HELICAL

HELICAL PLC

("Helical" or the "Group" or the "Company")

Results for the Half Year to 30 September 2024 (the "Period"/"Half Year")

FUNDING IN PLACE TO DELIVER ON CENTRAL LONDON DEVELOPMENT PIPELINE – NOW IS THE TIME TO BUILD

Matthew Bonning-Snook, Chief Executive, commented:

"In my first six months as Chief Executive of Helical we have been implementing the strategy agreed following the business review undertaken earlier this year and have focused on shaping the Company to best capture the cyclical growth opportunity. Our substantial development pipeline is set to deliver "best-in-class" office developments into a supply-constrained 2026 and beyond. Recycling equity through £245m of sales at a surplus to book value has underpinned a return to profitability, alongside an increase in Net Asset Value and a positive Total Accounting Return. These sales have also reduced our post balance sheet pro-forma LTV to 15.9%, its lowest ever level. Importantly, this provides the Group with all the anticipated equity it needs to complete its current development pipeline, including those schemes not yet started, providing the means to our future growth.

"While retaining a focus on offices, we are widening our offering to incorporate alternative uses, such as the student accommodation being planned above Southwark tube station, and we will continue to seek the best value use for sites in central London. Our exciting development pipeline, delivering in joint venture with equity partners, will provide valuation surpluses as well as new revenue streams of significant development management fees and promotes. This pipeline will be supplemented with additional "equity-light" opportunities as building owners seek specialists in development and refurbishment to partner with them to maximise the value of their assets.

"With an experienced management team and funds in place to deliver a substantial development pipeline, Helical is financially and operationally well placed to deliver a strong performance over the coming cycle."

Financial Highlights

EPRA Measures[1]	30 September 2024	30 September 2023	IFRS Measures	30 September 2024	30 September 2023
EPRA earnings	**£2.8m**	£1.4m	Profit/(loss) after tax	**£4.7m**	£(93.1)m
EPRA earning per share	**2.25p**	1.15p	Basic earning/(loss) per share	**3.8p**	(75.8)p
EPRA Total Accounting Return	**0.8%**	(16.6)%	Interim dividend per share	**1.50p**	3.05p

	30 September 2024	31 March 2024		30 September 2024	31 March 2024
EPRA NTA per share[1]	**331p**	331p	Net assets per share[1]	**329p**	327p
See-through LTV[1] - at Period end	**31.5%**	39.5%	See-through net debt[1] - at Period end	**£188.1m**	£261.6m
- pro-forma	**15.9%**	28.7%	- pro-forma	**£77.0m**	£163.8m

Operational Activity During the Period

Good letting progress

- During the half year we completed 12 new lettings, comprising 62,015 sq ft with a contracted rent of £5.0m per annum (our share: £2.8m), 1.3% (our share 0.9%) above March 2024 ERVs. Following the Period end, we have signed one additional lease for 9,499 sq ft at a contracted rent of £0.7m, 3.6% above March 2024 ERVs. In addition, we have completed five lease renewals of 14,260 sq ft during the Period and one following the Period end of 10,046 sq ft, totalling 24,306 sq ft.
  - At The JJ Mack Building, EC1, we let 45,624 sq ft (our share 22,812 sq ft) at a 1.8% premium to 31 March 2024 ERVs. On the sale of Helical's 50% share in the asset, 90% of the building was let at an average office rent of £95 psf, with just one floor remaining.
  - At The Tower at The Bower, EC1, following the Period end, we have let the refurbished, ex WeWork, fourth floor at a 3.6% premium to 31 March 2024 ERVs, and have agreed terms for a five year renewal of the lease on the 13th floor to the existing tenant at its 31 March 2024 ERV. Refurbishment works on the fifth and sixth floors have just completed and these are now available to let. The third floor is undergoing refurbishment.
  - At The Loom, E1, we let 16,391 sq ft, for a contracted rent of £0.7m, 1.8% below 31 March 2024 ERVs.

Sales

- In April 2024, we completed on the £43.5m sale of 25 Charterhouse Square, EC1.
- In May 2024, we entered into a joint venture arrangement for the redevelopment of 100 New Bridge Street, EC4, selling a 50% interest in the site for £55m structured on a preferred equity basis to a vehicle led by Orion Capital Managers. At the same time, the parties entered into a £155m development financing arrangement with NatWest and an institutional lender, as well as a building contract to deliver the scheme.
- In August 2024, we exchanged contracts to sell The Power House, W4 for £7.0m, with completion due at the end of November.
- In October 2024, we completed on the sale of our 50% interest in Charterhouse Place Limited, the owner of The JJ Mack Building, EC1 to our joint venture partner, AshbyCapital, for £71.4m. The transaction reflected a value of £139.2m for Helical's 50% share of the property. As this was a corporate sale, the £71.4m reflected the consolidated net asset value of Charterhouse Place Limited at the date of sale, which included bank finance and other working capital items.

Development Pipeline

On Site

- 100 New Bridge Street, EC4 – This 194,500 sq ft "carbon friendly" redevelopment of the existing building is progressing with a planned completion date for April 2026.
- Brettenham House, WC2 – The repositioning of this 128,000 sq ft building (including 6,000 sq ft of retail) is well underway with the building scaffolded to facilitate the cleaning and repair of the external stonework and new window installation. Completion of the works is due April 2026.
- 10 King William Street, EC4 – The first of three initial sites to be developed in joint venture with Transport for London's ("TfL") property company, Places for London, this eight-storey office development will deliver 139,000 sq ft of "best-in-class" new office space with 2,000 sq ft of ground floor retail. Practical completion is programmed for December 2026.

Pipeline

- Southwark Over Station Development, SE1 – We have submitted a planning application for a purpose-built student accommodation scheme of 429 studio units together with a separate building providing 44 affordable housing units. This will be the second development with Places for London and is expected to be delivered in Q2 2028.
- Paddington Over Station Development, W2 – Situated close to the Elizabeth Line station at Paddington, this 19-storey building will provide 235,000 sq ft of office space. The site will be acquired in January 2026 with the intention to deliver the scheme in Q1 2029.

Financial and Portfolio Performance

Earnings and Dividends

- IFRS profit of £4.7m (2023: loss £93.1m).
- IFRS basic earnings per share of 3.79p (2023: loss of 75.85p).
- EPRA earnings per share[1] of 2.25p (2023: 1.15p).
- Interim dividend of 1.50p per share (2023: 3.05p).

Balance Sheet

- Net asset value up 0.8% to £404.2m (31 March 2024: £401.1m).
- Total Accounting Return[1] on IFRS net assets of 1.3% (2023: -15.9%).
- Total Accounting Return[1] on EPRA net tangible assets of 0.8% (2023: -16.6%).
- EPRA net tangible asset value per share[1] unchanged at 331p (31 March 2024: 331p).
- EPRA net disposal value per share[1] up to 328p (31 March 2024: 327p).

Financing

- IFRS net borrowings of £120.5m (31 March 2024: £199.0m).
- See-through loan to value[1] of 31.5% (31 March 2024: 39.5%).
- Pro-forma see-through loan to value[1] of 15.9%.
- See-through net borrowings[1] of £188.1m (31 March 2024: £261.6m).
- Pro-forma see-through net borrowings[1] of £77.0m.
- Average maturity of the Group's share[1] of secured investment debt of 3.0 years (31 March 2024: 2.1 years).
- 100% of drawn debt protected by interest rate hedging to expiry of facilities.
- Average cost of the Group's share of secured investment facilities[1] of 3.0% (31 March 2024: 2.9%).
- Group's share[1] of cash and undrawn bank facilities of £176.1m (31 March 2024: £115.5m).

Portfolio Update

- Investment property valuations showed an improvement, on a like-for-like basis of 0.4% while the development portfolio value increased by 9.0% to provide a net 1.3% improvement overall. The true equivalent yield of the investment portfolio increased from 6.45% to 6.56% during the Period.
- IFRS investment property portfolio value of £371.9m (31 March 2024: £472.5m) reflecting disposals during the Period.
- See-through investment portfolio[1], valued at £591.5m (31 March 2024: £660.6m).
- Contracted rents of £30.5m (31 March 2024: £33.0m), compared to an ERV of £39.7m (31 March 2024: £60.8m). Following the sales of The JJ Mack Building, EC1 and The Power House, W4, the ERV falls to £29.4m.
- See-through portfolio WAULT[1] of 6.8 years (31 March 2024: 6.6 years).
- Vacancy rate on completed assets decreased to 16.1% at 30 September 2024 (31 March 2024: 17.6%).

Sustainability Highlights

- Received a 5 star GRESB rating across both our development portfolio and standing investments with a score of 96/100 and 88/100 respectively.
- Design stage BREEAM certificate received for 100 New Bridge Street, EC4 with an Outstanding rating and a score of 95%.
- Sustainability Linked Revolving Credit Facility signed incorporating three ESG targets.

