

# **INTERIM STATEMENT**

**Helical Bar plc**

**For the half year to 30 September 2003**

27 November 2003

**HELICAL BAR PLC**  
**(“Helical”/“Company”)**

**I n t e r i m   R e s u l t s**

**For the half year to 30 September 2003**

**HELICAL SPREADING ITS WINGS**

- New retail, industrial and residential projects
- Further profits on office investment sales
- Adjusted profits £5.3m (2002: £6.1m)
- Adjusted diluted NAV per share up 1% to 779p with no interim revaluation (31.03.2003: 770p)
- Interim dividend increased by 10% to 6.6p (2002: 6.0p)
- 4.1% of share capital bought in for cancellation at an average cost of 712 pence per share

John Southwell, the Chairman of Helical Bar commented:

“Helical is building up a portfolio of trading and development schemes which will stand it in good stead over the next five years. By judicious stock selection, I remain confident that Helical will continue to achieve steady growth in its net assets per share over the next two years whilst positioning itself for the next development cycle.”

For further information, please contact:

**Helical Bar plc**

Michael Slade (Managing Director)

Nigel McNair Scott (Finance Director)

**020 7629 0113**

Address: 11-15 Farm Street, London W1J 5RS

Fax: 020 7408 1666

Website: [www.helical.co.uk](http://www.helical.co.uk)

**Financial Dynamics**

Stephanie Highett/Dido Laurimore

**020 7831 3113**

## CHAIRMAN'S STATEMENT

### SUMMARY OF INTERIM RESULTS

	<b>30.9.03</b>	<b>30.9.02</b>
	<b>£000</b>	<b>£000</b>
Rental income	13,145	15,176
Development (losses)/ profits	(686)	2,724
Profit on sale of investment properties	1,169	2,171
Exceptional item – write back of negative goodwill	-	6,362
Pre-tax profits	6,448	14,652
<b>Adjusted profits (note 1)</b>	<b>5,335</b>	<b>6,119</b>
<b>Interim dividend</b>	<b>6.6p</b>	<b>6.0p</b>
Earnings per share	14.0p	31.1p

### RESULTS

Rental income for the period was £13.1m (2002: £15.2m) following continued sales of investment properties. A loss on the development programme of £0.7m was made (2002: profit £2.7m) as a consequence of writing off capitalised interest on development sites. The profit on sale of investment properties was £1.2m (2002: £2.2m). Profits for the half year to 30 September 2003, excluding exceptional items, decreased by 23% to £6.4m (2002: £8.3m).

Earnings per share fell by 55% to 14.0p (2002: 31.1p) and on a diluted basis by 55% to 13.6p (2002: 30.1p). Adjusted earnings per share, after excluding exceptional items and adding back the FRS19 deferred tax provision, fell by 30% to 9.8p (2002: 14.1p).

The investment portfolio was not revalued at 30 September 2003. Despite this, and not taking account of a growing surplus of value in trading stock and the development programme, the Company's net asset value increased by 1.3% to 799p (31.03.2003: 789p) and, on a diluted basis, by 1.2% to 771p (31.03.2003: 762p). Net asset value per share adjusted for the addback of the deferred tax provision increased by 1.2% to 779p (31.03.2003: 770p) and by 2.4% to 719p (31.03.2003: 702p) on a "triple net" basis.

### DIVIDENDS AND SHARE BUYBACKS

In view of the Board's confidence in the Company's prospects, we have purchased, for cancellation, 1,221,951 ordinary shares at an average cost of 712p per share with a total cost of £8.7m, and have increased the Interim Dividend by 10% to 6.6p (2002: 6.0p).

## **DEVELOPMENT PROGRAMME**

### **OFFICE DEVELOPMENTS**

Office letting activity remains slow despite signs of a slight pick up in demand. Take up is well below 10 year averages and there is a significant over supply of space in Helical's traditional locations of Central London and the Thames Valley corridor. Vacancy rates vary between 11% and 14% in these areas with the Thames Valley remaining the bleakest area. Against this background rents remain under considerable pressure as landlords compete for the few available tenants. The principal exception is the West End where lower vacancy rates and a more diverse tenancy base is leading to an earlier recovery.

