FINANCIAL STATEMENTS

# Notes to the financial statements

## 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable International Financial Reporting Standards ("IFRS"), including International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the European Union.

The directors have taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present a separate income statement for the parent company.

The financial statements have been prepared in Sterling (rounded to the nearest thousand) under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments, convertible bonds and derivative financial instruments. The measurement bases and principal accounting policies of the Group are set out in note 38. These accounting policies are consistent with those applied in the year to 31 March 2014, as amended to reflect any new Standards, Amendments to Standards and interpretations which are mandatory for the year ended 31 March 2015, these are detailed below:

IAS 27 (revised): Separate financial statements (effective 1 January 2014);

IAS 28 (revised): Associates and joint ventures (effective 1 January 2014);

IFRS 10: Consolidated financial statements (effective 1 January 2014);

IFRS 11: Joint arrangements (effective 1 January 2014);

IFRS 12: Disclosure of interests in other entities (effective 1 January 2014);

Amendments to IAS 32 (Dec 2011) Offsetting financial assets and financial liabilities (effective 1 January 2014); and

Amendments to IAS 36 Recoverable amounts disclosures for non-financial assets (effective 1 January 2014).

There has been no material impact as a result of adopting the above other than additional disclosure on the fair value measurement of Investment Properties.

The following standards, interpretations and amendments have been issued but are not yet effective and will be adopted at the point they are effective:

IFRS 9: Financial instruments: Classification and measurement;

Annual improvements to IFRSs 2011-2013 cycle (effective period commencing after 1 July 2014);

IFRS 14 Regulatory deferral accounts;

IFRS 15 Revenue from contracts with customers (effective period commencing after 1 February 2015);

Defined benefit plans: employee contributions (Amendments to IAS 19);

Clarification of acceptable methods of depreciation and amortisation – amendments to IAS 16 and IAS 38;

Sale or contribution of assets between an investor and its associate or joint venture;

Amendments to IFRS 11: Accounting for acquisitions of interest in joint operations; and

Amendments to IAS 27: Equity method in separate financial statements.

The Directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group.

## 2. SEGMENTAL INFORMATION

IFRS 8 requires the identification of the Group's operating segments, which are defined as being discrete components of the Group's operations whose results are regularly reviewed by the Chief Operating Decision Maker (being the Chief Executive) to allocate resources to those segments and to assess their performance. The Group divides its business into the following segments:

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation, and Trading properties which are owned or leased with the intention to sell; and,
- Developments, which include sites, developments in the course of construction, completed developments available for sale, pre-sold developments and interest in third party developments.

	INVESTMENT AND TRADING YEAR ENDED 31.3.15 £000	DEVELOPMENTS YEAR ENDED 31.3.15 £000	TOTAL YEAR ENDED 31.3.15 £000	INVESTMENT AND TRADING YEAR ENDED 31.3.14 £000	DEVELOPMENTS YEAR ENDED 31.3.14 £000	TOTAL YEAR ENDED 31.3.14 £000
REVENUE						
RENTAL INCOME	37,246	1,086	38,332	27,994	2,000	29,994
DEVELOPMENT PROPERTY INCOME	-	30,416	30,416	-	82,457	82,457
TRADING PROPERTY SALES	37,394	-	37,394	8,230	-	8,230
OTHER REVENUE	199	-	199	2,956	-	2,956
TOTAL REVENUE	74,839	31,502	106,341	39,180	84,457	123,637

All revenue is from external sales and is attributable to continuing operations. There were no inter-segmental sales.

Revenue for the year comprises revenue from construction contracts of £nil (2014: £nil), revenue from the sale of goods of £63,953,000 (2014: £62,965,000), revenue from services of £4,056,000 (2014: £30,678,000), and rental income of £38,332,000 (2014: £29,994,000).

All revenues are within the UK other than rental income from development properties in Poland of £1,086,000 (2014: £1,065,000) and £630,000 (2014: £835,000) of development income derived from the Group's operations in Poland.



## 2. SEGMENTAL INFORMATION continued

	INVESTMENT AND TRADING YEAR ENDED 31.3.15 £000	DEVELOPMENTS YEAR ENDED 31.3.15 £000	TOTAL YEAR ENDED 31.3.15 £000	INVESTMENT AND TRADING YEAR ENDED 31.3.14 £000	DEVELOPMENTS YEAR ENDED 31.3.14 £000	TOTAL YEAR ENDED 31.3.14 £000
<b>PROFIT BEFORE TAX</b>						
NET RENTAL INCOME	33,270	963	34,233	22,764	1,638	24,402
DEVELOPMENT PROPERTY PROFIT	-	15,674	15,674	-	62,825	62,825
TRADING PROPERTY PROFIT	2,503	-	2,503	252	-	252
SHARE OF RESULTS OF JOINT VENTURES	27,398	99	27,497	18,882	(2,434)	16,448
GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES	69,384	-	69,384	29,325	-	29,325
	132,555	16,736	149,291	71,223	62,029	133,252
IMPAIRMENT OF AVAILABLE FOR SALE ASSETS			(773)			(88)
OTHER OPERATING INCOME			368			230
GROSS PROFIT			148,886			133,394
ADMINISTRATIVE EXPENSES			(26,530)			(26,676)
FINANCE COSTS			(23,678)			(13,983)
FINANCE INCOME			2,480			4,135
CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS			(8,389)			5,312
CHANGE IN FAIR VALUE OF CONVERTIBLE BOND			(3,263)			-
FOREIGN EXCHANGE LOSSES			(2,061)			(501)
PROFIT BEFORE TAX			87,445			101,681
<b>NET ASSETS</b>						
INVESTMENT PROPERTIES	701,521	-	701,521	493,201	-	493,201
LAND, DEVELOPMENTS AND TRADING PROPERTIES	28	92,550	92,578	2,528	95,632	98,160
INVESTMENT IN JOINT VENTURES	57,209	14,376	71,585	58,460	4,520	62,980
PROPERTY DERIVATIVE FINANCIAL ASSET	-	16,388	16,388	-	-	-
	758,758	123,314	882,072	554,189	100,152	654,341
OWNER OCCUPIED PROPERTY, PLANT AND EQUIPMENT			2,361			1,050
DERIVATIVE FINANCIAL INSTRUMENTS			1			1,867
DEFERRED TAX ASSETS			-			8,458
AVAILABLE-FOR-SALE INVESTMENTS			4,342			4,973
TRADE AND OTHER RECEIVABLES			66,771			41,010
CORPORATION TAX RECEIVABLE			1,418			-
CASH AND CASH EQUIVALENTS			120,993			63,237
TOTAL ASSETS			1,077,958			774,936
LIABILITIES			(673,595)			(434,409)
NET ASSETS			404,363			340,527

All non-current assets are derived from the Group's UK operations except for owner occupied property, plant and equipment with a net book value of £69,000 (2014: £101,000).

**3. NET RENTAL INCOME**

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
GROSS RENTAL INCOME	<b>38,332</b>	29,994
RENTS PAYABLE	<b>(269)</b>	(476)
PROPERTY OVERHEADS	<b>(3,489)</b>	(4,328)
NET RENTAL INCOME	<b>34,574</b>	25,190
NET RENTAL INCOME ATTRIBUTABLE TO PROFIT SHARE PARTNER	<b>(341)</b>	(788)
GROUP SHARE OF NET RENTAL INCOME	<b>34,233</b>	24,402

Property overheads include lettings costs, vacancy costs and bad debt provisions.

The amounts above include gross rental income from investment properties of £37,246,000 (2014: £27,994,000) and net rental income from investment properties of £33,270,000 (2014: £22,764,000).

No contingent rental income was received in the year (2014: £nil).

**4. DEVELOPMENT PROPERTY PROFIT**

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
DEVELOPMENT PROPERTY INCOME	<b>30,416</b>	82,457
PROFIT ON FORWARD PROPERTY CONTRACT	<b>16,388</b>	-
COST OF SALES	<b>(30,136)</b>	(15,613)
SALES EXPENSES	<b>(542)</b>	(4,571)
PROVISION AGAINST BOOK VALUES	<b>(452)</b>	552
DEVELOPMENT PROPERTY PROFIT	<b>15,674</b>	62,825

**5. TRADING PROPERTY GAIN**

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
TRADING PROPERTY SALES	<b>37,394</b>	8,230
COST OF SALES	<b>(33,512)</b>	(7,945)
SALES EXPENSES	<b>(1,379)</b>	(33)
TRADING PROPERTY GAIN	<b>2,503</b>	252

**6. NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES**

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
NET PROCEEDS FROM THE SALE OF INVESTMENT PROPERTIES	<b>133,782</b>	57,971
BOOK VALUE (NOTE 15)	<b>(130,729)</b>	(48,303)
TENANTS INCENTIVES ON SOLD INVESTMENT PROPERTIES	<b>(573)</b>	(1,057)
GAIN ON SALE OF INVESTMENT PROPERTIES	<b>2,480</b>	8,611
REVALUATION SURPLUS ON INVESTMENT PROPERTIES	<b>66,904</b>	20,714
GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES	<b>69,384</b>	29,325



## 7. ADMINISTRATIVE EXPENSES

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
ADMINISTRATIVE EXPENSES	<b>26,530</b>	26,676
OPERATING PROFIT IS STATED AFTER THE FOLLOWING ITEMS THAT ARE CONTAINED WITHIN ADMINISTRATIVE EXPENSES:		
DEPRECIATION		
- OWNER OCCUPIED PROPERTY, PLANT AND EQUIPMENT	<b>544</b>	719
SHARE-BASED PAYMENTS CHARGE	<b>6,432</b>	6,333
AUDITORS' REMUNERATION:		
AUDIT FEES		
- AUDIT OF PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS	<b>154</b>	150
- AUDIT OF COMPANY'S SUBSIDIARIES	<b>62</b>	52
- AUDIT OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS	<b>68</b>	42
- AUDIT OF COMPANY'S SUBSIDIARIES BY AFFILIATE OF GROUP AUDITOR	<b>3</b>	12
OPERATING LEASE COSTS	<b>730</b>	574

## 8. STAFF COSTS

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
STAFF COSTS DURING THE YEAR:		
- WAGES AND SALARIES	<b>12,406</b>	14,465
- SOCIAL SECURITY COSTS	<b>3,524</b>	2,844
- OTHER PENSION COSTS	<b>171</b>	115
	<b>16,101</b>	17,424

Details of the remuneration of Directors amounting to £24,064,000 (2014: £14,396,000) are included in the Directors' Remuneration Report on pages 58 to 71. The amount of the share-based payments charge relating to share awards made to Directors is £5,815,000 (2014: £5,799,000).

Included within wages and salaries are directors' bonuses of £6,271,000 (2014: £6,099,000) as discussed in the Directors' Remuneration Report on pages 58 to 71.

Other pension costs relate to payments to individual pension plans.

The average number of employees (management and administration) of the Group during the year was 43 (2014: 46) of which 32 are UK staff and 11 are based in Poland.

Of the staff costs of £16,101,000 (2014: £17,424,000), £15,663,000 is included within administrative expenses (2014: £16,369,000), £438,000 is included within development costs (2014: £481,000) and £nil is included in Other operating income/expense (2014: £574,000).

Within administrative costs is the share based payment charge for the year of £6,432,000 (2014: £6,333,000) which is not included in the staff costs above.

## 9. FINANCE COSTS AND FINANCE INCOME

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
INTEREST PAYABLE ON BANK LOANS AND OVERDRAFTS	<b>(21,055)</b>	(14,298)
OTHER INTEREST PAYABLE AND SIMILAR CHARGES	<b>(6,264)</b>	(2,520)
INTEREST CAPITALISED	<b>3,641</b>	2,835
FINANCE COSTS	<b>(23,678)</b>	(13,983)
INTEREST RECEIVABLE AND SIMILAR INCOME	<b>2,480</b>	1,236
GAIN ON PURCHASE OF LOAN	-	2,899
FINANCE INCOME	<b>2,480</b>	4,135

## 9. FINANCE COSTS AND FINANCE INCOME continued

During the year to 31 March 2014, the Group purchased a loan from one of its lenders realising a gain of £2,899,000.

On projects where specific third party loans have been arranged, interest has been capitalised in accordance with IAS 23 - Borrowing Costs, at the rate for the individual loan. The weighted average capitalised interest rate of such loans was 3.68% (2014: 3.57%). Where general finance has been used to fund the acquisition and construction of properties the rate used was a weighted average of the financing costs for the applicable borrowings of 4.62% (2014: 4.60%).

## 10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
THE TAX CHARGE IS BASED ON THE PROFIT FOR THE YEAR AND REPRESENTS:		
UNITED KINGDOM CORPORATION TAX AT 21% (2014: 23%)		
- GROUP CORPORATION TAX	(215)	(11,687)
- ADJUSTMENT IN RESPECT OF PRIOR PERIODS	(22)	(403)
- OVERSEAS TAX	(39)	(113)
CURRENT TAX CHARGE	(276)	(12,203)
DEFERRED TAX AT 20% (2014: 20%)		
- CAPITAL ALLOWANCES	(297)	1,157
- TAX LOSSES	3,033	(1,746)
- UNREALISED CHARGEABLE GAINS	(15,096)	(1,598)
- OTHER TEMPORARY DIFFERENCES	(33)	264
DEFERRED TAX CHARGE	(12,393)	(1,923)
TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES	(12,669)	(14,126)

### Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK.

The differences are explained below:

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	87,445	101,681
PROFIT ON ORDINARY ACTIVITIES MULTIPLIED BY STANDARD RATE OF CORPORATION TAX IN THE UK OF 21% (2014: 23%)	(18,363)	(23,387)
EFFECT OF:		
- EXPENSES NOT DEDUCTIBLE FOR TAX PURPOSES	(1,041)	(1,422)
- INCOME NOT SUBJECT TO UK CORPORATION TAX	285	164
- ADJUSTMENT TO CAPITAL ALLOWANCES	331	493
- TAX MOVEMENTS ON SHARE AWARDS	609	1,135
- ADDITIONAL TAX LOSSES UNAVAILABLE	(143)	(168)
- OPERATING PROFIT OF JOINT VENTURES	5,774	3,783
- PRIOR YEAR ADJUSTMENT	(22)	(403)
- MOVEMENT ON SALE AND REVALUATION NOT RECOGNISED THROUGH DEFERRED TAX	(1,370)	3,971
- CHARGEABLE GAIN IN (EXCESS OF)/LOWER THAN PROFIT OR LOSS ON INVESTMENT PROPERTY	(278)	1,980
- OVERSEAS TAX	(39)	(113)
- OTHER TEMPORARY DIFFERENCES	901	971
EFFECT OF CHANGE OF RATE OF CORPORATION TAX	687	(1,130)
TOTAL TAX CHARGE FOR THE PERIOD	(12,669)	(14,126)

Note: all deferred tax balances have been calculated at the substantively enacted future rate of corporation tax of 20% for the year to 31 March 2016.

### Factors that may affect future tax charges

The tax charge is expected to be less than the full rate in future years, primarily due to the Group continuing to claim allowances in respect of eligible expenditure on investment properties.

## 11. DEFERRED TAX

Deferred tax provided for in the financial statements is set out below:

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
CAPITAL ALLOWANCES	(1,561)	(1,264)	60	99
TAX LOSSES	12,021	8,988	1,173	363
UNREALISED CHARGEABLE GAINS	(16,687)	(1,598)	-	-
OTHER TEMPORARY DIFFERENCES	4,771	2,332	-	287
DEFERRED TAX (LIABILITY)/ASSET	(1,456)	8,458	1,233	749

Other temporary differences include deferred tax assets arising from the recognition of the fair value of derivative financial instruments and future tax relief available to the Group from capital allowances and when share awards vest. The deferred tax liability of £3,278,000 arising on the profit on the fair value of the forward property contract has also been included in other temporary differences. £2,477,000 of the increase in the deferred tax in respect of future tax relief for share awards has been recognised in reserves in accordance with IAS12.