Interim Dividend Timetable

Announcement date	26 November 2024
Ex-dividend date	20 December 2024
Record date	5 December 2024
Dividend payment date	15 January 2025

A Dividend Reinvestment Plan ("DRIP") is provided by Equiniti Financial Services Limited. The DRIP enables the Company's Shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at www.shareview.co.uk/info/drip.

For further information, please contact:

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Results Presentation

Helical will be holding a presentation for analysts and investors starting at 10:30am on Tuesday 26 November 2024 at the offices of FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. If you would like to attend, please contact FTI Consulting on 020 3727 1000, or email schelical@fticonsulting.com

The presentation will be on the Company's website www.helical.co.uk and a live webcast and Q&A will also be available.

Webcast Link:
https://brrmedia.news/HLCL_HY_25

Half Year Results Statement

At Helical, sustainability is at the heart of everything we do and forms one of the key pillars of our strategy. With this in mind, we have taken the decision to cease mailing hard copies of our half year results reports to our Shareholders and other stakeholders unless specifically requested. Should you wish to receive a hard copy of our Results for the Half Year to 30 September 2024 by post, please email your request to companysecretary@helical.co.uk. An electronic version of our Results for the Half Year to 30 September 2024 is available on our website (https://www.helical.co.uk/investors/results-and-presentations/).

1. See Glossary for definition of terms. These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. In common with usual and best practice in our sector, alternative performance measures have also been provided to supplement IFRS, some of which are based on the recommendations of the European Public Real Estate Association ("EPRA"), with others designed to give additional information about the Group's share of assets and liabilities, income and expenses in subsidiaries and joint ventures.

Chief Executive's Statement

Overview

Since 31 March 2024, we have taken advantage of letting progress to recycle capital from the portfolio. The Group has sold £190m of completed investment properties (of which £139m was contracted since 30 September 2024) as well as 50% of the site at 100 New Bridge Street, EC4 for £55m. In aggregate, the Group has realised £245m of value at a net profit of £10m over 31 March 2024 book values. These sales have underpinned a return to profit, alongside an increase in Net Asset Value and a positive Total Accounting Return. Importantly, they also provide the Group with all the anticipated equity it requires to be able to complete its current development pipeline, including those schemes not yet commenced, providing fuel for our future growth.

Our business model is now focused on delivering, in joint venture with equity partners, "best-in-class" developments in highly desirable central London locations. Primarily, these will be new office schemes or the comprehensive refurbishment of existing buildings. In addition, we will look at alternative uses within central London, such as the purpose built student accommodation being planned above Southwark tube station. As we consider alternative opportunities, we will always look to deliver the best value use.

We have a current pipeline of five development projects with our future equity requirements fully funded, delivering into a window with strongly predicted low levels of supply. We also have a strategic joint venture with TfL's property company, Places for London, with an ambition to deliver more schemes with them, having just started on site at the first office project at 10 King William Street, EC4. Future potential schemes are already in discussion. This exciting approach to development in central London brings the prospect of a number of revenue streams to Helical. During the construction phase, the development management fees payable by the joint ventures fund the Group's costs of providing its expertise. In aggregate, with several schemes under construction at the same time, the receipt of these fees significantly reduces the net overheads of the business, in addition to the 25% cost reduction referred to below. On completion and successful letting, particularly for "equity-light" schemes, a development promote is payable to the Group, which has the potential to provide returns significantly in excess of the level of equity required. Our business model envisages additional "equity-light" schemes being added to the current development pipeline. Finally, for those schemes in joint venture, there will be a proportionate return for the equity participation.

In the Period, the Group started three new schemes, at 100 New Bridge Street, EC4, 10 King William Street, EC4 and Brettenham House, WC2. All three schemes, totalling 460,000 sq ft, are scheduled to achieve practical completion in 2026, when supply of new schemes is expected to be severely constrained.

In May 2024, we committed to reduce our running overheads by 25% by the end of March 2025 and I am pleased that we are on track to deliver on this promise. A major part of this cost reduction is the imminent move of our head office which will complete before Christmas.

Results for the Half Year

The profit after tax for the half year to 30 September 2024 was £4.7m (2023: loss of £93.1m). See-through net rental income reduced by 11.4% to £11.0m (2023: £12.4m) while developments generated a see-through profit of £0.3m (2023: loss of £0.5m). The see-through net gain on sale and revaluation of the investment portfolio was £9.2m (2023: loss of £96.7m).

Total see-through net finance costs reduced to £5.1m (2023: £5.6m), reflecting a lower level of debt. Included in net finance costs is a charge of £2.0m relating to the amortisation of arrangement costs relating to the revolving credit facility repaid at the end of the Period. A fall in expected future interest rates led to a £4.7m charge (2023: credit of £2.1m) from the valuation of the Group's see-through derivative financial instruments. Recurring see-through administrative costs were 5.5% lower at £4.6m (2023: £4.8m) before an accelerated depreciation charge of £0.4m (2023: £nil) and non-recurring restructuring costs of £0.2m (2023: £nil). Performance related awards, including National Insurance, reduced to £0.8m (2023: £0.9m).

Since 1 April 2022, Helical has been a REIT and there was a £nil tax charge (2023: £nil) for the half year.

The IFRS basic earnings per share was 3.79p (2023: loss of 75.85p) and EPRA earnings per share were 2.25p (2023: 1.15p).

On a like-for-like basis, the investment portfolio increased in value by 0.4% (0.4% including purchases and gains on sales). The see-through total investment portfolio value reduced to £591.5m (31 March 2024: £660.6m), mainly reflecting the sales of 25 Charterhouse Square, EC1 and 50% of 100 New Bridge Street, EC4. Subsequent to 30 September 2024, the pro-forma investment portfolio decreased in value to £481.9m, reflecting the sale of the Group's 50% share of The JJ Mack Building, EC1, the expected sale of The Power House, W4 and the purchase of the site at 10 King William Street, EC4 in joint venture with Places for London.

The completed investment portfolio was 83.9% let at 30 September 2024 (31 March 2024: 82.4%) and generated contracted rents of £30.5m (31 March 2024: £33.0m), equating to an average of £68.86 psf (31 March 2024: £69.02 psf). The post half year end sales reduce contracted rent to £21.3m. This increases to an ERV of £29.4m on the letting of the currently vacant space and capturing the reversion of the portfolio. The Group's contracted rent has a Weighted Average Unexpired Lease Term ("WAULT") at 30 September 2024 of 6.8 years (31 March 2024: 6.6 years).

The Total Accounting Return ("TAR"), being the growth in the IFRS net asset value of the Group, plus dividends paid in the half year, was 1.3% (2023: -15.9%). Based on EPRA net tangible assets, the TAR was 0.8% (2023: -16.6%). EPRA net tangible assets per share remained unchanged at 331p (31 March 2024: 331p), with EPRA net disposal value per share increasing to 328p (31 March 2024: 327p).

Asset Management

We have an investment portfolio which is significantly reduced in the number of assets held, as we recycle equity once the asset management is largely completed and as we pivot the business further towards development. The investment portfolio now consists of The Bower, EC1 and The Loom, E1.

At The Bower, EC1, we have made progress following the departure of WeWork, who occupied the first six floors of The Tower comprising c.59,000 sq ft. We have refurbished three of the six floors, with one let and two recently released to the market. Of the other three floors, two are occupied by a provider of flexible space and the final floor is undergoing a light refit. At The Warehouse, we have carried out works on the recently vacated 7th floor to re-present the space as an attractive fitted option.

At The Loom, E1 we have made progress during the Period, reducing vacancy from 35% to 27% today.

We continue to actively manage the multi-let campus at The Bower, EC1 which has a broad mix of office and F&B occupiers, ensuring that it presents as new. Offering a mix of occupier spaces including fitted solutions, Cat A finish and our serviced operation Beyond The Bower, we aim to retain occupiers as they reach lease ends and attract new occupiers when vacancy occurs, maximizing occupancy throughout the estate. The new public realm works carried out by TfL, immediately outside The Tower after several years of construction, have certainly increased the estate's appeal.

Balance Sheet Strength and Liquidity

The Group has a significant level of liquidity following the post balance sheet sales with see-through cash and unutilised bank facilities of £217.6m (31 March 2024: £115.5m), and a development pipeline whose equity is fully funded.

At 30 September 2024, the Group had £14.2m of cash deposits available to deploy without restrictions and a further £12.7m of rent in bank accounts available to service payments under loan agreements, cash held at managing agents and cash held in joint ventures. In addition, the Group held rental deposits from tenants of £10.5m and had £32.2m deposited with solicitors to fund the acquisition of the site at 10 King William Street, EC4. Furthermore, the Group had £106.5m of loan facilities available to draw on.

These Period end balances are supplemented by cash receipts of £71.4m from the sale of the Group's 50% share in The JJ Mack Building, EC1 at the end of October 2024 and the sale of The Power House, W4 for £7.0m, due for completion at the end of November 2024.