Efforts to let completed developments at Camberley, Fleet and Weybridge continue; space is under offer and due to sign imminently at all three schemes. All of these schemes have been forward funded in a manner which limits the downside to Helical. 40 Berkeley Square London W1 is the only office development under construction and is due for completion at the end of March 2004. Otherwise major new schemes are in place at Ropemaker Place London EC2, Mitre Square London EC3, White City and Amen Corner, Bracknell.

#### **The Heights, Brooklands, Weybridge – 337,000 sq ft**

Approximately 17,000 sq ft is under offer.

#### **The Meadows, Camberley – 130,000 sq ft**

Building 4 (23,000 sq ft) is under offer.

#### **40 Berkeley Square, London W1 – 75,000 sq ft**

Construction work is continuing in accordance with both programme and budget and will be completed in March 2004. 20,000 sq ft was pre-let to The Blackstone Group last year. This scheme is in a joint venture with Morley Fund Management.

#### **Ropemaker Place, London EC2 – 500,000 sq ft**

The Company has been appointed the development manager for this scheme by D B Real Estate. A planning application was submitted to the London Borough of Islington for a new building of around 500,000 sq ft in July 2003.

#### **Mitre Square, London EC3 – 350,000 sq ft**

A joint planning application with Ansbacher Property Developments Ltd was submitted to the Corporation of London in October 2003.

### **White City – 10 acres**

Working with Morley Fund Management we are making good progress with the draft planning framework.

### **Amen Corner, Bracknell – 15 acres**

Good progress is being made in initial planning discussions with Bracknell Forest District Council.

## **RETAIL DEVELOPMENTS**

We continue to work closely with our two retail partners, Oswin Developments and Overton Developments, on the following schemes:

### **56-76 Commercial Road, Bournemouth – Phase I 50,000 sq ft**

This prime block of eleven shop units was acquired from Equitable Life this autumn for £19.25m. Two thirds of the shops are held on short term leases which will enable vacant possession to be obtained by next summer and there is serious interest from a number of leading retailers.

### **Towy Retail Park, Camarthen – 35,000 sq ft**

This scheme is prelet to Currys and PC World at £13.50 psf and forward sold at 6.4%. Construction is due to be completed in January 2004.

### **Trinity Square, Nottingham – 255,000 sq ft mixed use**

A mixed use development situated in the centre of Nottingham adjoining the Victoria Centre of 185,000 sq ft retail, 55,000 sq ft casino, 15,000 sq ft restaurants, plus 450 student flats and 470 car park spaces. The total value of the scheme will be in the order of £85m. Recently, Nottingham City Council Planning Committee passed a resolution in favour of the scheme. Good progress is being made with pre-lettings and work is expected to start on site next summer with completion early in 2006.

### **Friary Retail Park, Stafford – 38,500 sq ft**

An edge of town centre development which has the benefit of an open A1 retail consent, split into three stores and anchored by PC World. The scheme is due to start in February 2004 to be ready for Christmas 2004 trade.

### **Hatters Retail Park, Luton – 115,000 sq ft mixed use**

This is a new £30m development on an 8 acre site where a planning application has been submitted for a mixed use scheme comprising 80,000 sq ft of retail warehousing and 35,000 sq ft of industrial use. Tenant interest is strong for the scheme which is expected to start on site in 2005, subject to planning.

### **Lower Level Station Site, Wolverhampton – 100,000 sq ft**

This latest acquisition was completed in November and comprises approximately 11 acres with planning consent for a variety of leisure uses. Located adjacent to the city centre, this regeneration site offers potential for a £30m mixed use scheme which will include retail, leisure and city living apartments. Marketing has just commenced and a new planning application will be submitted next year.

### **RESIDENTIAL**

#### **Lime Tree Village, Dunchurch, Rugby**

Building work continues on the refurbishment and extension of Cawston House, a Victorian country house, which will form the focal point of this retirement village. Construction of 150 bungalows, cottages and apartments is well underway and the marketing campaign for the village will be launched early next year.

#### **Bramshott Place, Liphook, Hampshire**

A planning application has now been submitted for a retirement village development of 144 apartments, cottages and bungalows.