The Group contains entities with tax losses for which no deferred tax asset is recognised. The total unrecognised losses amount to approximately £9,036,000. A deferred tax asset has not been recognised because the entities in which the losses have been generated either do not have forecast taxable profits or the losses have restrictions whereby their utilisation is considered to be unlikely.

If upon sale of the investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £1,561,000 (2014: £1,264,000) would be released and further capital allowances of £18,031,000 (2014: £11,400,000) would be available to reduce future tax liabilities.

## 12. DIVIDENDS PAID AND PAYABLE

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
ATTRIBUTABLE TO EQUITY SHARE CAPITAL		
ORDINARY		
- INTERIM PAID OF 2.10p (2014: 2.00p) PER SHARE	2,406	2,337
- PRIOR PERIOD FINAL PAID OF 4.75p (2014: 3.70p) PER SHARE	5,538	4,323
TOTAL DIVIDENDS PAID AND PAYABLE IN YEAR – 6.85p (2014: 5.70p) PER SHARE	7,944	6,660

An interim dividend of 2.10p was paid on 30 December 2014 to shareholders on the register on 12 December 2014. The final dividend of 5.15p, if approved at the AGM on 24 July 2015, will be paid on 31 July 2015 to shareholders on the register on 3 July 2015. This final dividend, amounting to £5,899,000, has not been included as a liability as at 31 March 2015, in accordance with IFRS.

## 13. PARENT COMPANY

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income statement in the financial statements. The loss for the year of the Company was £1,316,000 (2014: profit of £23,072,000).

## 14. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. This is a different basis to the net asset per share calculations which are based on the number of shares at the year end. Shares held by the ESOP, which has waived its entitlement to receive dividends, are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the effect of all dilutive options and awards.



#### 14. EARNINGS PER SHARE continued

The earnings per share are calculated in accordance with IAS 33, Earnings per Share and the best practice recommendations of the European Public Real Estate Association ("EPRA"). Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

EARNINGS PER SHARE	YEAR ENDED 31.3.15 000	YEAR ENDED 31.3.14 000
ORDINARY SHARES IN ISSUE	118,184	118,138
WEIGHTING ADJUSTMENT	(2,897)	(1,323)
WEIGHTED AVERAGE ORDINARY SHARES IN ISSUE FOR CALCULATION OF BASIC EARNINGS PER SHARE	115,287	116,815
WEIGHTED AVERAGE ORDINARY SHARES ISSUED ON EXERCISE OF SHARE OPTIONS	-	46
WEIGHTED AVERAGE ORDINARY SHARES TO BE ISSUED ON SHARE SETTLED BONUSES	1,016	451
WEIGHTED AVERAGE ORDINARY SHARES TO BE ISSUED UNDER PERFORMANCE SHARE PLAN	6,182	2,389
WEIGHTED AVERAGE ORDINARY SHARES IN ISSUE FOR CALCULATION OF DILUTED EARNINGS PER SHARE	122,485	119,701
	£000	£000
EARNINGS USED FOR CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	74,489	87,603
BASIC EARNINGS PER SHARE	64.6p	75.0p
DILUTED EARNINGS PER SHARE	60.8p	73.2p
	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
EARNINGS USED FOR CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	74,489	87,603
NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES	(69,384)	(29,325)
SHARE OF NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES IN THE RESULTS OF JOINT VENTURES	(27,225)	(15,710)
TAX ON PROFIT ON DISPOSAL OF INVESTMENT PROPERTIES	-	1,981
TRADING PROPERTY GAIN	(2,503)	(252)
FAIR VALUE MOVEMENT ON DERIVATIVE FINANCIAL INSTRUMENTS	8,389	(5,312)
FAIR VALUE MOVEMENT ON CONVERTIBLE BOND	3,263	-
SHARE OF FAIR VALUE MOVEMENTS ON DERIVATIVE FINANCIAL INSTRUMENTS IN THE RESULTS OF JOINT VENTURES	578	(1,001)
IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENT	773	88
DEFERRED TAX	14,425	862
EARNINGS USED FOR CALCULATION OF EPRA EARNINGS PER SHARE	2,805	38,934
PERFORMANCE RELATED AWARDS	15,647	11,613
EARNINGS USED FOR CALCULATION OF ADJUSTED EARNINGS PER SHARE	18,452	50,547
EPRA EARNINGS PER SHARE	2.4p	33.3p
ADJUSTED EARNINGS PER SHARE	16.0p	43.3p

The earnings used for calculation of EPRA earnings per share includes net rental income and development property profits but excludes trading property gains/losses.

## 15. INVESTMENT PROPERTIES

	FREEHOLD 31.3.15 £000	LEASEHOLD 31.3.15 £000	TOTAL 31.3.15 £000	FREEHOLD 31.3.14 £000	LEASEHOLD 31.3.14 £000	TOTAL 31.3.14 £000
<b>GROUP</b>						
FAIR VALUE AT 1 APRIL	<b>450,276</b>	<b>42,925</b>	<b>493,201</b>	288,076	23,950	312,026
PROPERTY ACQUISITIONS	<b>191,280</b>	<b>79,813</b>	<b>271,093</b>	183,357	16,587	199,944
TRANSFERS FROM LAND, DEVELOPMENTS AND TRADING PROPERTIES	-	-	-	-	8,600	8,600
DISPOSALS	<b>(112,089)</b>	<b>(18,640)</b>	<b>(130,729)</b>	(41,870)	(6,433)	(48,303)
REVALUATION SURPLUS	<b>61,376</b>	<b>5,528</b>	<b>66,904</b>	20,493	221	20,714
REVALUATION SURPLUS ATTRIBUTABLE TO PROFIT SHARE PARTNER	<b>1,027</b>	<b>25</b>	<b>1,052</b>	220	-	220
FAIR VALUE AT 31 MARCH	<b>591,870</b>	<b>109,651</b>	<b>701,521</b>	450,276	42,925	493,201

Interest capitalised during the year in respect of the refurbishment of investment properties amounted to £667,000 (2014: £nil).

Interest capitalised in respect of the refurbishment of investment properties is included in investment properties to the extent of £5,449,000 (2014: £4,782,000).

Investment properties with a total fair value of £628,621,000 (2014: £474,200,000) were held as security against borrowings.

All of the Group's properties are level 3, as defined by IFRS 13 Fair Value Measurement, in the fair value hierarchy as at 31 March 2015 and there were no transfers between levels during the year. Level 3 inputs used in valuing the properties, are those which are unobservable, as opposed to level 1 (inputs from quoted prices) and level 2 (observable inputs either directly, i.e. as prices, or indirectly, i.e. derived from prices).

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of Level 3 for investment properties during the year.

### Valuation methodology

The fair value of the Group's investment property as at 31 March 2015 was determined by independent external valuers at that date, except for investment properties valued by the Directors. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties. Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields as discussed below. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

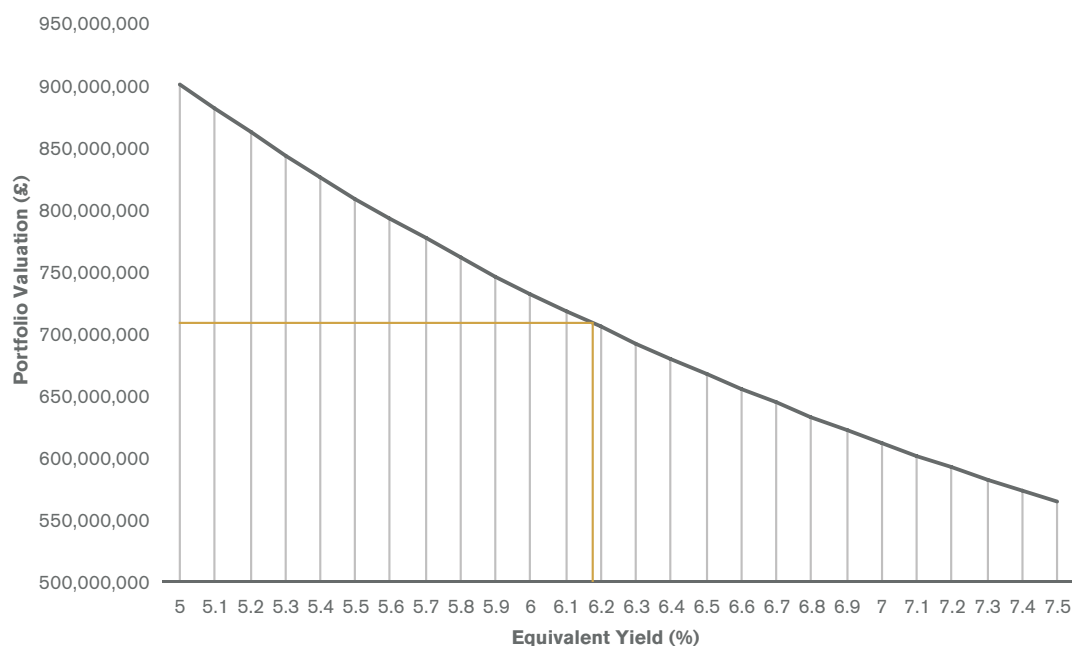
There are interrelationships between all the inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions.

Details of the investment portfolio yields can be found on page 19 of this report.

## 15. INVESTMENT PROPERTIES continued

The equivalent yield on the Group's investment property portfolio at 31 March 2015 was 6.17%. The graph below demonstrates how the valuation of the investment property portfolio would change with a movement in the equivalent yield.

### Valuation - Equivalent Yield Sensitivity



The investment properties have been valued at 31 March 2015 as follows:

	31.3.15 £000	31.3.14 £000
CUSHMAN & WAKEFIELD LLP	697,521	493,200
DIRECTORS' VALUATION	4,000	1
	<b>701,521</b>	<b>493,201</b>

The historical cost of investment property is £590,965,000 (2014: £457,781,000).

## 16. OPERATING LEASE ARRANGEMENTS

The Group earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. At the balance sheet date, the Group had contracted with tenants to receive the following future minimum lease payments:

	GROUP 31.3.15 £000	GROUP 31.3.14 £000
NOT LATER THAN ONE YEAR	39,393	29,065
LATER THAN ONE YEAR BUT NOT MORE THAN FIVE YEARS	104,268	81,237
MORE THAN FIVE YEARS	159,001	104,240
	<b>302,662</b>	<b>214,542</b>

The Company has no operating lease arrangements as lessor.



## 16. OPERATING LEASE ARRANGEMENTS continued

At the balance sheet date, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31.3.15 £000	31.3.14 £000
GROUP AND COMPANY		
NOT LATER THAN ONE YEAR	281	-
LATER THAN ONE YEAR BUT NOT MORE THAN FIVE YEARS	3,273	2,735
MORE THAN FIVE YEARS	7,773	8,592
	11,327	11,327

## 17. OWNER OCCUPIED PROPERTY, PLANT AND EQUIPMENT

GROUP	SHORT LEASEHOLD IMPROVEMENTS 31.3.15 £000	PLANT AND EQUIPMENT 31.3.15 £000	TOTAL 31.3.15 £000	SHORT LEASEHOLD IMPROVEMENTS 31.3.14 £000	PLANT AND EQUIPMENT 31.3.14 £000	TOTAL 31.3.14 £000
COST AT 1 APRIL	2,373	935	3,308	2,071	825	2,896
ADDITIONS AT COST	1,695	164	1,859	302	344	646
DISPOSALS	(2,061)	(91)	(2,152)	-	(234)	(234)
COST AT 31 MARCH	2,007	1,008	3,015	2,373	935	3,308
DEPRECIATION AT 1 APRIL	1,811	447	2,258	1,283	460	1,743
PROVISION FOR THE YEAR	361	183	544	528	187	715
ELIMINATED ON DISPOSALS	(2,061)	(87)	(2,148)	-	(200)	(200)
DEPRECIATION AT 31 MARCH	111	543	654	1,811	447	2,258
NET BOOK AMOUNT AT 31 MARCH	1,896	465	2,361	562	488	1,050

Plant and equipment include vehicles, fixtures and fittings and other office equipment.

All short leasehold improvements and plant and equipment relate to the Company except for plant and equipment with a net book value of £69,000 as at 31 March 2015 (2014: £101,000).

## 18. INVESTMENT IN SUBSIDIARIES

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
AT 1 APRIL	-	-	36,584	36,945
ACQUIRED DURING YEAR	-	-	1	150
INVESTMENT IMPAIRED DURING THE YEAR	-	-	-	(511)
AT 31 MARCH	-	-	36,585	36,584

## 18. INVESTMENT IN SUBSIDIARIES continued

The Company's principal subsidiary undertakings, all of which have been consolidated, are:

NAME OF UNDERTAKING	NATURE OF BUSINESS	PERCENTAGE OF ORDINARY SHARE CAPITAL HELD
BAYLIGHT DEVELOPMENTS LTD*	INVESTMENT	100%
DOWNTOWN SPACE PROPERTIES LLP	INVESTMENT	100%
HB SAWSTON NO. 3 LTD	INVESTMENT	100%
HELICAL BAR (MAPLE) LTD	INVESTMENT	100%
HELICAL BAR DEVELOPMENTS (SOUTH EAST) LTD	DEVELOPMENT	100%
HELICAL BAR (GREAT DOVER STREET) LTD	INVESTMENT	100%
HELICAL BAR (MITRE SQUARE DEVELOPMENTS) LTD	DEVELOPMENT	100%
HELICAL BAR SERVICES LTD	MANAGEMENT SERVICES	100%
HELICAL BAR (WALES) LTD*	INVESTMENT	100%
HELICAL (ARTILLERY) LTD	INVESTMENT	100%
HELICAL (BOSS) LTD	INVESTMENT	100%
HELICAL (BOSS 2) LTD	INVESTMENT	100%
HELICAL (BRAMSHOTT PLACE) LTD	DEVELOPMENT	100%
HELICAL (BROADWAY) LTD	INVESTMENT	100%
HELICAL (BROWNHILLS) LTD	INVESTMENT	100%
HELICAL (CANNOCK) LTD	INVESTMENT	100%
HELICAL (CARDIFF) LTD	INVESTMENT	100%
HELICAL (CHART) LTD	INVESTMENT	100%
HELICAL (CHURCHGATE) LTD	INVESTMENT	100%
HELICAL (COBHAM) LTD	INVESTMENT	100%
HELICAL (CROWNHILL) LTD	INVESTMENT (JERSEY)	100%
HELICAL (CS) JERSEY LTD	INVESTMENT (JERSEY)	100%
HELICAL (DALE HOUSE) LTD	INVESTMENT	100%
HELICAL (ELLESMERE PORT) LTD	INVESTMENT	100%
HELICAL (ENTERPRISE) LTD	INVESTMENT	100%
HELICAL (EXETER) LTD	DEVELOPMENT	100%
HELICAL (FAYGATE) LTD	DEVELOPMENT	100%
HELICAL (FP HOLDINGS) LTD	INVESTMENT	100%
HELICAL (GLASGOW) LTD	INVESTMENT/TRADING	100%
HELICAL (GRACELANDS) LTD	INVESTMENT	100%
HELICAL (GREAT YARMOUTH) LTD	INVESTMENT	100%
HELICAL (HAILSHAM) LTD	DEVELOPMENT	100%
HELICAL (HARROGATE) LTD	INVESTMENT	100%
HELICAL (HAVANT) LTD	INVESTMENT	100%
HELICAL (HEDGE END) LTD	TRADING	100%
HELICAL (HINCKLEY) LTD	INVESTMENT	100%
HELICAL (HUDDERSFIELD) LTD	INVESTMENT	100%
HELICAL (LB) LTD	INVESTMENT	100%
HELICAL (LIPHOOK) LTD	DEVELOPMENT (JERSEY)	100%
HELICAL (MINT) LTD	INVESTMENT	100%
HELICAL (PORCHESTER) LTD	INVESTMENT	100%
HELICAL (QUARTZ) LTD	INVESTMENT	100%
HELICAL RETAIL LTD	DEVELOPMENT	100%
HELICAL (SCARBOROUGH) LTD	INVESTMENT	100%
HELICAL (SEVENOAKS) LTD	INVESTMENT	100%
HELICAL (SIX) LTD	INVESTMENT	100%
HELICAL (SOUTHEND) LTD	INVESTMENT	100%
HELICAL (ST VINCENT) LTD	DEVELOPMENT	100%
HELICAL (SUN) LTD	INVESTMENT	100%
HELICAL (TELFORD) LTD	DEVELOPMENT	100%
HELICAL (WINTERHILL) LTD	INVESTMENT	100%
HELICAL (WHITECHAPEL) LTD	INVESTMENT	100%
HELICAL WROCLAW SP. Z.O.O.*	DEVELOPMENT (POLAND)	100%
HELICAL (YATE) LTD	INVESTMENT	100%
METROPOLIS PROPERTY LTD	INVESTMENT	100%

\*Ordinary capital is held by a subsidiary undertaking.