The see-through loan to value ratio ("LTV") reduced to 31.5% at the Balance Sheet date (31 March 2024: 39.5%) and our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, decreased to 46.5% (31 March 2024: 65.2%) over the same period. However, post Period-end sales have reduced the pro-forma see-through LTV to 15.9% and the pro-forma see-through net gearing to 19.1%, the lowest gearing ratios in the Group's history.

At the Period end, the average debt maturity of the Group's secured investment loans was 3.0 years (31 March 2024: 2.3 years), with two one-year extensions of the Group's revolving credit facility extending this maturity to 5.0 years. The average cost of debt, on a see-through basis, was 3.0% (31 March 2024: 2.9%).

Dividends

Helical is a capital growth stock, seeking to maximise value by successfully letting comprehensively refurbished and redeveloped property. Once stabilised, these assets are either retained for their long-term income and reversionary potential or sold to recycle equity into new schemes.

This recycling leads to fluctuations in our EPRA earnings per share, as the calculation of these earnings excludes capital profits generated from the sale and revaluation of assets. As such, both EPRA earnings and realised capital profits have previously been considered when determining the payment of dividends.

Moving forward, and in line with our new strategy, we have adjusted our dividend policy to suit our expected trajectory. We will align our dividends to our EPRA earnings per share, rebasing to a lower level while we wait for our development pipeline to produce profits.

In the Period to 30 September 2024, EPRA earnings per share increased from 1.15p to 2.25p. However, due to the sales of investment assets during the financial year to date, we do not currently expect this earnings trajectory to continue in the second half of the year. We are, therefore, restricting the Interim Dividend to the minimum Property Income Distribution ("PID") required under the REIT regime and an Interim Dividend of 1.50p per share will be paid in January 2025.

The Opportunity

Our development pipeline is expected to provide development management fees, promotes and surpluses for the next three years. With three recently started new schemes delivering c.460,000 sq ft from early 2026 onwards, this pipeline will be supplemented with additional "equity-light" opportunities as building owners seek specialists in development and refurbishment to partner with them to maximise the value of their assets. In addition, banks and other financial institutions with non-performing assets should provide additional opportunities for Helical.

Our Balance Sheet is in very good shape with gearing at its lowest level in the Group's history. Maintaining financial discipline remains at the forefront of Helical's approach. Recycling equity and seeking third party funding for future opportunities will allow the Company to grow the business while keeping gearing within our guidance levels of 15% to 35%.

We have a current pipeline of five development projects, which will be delivered into a window where demand for the best quality space is expected to significantly outstrip supply. With an experienced management team, funds in place to deliver a substantial development pipeline and no legacy assets requiring investment to meet minimum sustainability standards, Helical is financially and operationally well placed to deliver a strong performance over the coming cycle.

Matthew Bonning-Snook
Chief Executive
25 November 2024

Our Market

Overview

As we approach 2025, the central London office market is showing encouraging signs of life, despite the ongoing economic and geopolitical challenges. The broader economy is also beginning to stabilise, with falling interest rates creating a more favourable environment for the investment market.

Leasing activity has continued to strengthen quarter-on-quarter, outpacing the five year average. Demand is heavily concentrated at the top end of the market, driven by a "flight to quality" as occupiers seek premium office spaces that align with evolving workplace strategies and stringent ESG criteria. This trend is bolstering demand and rental growth for "best-in-class" assets, while posing challenges for older, less well-specified buildings. Among the larger occupier requirements, a first-mover advantage will likely emerge as the pipeline of new office deliveries slows from 2026.

Over the last year, the Bank of England has cut policy rates twice to 4.75% and further reductions are expected, albeit more slowly than previously anticipated. The combination of economic uncertainty, geopolitical events, and changes in global governance means investors have continued to adopt a "wait-and-see approach".

Encouragingly, we have seen the arrival of several large lot size sales onto the commercial property market which are expected to serve as key indicators as we enter the new year, guiding the ongoing phase of price discovery and bringing confidence back into the market.

Investment Market

The investment market is showing signs of recovery despite overall volumes remaining below historical averages. Q3 2024 saw central London investment volumes reach £1.2 billion. According to CBRE data, investment volumes to the end of Q3 reached £3.1 billion, marking a 17% decline compared to the same period in 2023 and remaining 59% below the ten year quarterly average.

A total of 35 deals were transacted in Q3, slightly up from 34 in the previous quarter with the purchase of Atlantic House, EC1 for c.£180m, representing the City's largest transaction since Q1 2024. The activity has tended to focus on the smaller lot sizes with the West End accounting for 61% of all deals so far in 2024. In the City, the interest has been focused on core-plus and value-add transactions although the recent emergence of larger lot sizes onto the market is receiving increasing attention from investors. The appetite and pricing for core City assets has yet to be tested in a significant openly marketed transaction.

A key emerging trend for London capital markets is the widening of the demand pool with evidence of some UK and European institutional investors returning to the market alongside private family offices and private equity capital. According to CBRE, during the last 12 months, overseas investors represented approximately half of the market and domestic investors the other half.

The widening yield spread between prime and secondary assets highlights the strong preference for quality, sustainable buildings. This, coupled with improving market sentiment, strong rental growth for the best quality space and economic recovery, is attracting investors who sense that market yields have peaked and the trajectory is positive.

Occupational Market

The central London occupational market demonstrated continued growth in 2024, with leasing activity gaining significant momentum. Take-up reached 2.8m sq ft in Q3 2024, marking the highest quarterly volume of the year and bringing year-to-date volumes to 6.6m sq ft. This represents a 5% increase compared to the same period in 2023, surpassing the Q1-Q3 five year average by 8%, as reported by JLL.

Demand for high-quality space continues, with large pre-let deals driving the market. According to industry data, banking and finance sector take-up was 22%, closely followed by the professional sector at 19%. Significant pre-let transactions included Citadel, BDO, Evercore and Legal & General and it is reported that 40.9% of the total volume under construction is already pre-leased.

Overall availability in central London stands at 24.2m sq ft (8.5%) at the end of Q3, however the new build vacancy rate stands at 1.5% in total and 1.1% in the City. The market continues to favour “best-in-class” spaces, reinforcing a "flight to quality". Real estate sector insights support a positive outlook with elevated levels of space under offer, 3.5m sq ft, compared to a 10 year average of 2.8m sq ft and active demand at 12.7m sq ft, compared to a 9.4m sq ft 10 year average.

Prime rental levels are forecast to rise strongly as demand for the “best-in-class” space outpaces supply. JLL predict prime rents rising from 2025-2029 by 3.8% per annum and even higher growth levels for the “super-prime” buildings. Occupiers are increasingly mindful of factors such as fit-out costs and landlord counterparty risk when making pre-leasing decisions but the drive to improve productivity, encourage collaboration, promote employee wellbeing, attract and retain the best talent outweighs this, enhancing the appeal of being in the best quality office accommodation.

Development Pipeline

As stated above, the market is poised for a demand-supply imbalance. Of the space currently under construction JLL report that 44% is pre-let or under offer. With regard to the completions planned post 2026 there is considerable uncertainty on delivery with over 54% having “multiple barriers to starting on site” (JLL Central London Market Overview).

Increasingly, existing redundant office buildings that cannot profitably be repositioned to be “best-in-class” buildings are being re-purposed for alternative uses such as hotels or student accommodation. In certain sub-markets the alternative uses generate higher values. An example of this is our office project with Places for London at Southwark where we are now submitting a planning application for a 429-unit purpose built student accommodation scheme, aiming to target the robust demand in the student housing sector in this location. We will continue to look at other central London opportunities where we can reposition assets to their best value use.

A planning system focused on retrofit-first, rightly trying to reduce embodied carbon emission, will inevitably lead to a slowdown in planning approvals as developers seek to justify levels of demolition and new build replacement.

Rising construction costs have tempered but whilst this slowdown offers some relief to developers, challenges persist. Supply chain disruptions, labour shortages and material availability remain issues affecting project schedules. The industry's volatility, evidenced by contractor insolvencies, poses additional risks. As developers we are very careful in our contractor selection and implement risk management strategies to manage these risks.

The combination of these factors is likely to lead to the reassessment of schemes and delays in delivery, potentially exacerbating undersupply and driving increased competition for those schemes that are deliverable.

This environment presents an excellent opportunity for developers and investors able to deliver new, "best-in-class" schemes who can navigate the complex planning requirements and increased regulatory scrutiny.

Conclusion

Helical is strategically positioned to capitalise on the evolving and recovering central London market. Our portfolio, focused on the best quality space and amenities, aligns with current occupier requirements, attracting tenants through our excellent credentials and proactive asset management strategy. This year, we have achieved significant success through the sale of our 50% interest in The JJ Mack Building, EC1, and have also renewed our revolving credit facility, securing it for the next three years. Furthermore, we have commenced construction on our "best-in-class" schemes at 100 New Bridge Street, EC4, Brettenham House, WC2 and 10 King William Street, EC4, delivering 460,000 sq ft of space into a market which is predicted to be undersupplied.