### **INVESTMENT PORTFOLIO**

#### **OFFICES**

The six months to 30 September 2003 saw a continuation of the programme of profit taking on the office portfolio, two thirds of which have been sold since the end of 2001.

In June 2003 Capital House, London NW1, 90,000 sq ft of multi-let offices with 47,000 sq ft of retail, was sold at its 31 March 2003 value of £41m (bought in 1998 for £23.5m). In August 2003 a portfolio of three properties at Fleet Hampshire, Camden London NW1 and Kingsway, London WC2 were sold for £33.25m, an uplift on 31 March 2003 values (bought 1998-2000 for £23m). Since 30 September 2003 the Company has sold 5/10 Bury Street, London EC3 for a minimum price of £7.96m, above 31 March 2003 value (bought 1997 for £4.25m). Our remaining London offices comprise circa £120m at March 2003 values in just under half a million square feet. Our entire office portfolio which includes a further £5m of provincial stock has an average unexpired lease term of 10.5 years and a running yield of 8%. This excludes rents contracted but not yet payable of £0.5m pa and voids with a rental value of £1.5m.

## **INDUSTRIALS**

The industrial portfolio comprises circa £105m (March 2003 values or cost) in 3.5m sq ft yielding over 8% notwithstanding voids arising with the following schemes in progress.

- Harlow - 125,000 sq ft under construction for owner occupier sales with half the space already in solicitors' hands for onward sale.
- Slough - 135,000 sq ft for owner occupier sales with demolition just starting.
- Woolwich - 105,000 sq ft recently re clad. Half the space has been renewed or relet at rents 20% ahead of budget on acquisition last year.
- Sawston, Cambridge - 235,000 sq ft income producing investment acquired during the half year with a further 60,000 sq ft development planned on a vacant 3 acre site.
- Dunstable - 103,000 sq ft vacant shed on 5 acres with residential potential.
- Fleet - 54,000 sq ft of income producing units on 5 acres with residential potential.

Two further projects are in the course of acquisition.

## **RETAIL**

The retail portfolio comprises 450,000 sq ft with a value of circa £55m yielding just under 7% on March 2003 values rising to over 8% at rent reviews. This is after the sale of our 50% interest in Sprucefield Retail Park, Lisburn at a price of approximately £16m, above 31 March 2003 valuation (bought in 2001 for £12.8m).

The main ongoing projects are:

- Garden Shopping Centre, Letchworth - Marks & Spencer has replaced Kwik Save as the anchor tenant. Planning consent obtained to extend some retail units. Seeking residential consent for a vacant office.
- Bus Depot, Milton Keynes - New 80,000 sq ft store prelet to Homebase, subject to planning.
- Oxford Road Retail Park, Sevenoaks - 15 year lease extension to Wickes in solicitors' hands with guaranteed rental uplift.



- |  |   |
|--|---|
| Weston Retail Park,<br>Weston Super Mare | - 30,000 sq ft new store prelet to Wickes, subject to planning.                 |
| Leisure Plaza, Milton<br>Keynes          | - Let short term pending obtaining planning for residential or supermarket use. |
| High Street, Chiswick                    | - Planning application made for a new retail store plus ten flats.              |

One further purchase is in lawyers' hands.

## **FINANCING**

Sales of investment properties contributed to reductions in net debt to £1115m (31.03.2003: £141m) and net gearing to 49% (31.03.2003: 59%). Recent increases in interest rates have reduced the Company's FRS13 liability. Net assets at 30 September 2003 would be reduced by £3.7m (31.03.2003: £5.1m), net of tax, or 12 pence per share (31.03.2003: 5p), if adjusted to reflect financial instruments on a fair value basis.

## **OUTLOOK**

Helical is building up a portfolio of trading and development schemes which will stand it in good stead over the next five years. By judicious stock selection, I remain confident that Helical will continue to achieve steady growth in its net assets per share over the next two years whilst positioning itself for the next development cycle.

**John Southwell**  
**Chairman**  
**27 November 2003**

## **Independent Review Report to Helical Bar plc**

### **Introduction**

We have been instructed by the Company to review the financial information for the six months ended 30 September 2003 which comprises the profit and loss account, balance sheet, cash flow statement, statement of total recognised gains and losses, and the related notes 1 to 17. We have read the other information contained in the interim report which comprises only the Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information. Our responsibilities do not extend to any other information.