All principal subsidiary undertakings operate in the United Kingdom other than Helical Wroclaw Sp. z.o.o. and, unless otherwise indicated, are incorporated and registered in England and Wales. In line with s410(2) of the Companies Act 2006 a full list of all subsidiaries is lodged with the Annual Return at Companies House.

Investments in subsidiaries have been impaired based on a review of their fair value at the balance sheet date. A review of the fair value of the investments is undertaken periodically. The fair value of the investment in subsidiaries is based on the value of the subsidiaries underlying assets.

During the year, the Company sold its investment in Helical (Corby) Limited and Corby TC Limited. The profit on sale of £1.7m is included in the gain on sale of investment property.

## 19. INVESTMENT IN JOINT VENTURES

	INVESTMENT & TRADING 31.3.15 £000	DEVELOPMENT 31.3.15 £000	TOTAL 31.3.15 £000	INVESTMENT & TRADING 31.3.14 £000	DEVELOPMENT 31.3.14 £000	TOTAL 31.3.14 £000
<b>SUMMARISED STATEMENTS OF CONSOLIDATED INCOME</b>						
<b>REVENUE</b>	<b>5,523</b>	<b>575</b>	<b>6,098</b>	6,351	250	6,601
GROSS RENTAL INCOME	5,523	575	6,098	6,351	250	6,601
RENTS PAYABLE	(809)	-	(809)	(625)	-	(625)
PROPERTY OVERHEADS	(683)	(194)	(877)	(671)	132	(539)
NET RENTAL INCOME	4,031	381	4,412	5,055	382	5,437
DEVELOPMENT PROFIT	-	1,902	1,902	-	2,199	2,199
PROFIT/(LOSS) ON SALE OF PROPERTY	1,087	4	1,091	(31)	-	(31)
GAIN ON REVALUATION OF INVESTMENT PROPERTIES	26,134	-	26,134	15,710	-	15,710
IMPAIRMENT OF HELD FOR SALE INVESTMENT	-	-	-	-	(4,792)	(4,792)
OTHER OPERATING INCOME/(EXPENSE)	(1)	294	293	302	70	372
ADMINISTRATIVE EXPENSES	(291)	(660)	(951)	(94)	-	(94)
FINANCE COSTS	(2,254)	(1,390)	(3,644)	(3,027)	(24)	(3,051)
FINANCE INCOME	4	39	43	369	170	539
CHANGE IN FAIR VALUE MOVEMENT OF DERIVATIVE FINANCIAL INSTRUMENTS	(578)	-	(578)	1,001	-	1,001
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>28,132</b>	<b>570</b>	<b>28,702</b>	19,285	(1,995)	17,290
TAX	(734)	(471)	(1,205)	(403)	(439)	(842)
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>27,398</b>	<b>99</b>	<b>27,497</b>	18,882	(2,434)	16,448
<b>SUMMARISED BALANCE SHEETS</b>						
<b>NON-CURRENT ASSETS</b>						
INVESTMENT PROPERTIES	88,205	100	88,305	107,504	-	107,504
OWNER OCCUPIED PROPERTY, PLANT AND EQUIPMENT	-	42	42	21	-	21
DEFERRED TAX	256	278	534	139	27	166
	<b>88,461</b>	<b>420</b>	<b>88,881</b>	107,664	27	107,691
<b>CURRENT ASSETS</b>						
LAND, DEVELOPMENT AND TRADING PROPERTIES	-	61,782	61,782	-	27,165	27,165
TRADE AND OTHER RECEIVABLES	1,468	1,258	2,726	1,937	1,256	3,193
CASH AND CASH EQUIVALENTS	7,030	6,423	13,453	4,292	11,500	15,792
	<b>8,498</b>	<b>69,463</b>	<b>77,961</b>	6,229	39,921	46,150
<b>CURRENT LIABILITIES</b>						
TRADE AND OTHER PAYABLES	(3,947)	(20,749)	(24,696)	(3,649)	(35,428)	(39,077)
BORROWINGS	-	-	-	(12,453)	-	(12,453)
	<b>(3,947)</b>	<b>(20,749)</b>	<b>(24,696)</b>	(16,102)	(35,428)	(51,530)
<b>NON-CURRENT LIABILITIES</b>						
TRADE AND OTHER PAYABLES	(5,590)	(19,842)	(25,432)	(8,464)	-	(8,464)
BORROWINGS	(29,503)	(14,916)	(44,419)	(30,389)	-	(30,389)
DERIVATIVE FINANCIAL INSTRUMENTS	(473)	-	(473)	(51)	-	(51)
DEFERRED TAX	(237)	-	(237)	(427)	-	(427)
	<b>(35,803)</b>	<b>(34,758)</b>	<b>(70,561)</b>	(39,331)	-	(39,331)
<b>NET ASSETS</b>	<b>57,209</b>	<b>14,376</b>	<b>71,585</b>	58,460	4,520	62,980

The cost of the Company's investment in joint ventures was £15,000 (2014: £15,000).

The Directors' valuation of the trading and development stock shows a surplus of £11,013,000 above book value (2014: £1,760,000).



## 19. INVESTMENT IN JOINT VENTURES continued

The Group has three material joint ventures. The full results and position of these joint ventures are set out below, of which we have included our share in the previous table:

	BARTS LP GROUP 31.3.15 £000	OLD STREET HOLDINGS LP GROUP 31.3.15 £000	SHIRLEY ADVANCE LLP 31.3.15 £000	BARTS LP GROUP 31.3.14 £000	OLD STREET HOLDINGS LP GROUP 31.3.14 £000	SHIRLEY ADVANCE LLP 31.3.14 £000
<b>SUMMARISED INCOME STATEMENTS</b>						
<b>REVENUE</b>						
GROSS RENTAL INCOME	3,532	2,885	179	3,672	2,703	38
PROPERTY OVERHEADS	(530)	(804)	(16)	(48)	(1,103)	-
<b>NET RENTAL INCOME</b>	<b>3,002</b>	<b>2,081</b>	<b>163</b>	<b>3,624</b>	<b>1,600</b>	<b>38</b>
DEVELOPMENT PROFIT	-	-	-	-	-	318
GAIN ON REVALUATION OF INVESTMENT PROPERTIES	30,287	48,105	-	21,245	20,861	-
OTHER OPERATING INCOME/(EXPENSE)	(19)	-	599	(250)	938	-
ADMINISTRATIVE EXPENSES	(2,324)	(367)	-	(163)	-	-
FINANCE COSTS	(1,283)	(2,533)	(912)	(897)	(3,686)	(48)
FINANCE INCOME	8	-	-	-	2	110
CHANGE IN FAIR VALUE MOVEMENT OF DERIVATIVE FINANCIAL INSTRUMENTS	-	(1,733)	-	(2)	40	-
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>29,671</b>	<b>45,553</b>	<b>(150)</b>	<b>23,557</b>	<b>19,755</b>	<b>418</b>
TAX	(96)	437	-	(807)	417	-
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>29,575</b>	<b>45,990</b>	<b>(150)</b>	<b>22,750</b>	<b>20,172</b>	<b>418</b>
<b>SUMMARISED BALANCE SHEETS</b>						
<b>NON-CURRENT ASSETS</b>						
INVESTMENT PROPERTIES	91,887	173,000	-	110,000	91,867	-
OWNER OCCUPIED PROPERTY, PLANT AND EQUIPMENT	126	-	-	-	-	-
DEFERRED TAX	99	767	-	-	417	-
	<b>92,112</b>	<b>173,767</b>	<b>-</b>	<b>110,000</b>	<b>92,284</b>	<b>-</b>
<b>CURRENT ASSETS</b>						
LAND, DEVELOPMENT AND TRADING PROPERTIES	78,784	-	44,911	-	-	38,796
TRADE AND OTHER RECEIVABLES	2,419	3,593	1,800	2,994	1,135	2,508
CASH AND CASH EQUIVALENTS	29,219	3,656	967	3,670	2,319	132
	<b>110,422</b>	<b>7,249</b>	<b>47,678</b>	<b>6,664</b>	<b>3,454</b>	<b>41,436</b>
<b>CURRENT LIABILITIES</b>						
TRADE AND OTHER PAYABLES	(11,626)	(8,419)	(31,161)	(4,174)	(4,073)	(41,299)
BORROWINGS	-	-	-	(34,863)	-	-
	<b>(11,626)</b>	<b>(8,419)</b>	<b>(31,161)</b>	<b>(39,037)</b>	<b>(4,073)</b>	<b>(41,299)</b>
<b>NON-CURRENT LIABILITIES</b>						
TRADE AND OTHER PAYABLES	-	(16,767)	(16,527)	(10,623)	(14,767)	-
BORROWINGS	(64,883)	(68,348)	-	-	(37,308)	-
DERIVATIVE FINANCIAL INSTRUMENTS	-	(1,416)	-	-	(260)	-
DEFERRED TAX	-	-	-	(628)	-	-
	<b>(64,883)</b>	<b>(86,531)</b>	<b>(16,527)</b>	<b>(11,251)</b>	<b>(52,335)</b>	<b>-</b>
<b>NET ASSETS</b>	<b>126,025</b>	<b>86,066</b>	<b>(10)</b>	<b>66,376</b>	<b>(39,330)</b>	<b>137</b>

## 19. INVESTMENT IN JOINT VENTURES continued

At 31 March 2015 the Group and the Company had interests in the following joint venture companies:

	COUNTRY OF INCORPORATION	CLASS OF SHARE CAPITAL HELD	PROPORTION HELD GROUP	PROPORTION HELD COMPANY	NATURE OF BUSINESS
BARTS TWO INVESTMENT PROPERTY LTD	JERSEY	ORDINARY	33%	-	INVESTMENT
BARTS CLOSE OFFICE LTD	JERSEY	ORDINARY	33%	-	INVESTMENT
BARTS SQUARE FIRST OFFICE LTD	JERSEY	ORDINARY	33%	-	INVESTMENT
BARTS SQUARE ACTIVE ONE LTD	JERSEY	ORDINARY	33%	-	INVESTMENT
BARTS SQUARE FIRST LTD	UNITED KINGDOM	ORDINARY	33%	-	DEVELOPMENT
BARTS SQUARE LAND ONE LTD	UNITED KINGDOM	ORDINARY	33%	-	DEVELOPMENT
207 OLD STREET UNIT TRUST	JERSEY	N/A	33%	-	INVESTMENT
211 OLD STREET UNIT TRUST	JERSEY	N/A	33%	-	INVESTMENT
OLD STREET RETAIL UNIT TRUST	JERSEY	N/A	33%	-	INVESTMENT
CITY ROAD (JERSEY) LTD	JERSEY	ORDINARY	33%	-	INVESTMENT
OLD STREET HOLDINGS LP	JERSEY	N/A	33%	-	INVESTMENT
HELICAL SOSNICA SP. ZOO.	POLAND	ORDINARY	50%	-	DEVELOPMENT
ABBEYGATE HELICAL (LEISURE PLAZA) LTD	UNITED KINGDOM	ORDINARY	50%	50%	DEVELOPMENT
ABBEYGATE HELICAL (WINTERHILL) LTD	UNITED KINGDOM	ORDINARY	50%	50%	DEVELOPMENT
ABBEYGATE HELICAL (C4.1) LLP	UNITED KINGDOM	N/A	50%	50%	DEVELOPMENT
SHIRLEY ADVANCE LLP	UNITED KINGDOM	N/A	50%	-	DEVELOPMENT
KING STREET DEVELOPMENTS (HAMMERSMITH) LTD	UNITED KINGDOM	ORDINARY	50%	-	DEVELOPMENT
CREECHURCH PLACE LTD	JERSEY	ORDINARY	10%	-	DEVELOPMENT

### Significant Judgements and Estimates

There are a number of companies which are accounted for as joint ventures where the Group has an equity interest of less than 50%. This typically occurs where the Group's joint venture partner is providing a greater share of finance into the Company, with the Group contributing a greater share towards the day to day management of the underlying project. In these cases neither party has control over the entity and therefore it is considered appropriate to account for our interest as a joint venture.

Dividends of £17,013,000 were received from joint venture companies during the year (2014: £1,350,000). The joint venture companies are private companies, therefore no quoted market prices are available for their shares.

The Group's investment in Helical Sosnica Sp. zoo has been accounted for as an investment held for sale due to a commitment to sell the Group's share within the next year. At 31 March 2015 Helical Sosnica Sp. zoo held a development property the fair value of which the Directors believe to be £81,866,000 (of which Helical's share is £40,933,000) and a bank loan of £51,156,000 (of which Helical's share is £25,578,000) repayable in September 2017.

## 20. LAND, DEVELOPMENTS AND TRADING PROPERTIES

GROUP	DEVELOPMENT PROPERTIES 31.3.15 £000	TRADING STOCK 31.3.15 £000	TOTAL 31.3.15 £000	DEVELOPMENT PROPERTIES 31.3.14 £000	TRADING STOCK 31.3.14 £000	TOTAL 31.3.14 £000
AT 1 APRIL	95,632	2,528	98,160	90,346	2,528	92,874
ACQUISITIONS AND CONSTRUCTION COSTS	21,131	31,012	52,143	32,863	-	32,863
INTEREST CAPITALISED	3,381	-	3,381	2,835	-	2,835
TRANSFER TO INVESTMENT PROPERTIES	-	-	-	(8,600)	-	(8,600)
DISPOSALS	(25,685)	(33,512)	(59,197)	(22,109)	-	(22,109)
FOREIGN EXCHANGE MOVEMENTS	(1,457)	-	(1,457)	(255)	-	(255)
PROVISION	(452)	-	(452)	552	-	552
AT 31 MARCH	92,550	28	92,578	95,632	2,528	98,160

The Directors' valuation of trading and development stock shows a surplus of £25,230,000 above book value (2014: £25,719,000).

Interest capitalised in respect of the development of sites is included in stock to the extent of £9,788,000 (2014: £7,743,000).

Land, developments and trading properties with carrying values totalling £83,948,000 (2014: £77,676,000) were held as security against borrowings.

The Company had no land, developments or trading properties (2014: none).

## 21. PROPERTY DERIVATIVE FINANCIAL ASSET

GROUP	31.3.15 £000	31.3.14 £000
PROPERTY DERIVATIVE FINANCIAL ASSET	<b>16,388</b>	-
	<b>16,388</b>	-

The Group has assigned its forward purchase contract on Clifton Street, London EC2 to a third party. The agreement to assign the forward purchase contract is considered to be a derivative financial instrument. As such, under IAS 39, it is carried at its fair value with gains and losses taken to the Income Statement. The fair value inputs represent Level 2 fair value measurements as defined by IFRS 13 Fair Value Measurement. The fair value of this assignment contract at 31 March 2015 is £16,388,000, being the contracted cash receipt of £17.3m discounted for risk and the time value of money. The gain of £16,388,000 has been taken to the Income Statement as a development profit.

## 22. AVAILABLE-FOR-SALE INVESTMENTS

GROUP	31.3.15 £000	31.3.14 £000
AT 1 APRIL	<b>4,973</b>	5,997
ADDITIONS	<b>144</b>	-
DISPOSALS	<b>(2)</b>	-
IMPAIRMENT IN THE YEAR	<b>(773)</b>	(1,024)
AT 31 MARCH	<b>4,342</b>	4,973

Included within available-for-sale investments are an amount lent to a company promoting a mainly residential mixed-use development and a holding of 20% of the equity of this company.