While maintaining a focus on offices, we retain a flexible approach, considering diversification into alternative property sectors to maximise available market opportunities. We have an extensive development pipeline in vibrant submarkets experiencing strong tenant demand and high rental growth potential. With our strategic joint venture with Places for London, combined with our proven track record and expertise, we are well placed to benefit from what we see as a significant market opportunity to create value.

Sustainability

We continue to make good progress against the targets we set out in our sustainability strategy “Built for the Future” and our ambitions to become a net zero carbon business. With the recent release of the first UK Net Zero Carbon Building Standard, we are in the process of reviewing how our pipeline of developments aligns with the targets and limits set within, with a view of providing a full assessment of the impact in our Annual Report and Accounts in May 2025. In the intervening period, we have submitted 100 New Bridge Street, EC4 to participate in the pilot testing scheme for the Standard.

For GRESB, we have again performed well with a score of 88% and receiving a 5 star rating in the annual sustainability performance index for our standing investment properties. Alongside this, we received a score of 96% for our development activities, also resulting in a 5 star rating. This uplift from our previous 4 star rating demonstrates the continued improvements we are making in how we develop and manage our assets.

For our sustainability reporting, we received a Gold Award for the fourth consecutive year from EPRA’s Sustainability Best Practice Recommendations (sBPR). The EPRA sBPR is intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe.

During the Period we were pleased to receive the interim design stage BREEAM certificate for 100 New Bridge Street, EC4, achieving a score of 95% and an Outstanding rating. Alongside this, the development was also awarded a NABERS Design for Performance Reviewed Target Rating of 5 stars. This is the first building within Helical’s development portfolio to achieve this milestone and sets a new standard for energy efficiency and sustainability. We have a commitment to achieve a minimum NABERS rating of 5 stars across all our development schemes.

In September, the new £210m Group Revolving Credit Facility was signed with the inclusion of three Sustainability KPIs. The targets were selected to reflect our development activities over the next three years and include an embodied carbon target, BREEAM certification target and, to reflect our commitments to growing social value, a volunteering hours target. We will report on the performance against these targets in May 2025 as part of our annual reporting.

Helical's Property Portfolio – 30 September 2024

Property Overview

We seek to maximise returns through delivering income growth from creative asset management and capital gains from our development activity. Focused on central London, the Helical portfolio comprises investment assets we have created and an exciting pipeline of development schemes, each designed to the very highest standards to enable their occupiers to thrive and benefitting the communities in which they are located. This pipeline includes three schemes that have started on site and will deliver 460,000 sq ft of "best-in-class" offices in 2026 into a supply constrained market. We are actively looking to add to our pipeline with further joint ventures and "equity-light" opportunities.

Investment Portfolio

The Bower, EC1

The Bower is a prominent estate comprising 312,573 sq ft of innovative, high quality office space along with 21,059 sq ft of restaurant and retail space. The estate is located adjacent to the former Old Street roundabout which has been peninsularised, creating further high-quality public realm to the benefit of The Bower and its occupiers.

The Warehouse and The Studio

The Warehouse and The Studio comprise 141,141 sq ft of office space. In addition, there is 10,298 sq ft of fully-let retail space across the buildings.

The buildings are 91.8% let, with fitout works on the vacant seventh floor expected to complete at the beginning of December.

The Tower

The Tower offers 171,432 sq ft of office space with a contemporary façade and innovatively designed interconnecting floors, along with 10,761 sq ft of retail space across two units, let to food and beverage operators Serata Hall and Wagamama.

Following the departure of WeWork, who occupied the first six floors, Beyond The Bower (run by third party operator infinitSpace), our serviced office offering, is fully operational on floors one and two. Occupancy across these two floors, by number of desks, is now 62%.

The fourth floor has been refurbished and let on a five year lease with a three year break. The refurbishment of the fifth and sixth floors on a fully fitted basis has completed and these floors are now available to let.

The third floor, previously occupied by Stripe, under license through WeWork until June 2024, is being refurbished.

Farfetch, who occupied six floors across the wider Bower estate, consolidated into their three floors in The Warehouse and assigned floors seven, eight and nine of The Tower to Fresha, a multi-national software booking platform.

We have also completed the renewal of 13th floor with OpenPayd, which was due to expire in February 2025 but has been extended for a further five years to 17 February 2030, with a break option in year three, at its ERV of £80 psf.

As a result, the building is now 83.7% occupied.

The Loom, E1

This former Victorian wool warehouse offers 108,540 sq ft of space and we have made good progress with our flexible lease offerings, resulting in the letting of previously vacant space and the retention of current tenants. Vacancy stands at 27%, down from 35% at the last year end, following the completion of eight new lettings and five lease renewals, including relocating existing tenants within the building.

Sales

The JJ Mack Building, EC1

A 206,085 sq ft office building, including 5,474 sq ft of retail, which was developed with AshbyCapital via a 50:50 joint venture. The JJ Mack Building, named after the market trader who occupied the site in the 1940s, is one of London's most sustainable new office buildings, having recently been recognised as BREEAM's highest rated new office development under the 2018 guidance, with an Outstanding score of 96.42%. In addition, the building won the 2021 SECBE Digital Construction Award and has been awarded EPC A and NABERS 5 star.

During the Period, we leased a further 45,624 sq ft of space at 1.8% above 31 March 2024 ERVs, taking the building to 90% let.

After the Period end, we completed the sale of our 50% share in the building to our joint venture partner, AshbyCapital on 31 October 2024 with £139.2m representing our share of the property value. After accounting for debt, this released £71.4m of equity to fund our current development pipeline.

25 Charterhouse Square, EC1

25 Charterhouse Square is a 42,921 sq ft office building, including 4,566 sq ft of retail space, overlooking the historic Charterhouse Square and adjacent to the Farringdon East Elizabeth Line station. On 25 April 2024, we completed the sale of the long leasehold to Ares Management, a real estate fund manager, for £43.5m.

The Power House, W4

The Power House is a listed building, providing 21,268 sq ft of office and recording studio space on Chiswick High Road. The building is fully let on a long leasehold to Metropolis Music Group.

We have exchanged contracts to sell the building for £7.0m with completion expected at the end of November 2024.

Development Pipeline

On Site

100 New Bridge Street, EC4

Our "best-in-class" office development at 100 New Bridge Street is adjacent to City Thameslink and a short walk from Farringdon and Blackfriars stations.

This "carbon friendly new build" will provide 191,000 sq ft of office space across seven retained floors and three new floors, as well as 3,500 sq ft of retail space once completed in April 2026. In addition, we will make considerable public realm improvements to improve the street level experience for tenants and the local community.

During the Period, we signed a joint venture agreement with Orion Capital Managers, a £155m (our share £77.5m) development facility agreement with NatWest and an institutional lender, as well as the main building contract with Mace. Works are progressing well, with internal strip-out works now complete along with the removal of the façade on all elevations and hard demolition has commenced on the upper floors.

Brettenham House, WC2

We have signed a development management agreement with the owner of Brettenham House, a 1930s heritage office building located on the Thames between The Savoy and Somerset House at Waterloo Bridge. We have utilised our expertise in retrofit and refurbishments to assist with the design of a comprehensive refurbishment of the building and obtained planning consent for extensive amenity which will significantly upgrade this asset. Work has commenced and is due to complete by April 2026. Helical have committed to contributing £12.5m during the construction phase and will receive a development management fee of £2.5m and profit share based upon rental performance once the building is successfully let.

Places for London Joint Venture

Contracts were signed in July 2023, confirming Helical as the commercial office joint venture partner of Transport for London's property company, Places for London. This long-term partnership will see the delivery of new high-quality and sustainable space, predominantly above or adjacent to key transport hubs. The joint venture consists of three initial development opportunities with construction underway at the first of these sites, 10 King William Street, EC4.

10 King William Street, EC4

An eight-storey office development on an island site, located above the recently opened Bank station entrance on Cannon Street, offering 139,000 sq ft of prime office space with attractive sized floor plates and 2,000 sq ft ground floor retail space. Since formation of the joint venture, we have enhanced the scheme alongside Fletcher Priest Architects and the wider professional team.

During the summer we secured consent for public realm enhancements making Abchurch Lane a shared space, a much improved cycle arrival experience and the inclusion of changing facilities and a wellness lounge at mezzanine level, via three separate s96a planning applications. We acquired the site on 1 October 2024 and the basement construction works are now well underway. Terms have been agreed for a four year, £125m development facility to fund the construction works and we aim to achieve practical completion of the scheme by December 2026.