This report is made solely to the company, in accordance with guidance contained in APB Bulletin 1999/4 "Review of Interim Financial Information". Our review work has been undertaken so that we might state to the company those matters we are required to state to it in a review 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, for our review work, for this report, or for the conclusion we have formed.

### **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority, which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

### **Review work performed**

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of Interim Financial Information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

**Review conclusion**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2003.

**Grant Thornton  
Chartered Accountants  
London  
27 November 2003**

## Consolidated Profit and Loss Account

### For the half year to 30 September 2003

	Notes	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
Turnover (including share of joint ventures' turnover)		30,979	67,071	136,758
Less: share of joint ventures' turnover		(744)	(680)	(1,566)
Turnover	1	30,235	66,391	135,192
Cost of sales		(18,892)	(49,937)	(103,968)
Gross profit	1	11,343	16,454	31,224
Administrative expenses				
- Administration		(2,839)	(4,349)	(6,391)
- Negative goodwill		-	6,362	6,362
Operating profit		8,504	18,467	31,195
Share of operating profit of joint ventures		817	680	1,544
Profit on sale of investment properties	2	1,169	2,171	2,126
Loss on sale of subsidiary		(56)	-	-
Profit on ordinary activities before interest		10,434	21,318	34,865
Net interest payable and similar charges	3	(3,986)	(6,666)	(9,638)
Profit on ordinary activities before taxation		6,448	14,652	25,227
Taxation	4	(2,384)	(5,703)	(7,660)
Profit on ordinary activities after taxation		4,064	8,949	17,567
Minority interest		(117)	(100)	(160)
Profit for the period		3,947	8,849	17,407
Ordinary dividends - 6.6p (6.0p)	5	(1,795)	(1,705)	(4,275)
Retained profit for the period		2,152	7,144	13,132
Earnings per 5p share	6			
- basic		14.0p	31.1p	61.2p
- fully diluted		13.6p	30.1p	59.2p

## Summary Consolidated Balance Sheet

At 30 September 2003

	Notes	Unaudited At 30 September 2003 £000	Unaudited At 30 September 2002 £000	Audited At 31 March 2003 £000
Fixed assets	7	297,261	344,699	354,783
Stock	8	60,498	40,522	41,112
Investments	9	13	5,001	13
Debtors		29,626	25,171	25,793
Cash	10	14,563	32,484	16,137
Creditors falling due within one year		(52,487)	(56,703)	(85,643)
Creditors falling due after one year	11	(114,297)	(140,406)	(110,992)
Provisions for liabilities and charges	12	(2,566)	(4,416)	(2,706)
<b>Net assets</b>		<u>232,611</u>	<u>246,352</u>	<u>238,497</u>
<b>Capital &amp; reserves</b>				
Called up share capital	13	1,438	1,496	1,496
Share premium account		35,271	35,271	35,271
Revaluation reserve		69,386	108,474	93,599
Capital redemption and other reserves		7,450	7,392	7,392
Profit and loss account		116,333	91,761	98,123
Shareholders' funds		<u>229,878</u>	<u>244,394</u>	<u>235,881</u>
Minority interests		2,733	1,958	2,616
		<u>232,611</u>	<u>246,352</u>	<u>238,497</u>
<b>Shareholders' funds</b>				
Attributable to equity interests		<u>229,878</u>	<u>244,394</u>	<u>235,881</u>
<b>Net assets per share</b>				
basic	14	799p	817p	789p
diluted	14	771p	788p	762p
adjusted diluted	14	779p	802p	770p
triple net	14	719p	708p	702p