The loan and the equity are together classed as an available-for-sale investment and held at fair value. It is considered to be Level 3 of the IFRS 13 fair value hierarchy. The Group has determined its fair value by considering both the loan and the equity element separately. The loan element is valued at the fair value of the expected consideration to be received including anticipated future costs of recovering this loan. This amount has been impaired in the year due to a revision in the expected receipt. The value of the available-for-sale investment is 100% sensitive to changes in the expected repayment proceeds. The equity element is given a £nil value with the Group valuing the underlying company on a break up basis at £nil as it is believed that this is the most probable outcome. This £nil valuation is derived because the Group believe that the value of the property and any other of the company's assets, after the repayment of the loan payable to the Group, would be required to repay the outstanding creditors leaving negligible value to the shareholders.

The Group does not consider that it has significant influence over this company despite having 20% of the equity as another party owns a majority shareholding and the Group does not have a representative on the board of the company.

The decline in value of £773,000 has been recognised in the Income Statement.

## 23. TRADE AND OTHER RECEIVABLES

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
TRADE RECEIVABLES	<b>13,987</b>	9,390	<b>97</b>	356
AMOUNTS OWED BY JOINT VENTURE UNDERTAKINGS	<b>42,220</b>	25,347	<b>40</b>	20,451
AMOUNTS OWED BY SUBSIDIARY UNDERTAKINGS	-	-	<b>776,550</b>	470,119
OTHER RECEIVABLES	<b>879</b>	231	<b>853</b>	337
PREPAYMENTS AND ACCRUED INCOME	<b>9,685</b>	6,042	<b>188</b>	174
	<b>66,771</b>	41,010	<b>777,728</b>	491,437

Included within trade receivables of the Group at 31 March 2015 is £1,555,000 (2014: £6,673,000) due in 2016 which is shown as a non-current asset in the Balance Sheet. Included within prepayments and accrued income of the Group is a prepayment of £1,000,000 (2014: £1,000,000) for the purchase of a property due to complete later in 2015.



## 23. TRADE AND OTHER RECEIVABLES continued

RECEIVABLES	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
FULLY PERFORMING	56,848	35,272	777,540	490,966
PAST DUE < 3 MONTHS	1,384	414	-	-
PAST DUE > 3 MONTHS	70	194	-	-
TOTAL RECEIVABLES BEING FINANCIAL ASSETS	58,302	35,880	777,540	490,966
TOTAL RECEIVABLES BEING NON-FINANCIAL ASSETS	8,469	5,130	188	471
TOTAL RECEIVABLES	66,771	41,010	777,728	491,437

Past due receivables not impaired relate to a number of independent customers for whom there is no recent history of default. Against trade receivables, Helical held £1,648,000 of rental deposits at 31 March 2015 (2014: £1,284,000).

Movements in the provision for impairment of trade receivables are as follows:

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
GROSS RECEIVABLES BEING FINANCIAL ASSETS	58,390	36,192	777,540	490,966
PROVISIONS FOR RECEIVABLES IMPAIRMENT	(88)	(312)	-	-
NET RECEIVABLES BEING FINANCIAL ASSETS	58,302	35,880	777,540	490,966
RECEIVABLES WRITTEN OFF DURING THE YEAR AS UNCOLLECTABLE	9	162	-	-

## 24. CASH AND CASH EQUIVALENTS

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
RENT DEPOSITS AND CASH HELD AT MANAGING AGENTS	3,049	4,107	3	-
RESTRICTED CASH	91,955	12,721	2	-
CASH DEPOSITS	25,989	46,409	13,937	30,376
	120,993	63,237	13,942	30,376

Restricted cash is made up of amounts held by solicitors and amounts in blocked accounts. Of this balance, £70,166,000 was held in a blocked account due to a bank refinancing and was subsequently released on 10 June 2015.

## 25. TRADE AND OTHER PAYABLES

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
TRADE PAYABLES	9,868	11,074	440	323
SOCIAL SECURITY COSTS AND OTHER TAXATION	5,156	4,615	-	-
AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS	-	-	412,690	232,788
OTHER PAYABLES	3,420	3,699	44	-
ACCRUALS	37,834	24,302	3,522	2,467
DEFERRED INCOME	9,524	7,690	-	-
	65,802	51,380	416,696	235,578

Included within deferred income is £nil (2014: £2,150,000) which is due after more than one year.

## 26. BORROWINGS

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
CURRENT BORROWINGS	45,428	1,275	6,120	-
BORROWINGS REPAYABLE WITHIN:				
- ONE TO TWO YEARS	136,091	13,904	-	3,540
- TWO TO THREE YEARS	3,617	102,403	-	-
- THREE TO FOUR YEARS	83,608	100,562	-	-
- FOUR TO FIVE YEARS	175,177	79,083	90,067	-
- FIVE TO SIX YEARS	80,060	-	79,042	-
- SIX TO TEN YEARS	74,260	78,859	-	78,859
NON-CURRENT BORROWINGS	552,813	374,811	169,109	82,399

Bank overdrafts and term loans in creditors falling due within one year and after one year are secured against properties held in the normal course of business by subsidiary undertakings to the value of £712,569,000 (2014: £551,876,000). These will be repayable when the underlying properties are sold. Bank overdrafts and term loans exclude the Group's share of borrowings in joint venture companies of £44,419,000 (2014: £42,842,000).

### Convertible Bond

On 17 June 2014 the Group issued £100m convertible bonds at par with a 4% coupon rate which are due for settlement on 17 June 2019 (the "Bonds"). The Bonds can be converted from 28 July 2014 up to and including 7 July 2017, if the share price has traded at a level exceeding 130% of the exchange price for a specified period, and from 8 July 2017 to (but excluding) the seventh dealing day before 17 June 2019 at any time. On conversion, the Group can elect to settle the Bonds by any combination of ordinary shares and cash. The Convertible Bond is included at its carrying amount of £103,263,000 in borrowings repayable within four to five years.

### Retail Bond

On 24 June 2013 the Group issued an £80m fixed rate retail bond at 6% per annum and with a maturity date of 24 June 2020. Under certain circumstances, the bonds can be repaid early. The Retail Bond is included at its amortised cost of £79,042,000 in borrowings repayable within five to six years.

## 27. FINANCING AND DERIVATIVE FINANCIAL INSTRUMENTS

The policies for dealing with liquidity and interest rate risk are noted in the Principle Risks Review on pages 40 to 42.

	GROUP 31.3.15 £000	GROUP 31.3.14 £000
<b>BORROWINGS MATURITY</b>		
DUE AFTER MORE THAN ONE YEAR	552,813	374,811
DUE WITHIN ONE YEAR	45,428	1,275
	598,241	376,086

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2015 in respect of which all conditions precedent had been met were as follows:

	GROUP 31.3.15 £000	GROUP 31.3.14 £000
EXPIRING IN ONE YEAR OR LESS	14,147	10,000
EXPIRING IN MORE THAN ONE YEAR BUT NOT MORE THAN TWO YEARS	3,982	6,335
EXPIRING IN MORE THAN TWO YEARS BUT NOT MORE THAN THREE YEARS	-	37,735
EXPIRING IN MORE THAN THREE YEARS BUT NOT MORE THAN FOUR YEARS	33,161	-
EXPIRING IN MORE THAN FOUR YEARS BUT NOT MORE THAN FIVE YEARS	2,840	36,481
	54,130	90,551

## 27. FINANCING AND DERIVATIVE FINANCIAL INSTRUMENTS continued

INTEREST RATES - GROUP	%	EXPIRY	31.3.15 £000	%	EXPIRY	31.3.14 £000
FIXED RATE BORROWINGS:						
- FIXED RATE PLUS MARGIN	3.480	DEC 2024	80,862	-	-	-
- FIXED RATE RETAIL BOND	6.000	JUN 2020	80,000	6.000	JUN 2020	80,000
- SWAP RATE PLUS BANK MARGIN	4.500	JAN 2020	75,000	-	-	-
- SWAP RATE PLUS BANK MARGIN	4.070	JUL 2019	30,000	-	-	-
- FIXED RATE CONVERTIBLE BOND	4.000	JUN 2019	100,000	-	-	-
- SWAP RATE PLUS BANK MARGIN	4.525	FEB 2019	75,630	4.525	FEB 2019	75,630
- SWAP RATE PLUS BANK MARGIN	4.020	MAY 2018	10,800	4.020	MAY 2018	10,800
- SWAP RATE PLUS BANK MARGIN	3.365	JAN 2016	9,172	4.015	JAN 2016	9,172
- SWAP RATE PLUS BANK MARGIN	4.070	JAN 2016	11,100	-	-	-
- SWAP RATE PLUS BANK MARGIN	3.510	MAY 2015	21,375	4.160	MAY 2015	21,375
- SWAP RATE PLUS BANK MARGIN	-	-	-	3.958	JAN 2015	50,000
- SWAP RATE PLUS BANK MARGIN	-	-	-	5.957	JAN 2015	11,429
- SWAP RATE PLUS BANK MARGIN	-	-	-	5.645	OCT 2014	6,690
- SWAP RATE PLUS BANK MARGIN	-	-	-	4.240	NOV 2017	26,400
WEIGHTED AVERAGE	4.366	MAR 2019	493,939	4.766	DEC 2016	291,496
FLOATING RATE BORROWINGS	2.438	NOV 2016	101,039	3.476	MAR 2017	84,590
FAIR VALUE ADJUSTMENT OF CONVERTIBLE BOND			3,263			-
TOTAL BORROWINGS	4.026	AUG 2019	598,241	4.462	MAY 2018	376,086

The year on year changes in fixed borrowing rates are the result of stepped increases/decreases in interest rate swaps rates. Floating rate borrowings bear interest at rates based on LIBOR.

At 31 March 2015 the Company had £30,000,000 and £11,000,000 interest rate swaps, both at 4.070% and expiring in July 2019 and January 2016 respectively. Interest is fixed on the retail bond and convertible bond as shown above, with the remaining borrowings being at floating rates. At 31 March 2014 the Company's borrowings consisted of fixed rate borrowings of £6,690,000 at 5.645%.

In addition to the above, the Group has a £50,000,000 interest rate swap at 1.865% starting in June 2016 and expiring in June 2026.

## Economic hedging

In addition to the fixed rates, borrowings are also hedged by the following financial instruments:

INSTRUMENT	VALUE £000	RATE %	START	EXPIRY
CURRENT:				
- CAP	50,000	4.000	APR 2011	APR 2015
- CAP	25,000	4.000	APR 2011	APR 2016
- CAP	25,000	4.000	JUL 2013	JUL 2016
- CAP	25,000 - 75,000	4.000	APR 2015	JAN 2017
- CAP	7,200	4.000	JAN 2012	OCT 2016
- CAP	11,037 - 10,613	4.000	JAN 2015	JAN 2016
- CAP	25,000	4.000	JUL 2013	JUL 2016

Where a range in capped values is shown, these reflect stepped increases/decreases over the life of the cap.



## 27. FINANCING AND DERIVATIVE FINANCIAL INSTRUMENTS continued

GEARING	GROUP 31.3.15 £000	GROUP 31.3.14 £000
TOTAL DEBT	<b>598,241</b>	376,086
CASH	<b>(120,993)</b>	(63,237)
NET DEBT	<b>477,248</b>	312,849

Net debt excludes the Group's share of debt in joint ventures of £44,419,000 (2014: £42,842,000), and cash of £13,453,000 (2014: £15,972,000).

	GROUP 31.3.15 £000	GROUP 31.3.14 £000
NET ASSETS	<b>404,363</b>	340,527
GEARING	<b>118%</b>	92%

## 28. SHARE CAPITAL

	31.3.15 £000	31.3.14 £000
AUTHORISED	<b>39,577</b>	39,577
	<b>39,577</b>	39,577

The authorised share capital of the Company is £39,576,626.60 divided into ordinary shares of 1p each and deferred shares of 1/8p each.

	31.3.15 £000	31.3.14 £000
ALLOTTED, CALLED UP AND FULLY PAID		
- 118,183,806 (2014: 118,137,522) ORDINARY SHARES OF 1p EACH	<b>1,182</b>	1,182
- 212,145,300 DEFERRED SHARES OF 1/8p EACH	<b>265</b>	265
	<b>1,447</b>	1,447

	SHARES IN ISSUE 31.3.15 NUMBER	SHARE CAPITAL 31.3.15 £000	SHARES IN ISSUE 31.3.14 NUMBER	SHARE CAPITAL 31.3.14 £000
<b>ORDINARY SHARES</b>				
AT 1 APRIL AND 31 MARCH	<b>118,183,806</b>	<b>1,182</b>	118,137,522	1,182
<b>DEFERRED SHARES</b>				
AT 1 APRIL AND 31 MARCH	<b>212,145,300</b>	<b>265</b>	212,145,300	265

## Capital Management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and,
- to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure. It manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Capital is defined as being issued share capital, share premium, retained earnings, revaluation reserve and other reserves (2015: £396,825,000; 2014: £333,977,000). The Group continually monitors its gearing level to ensure that it is appropriate. Gearing increased from 92% to 118% in the year as the Group took advantage of favourable debt market conditions.

The deferred shares were issued on 23 December 2004 to those shareholders electing to receive a dividend, rather than a capital repayment or further shares in the Company, as part of the Return of Cash approved by shareholders on 20 December 2004. The deferred shares carry no voting rights and have no right to a dividend or capital payment in the event of a winding up of the Company.

The Company's Articles of Association give the Company irrevocable authority to purchase all or any of the deferred shares for a maximum aggregate total of 1 penny for all deferred shares in issue on the date of such purchase.

## 29. SHARE OPTIONS

At 31 March 2015 there were nil (2014: 46,284) unexercised options over new ordinary 1p shares in the Company. No options over purchased ordinary 1p shares held by the ESOP had been granted to directors and employees under the Company's share option schemes (31 March 2014: nil).

The Company uses a stochastic valuation model to value the share options.

SUMMARY OF SHARE OPTIONS	NUMBER 31.3.15	WEIGHTED AVERAGE EXERCISE PRICE 31.3.15	NUMBER 31.3.14	WEIGHTED AVERAGE EXERCISE PRICE 31.3.14
AT 1 APRIL	46,284	259.25p	34,713	259.25p
OPTIONS GRANTED IN PRIOR YEARS NOT PREVIOUSLY RECOGNISED	-	-	11,571	259.25p
OPTIONS EXERCISED	(46,284)	(259.25)p	-	-
AT 31 MARCH	-	-	46,284	259.25p

The share price at date of exercise was 344.25p.

## 30. SHARE-BASED PAYMENTS

The Group provides share-based payments to employees in the form of performance share plan awards and a share incentive plan. The Company uses a stochastic valuation model and the resulting value is amortised through the Income Statement over the vesting period of the share-based payments.

PERFORMANCE SHARE PLAN AWARDS	AWARDS	2015 WEIGHTED AVERAGE AWARD VALUE	AWARDS	2014 WEIGHTED AVERAGE AWARD VALUE
OUTSTANDING AT BEGINNING OF YEAR	9,721,375	215p	9,310,162	211p
AWARDS VESTED DURING YEAR	(1,707,216)	246p	-	-
AWARDS LAPSED DURING THE YEAR	(1,021,711)	246p	(2,368,701)	276p
AWARDS MADE DURING THE YEAR	2,134,705	335p	2,779,914	244p
OUTSTANDING AT END OF YEAR	9,127,153	221p	9,721,375	215p

The performance share plan awards outstanding at 31 March 2015 had a weighted average remaining contractual life of one year.

The fair value of the awards made in the year to 31 March 2015 was £7,158,000 (2014: £6,553,000).

The inputs into the stochastic model of valuation of the PSP awards made in the year to 31 March 2015 were as follows:

	2015	2014	2013
WEIGHTED AVERAGE SHARE PRICE	355.0p	303.2p	203.4p
WEIGHTED AVERAGE EXERCISE PRICE	-	-	-
EXPECTED VOLATILITY	N/A	N/A	N/A
EXPECTED LIFE	3 YEARS	3 YEARS	3 YEARS
RISK FREE RATE	N/A	N/A	N/A
EXPECTED DIVIDENDS	1.90%	2.20%	3.07%

The Group recognised a charge of £6,432,000 (2014: £6,333,000) during the year in relation to share-based payments.