Future Opportunities

Southwark OSD, SE1

The second site in our joint venture with Places for London is located above Southwark tube station. Prior to the formation of the joint venture, planning was obtained for a 222,000 sq ft NIA office scheme. After conducting feasibility studies (to determine the most appropriate and valuable use for the site) and having detailed pre-application discussions with Southwark Borough Council, we submitted a planning application on 20 September 2024 proposing a purpose-built student accommodation scheme of 429 studio units, together with a separate building providing 44 affordable housing units.

The new scheme sees a reduction in height and massing compared to the previously consented office scheme, as well as retaining and enhancing Joan Street as part of the significant improvements to local biodiversity and urban greening.

We aim to commence on site in July 2025 with completion in Q2 2028. As part of our focus on "equity light" opportunities, we intend to forward fund the scheme.

Paddington OSD, W2

Situated close to the Elizabeth Line station at Paddington, the third development in our joint venture with Places for London is a 19-storey building that will provide 235,000 sq ft of office space. In the Period, we received consent to introduce terracing on each office floor and have submitted a further application to significantly improve the end of trip facilities and arrival experience. The site will be acquired by the joint venture in January 2026 and the intention is to deliver the scheme in January 2029.

Portfolio Analytics

See-through Total Portfolio by Fair Value

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
- Completed properties	525.1	88.8	-	-	525.1	87.9
- Development pipeline	66.3	11.2	5.7	94.5	72.0	12.0
Total London Core	591.4	100.0	5.7	94.5	597.1	99.9
Other	0.1	0.0	0.3	5.5	0.4	0.1
Total Non-Core Portfolio	0.1	0.0	0.3	100.0	0.4	0.1
Total	591.5	100.0	6.0	100.0	597.5	100.0

Capital Expenditure

We have a committed and planned development and refurbishment programme.

Property	Capex budget (Helical share) £m	Proposed equity (Helical share) £m	Proposed debt (Helical share) £m	Commencement date	Completion date
Investment – committed					
- 100 New Bridge Street, EC4	53.9	-	53.9	On-site	Q2 2026
- Brettenham House, WC2	12.5	12.5	-	On-site	Q2 2026
- 10 King William Street, EC4	95.4	42.1	53.3*	On-site	Q4 2026
- Southwark OSD, SE1	11.0	11.0	-	Q3 2025	Q2 2028
- Paddington OSD, W2	30.2	30.2	-	Q1 2026	Q1 2029
Investment – planned					
- Paddington OSD, W2	127.2	41.1	86.1*	Q1 2026	Q1 2029

* Assumes 55% LTC debt facility arranged for future schemes.

Asset Management

Asset management is a critical component in driving Helical's performance. Through having well considered business plans and maximising the combined skills of our management team, we are able to create value in our assets.

Investment portfolio	Passing rent £m	%	Contracted rent £m	%	ERV £m	%	ERV change like-for-like %
London Offices	20.1	100.0	30.4	99.7	39.6	99.7	0.9
Total London	20.1	100.0	30.4	99.7	39.6	99.7	0.9
Other	0.0	0.0	0.1	0.3	0.1	0.3	0.0
Total	20.1	100.0	30.5	100.0	39.7	100.0	0.9

	See-through total portfolio contracted rent £m
Rent lost at break/expiry	(2.4)
Contracted rent reduced through sales	(2.9)
New lettings	2.8
Net decrease in the Period	(2.5)

* Following the sale of The JJ Mack Building, EC1 and The Power House, W4 post Period end, the contracted rent reduced by a further £9.2m.

Investment Portfolio

Valuation Movements

	Valuation change inc sales %	Valuation change exc sales %	Investment portfolio weighting 30 September 2024 %	Investment portfolio weighting 31 March 2024 %
London Offices				
- Completed properties	0.4	0.4	88.8	85.0
- Development pipeline	9.0	9.0	11.2	15.0
Total	1.2	1.3	100.0	100.0

Portfolio Yields

	EPRA topped up NIY 30 September 2024 %	EPRA topped up NIY 31 March 2024 %	Reversionary yield 30 September 2024 %	Reversionary yield 31 March 2024 %	True equivalent yield 30 September 2024 %	True equivalent yield 31 March 2024 %
London Offices						
- Completed properties	5.37	5.14	6.67	6.86	6.56	6.45
- Development pipeline	n/a	n/a	5.98	6.05	5.57	5.68
Total	5.37	5.14	6.46	6.60	6.26	6.34

See-through Capital Values, Vacancy Rates and Unexpired Lease Terms

	Capital value 30 September 2024 £ psf	Capital value 31 March 2024 £ psf	Vacancy rate 30 September 2024 %	Vacancy rate 31 March 2024 %	WAULT 30 September 2024 Years	WAULT 31 March 2024 Years
London Offices	992	982	16.1	17.6	6.8	6.6

See-through Lease Expiries or Tenant Break Options

	Half Year to 2025	Year to 2026	Year to 2027	Year to 2028	Year to 2029	2029 onward
% of rent roll	7.8	4.6	6.6	32.8	7.7	40.5
Number of leases	15	13	8	17	5	28
Average rent per lease (£)	158,617	107,603	251,882	588,186	466,332	440,327

Letting Activity – New Leases

	Area sq ft	Area (Helical share) sq ft	Contracted rent (Helical's share) £	Rent £ psf	Increase to 31 March 2024 ERV %	Average lease term to expiry Years
Investment Properties						
Offices						
- The Loom, E1	16,391	16,391	709,293	43.27	(1.8)	4.93
- The JJ Mack Building, EC1	44,103	22,052	2,084,236	94.51	1.2	12.33
Total	60,494	38,443	2,793,529	72.67	0.4	11.26
Retail						
- The JJ Mack Building, EC1	1,521	760	50,000	65.79	31.6	5.00
Total	1,521	760	50,000	65.79	31.6	5.00
Total	62,015	39,203	2,843,529	72.53	0.9	11.13

Financial Review

IFRS Performance

Profit after tax
£4.7m (2023: loss of £93.1m)

Earnings per share (EPS)
3.8p (2023: loss of 75.8p)

Diluted NAV per share
328p (31 March 2024: 326p)

Total Accounting Return
1.3% (2023: -15.9%)

EPRA Performance

EPRA earnings
£2.8m (2023: £1.4m)

EPRA EPS
2.25p (2023: 1.15p)

EPRA NTA per share
331p (31 March 2024: 331p)

Total Accounting Return on EPRA NTA
0.8% (2023: -16.6%)

Overview

In the Period since 31 March 2024, the Group has made significant progress in funding its development pipeline by selling investment assets and 50% of its office development scheme at 100 New Bridge Street, EC4, generating c.£245m of gross proceeds (£146m post half year). These transactions have funded the Group's contribution to acquiring the site at 10 King William Street, EC4, reduced gearing, post the half year end, to a pro-forma LTV of 15.9%, the lowest level in the Group's history, and provided all the equity expected to be required to complete the Group's current development programme.

Results for the Period

The IFRS profit for the Period of £4.7m (2023: loss of £93.1m) includes revenue from rental income, service charges and development management fees of £16.9m, offset by direct costs of £8.3m to give a net property income of £8.6m (2023: £12.3m). Other income was £nil (2023: £0.9m from the sub-letting of part of the Company's head office). There was a net gain on sale and revaluation of investment properties of £11.8m (2023: loss of £93.4m) and the loss from joint venture activities was £1.1m (2023: £4.5m). Administration expenses of £5.9m (2023: £5.6m) and net finance costs of £3.8m (2023: £4.0m), were further increased by a loss in the fair value of derivatives of £4.9m (2023: gain of £2.1m).

The Group holds a significant proportion of its property assets in joint ventures. As the risk and rewards of ownership of these underlying properties are the same as those it wholly owns, Helical supplements its IFRS disclosure with a "see-through" analysis of alternative performance measures, which looks through the structures to show the Group's share of the underlying business.

The see-through results for the Period to 30 September 2024 include net rental income of £11.0m (2023: £12.4m), a net gain on sale and revaluation of the investment portfolio of £9.2m (2023: loss of £96.7m) and development profits of £0.3m (2023: loss of £0.5m), leading to a Total Property Return of £20.4m (2023: -£84.8m). Administration costs of £6.0m (2023: £5.8m) and see-through net finance costs of £5.1m (2023: £5.6m) plus see-through losses from the mark-to-market valuation of derivative financial instruments of £4.7m (2023: gains of £2.1m) contributed to an IFRS profit of £4.7m (2023: loss of £93.1m).

While sales of investment assets reduced the Group's net rental income in the half year, repayment of borrowings and the receipt of development management fees contributed to an increase in earnings with an EPRA EPS for the Period of 2.25p (2023: 1.15p).

The interim dividend, payable on 15 January 2025, will be 1.50p per share (2023: 3.05p).

The EPRA net tangible asset value per share remained the same at 331p (31 March 2024: 331p).