## Summary Cash Flow Statement

For the half year to 30 September 2003

	Notes	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
Net cash outflow from operating activities	15	(14,581)	(23,802)	(27,133)
Returns on investment and servicing of finance		(3,485)	(6,087)	(9,910)
Taxation		(3,036)	(1,504)	(3,945)
Capital expenditure and financial investment	16	20,445	105,518	86,588
Acquisitions and disposals		37,719	(822)	(841)
Equity dividends paid		(2,570)	(30,765)	(32,470)
		<hr/>	<hr/>	<hr/>
Cash flow before management of liquid resources and financing		34,492	42,538	12,289
Management of liquid resources		4,271	13,051	28,634
Financing				
- decrease in debt		(27,903)	(85,539)	(71,594)
- refinancing costs		(8)	(13)	(57)
- purchase of shares		(8,155)	-	-
		<hr/>	<hr/>	<hr/>
Increase/(decrease) in cash		2,697	(29,963)	(30,728)
		<hr/>	<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net debt</b>				
Increase/(decrease) in cash in the period		2,697	(29,963)	(30,728)
Cash flow from management of liquid resources		(4,271)	(13,051)	(28,634)
Cash flow from change in net debt		27,911	85,552	71,651
Debt arrangement expenses		(79)	(679)	(783)
		<hr/>	<hr/>	<hr/>
Movement in net debt in the period		26,258	41,859	11,506
Net debt at beginning of the period		(140,893)	(152,399)	(152,399)
		<hr/>	<hr/>	<hr/>
Net debt at end of the period		(114,635)	(110,540)	(140,893)
		<hr/>	<hr/>	<hr/>
<b>Gearing</b>		49%	45%	59%

## Statement of Total Recognised Gains and Losses

For the half year to 30 September 2003

	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
Profit for the period after taxation	4,064	8,949	17,567
Minority interest	(117)	(100)	(160)
Revaluation of investment properties			
- subsidiaries	-	-	(13,434)
- joint ventures	-	-	(470)
Purchase of own shares	(8,098)	-	-
Minority interest in revaluation surplus	-	-	(599)
<b>Total recognised gains and losses</b>	<u>(4,151)</u>	<u>8,849</u>	<u>2,904</u>

## Notes to the Interim Statement

### 1. Turnover and gross profit on ordinary activities before taxation

	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
<b>Turnover</b>			
Trading property sales	2,075	230	2,588
Rental income	13,145	15,176	29,334
Developments	14,951	50,928	91,412
Other income	64	57	11,858
	<u>30,235</u>	<u>66,391</u>	<u>135,192</u>
<b>Gross profit</b>			
Trading property sales	284	109	349
Net rental income	11,681	13,564	25,619
Developments	(686)	2,724	4,630
Other net income	64	57	626
Gross profit	<u>11,343</u>	<u>16,454</u>	<u>31,224</u>
Central overheads	(2,839)	(4,349)	(6,391)
Interest payable less receivable	(3,986)	(6,666)	(9,638)
Share of profit of joint ventures	817	680	1,544
Profit before taxation, profit on sale of investment properties, loss on sale of subsidiary and negative goodwill	<u>5,335</u>	<u>6,119</u>	<u>16,739</u>

### 2. Sale of investment properties

	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
Net proceeds from the sale of investment properties	73,699	125,719	133,294
Book value	(72,530)	(123,548)	(131,168)
Profit on sale of investment properties	<u>1,169</u>	<u>2,171</u>	<u>2,126</u>

Net proceeds from the sale of investment properties and their associated book value include £41,000,000 of properties disposed of at book value on the sale of a subsidiary, Helical Properties (Capital House) Jersey Limited.



### 3. Net interest payable and similar charges

	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
Interest payable on bank loans and overdrafts	4,011	6,906	9,543
Finance arrangement costs	79	679	783
Other interest payable and similar charges	1,097	-	2,351
Interest capitalised	(475)	-	(795)
Interest receivable and similar income	(726)	(919)	(2,244)
	<u>3,986</u>	<u>6,666</u>	<u>9,638</u>

### 4. Taxation on profit on ordinary activities

	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
The tax charge is based on the profit for the year and represents:			
- United Kingdom corporation tax at 30% (2002: 30%)	2,446	2,015	8,337
- Adjustments in respect of prior periods	-	-	(2,847)
Current tax charge	<u>2,446</u>	<u>2,015</u>	<u>5,490</u>
Deferred tax - origination of timing differences	(62)	(1,996)	2,170
- reversal of timing differences	-	5,684	-
Tax on profit on ordinary activities	<u>2,384</u>	<u>5,703</u>	<u>7,660</u>

### 5. Dividends

	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
Attributable to equity share capital			
Ordinary - interim payable 6.60p (2002: 6.00p) per share	1,795	1,705	1,705
- final paid 9.00p per share	-	-	2,570
	<u>1,795</u>	<u>1,705</u>	<u>4,275</u>

The interim dividend of 6.60p is payable on 31 December 2003 to shareholders on the register on 5 December 2003.