At the balance sheet date there were no exercisable awards.

## 31. OWN SHARES HELD

Following approval at the 1997 Annual General Meeting, the Company established the Helical Bar Employees' Share Ownership Plan Trust (the "Trust") to be used as part of the remuneration arrangements for employees. The purpose of the Trust is to facilitate and encourage the ownership of shares by or for the benefit of employees by the acquisition and distribution of shares in the Company.

The Trust purchases shares in the Company to satisfy the Company's obligations under its Share Option Schemes and Performance Share Plan. For this purpose, 3,790,000 shares (2014: 250,000) in the Company were purchased during the year at a cost of £13,349,000 (2014: £951,000).

At 31 March 2015, unexercised options over nil (2014: nil) ordinary 1p shares in Helical Bar plc had been granted over shares held by the Trust.

At 31 March 2015, outstanding awards over 9,127,000 (2014: 9,721,000) ordinary 1p shares in Helical Bar plc had been made under the terms of the Performance Share Plan over shares held by the Trust.

At 31 March 2015, the Trust held 3,625,000 shares (2014: 1,542,000).

## 32. CONTINGENT LIABILITIES

The Company has entered into cross guarantees in respect of the banking facilities of its subsidiaries. These are not considered to have a material value.

There were no other contingent liabilities at 31 March 2015 for the Group or the Company (2014: £nil).

## 33. CAPITAL COMMITMENTS

The Group has a commitment to purchase a property for £19,800,000 in 2015, discussed in further detail in note 21. A prepayment of £1,000,000 is included in trade and other receivables.

The Group has a commitment of £86,800,000 in relation to construction contracts, which are due to be completed in the period to September 2018.

## 34. NET ASSETS PER SHARE

	31.3.15 £000	NUMBER OF SHARES 000S	31.3.15 PENCE PER SHARE	31.3.14 £000	NUMBER OF SHARES 000S	31.3.14 PENCE PER SHARE
NET ASSET VALUE	404,363	118,184		340,527	118,138	
LESS: OWN SHARES HELD BY ESOP		(3,625)			(1,542)	
DEFERRED SHARES	(265)			(265)		
BASIC NET ASSET VALUE	404,098	114,559	353	340,262	116,596	292
ADD: SHARE SETTLED BONUSES		1,016			451	
ADD: UNEXERCISED SHARE OPTIONS	-	-		120	46	
ADD: DILUTIVE EFFECT OF THE PERFORMANCE SHARE PLAN		6,256			1,121	
DILUTED NET ASSET VALUE	404,098	121,831	332	340,382	118,214	288
ADJUSTMENT FOR:						
- FAIR VALUE OF FINANCIAL INSTRUMENTS	8,568			(243)		
- FAIR VALUE MOVEMENT ON CONVERTIBLE BOND	3,263					
- DEFERRED TAX	16,956			2,444		
ADJUSTED DILUTED NET ASSET VALUE	432,885	121,831	355	342,583	118,214	290
ADJUSTMENT FOR:						
- FAIR VALUE OF TRADING AND DEVELOPMENT PROPERTIES	36,243			27,479		
EPRA NET ASSET VALUE	469,128	121,831	385	370,062	118,214	313
ADJUSTMENT FOR:						
- FAIR VALUE OF FINANCIAL INSTRUMENTS	(8,568)			243		
- DEFERRED TAX	(16,956)			(2,444)		
EPRA TRIPLE NET ASSET VALUE	443,604	121,831	364	367,861	118,214	311

The net asset values per share have been calculated in accordance with the best practice recommendations of the European Public Real Estate Association ("EPRA").

The adjustments to the net asset value comprise the amounts relating to the Group and its share in Joint Ventures.



### 35. RELATED PARTY TRANSACTIONS

At 31 March 2015 and 31 March 2014 the following amounts were due in respect of the Group's joint ventures:

	AT 31.3.15 £000	AT 31.3.14 £000
KING STREET DEVELOPMENTS (HAMMERSMITH) LTD	5,280	3,050
SHIRLEY ADVANCE LLP	12,501	4,723
BARTS TWO INVESTMENT PROPERTY LTD	-	146
BARTS SQUARE FIRST LTD	42	-
HELICAL SOSNICA SP. ZOO	6,000	11,900
207 OLD STREET UNIT TRUST	2,325	1,792
211 OLD STREET UNIT TRUST	1,801	1,701
OLD ST RETAIL UNIT TRUST	725	719
CITY ROAD (JERSEY) LTD	738	710
OLD STREET HOLDINGS LP LTD	100	100
CREECHURCH PLACE LTD	12,132	-

All movements in joint venture balances related to loans repaid and loans advanced.

At 31 March 2015, there was an amount due to the Group of £347,000 (2014: £nil) by a company under common control.

At 31 March 2015 and 31 March 2014 there were the following balances between the Company and its subsidiaries.

	31.3.15 £000	31.3.14 £000
AMOUNTS DUE FROM SUBSIDIARIES	776,550	470,119
AMOUNTS DUE TO SUBSIDIARIES	412,690	232,788

During the years to 31 March 2015 and 31 March 2014 there were the following transactions between the Company and its subsidiaries:

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
MANAGEMENT CHARGES RECEIVABLE	10,795	8,372
MANAGEMENT CHARGES PAYABLE	-	6,116
INTEREST RECEIVABLE	2,294	2,837
INTEREST PAYABLE	3,125	-

Management charges relate to the performance of management services for the Company or its subsidiaries. Interest receivable relates to interest on loans made by the Company to its subsidiaries. All of these transactions, and the year-end balance sheet amounts arising from these transactions, were conducted on an arm's length basis and on normal commercial terms. Amounts owed by subsidiaries to the Company are identified in note 23. Amounts owed to subsidiaries by the Company are identified in note 25.

The Group considers that key management personnel are the directors. The compensation paid or payable to key management is:

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000
SALARIES AND OTHER SHORT TERM EMPLOYEE BENEFITS	8,656	8,429
OTHER LONG-TERM BENEFITS	-	3,330
SHARE BASED PAYMENTS	8,238	8,154
	16,894	19,913

The total dividends paid to directors of the Group in the year was £1,181,000 (2014: £1,041,000).

During the year purchases of £50,000 (2014: £60,000) were made from a partnership in which Michael Slade, a director of the company, and his wife are partners. All transactions were carried out on an arm's length basis.

## 36. FINANCIAL INSTRUMENTS

### Categories of financial instruments

Financial assets in the Group include derivative financial assets which are designated as 'Fair value through the Profit or Loss'. Financial assets also include trade and other receivables and cash and cash equivalents all of which are included within loans and receivables as well as available-for-sale investments.

Financial liabilities classed as 'Fair value through the Profit or Loss' include derivatives and those liabilities designated as such. Financial liabilities also include secured bank loans and overdrafts, trade and other payables and provisions, all of which are classified as financial liabilities at amortised cost.

### Financial assets and liabilities by category

The financial instruments of the Group as classified in the financial statements can be analysed under the following IAS 39 Financial Instruments: Recognition and Measurement, categories:

FINANCIAL ASSETS	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
LOANS AND RECEIVABLES	180,713	99,117	792,900	521,342
FAIR VALUE THROUGH THE PROFIT OR LOSS	16,389	1,867	-	315
AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS	4,342	4,973	-	-
TOTAL FINANCIAL ASSETS	201,444	105,957	792,900	521,657

These financial assets are included in the balance sheet within the following headings:

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
AVAILABLE-FOR-SALE INVESTMENTS	4,342	4,973	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	1	1,867	-	315
PROPERTY DERIVATIVE FINANCIAL ASSET	16,388	-	-	-
TRADE AND OTHER RECEIVABLES	59,720	35,880	778,958	490,966
CASH AND CASH EQUIVALENTS	120,993	63,237	13,942	30,376
TOTAL FINANCIAL ASSETS	201,444	105,957	792,900	521,657

Financial assets are stated in accordance with IAS 32 Financial Instruments: Presentation.

For the fair value of available-for-sale investments see note 22. The carrying value of the trade and other receivables and cash and cash equivalents is deemed not to be materially different from the fair value.

FINANCIAL LIABILITIES	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
FAIR VALUE THROUGH THE PROFIT OR LOSS	(12,545)	(9,888)	(11,080)	(192)
DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	(103,263)	-	-	-
MEASURED AT AMORTISED COST	(545,523)	(410,362)	(591,925)	(317,977)
TOTAL FINANCIAL LIABILITIES	(661,331)	(420,250)	(603,005)	(318,169)

The Convertible Bond has been designated at fair value through profit or loss. The change in fair value of the Convertible Bond is wholly attributable to changes in market conditions. If bondholders do not exercise their conversion right, the obligation is settled by a cash payment of £100,000,000. The difference between the carrying amount of £103,263,000 and this settlement amount is an additional liability of £3,263,000.

The financial liabilities are included in the balance sheet within the following headings:

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
TRADE AND OTHER PAYABLES	(54,994)	(42,591)	(416,696)	(235,578)
BORROWINGS - CURRENT	(45,428)	(1,275)	(6,120)	-
BORROWINGS - NON CURRENT	(552,813)	(374,811)	(169,109)	(82,399)
DERIVATIVE FINANCIAL INSTRUMENTS	(8,096)	(1,573)	(11,080)	(192)
TOTAL FINANCIAL LIABILITIES	(661,331)	(420,250)	(603,005)	(318,169)

### 36. FINANCIAL INSTRUMENTS continued

The carrying value of trade and other payables and borrowings is not deemed to be materially different from the fair value. Financial liabilities are stated in accordance with IAS 32.

The Group and Company financial instruments that are measured subsequent to initial recognition at fair value are available-for-sale assets, forward exchange contracts and interest rate swaps, caps and floors, and those designated on initial recognition.

Forward foreign exchange contracts are externally measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps, caps and floors are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

IFRS 13 categorises financial assets and liabilities as being valued in 3 hierarchical levels:

- Level 1: values are unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: values are derived from observing market data
- Level 3: values cannot be derived from observable market data

Assets and liabilities measured at fair value are classified as below:

LEVEL 1	CONVERTIBLE BOND (NOTE 26)
LEVEL 2	DERIVATIVE FINANCIAL INSTRUMENTS (NOTE 27) PROPERTY DERIVATIVE FINANCIAL ASSET (NOTE 21)
LEVEL 3	AVAILABLE-FOR-SALE INVESTMENT (NOTE 22) INVESTMENT PROPERTY (NOTE 15)

There were no transfers between categories in the current or prior year.

	GROUP YEAR ENDED 31.3.15 £000	GROUP YEAR ENDED 31.3.14 £000	COMPANY YEAR ENDED 31.3.15 £000	COMPANY YEAR ENDED 31.3.14 £000
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>				
<b>DERIVATIVE FINANCIAL ASSETS</b>				
INTEREST RATE CAPS	1	133	-	34
INTEREST RATE SWAPS	-	1,734	-	281
PROPERTY DERIVATIVE FINANCIAL ASSET	16,388	-	-	-
	<b>16,389</b>	1,867	-	315
<b>DERIVATIVE FINANCIAL LIABILITIES</b>				
INTEREST RATE SWAPS	(8,096)	(1,573)	(1,898)	(192)
CONVERTIBLE BOND DERIVATIVE ELEMENT	-	-	(9,182)	-
	<b>(8,096)</b>	(1,573)	<b>(11,080)</b>	(192)

The Group's movement in the fair value of the derivative financial instruments in the year was a gain of £7,999,000 (2014: £5,312,000), of which a gain of £16,388,000 was due to the property derivative financial asset and a loss of £8,389,000 was due to interest rate caps and swaps. In accordance with IAS 39, the convertible bond is split into a loan and derivative element in the Company balance sheet. On initial recognition the derivative element had a value of £8,190,000. At 31 March 2015, the derivative element had a value of £9,182,000 with a corresponding loss of £992,000 recognised in the Income Statement. The movement in the Company's interest rate swaps in the year was a loss of £2,021,000 (2014: gain of £1,098,000).

#### Credit risk

Credit risks arise from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk the Group periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors.

As at 31 March 2015 the Group had total credit risk exposure excluding cash of £64,062,000 of which £4,342,000 is available-for-sale assets and £59,720,000 is loans and receivables. Available-for-sale assets are analysed in note 22. The cash is held with reputable banking institutions and in client accounts with solicitors and managing agents and therefore credit risk is considered low.

All other debtors are deemed to be recoverable.

All Company debtors are considered to be fully recoverable.

The Group is not reliant on any major customer for its ability to continue as a going concern.

For further information on trade and other receivables, see note 23.



## 36. FINANCIAL INSTRUMENTS continued

### Liquidity risk

Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity and funding risks, related processes and policies are overseen by management.

The Group manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, and through numerous sources of finance in order to maintain flexibility. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. The Group's cash and cash equivalents are held with major regulated financial institutions and the directors regularly monitor the financial institutions that the group uses to ensure its exposure to liquidity risk is minimised.

For further information on debt facilities, see notes 26 and 27.

The maturity profile of the Group's contracted financial liabilities is as follows:

	GROUP 31.3.15 £000	GROUP 31.3.14 £000	COMPANY 31.3.15 £000	COMPANY 31.3.14 £000
PAYABLE WITHIN 3 MONTHS	40,696	41,259	6,244	1,460
PAYABLE BETWEEN 3 MONTHS AND 1 YEAR	75,390	13,656	13,053	3,686
PAYABLE BETWEEN 1 AND 3 YEARS	182,692	156,987	19,237	10,701
PAYABLE AFTER 3 YEARS	451,877	304,560	198,504	22,047
TOTAL CONTRACTED LIABILITIES	750,655	516,462	237,038	37,894

At 31 March 2015 Helical had £54,130,000 of undrawn borrowing facilities, £81,530,000 of uncharged property assets and cash balances of £120,933,000. The above contracted liabilities assume that no loans are extended beyond their current facility expiry date. Management believe that these facilities, together with anticipated sales and the renewal of some of these loan facilities, mean that the Group can meet its contracted liabilities as they fall due.

### Market risk

The Group is exposed to market risk, primarily related to interest rates, foreign currency exchange movements, the market value of the investments and accrued development profits. The Group actively monitors these exposures.

### Interest rate risk

It is the Group's policy and practice to minimise interest rate cash flow exposures on long-term financing. The Group does this by using a number of derivative financial instruments including interest rate swaps and interest rate caps. The purpose of these derivatives is to manage the interest rate risks arising from the Group's sources of finance. The Group does not use financial instruments for speculative purposes.

Details of financing and financial instruments can be found in note 27.

In the year to 31 March 2015, if interest rates had moved by 0.5%, this would have resulted in the following movement to net profits and equity due to movements in interest charges and mark-to-market valuations of derivatives.

	GROUP IMPACT ON RESULTS 31.3.15 £000	GROUP EQUITY IMPACT 31.3.15 £000	COMPANY IMPACT ON RESULTS 31.3.15 £000	COMPANY EQUITY IMPACT 31.3.15 £000
0.5% INCREASE - INCREASE IN NET RESULTS AND EQUITY	6,818	6,818	1,069	1,069
0.5% DECREASE - DECREASE IN NET RESULTS AND EQUITY	(5,992)	(5,992)	(703)	(703)

### Foreign currency exchange risk

Due to its operations in Poland and its investment in a non-UK based property developer, the Group has exposure to exchange movements on foreign currencies. Helical's management monitors its exposure to risks associated with foreign currency exchange risk and reviews any requirements to act to minimise these risks.

In the year to 31 March 2015 the Group made foreign exchange losses of £2,061,000 (2014: £501,000) resulting from movements in foreign exchange rates during the year affecting its assets and liabilities related to its overseas operations.