The Group's investment portfolio, including its share of assets held in joint ventures, decreased to £591.5m (31 March 2024: £660.6m), primarily due to the sale of 25 Charterhouse Square, EC1 and the sale of 50% of our interest in 100 New Bridge Street, EC4, offset by capital expenditure on the investment portfolio of £15.9m and on the development portfolio of £4.3m.

The Group's see-through loan to value at 30 September 2024 was 31.5% (31 March 2024: 39.5%). The Group's weighted average cost of debt at 30 September 2024 was 3.0% (31 March 2024: 2.9%) and the weighted average debt maturity was 2.7 years (31 March 2024: 2.1 years).

At 30 September 2024, the Group had unutilised bank facilities of £106.5m and cash of £69.6m on a see-through basis. These are primarily available to fund future property acquisitions and capital expenditure.

The sale of The JJ Mack Building, EC1 plus our share of the purchase of the site at 10 King William Street, EC4, both completed since 30 September 2024. In addition, we anticipate the completion of the sale of The Power House, W4 at the end of November 2024 and together these transactions will reduce our net borrowings, resulting in a proforma see-through LTV of 15.9%.

Total Property Return

We calculate our Total Property Return to enable us to assess the aggregate of income and capital profits made each year from our property activities. Our business is primarily aimed at producing surpluses in the value of our assets through asset management and development, with the income side of the business seeking to cover our annual administration and finance costs.

	Half Year to 2024 £m	Half Year to 2023 £m	Half Year to 2022 £m
Total Property Return	**20.4**	(84.8)	4.0

See-through Total Accounting Return

Total Accounting Return is the growth in the net asset value of the Group plus dividends paid in the Period, expressed as a percentage of the net asset value at the beginning of the Period. The metric measures the growth in Shareholders' Funds each Period and is expressed as an absolute measure.

	Half Year to 2024 %	Half Year to 2023 %	Half Year to 2022 %
Total Accounting Return on IFRS net assets	**1.3**	(15.9)	2.3

Total Accounting Return on EPRA net tangible assets is the growth in the EPRA net tangible asset value of the Group plus dividends paid in the Period, expressed as a percentage of the EPRA net tangible asset value at the beginning of the Period.

	Half Year to 2024 %	Half Year to 2023 %	Half Year to 2022 %
Total Accounting Return on EPRA net tangible assets	**0.8**	(16.6)	(2.5)

Earnings/Loss Per Share (EPS)

The IFRS loss per share of 75.8p in the first half of the last financial year improved to IFRS earnings of 3.8p this financial year and is based on the after tax earnings (2023: loss) attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the year.

On an EPRA basis, the earnings per share were 2.25p compared to an earnings per share of 1.15p in 2023, reflecting a decrease in the Group's share of net finance costs to £5.1m (2023: £5.6m) and an increase in development profits to £0.3m (2023: loss of £0.5m) offset by a reduction in net rental income to £11.0m (2023: £12.4m). EPRA EPS excludes gains on sale and revaluation of investment properties of £9.2m (2023: loss of £96.7m).

Net Asset Value

IFRS diluted net asset value per share increased to 328p per share (31 March 2024: 326p) and is a measure of Shareholders' Funds divided by the number of shares in issue at the Period end, adjusted to allow for the effect of all dilutive share awards.

EPRA net tangible asset value per share remained at 331p (31 March 2024: 331p).

EPRA net disposal value per share increased to 328p (31 March 2024: 327p).

Income Statement

Rental Income and Property Overheads

Gross rental income for the Group in respect of wholly owned properties decreased to £10.3m (2023: £17.1m) before adjusting for lease incentives.

In order to spread the impact of rent free periods over the term of the associated leases, additional rental income of £0.1m has been added to gross rental income reflecting accrued income from lease incentives (2023: £4.3m was offset against gross rental income reflecting the net reversal of previously recognised rental income accrued in advance of receipt). In 2023, £2.9m of this adjustment related to the unexpired lease incentives provided to WeWork which were reversed on the termination of their leases during the half year. Overall, this resulted in gross rental income of wholly owned properties of £10.4m (2023: £12.8m).

		2024 £000	2023 £000
Gross rental income (excluding lease incentives)	– subsidiaries	10,351	17,111
Lease incentives	– subsidiaries	52	(4,307)
Total gross rental income		10,403	12,804

Gross rental income in joint ventures increased to £3.1m (2023: £0.9m) as a result of lettings at The JJ Mack Building, EC1.

Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures increased to £2.5m (2023: £1.3m) reflecting increased vacancy in the investment portfolio.

Overall, see-through net rents decreased by 11.4% to £11.0m (2023: £12.4m).

The table below demonstrates the movement of the accrued income balance for rent free periods granted and the respective rental income adjustment over the period to 31 March 2028, based on the tenant leases as at 30 September 2024. The actual adjustment will vary depending on lease events such as new lettings and early terminations and future acquisitions or disposals.

	Accrued income £000	Adjustment to rental income £000
6 months to 31 March 2025	6,847	(266)
Year to 31 March 2026	5,338	(1,509)
Year to 31 March 2027	3,838	(1,500)
Year to 31 March 2028	2,588	(1,250)

Rent Collection

We have collected 100% of all rent contracted and payable for the half year to 30 September 2024 and so far have collected 98.5% of the September 2024 quarter rents demanded (98.8% at the corresponding date last year). At 30 September 2024 there was a bad debt provision of £26,000 against the total rent debtor, all in respect of tenants at The Loom, E1.

Development Profits

In the Group, development management fees of £0.4m plus a £0.1m net contribution from the retail scheme at East Ham, offset by professional indemnity insurance and consultancy fees on our development schemes of £0.1m, resulted in a net development profit of £0.3m (2023: loss of £0.5m).

Share of Results of Joint Ventures

Net rental income recognised in the Period was £2.7m (2023: £0.5m) as a result of significant lettings at The JJ Mack Building, EC1 over the past year.

The revaluation of our investment properties held in joint ventures generated a deficit of £2.7m (2023: £3.3m).

Finance, administration and other sundry costs totalling £1.1m (2023: £1.7m) were incurred and after a tax charge of £nil (2023: £nil), there was a net loss from our joint ventures of £1.1m (2023: £4.5m).

Gain on Sale and Revaluation of Investment Properties

There was a gain on revaluation in the Group of £1.8m which together with the loss on valuation in joint ventures of £2.7m resulted in an overall see-through loss on valuation of £0.9m. This was offset by the gain on sales of our investment portfolio on a see-through basis of £10.1m and resulted in an overall gain on sale and revaluation, including in joint ventures, of £9.2m (2023: loss of £96.7m).

Administrative Expenses

Administration costs in the Group, before performance related awards, increased by 9.6% from £4.7m to £5.1m.

Performance related share awards and bonus payments decreased to £0.8m (2023: £0.9m). Of this amount, £0.4m (2023: £0.7m), being the 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.

	2024 £000	2023 £000
Administrative expenses (excluding performance related awards)	4,493	4,655
Accelerated depreciation change and restructuring costs	607	-
Performance related awards and related NIC	795	915
Group	5,895	5,570
In joint ventures	82	188
Total	5,977	5,758

Administrative expenditure of £5.1m for the half year to 30 September 2024 includes £0.6m of non-recurring expenditure, including costs reflecting an accelerated depreciation of leasehold improvements at our current head office in anticipation of our move to new offices in December 2024. The Group remains on track to reduce fixed overheads by 25% by the end of March 2025.

Finance Costs, Finance Income and Change in Fair Value of Derivative Financial Instruments

Net finance costs excluding changes in fair value of derivative financial instruments, but including joint ventures, reduced to £5.1m (2023: £5.6m).

Group	2024 £000	2023 £000
Interest payable on secured bank loans	(1,511)	(2,878)
Other interest payable and similar charges	(1,276)	(1,487)
Total interest payable before cancellation of loans	(2,787)	(4,365)
Cancellation of loans	(1,960)	-
Total finance costs	(4,747)	(4,365)
Finance income	923	328
Finance costs net of finance income	(3,824)	(4,037)
Joint Ventures		
Interest payable on secured bank loans	(1,209)	(1,502)
Other interest payable and similar charges	(108)	(104)
Total finance costs	(1,317)	(1,606)
Finance income	27	18
Finance costs net of finance income	(1,290)	(1,588)
Total finance costs net of finance income	(5,114)	(5,625)

The movement downwards in medium and long-term interest rate projections during the Period, together with a restructuring of the interest rate swaps contributed to a loss of £4.9m (2023: gain £2.1m) on the mark-to-market valuation of the derivative financial instruments in the Group. In the joint ventures, a new swap was taken out, resulting in a gain of £0.2m in the Period.

IFRS Disclosure	2024 £000	2023 £000
Finance costs net of finance income – Group	(3,824)	(4,037)
Change in fair value of derivative financial instruments	(4,893)	2,098
Net finance costs and change in fair value of financial instruments	(8,717)	(1,939)

Taxation

The Group has been a REIT since 1 April 2022, and is exempt from UK corporation tax on the profits of its property activities that fall within the REIT regime. Helical will continue to pay corporation tax on its profits that are not within this regime.