## 6. 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. 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 issue of shares and the post tax effect of dividends on the assumed exercise of all dilutive options.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	Unaudited Half Year To 30 September 2003			Unaudited Half Year To 30 September 2002		
	Earnings £	Weighted average no of shares	Per share amount pence	Earnings £	Weighted average no. of shares	Per share amount pence
Basic earnings per share	3,947,000	28,159,875	14.0	8,848,557	28,421,537	31.1
Dilutive effect of share options		863,723			1,022,383	
Dilutive earnings per share	<u>3,947,000</u>	<u>29,023,598</u>	<u>13.6</u>	<u>8,848,557</u>	<u>29,443,920</u>	<u>30.1</u>

## 7. Fixed assets

	Unaudited At 30 September 2003	Audited At 31 March 2003
	£000	£000
Intangible Assets		
Goodwill	4,087	912
Tangible assets	543	614
Investments	9,973	9,011
Investment property	281,278	342,484
Investment in joint ventures		
- share of gross assets	18,843	23,244
- share of gross liabilities	(17,463)	(21,482)
	<u>297,261</u>	<u>354,783</u>

## 8. Stock

	Unaudited At 30 September 2003 £000	Audited At 31 March 2003 £000
Development sites	40,715	20,593
Properties held as trading stock	19,783	20,519
	<u>60,498</u>	<u>41,112</u>

Interest capitalised in respect of the development of sites is included in stock to the extent of £1,141,000 (31.03.2003: £1,141,000). Interest capitalised during the period in respect of development sites amounted to £475,000 (2002: £nil).

## 9. Current asset investments

	Unaudited At 30 September 2003 £000	Audited At 31 March 2003 £000
UK listed investments at cost	13	13
	<u>13</u>	<u>13</u>

The market value of listed investments at 30.09.2003 was £13,000 (31.03.2003: £13,000).

## 10. Cash at bank and in hand

	Unaudited At 30 September 2003 £000	Audited At 31 March 2003 £000
Rent deposits and cash secured against debt repayable within one year	1,656	2,142
Cash held to fund future development costs	2,996	5,087
Free cash	9,911	8,908
	<u>14,563</u>	<u>16,137</u>

## 11. Financing and financial instruments

	Unaudited At 30 September 2003 £000	Audited At 31 March 2003 £000
<b>Bank overdraft and loans – maturity</b>		
Due after more than one year	114,297	110,992
Due within one year	14,901	46,038
	<u>129,198</u>	<u>157,030</u>

## Gearing

	Unaudited At 30 September 2003 £000	Audited At 31 March 2003 £000
Total borrowings	129,198	157,030
Cash	(14,563)	(16,137)
Net borrowings	114,635	140,893
Net assets	232,611	238,497
Gearing	49%	59%

## Fair value of financial assets and financial liabilities

	Unaudited At 30 September 2003 £000	Unaudited At 30 September 2003 £000	Audited At 31 March 2003 £000	Audited At 31 March 2003 £000
	Book Value	Fair Value	Book Value	Fair Value
Borrowings	129,885	130,927	157,788	159,127
Interest rate swaps	-	103	-	555
Other financial instruments	(223)	3,874	(223)	5,185
	129,662	134,904	157,565	164,867

The fair value of financial assets and financial liabilities represents the mark to market valuations at 30 September 2003 and 31 March 2003. The adjustment to net assets from a recognition of these values, net of tax relief, would be to reduce diluted net asset value per share by 12p (31.03.03: 15p).

## 12. Provision for liabilities and charges – deferred taxation

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

	Unaudited At 30 September 2003 £000	Audited At 31 March 2003 £000
Accelerated capital allowances	2,979	3,124
Other timing differences	24	42
	3,003	3,166
Less: - discount	(437)	(460)
Discounted provision for deferred tax	2,566	2,706

The Group has applied the provisions of FRS19 Deferred Tax, which requires that deferred tax be recognised as a liability or asset if the transactions or events that give the Group an obligation to pay more or less tax in the future have occurred by the balance sheet date. In accordance with FRS19, the Group makes full provision for timing differences other than revaluation gains and losses, which are primarily in respect of capital allowances on plant and machinery, industrial buildings allowances and tax losses.