### 36. FINANCIAL INSTRUMENTS continued

The Group's balance sheet translation exposure is summarised as follows:

	EURO 31.3.15 (£000)	ZLOTY 31.3.15 (£000)	US DOLLARS 31.3.15 (£000)	EURO 31.3.14 (£000)	ZLOTY 31.3.14 (£000)	US DOLLARS 31.3.14 (£000)
GROSS CURRENCY ASSETS	16,897	927	4,331	23,890	1,485	4,960
GROSS CURRENCY LIABILITIES	(7,134)	(1,139)	-	(8,398)	(1,187)	-
NET EXPOSURE	9,763	(212)	4,331	15,492	298	4,960

The Company's balance sheet translation exposure is almost exclusively due to intra-group loans and is summarised as follows:

	EURO 31.3.15 (£000)	ZLOTY 31.3.15 (£000)	EURO 31.3.14 (£000)	ZLOTY 31.3.14 (£000)
GROSS CURRENCY ASSETS	6,151	4,462	11,921	4,627
GROSS CURRENCY LIABILITIES	-	-	-	-
NET EXPOSURE	6,151	4,462	11,921	4,627

The Group's main currency exposure is to the Euro. The sensitivity of the net assets and profit of the Group to a 10% change in the value of the foreign currencies against sterling is Euro: £976,000 (2014: £1,549,000), Zloty: £21,000 (2014: £30,000), US dollar: £433,000 (2014: £496,000).

The sensitivity of the net assets and profit of the Company to a 10% change in the value of the foreign currencies against sterling is Euro: £615,000 (2014: £1,192,000), Zloty: £446,000 (2014: £463,000).

### 37. POST BALANCE SHEET EVENTS

There were no material post balance sheet events.

### 38. PRINCIPAL ACCOUNTING POLICIES

#### Basis of consolidation

The Group financial statements consolidate those of Helical Bar plc (the "Company") and all of its subsidiary undertakings (together the "Group") drawn up to 31 March 2015. Subsidiary undertakings are entities for which the Group is exposed to variable returns and has the ability to control those returns. Subsidiaries are accounted for under the purchase method and are held in the Company balance sheet at cost and reviewed annually for impairment.

Joint Ventures are entities whose economic activities are controlled jointly by the Group and by other ventures independent of the Group, where both parties are exposed to variable returns but neither has control over those returns. They are accounted for using the equity method of accounting, whereby the Group's share of profit after tax in the Joint Venture is recognised in the Consolidated Income Statement and the Group's share of the Joint Venture's net assets are incorporated in the Consolidated Balance Sheet.

The Company's cost of investment in Joint Ventures less any provision for permanent impairment loss is shown in the Company Balance Sheet.

Associates are those entities over which the Group has significant influence but which are neither subsidiaries nor joint ventures.

Intra-group balances and any unrealised gains on transactions between the Company and its subsidiaries and between subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### Going concern

The accounts have been prepared on a going concern basis as explained in the Governance Review on page 55.

#### Revenue recognition

Rental income - rental income receivable is recognised in the Income Statement on a straight line basis over the lease term. Any incentive for lessees to enter into a lease agreement and any costs associated with entering into the lease are spread over the same period.

Sale of goods - assets, such as trading properties, development sites and completed developments, are regarded as sold upon the transfer of the significant risks and rewards of ownership to the purchaser, in accordance with IAS 18 Revenue. This occurs on exchange of unconditional contracts for the sale of the site, on satisfaction of any and all conditions on a conditional contract for the sale of the site or on completion of the contract on a conditional sale where those conditions are satisfied at completion. Measurements of revenue arising from the sale of such assets are derived from the fair value of the consideration received in accordance with IAS 18 Revenue.

### 38. PRINCIPAL ACCOUNTING POLICIES continued

Construction contracts - where an asset is constructed under a specific contract with a purchaser (a "pre-sold development") the initial sale of the site to that purchaser is recognised as a sale of goods in accordance with IAS 18 Revenue, where the sale of the land is not conditional on the construction of the buildings and is not reversible in the event that the building is not constructed. The construction element of the contract is treated, for the purposes of revenue recognition, as a construction contract in accordance with IAS 11 Construction Contracts. Revenue is recognised by reference to the stage of completion which is typically determined by reference to project appraisals, normally supported by independent valuation certificates provided by quantity surveyors. The Company's principal other responsibility on pre-sold developments is the identification of and agreement of terms with potential tenants of the completed building(s). The revenue recognition of this additional component of the funding agreements is considered separately to reflect the substance of the transaction as the rendering of services, in accordance with IAS 18 Revenue. The amount of revenue recognised is determined by reference to the percentage of the building(s) that are let.

Property advisory/development management services - where the Group provides these services to the third party property site owner the Group recognises income over the period these services are provided and in accordance with the specific terms of the contract. If the amount and payment of the consideration for these services are contingent upon a future event (such as sale of the property) and if the fair value of the consideration can be reliably estimated, the Group recognises this income as its services are performed, discounting for time and risk if appropriate.

Investment income - revenue in respect of investment and other income represents investment income, fees and commissions earned on an accruals basis and the fair value of the consideration received/receivable on investments held for the short-term. Dividends are recognised when the shareholders' right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

Deferred income - money received in advance of the provision of goods or services is held in the balance sheet until the income can be recognised in the Income Statement.

#### Share-based payments

The Group provides share-based payments in the form of performance share plan awards and a share incentive plan. These payments are discussed in greater detail in the Directors' Remuneration Report on pages 58 to 71. The fair value of share-based payments related to employees' service are determined indirectly by reference to the fair value of the related instrument at the grant date. The Group uses the stochastic valuation model and the resulting value is amortised through the Consolidated Income Statement ("Income Statement") over the vesting period of the share-based payments.

For the performance share plan and share incentive plan awards, where non-market conditions apply, the expense is allocated, over the vesting period, to the Income Statement based on the best available estimate of the number of awards that are expected to vest. Estimates are subsequently revised if there is any indication that the number of awards expected to vest differs from previous estimates.

The amount charged to the Income Statement is credited to the Retained Earnings reserve.

On exercise of the performance share plan options, the total cumulative amount recognised in the Income Statement for the options is moved from Retained Earnings to the Share Capital and Share Premium accounts. On lapsing of the performance share plan options, the total cumulative amount recognised in the Income Statement is reversed in the Income Statement and Retained Earnings.

#### Depreciation

In accordance with IAS 40 Investment Property, depreciation is not provided for on freehold investment properties or on leasehold investment properties. The Group does not own the freehold land and buildings which it occupies. Costs incurred in respect of leasehold improvements to the Group's head office at 5 Hanover Square, London W1S 1HQ are capitalised and held as short-term leasehold improvements. Leasehold improvements, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Residual values are reassessed annually.

Depreciation is charged so as to write off the cost of assets less residual value, over their estimated useful lives, using the straight line method, on the following basis:

Short leasehold improvements	- 10% or length of lease, if shorter
Plant and equipment	- 25%

#### Taxation

The taxation charge represents the sum of tax currently payable and deferred tax. The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date. Tax payable upon realisation of revaluation gains recognised in prior periods is recorded as a current tax charge with a release of the associated deferred taxation.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of those assets and liabilities. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The deferred tax asset relating to share based payment awards reflects the estimated value of tax relief available on the vesting of the awards at the balance sheet date.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. It is recognised in the Income Statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

The Group recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the Group is able to control the timing of the reversal of the temporary difference; and,
- it is probable that the temporary difference will not reverse in the foreseeable future.



## 38. PRINCIPAL ACCOUNTING POLICIES continued

### Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which dividends are approved.

### Investment properties

Investment properties are properties owned or leased by the Group which are held for long-term rental income and for capital appreciation. Investment properties are initially recognised at cost, including associated transaction costs, and revalued at the balance sheet date to fair value. These fair values are based on market values as determined by professionally qualified external valuers or are determined by the directors of the Group based on their knowledge of the property. In accordance with IAS 40, investment properties held under leases are stated gross of the recognised finance lease liability.

Gains or losses arising from changes in the fair value of investment properties are recognised as gains or losses on revaluation in the Income Statement of the period in which they arise.

In accordance with IAS 40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

Property that is being constructed or developed for future use as an investment property is treated as investment property in accordance with IAS 40.

When the Group redevelops an existing investment property for continued future use as investment property, the property remains an investment property measured at fair value and is not reclassified. Interest is capitalised before tax relief until the date of practical completion.

Details of the valuation of investment properties can be found in note 15.

### Land, developments and trading properties

Land, developments and trading properties held for sale are inventory and are included in the Balance Sheet at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to completion and estimated costs necessary to make the sale.

Gross borrowing costs associated with expenditure on properties under development or undergoing major refurbishment are capitalised. The interest capitalised is either based on the interest paid (where a project has a specific loan) or calculated using the Group's weighted average cost of borrowings (where there are no specific borrowings for the project). Interest is capitalised from the date of commencement of the development work until date of practical completion.

### Investments

Available-for-sale investments are revalued to fair value at the balance sheet date. Gains or losses arising from changes in fair value are recognised in the Statement of Comprehensive Income except to the extent that losses are attributable to impairment below historic cost, in which case they are recognised in the Income Statement. Upon disposal, accumulated fair value adjustments are included in the Income Statement.

### Held for sale investments

Investments are defined as held for sale when the Group intends to sell the investment and if sale is highly probable. Such held for sale investments are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell.

### Trade receivables

Trade receivables do not carry any interest and are stated initially at fair value and subsequently at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

### Cash and cash equivalents

Cash and cash equivalents are carried in the Balance Sheet at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks, cash held at solicitors, cash in blocked accounts and other short-term, highly liquid investments with original maturities of three months or less.

### Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value and subsequently at amortised cost.

### Borrowing and borrowing costs

Interest bearing bank loans and overdrafts and the Group's retail bond are initially recorded at fair value, net of finance and other costs yet to be amortised in accordance with IAS39. Embedded derivatives contained within the borrowing agreements are treated in accordance with IAS39, which includes consideration of whether embedded derivatives require bifurcation. The retail bond and bank loans are held at amortised cost.

Convertible bonds are designated as fair value through the profit and loss and so are presented on the Balance Sheet at fair value, with all gains and losses, including the write-off of issuance costs, recognised in the Income Statement. The interest charge in respect of the coupon rate on the bonds has been recognised within Finance Costs on an accruals basis.

Borrowing costs directly attributable to the acquisition and construction of new developments and investment properties are added to the costs of such properties until the date of completion of the development or investment. After initial recognition borrowings are carried at amortised cost. This treatment has been adopted since transition to IFRS.

Gains or losses on extinguishing debt are recognised in the Income Statement in the period in which they occur.

### Derivative financial instruments

Derivative financial assets and financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group enters into derivative transactions such as interest rate caps and floors, and forward foreign currency contracts in order to manage the risks arising from its activities. Derivatives are initially recorded at fair value and are subsequently remeasured to fair value based on market prices, estimated future cash flows and forward rates as appropriate. Any change in the fair value of such derivatives is recognised immediately in the Income Statement.

A derivative property asset is recognised on the Balance Sheet when the Group has contractually assigned an existing purchase contract. A derivative property asset is initially recorded at its fair value and is remeasured at each reporting period date to its fair value, which is based upon the future contracted cash flow discounted for both time and risk. Any change in fair value is recognised in the Income Statement as a development profit.

Further information on the categorisation of financial instruments can be found in note 36.

## 38. PRINCIPAL ACCOUNTING POLICIES continued

### Leases

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

In accordance with IAS 40, finance leases of investment property are accounted for as finance leases and recognised as an asset and an obligation to pay future minimum lease payments. The investment property asset is included in the Balance Sheet at fair value, gross of the recognised finance lease liability. Lease payments are allocated between the liability and finance charges so as to achieve a constant financing rate.

In accordance with IAS 17, operating leases receipts are spread on a straight-line basis over the length of the lease.

### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the Income Statement in the period in which they arise. Exchange differences on non-monetary items are recognised in the Statement of Comprehensive Income to the extent that they relate to a gain or loss on that non-monetary item which is included in the Statement of Comprehensive Income, otherwise such gains and losses are recognised in the Income Statement.

The assets and liabilities in the financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the average rate. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are recognised in Other Comprehensive Income. On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the Income Statement as part of the gain or loss on disposal.

### Net asset values per share

Net asset values per share have been calculated in accordance with the best practice recommendations of the European Public Real Estate Association ("EPRA").

### Earnings per share

Earnings per share have been calculated in accordance with IAS 33 and the best practice recommendations of EPRA.

### Employee Share Ownership Plan Trust

Shares held in the Helical Bar Employee Share Ownership Plan Trust ("ESOP") are shown as a deduction in arriving at equity funds on consolidation. Assets, liabilities and reserves of the ESOP are included in the statutory headings to which they relate. Purchases and sales of own shares increase or decrease the book value of "Own shares held" in the Balance Sheet. At each period end the Group assesses and recognises the value of "Own shares held" with reference to the expected cash proceeds and accounts for movement between book value and fair value as a reserves transfer.

### Use of estimates and judgements

To be able to prepare accounts according to the accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances. The results of these considerations form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

Areas requiring the use of estimates and critical judgement that may significantly impact on the Group's earnings and financial position are:

#### Estimates

- Recognition of share-based payments which is dependent upon the estimated number of performance share plan awards that will vest at the end of the periods based on future forecast performance and employee retention (note 30);
- The provision for future bonuses payable under the Annual Bonus scheme (note 8);
- Valuation of investment properties, including Directors' valuations and where external valuers are used to provide third party valuations (note 15); and
- Directors' valuation of land, development and trading properties include subjective assumptions including the results of future planning decisions and future sales values and timings (note 20).

#### Judgements

- Calculation and assessment of the recoverability of deferred tax assets, where it has been assumed that sufficient taxable profits will be available in future periods to allow all of the assets to be recovered (note 11);
- Assessment of whether the exercise of option contracts entered into by the Group over the sale and purchase of properties are considered probable (note 15);
- Assessment of whether forward sales can be recognised as a development profit by considering the likelihood of the inflow of the economic benefits and assessing the level of profit, taking into account the time value of money and risk (note 21);
- An assessment of the most suitable accounting treatment for convertible bonds (note 26);
- Consideration of the nature of joint arrangements. In the context of IFRS 10, this involves consideration of where the control lies and whether either party has the power to vary its returns from the arrangements. In particular, significant judgement is exercised where the shareholding of the Group is not 50% (note 19); and
- Consideration of whether an investment property purchase that has exchanged but not completed should be recognised as investment property under IAS 40. The judgement lies in assessing whether the exchange is unconditional, in which case it is recognised (note 15).