As a consequence, the tax charge for the Period was £nil (2023: £nil).

Dividends

The Board has declared an interim dividend for the Period of 1.50p (2023: 3.05p) per share, representing the minimum PID payment required under the REIT regime.

Balance Sheet

Shareholders' Funds

Shareholders' Funds at 1 April 2024 were £401.1m. The Group generated total comprehensive income for the Period of £4.7m (2023: loss of £93.1m). Movements in reserves arising from the Group's share schemes increased funds by £0.4m as a result of the charge for the Performance Share Scheme being added back. The Company paid dividends to Shareholders during the Period of £1.9m. As a result of these movements, Shareholders' Funds increased by £3.2m to £404.2m.

Investment Portfolio

		Wholly owned £000	In joint venture £000	See-through £000	Head leases capitalised £000	Lease incentives £000	Book value £000
Valuation at 31 March 2024		479,600	138,250	617,850	4,331	(8,848)	613,333
Capital expenditure	– wholly owned	3,782	-	3,782	-	-	3,782
	– joint ventures	-	12,135	12,135	(15)	-	12,120
Site acquisition	– joint ventures	-	55,000	55,000	-	-	55,000
Letting costs amortised	– wholly owned	(70)	-	(70)	-	-	(70)
	– joint ventures	-	(50)	(50)	-	-	(50)
Transfer to assets held for sale	– wholly owned	(6,880)	-	(6,880)	-	-	(6,880)
Disposals	– wholly owned	(99,178)	-	(99,178)	-	-	(99,178)
Revaluation (deficit)/surplus	– wholly owned	1,896	-	1,896	-	(139)	1,757
	– joint ventures	-	161	161	-	(2,855)	(2,694)
Valuation at 30 September 2024		**379,150**	**205,496**	**584,646**	**4,316**	**(11,842)**	**577,120**

The Group expended £15.9m on capital works across the investment portfolio on a see-through basis; at 100 New Bridge Street, EC4 (£11.4m), The Bower, EC1 (£3.3m), The JJ Mack Building, EC1 (£0.9m), and The Loom, E1 (£0.3m).

Revaluation gains resulted in a £2.1m increase in the see-through fair value of the portfolio, before lease incentives, to £584.6m (31 March 2024: £617.9m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £577.1m (31 March 2024: £613.3m).

Debt and Financial Risk

In total, the see-through outstanding debt at 30 September 2024 of £260.9m (31 March 2024: £296.1m) had a weighted average interest cost of 3.0% (31 March 2024: 2.9%) and a weighted average debt maturity of 2.7 years (31 March 2024: 2.1 years).

Debt Profile at 30 September 2024 – Excluding the Amortisation of Arrangement Fees

	Total facility £000s	Total utilised £000s	Available facility £000s	Weighted average interest rate %	Average maturity of borrowings Years
£210m Revolving Credit Facility	210,000	188,000	22,000	3.1	3.0
Total wholly owned	**210,000**	**188,000**	**22,000**	**3.1**	**3.0**
In joint ventures					
- The JJ Mack Building, EC1	69,900	67,151	2,749	2.3	0.8
- 100 New Bridge Street, EC4	77,500	5,785	71,715	8.5*	3.6
Total secured debt	**357,400**	**260,936**	**96,464**	**3.0**	**2.7**
Working capital	10,000	-	10,000	-	1.0
Total unsecured debt	**10,000**	**-**	**10,000**	**-**	**1.0**
Total debt	**367,400**	**260,936**	**106,464**	**3.0**	**2.7**

* Excludes commitment fees.

The debt secured on the investment portfolio at 30 September 2024 had a weighted average interest rate of 3.1% with an average maturity of three years, extendable at the Group's option to five years. The debt in joint ventures, secured on The JJ Mack Building, EC1 and 100 New Bridge Street, EC4 had a weighted average interest rate of 2.8% and an average maturity of 2.3 years.

At 30 September 2024, the Group's borrowings under the £210m RCF (reduced from £300m in September 2024) of £188m were fully covered by £200m of interest rate swaps.

Subsequent to the half year, drawings under the RCF were reduced to £138m following the completion of the sale of The JJ Mack Building, EC1. Further restructuring of the interest rate swaps down to £175m meant that current drawings are overhedged by £37m. As we expect to draw down further amounts under the RCF, we plan to keep the hedging level at £175m. As a consequence of these changes, the schedule of borrowings post half year end is as follows:

	Total facility £000s	Total utilised £000s	Available facility £000s	Weighted average interest rate %	Average maturity of borrowings Years
£210m Revolving Credit Facility	210,000	138,000	72,000	3.0	3.0
Total wholly owned	**210,000**	**138,000**	**72,000**	**3.0**	**3.0**
In joint ventures					
- 100 New Bridge Street, EC4	77,500	5,785	71,715	8.5*	3.6
Total secured debt	**287,500**	**143,785**	**143,715**	**3.2**	**3.2**
Working capital	10,000	-	10,000	-	1.0
Total unsecured debt	**10,000**	**-**	**10,000**	**-**	**1.0**
Total debt	**297,500**	**143,785**	**153,715**	**3.2**	**3.1**

* Excludes commitment fees.

Secured Debt

The Group arranges its secured investment and development facilities to suit its business needs as follows:

- **£210m Revolving Credit Facility**
  During the Period, the Group reduced its Revolving Credit Facility from £300m to £210m. All of the Group's wholly owned investment assets are secured in this facility. The value of the Group's properties secured in this facility at 30 September 2024 was £386m (31 March 2024: £522m) with a corresponding loan to value of 48.7% (31 March 2024: 44.0%). The average maturity of the facility at 30 September 2024 was 3.0 years (31 March 2024: 2.3 years), with two one-year extension options which, if exercised, would extend the facility's repayment date to September 2029.

- **Joint Venture Facilities**
  The Group has a number of investment and development properties in joint ventures with third parties and includes our share, in proportion to our economic interest, of the debt associated with each asset. During the Period, a new £155m facility was arranged with an institutional lender and NatWest to finance 100 New Bridge Street, EC4 at a fixed rate of 3.8% plus margin. This margin starts at 4.65% during the development phase, reducing to 2.25% on letting post completion.

  The Group's share of bank facilities in joint ventures at 30 September 2024 was comprised of debt of £67.2m against The JJ Mack Building, EC1 and £5.8m against 100 New Bridge Street, EC4. The debt against The JJ Mack Building, EC1 had a weighted average interest rate of 2.3% and an average maturity of 0.8 years. This debt was subsequently transferred to the purchaser on sale of the building in October 2024. The debt against 100 New Bridge Street, EC4 had a weighted average interest rate (excluding commitment fees) of 8.5% and an average maturity of 3.6 years at 30 September 2024.

Unsecured Debt

The Group's utilised unsecured debt is £nil (31 March 2024: £nil).

Cash and Cash Flow

At 30 September 2024, the Group had £176.1m (31 March 2024: £115.5m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures.

Net Borrowings and Gearing

Total gross borrowings of the Group, including in joint ventures, have decreased from £296.1m to £260.9m during the Period to 30 September 2024 as a result of the sale of 25 Charterhouse Square, EC1, offset by funds drawn down against 100 New Bridge Street, EC4. After deducting cash balances of £69.6m (31 March 2024: £31.7m) and unamortised refinancing costs of £3.2m (31 March 2024: £2.8m), see-through net borrowings decreased from £261.6m to £188.1m. The see-through gearing of the Group, including in joint ventures, decreased from 65.2% to 46.5%.

Following the sale of The JJ Mack Building, EC1, and the purchase of the site at 10 King William Street, EC4 (our share 51%), both completed in October 2024, and the anticipated completion of the sale of The Power House, W4 at the end of November 2024, our pro-forma see-through loan to value falls to 15.9% and our pro-forma see-through gearing falls to 19.1%.

	Pro-forma 30 September 2024	30 September 2024	31 March 2024
See-through gross borrowings	£143.8m	£260.9m	£296.1m
See-through cash balances	£63.9m	£69.6m	£31.7m
Unamortised refinancing costs	£2.9m	£3.2m	£2.8m
See-through net borrowings	£77.0m	£188.1m	£261.6m
Shareholders' funds	£404.2m	£404.2m	£401.1m
See-through loan to value	-	31.5%	39.5%
Pro-forma see-through loan to value	15.9%	-	-
See-through gearing – IFRS net asset value	-	46.5%	65.2%
Pro-forma see-through gearing - IFRS net asset value	19.1%	-	-

Tim Murphy
Chief Financial Officer
25 November 2024

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

a) The condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*;

b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

On behalf of the Board

Tim Murphy
Chief Financial Officer
25 November 2024

Independent Review Report to Helical Plc

Conclusion

We have been engaged by Helical plc ('the Company') to review the condensed set of financial statements of the Company and its subsidiaries (the 'Group') in the half year financial report for the six months ended 30 September 2024 which comprises the unaudited consolidated income statement, unaudited consolidated balance sheet, unaudited consolidated cash flow statement, unaudited consolidated statement of changes in equity and notes to the half year results. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent material misstatements of fact or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ('ISRE (UK) 2410') issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group and the Company to cease to continue as a going concern.