Amounts unprovided are:

	<b>Unaudited At 30 September 2003 £000</b>	<b>Audited At 31 March 2003 £000</b>
Unrealised capital gains	15,003	17,144
	<u>15,003</u>	<u>17,144</u>

No provision has been made for taxation which would accrue if the investment properties were sold at their revalued amounts. The adjustment to net assets resulting from a recognition of these amounts would be to reduce diluted net asset value per share by 48p (31.03.03: 53p).

### 13. Share capital

	<b>Unaudited At 30 September 2003 £000</b>	<b>Audited At 31 March 2003 £000</b>
Authorised		
- 688,954,752 ordinary shares of 5p each	34,448	34,448
	<u>34,448</u>	<u>34,448</u>
Allotted, called up and fully paid		
Attributable to equity interests:		
- 28,766,525 ordinary shares of 5p each	1,438	1,496
	<u>1,438</u>	<u>1,496</u>

In the period to 30 September 2003 1,146,951 ordinary 5p shares were purchased for cancellation. Since 30 September 2003 a further 75,000 ordinary 5p shares have been purchased for cancellation.

### Share options

At 30 September 2003 and 31 March 2003 options over 2,553,323 new ordinary shares in the Company and 1,361,939 purchased shares held by the ESOP had been granted to directors and employees under the Company's share option schemes.

#### 14. Net assets per share

	£000	Number of Shares 000's	p.p.s.	Change since 31.03.2003 + %
Net asset value ("NAV")	229,878	28,767	799	1.3
Add: potential exercise of options	11,524	2,553	(28)	
Diluted NAV	241,402	31,320	771	1.2
Adjustment for:				
- capital allowances provided for but unlikely to be clawed back	2,566		8	
Adjusted diluted NAV	243,968	31,320	779	1.2
Adjustment for:				
- potential capital gains unprovided for	(15,003)		(48)	
- mark to market value of interest rate hedging agreements	(3,669)		(12)	
Triple net NAV	225,296	31,320	719	2.4

#### 15. Reconciliation of operating profit to net cash flow from operating activities

	Unaudited Half Year To 30 September 2003 £000	Unaudited Half Year To 30 September 2002 £000	Audited Year To 31 March 2003 £000
Operating profit	8,504	18,467	31,195
Depreciation of fixed assets	109	117	230
Loss on sale of fixed assets	6	39	38
Amortisation of goodwill	50	18	51
Provision against investments	(75)	-	-
Negative goodwill	-	(6,362)	(6,362)
Dividend from joint ventures	246	150	150
Increase in debtors	(4,633)	(3,882)	(3,704)
Increase/(decrease) in creditors	123	(21,413)	(37,999)
Increase in stocks	(18,911)	(10,936)	(10,732)
Net cash outflow from operating activities	(14,581)	(23,802)	(27,133)

## 16. Capital expenditure and financial investment

	Unaudited Half Year To 30 September 2003	Unaudited Half Year To 30 September 2002	Audited Year To 31 March 2003
	£000	£000	£000
Purchase of property	(11,323)	(15,098)	(47,175)
Sale of property	32,699	125,719	133,295
Purchase of fixed assets	(48)	(148)	(152)
Sale of fixed assets	4	45	44
Sale of investments	(887)	(5,000)	576
	<u>20,445</u>	<u>105,518</u>	<u>86,588</u>

## 17. Notes to the Interim Statement

The interim statement was approved by the Board of Directors on 26 November 2003. The foregoing financial information does not represent full accounts within the meaning of S.240 of the Companies Act 1985, and has been reviewed but not audited by the auditors, nor filed with the Registrar of Companies.

The results for the 12 months to 31 March 2003 are an abridged version of the full accounts which received an unqualified auditor's report and have been filed with the Registrar of Companies.

This statement is being sent to shareholders and will be available from the Company's Registered Office at 11-15 Farm Street, London, W1J 5RS.