## FINANCIAL STATEMENTS

## Five year review

	YEAR ENDED 31.3.15 £000	YEAR ENDED 31.3.14 £000	YEAR ENDED 31.3.13 £000	YEAR ENDED 31.3.12 £000	YEAR ENDED 31.3.11 £000
<b>REVENUE</b>	<b>106,341</b>	123,637	65,439	52,968	119,059
NET RENTAL INCOME	<b>34,233</b>	24,402	19,578	17,876	14,187
DEVELOPMENT PROFIT/(LOSS)	<b>16,126</b>	62,273	7,616	5,166	(1,729)
PROVISIONS AGAINST STOCK	<b>(452)</b>	552	(660)	(4,511)	(14,913)
TRADING PROFIT/(LOSS)	<b>2,503</b>	252	(1)	-	(367)
SHARE OF RESULTS OF JOINT VENTURES	<b>27,497</b>	16,448	3,854	2,472	2,886
OTHER INCOME/(EXPENSE)	<b>368</b>	230	(547)	113	(358)
<b>GROSS PROFIT/(LOSS) BEFORE GAIN/(LOSS) ON INVESTMENT PROPERTIES</b>	<b>80,275</b>	104,157	29,840	21,116	(294)
GAIN/(LOSS) ON SALE OF INVESTMENT PROPERTIES	<b>2,480</b>	8,611	(2,388)	(376)	4,842
REVALUATION SURPLUS ON INVESTMENT PROPERTIES	<b>66,904</b>	20,714	3,723	3,664	2,670
IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS	<b>(773)</b>	(88)	-	-	(1,817)
ADMINISTRATIVE EXPENSES EXCLUDING PERFORMANCE RELATED AWARDS	<b>(10,156)</b>	(8,816)	(8,092)	(7,385)	(7,312)
PERFORMANCE RELATED AWARDS	<b>(16,374)</b>	(17,860)	(6,828)	(415)	262
FINANCE COSTS	<b>(23,678)</b>	(13,983)	(9,577)	(8,409)	(6,992)
FINANCE INCOME	<b>2,480</b>	4,135	887	583	652
CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS	<b>(8,389)</b>	5,312	(2,573)	(306)	1,776
CHANGE IN FAIR VALUE OF CONVERTIBLE BOND	<b>(3,263)</b>	-	-	-	-
FOREIGN EXCHANGE (LOSSES)/GAINS	<b>(2,061)</b>	(501)	17	(1,064)	(67)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>87,445</b>	101,681	5,009	7,408	(6,280)
TAX	<b>(12,669)</b>	(14,126)	815	158	2,391
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>74,776</b>	87,555	5,824	7,566	(3,889)
	31.3.15 £000	31.3.14 £000	31.3.13 £000	31.3.12 £000	31.3.11 £000
SEE-THROUGH PROPERTY PORTFOLIO AT FAIR VALUE	<b>1,021,362</b>	801,712	626,425	572,670	532,158
SEE-THROUGH NET BORROWINGS	<b>531,897</b>	365,059	283,350	279,602	241,988
SHAREHOLDERS' FUNDS	<b>404,363</b>	340,527	253,768	253,730	255,397
	31.3.15 PENCE	31.3.14 PENCE	31.3.13 PENCE	31.3.12 PENCE	31.3.11 PENCE
DIVIDEND PER ORDINARY SHARE	<b>6.85</b>	5.70	5.25	4.90	2.00
EPRA EARNINGS/(LOSS) PER ORDINARY SHARE	<b>2.4</b>	33.3	2.4	3.4	(6.4)
EPRA NET ASSETS PER SHARE	<b>385</b>	313	264	250	253







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# 04

## ADDITIONAL INFORMATION



## ADDITIONAL INFORMATION

## See through analysis

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures' results into 'See-through' analysis of our property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

**See-through net rental income and property overheads**

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures are shown in the table below.

		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
GROSS RENTAL INCOME	– SUBSIDIARIES	18,590	23,058	25,816	29,994	<b>38,332</b>
	– JOINT VENTURES	5,531	6,645	6,193	6,601	<b>6,098</b>
TOTAL GROSS RENTAL INCOME		24,121	29,703	32,009	36,595	<b>44,430</b>
RENTS PAYABLE	– SUBSIDIARIES	(24)	(418)	(342)	(476)	<b>(269)</b>
	– JOINT VENTURES	(1,000)	(848)	(802)	(625)	<b>(809)</b>
PROPERTY OVERHEADS	– SUBSIDIARIES	(3,662)	(3,938)	(5,186)	(4,328)	<b>(3,489)</b>
	– JOINT VENTURES	(941)	(737)	(510)	(539)	<b>(877)</b>
NET RENTAL INCOME ATTRIBUTABLE TO PROFIT SHARE PARTNER		(717)	(826)	(710)	(788)	<b>(341)</b>
<b>SEE-THROUGH NET RENTAL INCOME</b>		<b>17,777</b>	<b>22,936</b>	<b>24,459</b>	<b>29,839</b>	<b>38,645</b>

**See-through development profits**

Helical's share of development profits from property assets held in subsidiaries and in joint ventures are shown in the table below.

		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
IN PARENT AND SUBSIDIARIES		(1,729)	5,166	7,616	62,273	<b>16,126</b>
IN JOINT VENTURES		-	-	-	2,199	<b>1,902</b>
TOTAL GROSS DEVELOPMENT PROFIT		(1,729)	5,166	7,616	64,472	<b>18,028</b>
PROVISION AGAINST STOCK		(14,913)	(4,511)	(660)	552	<b>(452)</b>
<b>SEE-THROUGH DEVELOPMENT PROFITS</b>		<b>(16,642)</b>	<b>655</b>	<b>6,956</b>	<b>65,024</b>	<b>17,576</b>

**See-through net gain on sale and revaluation of investment properties**

Helical's share of net gain on sale and revaluation of investment properties held in subsidiaries and in joint ventures are shown in the table below.

		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
REVALUATION SURPLUS ON INVESTMENT PROPERTIES	– SUBSIDIARIES	2,670	3,664	3,723	20,714	<b>66,904</b>
	– JOINT VENTURES	798	581	3,109	15,710	<b>26,134</b>
TOTAL REVALUATION SURPLUS		3,468	4,245	6,832	36,424	<b>93,038</b>
NET GAIN/(LOSS) ON SALE OF INVESTMENT PROPERTIES	– SUBSIDIARIES	4,842	(376)	(2,388)	8,611	<b>2,480</b>
	– JOINT VENTURES	-	-	-	(31)	<b>1,091</b>
TOTAL NET GAIN/(LOSS) ON SALE OF INVESTMENT PROPERTIES		4,842	(376)	(2,388)	8,580	<b>3,571</b>
<b>SEE-THROUGH NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES</b>		<b>8,310</b>	<b>3,869</b>	<b>4,444</b>	<b>45,004</b>	<b>96,609</b>



### See-through net finance costs

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings and cash deposits in parent and subsidiaries and in joint ventures are shown in the table below.

		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
INTEREST PAYABLE ON BANK LOANS AND OVERDRAFTS	– SUBSIDIARIES	9,690	10,808	10,445	14,298	<b>21,055</b>
	– JOINT VENTURES	1,704	2,223	2,269	3,051	<b>3,644</b>
TOTAL INTEREST PAYABLE ON BANK LOANS AND OVERDRAFTS		11,394	13,031	12,714	17,349	<b>24,699</b>
OTHER INTEREST PAYABLE AND SIMILAR CHARGES	– SUBSIDIARIES	1,481	901	1,658	2,520	<b>6,264</b>
INTEREST CAPITALISED	– SUBSIDIARIES	(4,179)	(3,300)	(2,526)	(2,835)	<b>(3,641)</b>
TOTAL FINANCE COSTS		8,696	10,632	11,846	17,034	<b>27,322</b>
INTEREST RECEIVABLE AND SIMILAR INCOME	– SUBSIDIARIES	(652)	(583)	(887)	(4,135)	<b>(2,480)</b>
	– JOINT VENTURES	(11)	(12)	(66)	(539)	<b>(43)</b>
<b>SEE-THROUGH NET FINANCE COSTS</b>		<b>8,033</b>	<b>10,037</b>	<b>10,893</b>	<b>12,360</b>	<b>24,799</b>

### See-through property portfolio

Helical's share of the investment, trading and development property portfolio in subsidiaries and joint ventures are shown in the table below.

		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
INVESTMENT PROPERTY	– SUBSIDIARIES	271,876	326,876	312,026	493,201	<b>701,521</b>
	– JOINT VENTURES	65,870	67,187	94,962	107,504	<b>88,305</b>
TOTAL INVESTMENT PROPERTY		337,746	394,063	406,988	600,705	<b>789,826</b>
TRADING AND DEVELOPMENT STOCK	– SUBSIDIARIES	147,542	99,741	92,874	98,160	<b>92,578</b>
	– JOINT VENTURES	14,434	44,324*	76,698*	75,368*	<b>102,715*</b>
TOTAL TRADING AND DEVELOPMENT STOCK		161,976	144,065	169,572	173,528	<b>195,293</b>
TRADING AND DEVELOPMENT STOCK SURPLUS	– SUBSIDIARIES	32,436	33,107	48,837	25,719	<b>25,230</b>
	– JOINT VENTURES	-	1,435	1,028	1,760	<b>11,013</b>
TOTAL TRADING AND DEVELOPMENT STOCK SURPLUSES		32,436	34,542	49,865	27,479	<b>36,243</b>
TOTAL TRADING AND DEVELOPMENT STOCK AT FAIR VALUE		194,412	178,607	219,437	201,007	<b>231,536</b>
<b>SEE-THROUGH PROPERTY PORTFOLIO</b>		<b>532,158</b>	<b>572,670</b>	<b>626,425</b>	<b>801,712</b>	<b>1,021,362</b>

\*Trading and development stock of joint ventures includes the Group's share of development stock of Helical Sosnica Sp. Zoo (see note 19).

### See-through net borrowings

Helical's share of borrowings and cash deposits in parent and subsidiaries and joint ventures are shown in the table below.

		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
IN PARENT AND SUBSIDIARIES	– GROSS BORROWINGS LESS THAN ONE YEAR	37,500	59,203	39,295	1,275	<b>45,428</b>
	– GROSS BORROWINGS MORE THAN ONE YEAR	199,917	203,992	220,446	374,811	<b>552,813</b>
	TOTAL	237,417	263,195	259,741	376,086	<b>598,241</b>
IN JOINT VENTURES	– GROSS BORROWINGS LESS THAN ONE YEAR	3,100	1,500	720	12,453	-
	– GROSS BORROWINGS MORE THAN ONE YEAR	36,936	54,342*	72,509*	60,134*	<b>69,997*</b>
	TOTAL	40,036	55,842	73,229	72,587	<b>69,997</b>
IN PARENT AND SUBSIDIARIES	CASH AND CASH EQUIVALENTS	(31,327)	(35,411)	(36,863)	(63,237)	<b>(120,993)</b>
IN JOINT VENTURES	CASH AND CASH EQUIVALENTS	(4,138)	(4,024)*	(12,757)*	(20,377)*	<b>(15,348)*</b>
<b>SEE-THROUGH NET BORROWINGS</b>		<b>241,988</b>	<b>279,602</b>	<b>283,350</b>	<b>365,059</b>	<b>531,897</b>

\*Gross borrowings and cash and cash equivalents in joint ventures include the Group's share of borrowings and cash of Helical Sosnica Sp. Zoo (see note 19).

## See-through analysis ratios

	31.03.11 £000	31.03.12 £000	31.03.13 £000	31.03.14 £000	31.03.15 £000
NET RENTAL INCOME	17,777	22,936	24,459	29,839	<b>38,645</b>
TRADING (LOSSES)/ PROFITS	(367)	–	(1)	252	<b>2,503</b>
DEVELOPMENT PROFITS (BEFORE PROVISIONS)	(1,729)	5,166	7,616	64,472	<b>18,028</b>
GAIN/(LOSS) ON SALE OF INVESTMENT PROPERTIES	4,842	(376)	(2,388)	8,580	<b>3,571</b>
NET OPERATING INCOME	20,523	27,726	29,686	103,143	<b>62,747</b>
FINANCE COSTS	8,033	10,037	10,893	12,360	<b>24,799</b>
INTEREST COVER	2.6x	2.8x	2.7x	8.3x	<b>2.5x</b>
PROPERTY PORTFOLIO	532,158	572,670	626,425	801,712	<b>1,021,362</b>
NET BORROWINGS	241,988	279,602	283,350	365,059	<b>531,897</b>
SHAREHOLDERS' FUNDS	255,397	253,730	253,768	340,527	<b>404,363</b>
EPRA NET ASSET VALUE	295,356	294,398	313,733	370,062	<b>469,128</b>
LOAN TO VALUE	45%	49%	45%	46%	<b>52%</b>
GEARING	95%	110%	112%	107%	<b>132%</b>
GEARING BASED ON EPRA NET ASSET VALUE	82%	95%	90%	99%	<b>113%</b>

## ADDITIONAL INFORMATION

## Property portfolio

## London portfolio

ADDRESS	HELD AS	DESCRIPTION	AREA SQ FT (NIA)	VACANCY RATE
SHEPHERDS BUILDING, LONDON W14	INVESTMENT	MULTI-LET OFFICE BUILDING. LET TO MEDIA COMPANIES	151,000	6%
THE BOWER, OLD STREET, LONDON, EC1	INVESTMENT	OFFICE AND RETAIL BUILDINGS UNDERGOING REFURBISHMENT AND EXTENSION	414,000	N/A
NEW LOOM HOUSE, LONDON E1	INVESTMENT	MULTI-LET OFFICE BUILDING WITH REFURBISHMENT UNDERWAY	112,000	18%
C-SPACE, LONDON EC1	INVESTMENT	OFFICE REFURBISHMENT SCHEME DUE FOR COMPLETION IN AUGUST 2015	62,000	N/A
ARTILLERY LANE, LONDON E1	INVESTMENT	17,000 SQ FT OFFICE BUILDING UNDERGOING REFURBISHMENT	17,000	N/A
ENTERPRISE HOUSE, LONDON W2	INVESTMENT	OFFICE BUILDING LET TO NETWORK RAIL FOR 20 YEARS	45,000	-
ONE KING STREET, LONDON W6	INVESTMENT	RECENTLY REFURBISHED OFFICE AND RETAIL BUILDING ADJACENT TO HAMMERSMITH BROADWAY	35,000	14%
THE POWERHOUSE, LONDON W4	INVESTMENT	SINGLE LET MUSIC RECORDING STUDIOS/OFFICE BUILDING	43,000	-
23-28 CHARTERHOUSE SQUARE, LONDON EC1	INVESTMENT	OFFICE BUILDING WITH SCOPE FOR EXTENSION AND REFURBISHMENT	34,000	-
CHART STREET, LONDON N1	INVESTMENT	SINGLE LET OFFICE BUILDING WITH REFURBISHMENT AND EXTENSION POTENTIAL	10,500	-
BARTS SQUARE, LONDON EC1	INVESTMENT/ DEVELOPMENT	244,685 SQ FT OFFICES, 236 RESIDENTIAL APARTMENTS AND 16,300 SQ FT RETAIL/LEISURE DEVELOPMENT UNDER CONSTRUCTION	466,000	N/A
ONE CREECHURCH PLACE, LONDON EC3	DEVELOPMENT	NEW BUILDING DUE FOR COMPLETION SEPTEMBER 2016	273,000	N/A
CLIFTON STREET, LONDON EC2	DEVELOPMENT	CONTRACT TO BUY A NEWLY CONSTRUCTED OFFICE BUILDING FOLLOWING COMPLETION IN SUMMER 2015	45,000	N/A
KING STREET, LONDON W6	DEVELOPMENT	PLANNING PERMISSION RECEIVED FOR RESIDENTIAL, OFFICE, RETAIL AND LEISURE SCHEME. DUE TO START ON SITE EARLY 2016	500,000	N/A
			<b>2,207,500</b>	

## Regional portfolio

ADDRESS	HELD AS	DESCRIPTION	AREA SQ FT (NIA)	VACANCY RATE
<b>IN TOWN RETAIL</b>				
BIRKENHEAD	INVESTMENT	CONVENIENCE SUPERMARKET	15,855	-
CARDIFF, THE MORGAN QUARTER	INVESTMENT	PRIME RETAIL PARADE AND LISTED RETAIL ARCADES WITH RESIDENTIAL ABOVE	290,364	6.6%
LANCASTER	INVESTMENT	TOWN CENTRE BANK BRANCH	10,405	-
LEICESTER	INVESTMENT	TOWN CENTRE SHOP	6,060	-
			<b>322,714</b>	
<b>OUT-OF-TOWN RETAIL</b>				
CARDIFF, TY GLAS ROAD	INVESTMENT	SINGLE LET DIY STORE	42,469	-
ELLESMERE PORT	INVESTMENT	SINGLE LET RETAIL PARK	36,258	-
GREAT YARMOUTH	INVESTMENT	SINGLE LET RETAIL PARK	38,771	-
HARROGATE	INVESTMENT	SINGLE LET RETAIL PARK	12,645	-
HUDDERSFIELD	INVESTMENT	RETAIL PARK	101,491	-
LEIGH	INVESTMENT	RETAIL PARK	41,099	-
SCARBOROUGH	INVESTMENT	RETAIL PARK	28,970	-
SEVENOAKS, KENT	INVESTMENT	RETAIL PARK	42,490	-
SOUTHEND ON SEA	INVESTMENT	RETAIL PARK	74,954	-
STOCKPORT	INVESTMENT	SINGLE LET RETAIL PARK	31,803	-
STOKE ON TRENT	INVESTMENT	RETAIL PARK	68,973	-
			<b>519,923</b>	



## Regional Portfolio continued

ADDRESS	HELD AS	DESCRIPTION	AREA SQ FT (NIA)	VACANCY RATE
<b>INDUSTRIAL/LOGISTICS</b>				
BARKING	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	25,783	-
BEDFORD	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	26,407	23%
BEDFORD	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	36,023	-
BOLTON	INVESTMENT	SINGLE LET CASH AND CARRY	73,433	-
BROWNHILLS, BIRMINGHAM	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	52,368	-
BURTON-ON-TRENT	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	92,715	-
CANNOCK	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	153,665	-
CANNOCK	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	103,050	-
CARDIFF, HEOL BILLINGSLEY	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	50,684	-
CHICHESTER	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	43,685	-
DAVENTRY	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	44,658	-
DONCASTER, ASPECT WAY	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	122,591	-
DONCASTER, KIRK SANDALLS	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	153,547	-
GLOUCESTER QUEDGLEY	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	43,239	-
GLOUCESTER IO	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	63,316	-
GRAVESEND	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	32,101	-
HAVANT	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	38,914	-
HINCKLEY	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	188,242	-
LEIGHTON BUZZARD	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	202,674	-
MAIDENHEAD	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	25,434	-
MILTON KEYNES, FINGLE DRIVE	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	21,814	-
MILTON KEYNES, MAILCOM	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	25,282	-
NORTHAMPTON	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	46,562	-
NORTHAMPTON	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	45,356	-
RUGBY	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	45,045	-
TELFORD	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	65,225	-
THETFORD	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	127,256	-
WARRINGTON, CALVER QUAY	INVESTMENT	MULTI LET INDUSTRIAL ESTATE	70,594	-
WARRINGTON, RAGLAN COURT	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	81,342	-
WOLVERHAMPTON	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	119,600	-
YATE	INVESTMENT	SINGLE LET DISTRIBUTION CENTRE	255,714	-
			<b>2,476,319</b>	
<b>REGIONAL OFFICES</b>				
BRISTOL	INVESTMENT	MULTI LET OFFICE BUILDING	18,453	27%
CASTLE DONNINGTON	INVESTMENT	OFFICES LET TO NATIONAL GRID	25,471	-
CHEADLE	INVESTMENT	SINGLE LET OFFICE BUILDING	16,470	-
COBHAM	INVESTMENT	SINGLE LET OFFICE BUILDING	21,837	-
CRAWLEY	INVESTMENT	SINGLE LET OFFICE BUILDING	48,131	-
GLASGOW, THE HUB	INVESTMENT	MULTI LET OFFICE BUILDING	57,388	5%
MANCHESTER, CHURCHGATE & LEE	INVESTMENT	MULTI LET CITY CENTRE OFFICE BUILDING WITH REFURBISHMENT AND ASSET MANAGEMENT POTENTIAL	248,342	15%
MANCHESTER, DALE HOUSE	INVESTMENT	MULTI LET CITY CENTRE OFFICE BUILDING WITH REFURBISHMENT AND ASSET MANAGEMENT POTENTIAL	42,282	-
READING	INVESTMENT	OFFICE BUILDING LET TO THAMES WATER	35,847	-
SAWSTON	INVESTMENT	INDUSTRIAL AND OFFICE PARK	19,151	13%
SHEFFIELD	INVESTMENT	SINGLE LET OFFICE BUILDING	14,503	-
			<b>547,875</b>	

## Regional Portfolio continued

ADDRESS	HELD AS	DESCRIPTION	AREA SQ FT (NIA)	VACANCY RATE
<b>REGIONAL OFFICE DEVELOPMENT</b>				
GLASGOW, ST VINCENT STREET	DEVELOPMENT	PRE-LET TO SCOTTISH POWER PLC. PRE-SOLD TO M&G	220,000	N/A
			<b>220,000</b>	
<b>CHANGE OF USE</b>				
AYCLIFFE AND PETERLEE	INVESTMENT	RESTRICTIVE COVENANTS	-	N/A
BRACKNELL	DEVELOPMENT	SITE	-	N/A
HAILSHAM	DEVELOPMENT	SITE	-	N/A
RUGBY, CAWSTON ABBEY	DEVELOPMENT	RESIDENTIAL LAND	-	N/A
TELFORD, DAWLEY ROAD	DEVELOPMENT	RESIDENTIAL LAND	-	N/A
			-	
<b>POLISH DEVELOPMENT</b>				
GLIWICE	DEVELOPMENT	RETAIL PARK	720,000	15%
WROCLAW	DEVELOPMENT	RETAIL PARK	103,486	-
			<b>823,486</b>	
<b>RETAIL DEVELOPMENT</b>				
HELICAL RETAIL	DEVELOPMENT	VARIOUS SITES	-	-
MILTON KEYNES C.4.1	DEVELOPMENT	GROUND RENTS	2,628	-
MILTON KEYNES LEISURE PLAZA	DEVELOPMENT	ICE RINK AND DEVELOPMENT SITE	118,873	-
SHIRLEY, BIRMINGHAM	DEVELOPMENT	RETAIL SCHEME	161,255	-
			<b>282,756</b>	

## Retirement villages

ADDRESS	HELD AS	DESCRIPTION	UNITS	VACANCY RATE
MILLBROOK, EXETER	DEVELOPMENT	RETIREMENT VILLAGE DEVELOPMENT	164	N/A
DURRANTS VILLAGES, FAYGATE	DEVELOPMENT	RETIREMENT VILLAGE DEVELOPMENT	173	N/A
MAUDSLAY PARK, GREAT ALNE	DEVELOPMENT	RETIREMENT VILLAGE DEVELOPMENT	164	N/A
BRAMSHOTT PLACE, LIPHOOK	DEVELOPMENT	RETIREMENT VILLAGE DEVELOPMENT	151	N/A
PENALLY FARM, LIPHOOK	DEVELOPMENT	RETIREMENT VILLAGE DEVELOPMENT	-	N/A
BRAMSHOTT PLACE, CLUBHOUSE	INVESTMENT	CLUBHOUSE AT RETIREMENT VILLAGE	-	N/A
DURRANTS VILLAGES, CLUBHOUSE	INVESTMENT	CLUBHOUSE AT RETIREMENT VILLAGE	-	N/A
			<b>652</b>	

## ADDITIONAL INFORMATION

# Shareholder information

## Website

The report and financial statements, a list of properties held by the Group, Company presentations, press releases, the financial calendar and other information on the Group are available on our website at [www.helical.co.uk](http://www.helical.co.uk).

## Registrar

All general enquiries concerning holdings of ordinary shares in Helical Bar plc should be addressed to the Company's Registrar:

Capita Asset Services  
The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

Telephone: 0871 664 0300\*  
Fax: 020 8639 2220  
From outside the UK +44(0) 20 8639 3399

Website: [www.capitaassetservices.com](http://www.capitaassetservices.com)  
Email: [shareholderenquiries@capita.co.uk](mailto:shareholderenquiries@capita.co.uk)

\* calls cost 10p per minute plus network extras. Lines are open between 9.00 a.m. and 5:30 p.m., Monday to Friday.

## e-communication

Shareholders and all interested parties may choose to be alerted about updates to the Financial Reports, Results, Press Releases and Event Calendar sections of the Group's website by subscribing to the Alert Service in the 'News' area of our website.

## Payment of dividends

Shareholders whose dividends are not currently paid to mandated accounts may wish to consider having their dividends paid directly into their bank or building society account. This has a number of advantages, including the crediting of cleared funds into the nominated account on the dividend payment date. If shareholders would like their future dividends to be paid in this way, they should complete a mandate instruction available from the Registrars. Under this arrangement tax vouchers are sent to the shareholder's registered address.

## Dividends for shareholders resident outside the UK

Instead of waiting for a sterling cheque to arrive by mail, you can ask us to send your dividends direct to your bank account. For information, contact the Company's Registrar.

## Dividend reinvestment plan (DRIP)

The Company offers shareholders the option to participate in a DRIP. This enables shareholders to reinvest their cash dividends in Helical Bar plc shares.

For further details, contact the Company's Registrar.

For participants in the DRIP, key dates of forthcoming dividends can be found in the online financial calendar in the 'Investors' area at [www.helical.co.uk](http://www.helical.co.uk).

## Share dealing service

An online and telephone share dealing service is available to our shareholders through Capita Deal. For further information on this service or to buy and sell shares online, please visit [www.capitadeal.com](http://www.capitadeal.com). For telephone dealing, please call 0871 664 0446 (calls cost 10p per minute plus network extras).

## ShareGift

Shareholders with a small number of shares, the value of which makes it uneconomic to sell them, may wish to consider donating them to a charity, ShareGift, (registered charity 1052686), which specialises in using such holdings for charitable benefit.

Further information about ShareGift is available at [www.sharegift.org](http://www.sharegift.org) or by writing to: ShareGift, PO Box 72253, London, SW1P 9LQ.  
Email: [help@sharegift.org](mailto:help@sharegift.org). Telephone: 020 7930 3737.

## Dividends

Dividend payment dates on the Company's Ordinary 1p shares in 2014 were as follows:

DIVIDEND	RECORD DATE	PAYMENT DATE	AMOUNT
2013/14 FINAL	4 JULY 2014	30 JULY 2014	4.75p
2014/15 INTERIM	12 DECEMBER 2014	30 DECEMBER 2014	2.10p

Dividend payment dates in 2015 will be as follows:

DIVIDEND	RECORD DATE	PAYMENT DATE	AMOUNT
2014/15 FINAL	3 JULY 2015	31 JULY 2015	5.15p
2015/16 INTERIM	DECEMBER 2015	DECEMBER 2015	

## Unsolicited investment advice - warning to shareholders

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. It is not just the novice investor who has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports into the Company.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA (Financial Conduct Authority) before getting involved.  
You can check at [www.fca.org.uk/consumers](http://www.fca.org.uk/consumers).
- Report the matter to the FCA either by calling 0800 111 6768 or by completing an online form at:

[www.fca.org.uk/consumers/scams/investment-scams/share-fraud-and-boiler-room-scams/reporting-form](http://www.fca.org.uk/consumers/scams/investment-scams/share-fraud-and-boiler-room-scams/reporting-form).

If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme. Also keep in mind that some fraudsters use the name of genuine firms or individuals on the FCA Register to suggest that they are legitimate. However, authorised firms are unlikely to contact you out of the blue offering to buy or sell shares.

## Share price information

The latest information on the Helical Bar plc share price is available on our website [www.helical.co.uk](http://www.helical.co.uk).

## Registered office

5 Hanover Square, London, W1S 1HQ  
Registered in England and Wales No. 156663.



## ADDITIONAL INFORMATION

## Glossary of terms

<b>AVERAGE UNEXPIRED LEASE TERM</b>	The average unexpired lease term expressed in years.
<b>CAPITAL VALUE (PSF)</b>	The open market value of the property divided by the area of the property in square feet.
<b>COMPANY OR HELICAL</b>	Helical Bar plc.
<b>EPRA EARNINGS PER SHARE</b>	Earnings per share adjusted to exclude losses/gains on sale and revaluation of investment properties and their deferred tax adjustments, the tax on loss/profit on disposal of investment properties, trading property losses/profits, impairment of available-for-sale investments and fair value movements on derivative financial instruments, on an undiluted basis. Details of the method of the calculation of the EPRA earnings per share are available from EPRA.
<b>EPRA NET ASSETS PER SHARE</b>	Diluted net asset value per share adjusted to exclude fair value of financial instruments and deferred tax on capital allowances and on investment properties revaluation, but including the fair value of trading and development properties in accordance with the best practice recommendations of EPRA.
<b>EPRA TRIPLE NET ASSET VALUE PER SHARE</b>	EPRA net asset value per share adjusted to include fair value of financial instruments and deferred tax on capital allowances and on investment properties revaluation.
<b>DILUTED FIGURES</b>	Reported amounts adjusted to include the effects of potential shares issuable under the employee share option schemes.
<b>EARNINGS PER SHARE (EPS)</b>	Profit after tax divided by the weighted average number of ordinary shares in issue.
<b>EPRA</b>	European Public Real Estate Association.
<b>EQUIVALENT YIELD</b>	The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received in arrears.
<b>ESTIMATED RENTAL VALUE (ERV)</b>	The market rental value of lettable space as estimated by the Group's valuers at each balance sheet date.
<b>GEARING</b>	The normal value of Group borrowings expressed as a percentage of net assets
<b>GROUP</b>	Helical Bar plc and its subsidiaries.
<b>INITIAL YIELD</b>	Annualised net rents on investment properties as a percentage of the investment property valuation.
<b>IPD</b>	The Investment Property Databank Limited (IPD) is a company that produces a number of independent benchmarks of unleveraged commercial property returns.
<b>NET ASSETS VALUE PER SHARE (NAV)</b>	Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date.
<b>NET GEARING</b>	Total borrowings less short-term deposits and cash as a percentage of equity shareholders' funds.
<b>PASSING RENT</b>	The annual gross rental income excluding the net effects of straightlining lease incentives.
<b>REVERSIONARY</b>	The income/yield from the full estimated rental value of the property on the market value of the property grossed up to include purchaser's costs, capital expenditure and capitalised revenue expenditure.
<b>SEE-THROUGH</b>	The net rental income, net finance cost, property portfolio and net borrowings of the Group and the Group's share in its Joint Ventures.
<b>SEE-THROUGH NET ASSET VALUE GEARING</b>	The see-through net borrowings expressed as a percentage of EPRA net asset value.
<b>TOTAL PROPERTY RETURN</b>	The total of net rental income, trading and development profits and net gain on sale and revaluation of investment properties on a See-through basis.
<b>TOTAL SHAREHOLDER RETURN (TSR)</b>	The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.
<b>TRUE EQUIVALENT YIELD</b>	The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received quarterly in advance.
<b>UNLEVERAGED RETURNS</b>	Total property gains and losses (both realised and unrealised) plus net rental income expressed as a percentage of the total value of the properties.

## ADDITIONAL INFORMATION

## Financial calendar

## 2015

<b>2 JULY 2015</b>	EX-DIVIDEND DATE FOR FINAL ORDINARY DIVIDEND
<b>3 JULY 2015</b>	REGISTRATION QUALIFYING DATE FOR FINAL ORDINARY DIVIDEND
<b>24 JULY 2015</b>	ANNUAL GENERAL MEETING
<b>31 JULY 2015</b>	FINAL ORDINARY DIVIDEND PAYABLE
<b>26 NOVEMBER 2015 (PROVISIONAL)<sup>1</sup></b>	HALF YEAR RESULTS AND INTERIM ORDINARY DIVIDEND ANNOUNCED
<b>3 DECEMBER 2015 (PROVISIONAL)<sup>2</sup></b>	EX-DIVIDEND DATE FOR INTERIM ORDINARY DIVIDEND
<b>4 DECEMBER 2015 (PROVISIONAL)<sup>2</sup></b>	REGISTRATION QUALIFYING DATE FOR INTERIM ORDINARY DIVIDEND

## 2016

<b>MAY 2016</b>	ANNOUNCEMENT OF FULL YEAR RESULTS TO 31 MARCH 2016
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The announcement date of the Half Year Results will be confirmed in October 2015

Dates for the potential interim dividend will be confirmed in the Half Year Results Announcement

## Notes

<sup>1</sup> The announcement date of the Half Year Results will be confirmed in October 2015

<sup>2</sup> Dates for the potential interim dividend will be confirmed in the Half Year Results Announcement

## Advisors

<b>REGISTRARS</b>	CAPITA ASSET SERVICES
<b>BANKERS</b>	AVIVA COMMERCIAL FINANCE LIMITED BARCLAYS BANK PLC DEUTSCHE BANK AG DEUTSCHE PFANDBRIEFBANK AG HSBC BANK PLC THE ROYAL BANK OF SCOTLAND PLC
<b>JOINT STOCKBROKERS</b>	J.P. MORGAN CAZENOVE STIFEL
<b>AUDITORS</b>	GRANT THORNTON UK LLP
<b>MERCHANT BANKERS</b>	LAZARD & CO LIMITED
<b>CORPORATE SOLICITORS</b>	ASHURST LLP

## Contact details

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**Design: SG Design {sg-design.co.uk}**

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