Responsibilities of Directors

The half-yearly financial report, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Review of the Financial Information

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our Report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent 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 conclusions we have formed.

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

25 November 2024

Unaudited Consolidated Income Statement

For the Half Year to 30 September 2024

	Notes	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Revenue	3	16,920	20,129	39,905
Cost of sales	3	(8,361)	(7,857)	(14,450)
Net property income	4	8,559	12,272	25,455
Share of results of joint ventures	12	(1,143)	(4,499)	(9,310)
		7,416	7,773	16,145
Gain on sale of Investment properties	5	10,090	-	-
Revaluation gain/(loss) on Investment properties	11	1,757	(93,367)	(181,213)
		19,263	(85,594)	(165,068)
Administrative expenses	6	(5,895)	(5,570)	(11,011)
Operating profit/(loss)		13,368	(91,164)	(176,079)
Net finance costs and change in fair value of derivative financial instruments	7	(8,717)	(1,939)	(13,556)
Profit/(loss) before tax		4,651	(93,103)	(189,635)
Tax on profit/(loss) on ordinary activities	8	-	-	(179)
Profit/(loss) for the period		4,651	(93,103)	(189,814)

Earnings/(loss) per share	10			
Basic		3.8p	(75.8)p	(154.6)p
Diluted		3.8p	(75.8)p	(154.6)p

There were no items of comprehensive income in the current or prior periods other than the profit/(loss) for the Period and, accordingly, no Statement of Comprehensive Income is presented.

Unaudited Consolidated Balance Sheet

At 30 September 2024

	Notes	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Non-current assets				
Investment properties	11	371,933	595,073	472,522
Owner occupied property, plant and equipment		2,826	3,631	3,569
Investment in joint ventures	12	142,042	82,141	73,923
Other investments	13	586	434	565
Derivative financial instruments	21	12,742	25,343	17,635
Trade and other receivables	16	1,056	1,449	1,252
		531,185	708,071	569,466
Current assets				
Land and developments	14	28	28	28
Asset held for sale	15	6,880	-	42,761
Corporation tax receivable		-	7	-
Trade and other receivables	16	15,472	16,697	16,981
Cash and cash equivalents	17	66,130	37,040	28,633
		88,510	53,772	88,403
Total assets		619,695	761,843	657,869
Current liabilities				
Trade and other payables	18	(25,023)	(26,406)	(24,886)
Lease liability	19	(861)	(695)	(829)
		(25,884)	(27,101)	(25,715)
Non-current liabilities				
Borrowings	20	(186,594)	(227,176)	(227,634)
Lease liability	19	(3,008)	(5,238)	(3,445)
		(189,602)	(232,414)	(231,079)
Total liabilities		(215,486)	(259,515)	(256,794)
Net assets		404,209	502,328	401,075
Equity				
Called-up share capital	22	1,233	1,233	1,233
Share premium account		116,619	116,619	116,619
Revaluation reserve		(48,502)	(46,951)	(134,797)
Capital redemption reserve		7,743	7,743	7,743
Own shares held		(1,675)	(1,675)	(1,675)
Other reserves		291	291	291
Retained earnings		328,500	425,068	411,661
Total equity		404,209	502,328	401,075

Unaudited Consolidated Cash Flow Statement

For the Half Year to 30 September 2024

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Cash flows from operating activities			
Profit/(loss) before tax	4,651	(93,103)	(189,635)
Adjustment for:			
Depreciation	844	420	1,506
Revaluation (gain)/loss on Investment properties	(1,757)	93,367	181,213
Letting cost amortisation	70	56	168
Gain on sale of Investment properties	(10,090)	-	-
Profit on sale of plant and equipment	(36)	-	(29)
Net financing costs	3,824	4,037	7,947
Change in value of derivative financial instruments	4,893	(2,098)	5,609
Share based payment charge	396	698	1,039
Share of results of joint ventures	1,143	4,499	9,310
Gain on sublet of the Group's head office	-	(902)	(902)
Cash inflows from operations before changes in working capital	3,938	6,974	16,226
Change in trade and other receivables	1,709	8,483	9,555
Change in trade and other payables	495	(4,997)	(6,581)
Cash inflows generated from operations	6,142	10,460	19,200
Finance costs	(4,148)	(3,698)	(7,587)
Finance income	923	328	661
	(3,225)	(3,370)	(6,926)
Net cash generated from operating activities	2,917	7,090	12,274
Cash flows from investing activities			
Additions to Investment property	(3,782)	(6,814)	(16,038)
Purchase of other investments	(21)	(81)	(212)
Net proceeds from sale of Investment property	152,029	-	-
Investments in joint ventures	(69,742)	(1,375)	(3,861)
Returns from joint ventures	481	2,066	5,666
Sale of plant and equipment	52	-	30
Purchase of leasehold improvements, plant and equipment	(118)	(491)	(618)
Net cash generated from/(used by) investing activities	78,899	(6,695)	(15,033)
Cash flows from financing activities			
Borrowings repaid	(42,000)	-	-
Lease liability payments	(406)	(338)	(708)
Purchase of own shares	-	(4,402)	(4,402)
Equity dividends paid	(1,913)	(9,540)	(14,423)
Net cash used by financing activities	(44,319)	(14,280)	(19,533)
Net increase/(decrease) in cash and cash equivalents	37,497	(13,885)	(22,292)
Cash and cash equivalents at start of period	28,633	50,925	50,925
Cash and cash equivalents at end of period	66,130	37,040	28,633

Unaudited Consolidated Statement of Changes in Equity

At 30 September 2024

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Own shares held £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2023	1,233	116,619	46,416	7,743	(848)	291	437,221	608,675
Total comprehensive expense	-	-	-	-	-	-	(189,814)	(189,814)
Revaluation deficit	-	-	(181,213)	-	-	-	181,213	-
Transactions with owners								
Performance Share Plan	-	-	-	-	-	-	1,039	1,039
Purchase of own shares	-	-	-	-	(4,402)	-	-	(4,402)
Share settled Performance Share Plan	-	-	-	-	2,352	-	(2,352)	-
Share settled bonus	-	-	-	-	1,223	-	(1,223)	-
Dividends paid	-	-	-	-	-	-	(14,423)	(14,423)
Total transactions with owners	-	-	-	-	(827)	-	(16,959)	(17,786)
At 31 March 2024	1,233	116,619	(134,797)	7,743	(1,675)	291	411,661	401,075
Total comprehensive income	-	-	-	-	-	-	4,651	4,651
Revaluation surplus	-	-	1,757	-	-	-	(1,757)	-
Realised on disposals	-	-	84,538	-	-	-	(84,538)	-
Transactions with owners								
Performance Share Plan	-	-	-	-	-	-	396	396
Dividends paid	-	-	-	-	-	-	(1,913)	(1,913)
Total transactions with owners	-	-	-	-	-	-	(1,517)	(1,517)
At 30 September 2024	**1,233**	**116,619**	**(48,502)**	**7,743**	**(1,675)**	**291**	**328,500**	**404,209**

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Own shares held £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2023	1,233	116,619	46,416	7,743	(848)	291	437,221	608,675
Total comprehensive income	-	-	-	-	-	-	(93,103)	(93,103)
Revaluation deficit	-	-	(93,367)	-	-	-	93,367	-
Transactions with owners								
Performance Share Plan	-	-	-	-	-	-	698	698
Purchase of own shares	-	-	-	-	(4,402)	-	-	(4,402)
Share settled Performance Share Plan	-	-	-	-	2,352	-	(2,352)	-
Share settled bonus	-	-	-	-	1,223	-	(1,223)	-
Dividends paid	-	-	-	-	-	-	(9,540)	(9,540)
Total transactions with owners	-	-	-	-	(827)	-	(12,417)	(13,244)
At 30 September 2023	1,233	116,619	(46,951)	7,743	(1,675)	291	425,068	502,328

Unaudited Notes to the Half Year Results

1. Financial Information and Basis of Preparation

The Company is a public limited company incorporated and domiciled in England and Wales and listed on the Main Market of the London Stock Exchange. The registered office address is 5 Hanover Square, London, W1S 1HQ. These condensed interim financial statements were approved for issue on 25 November 2024.

The financial information contained in this statement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The full accounts for the year ended 31 March 2024, approved by the Board of Directors on 23 May 2024, which were prepared under International Financial Reporting Standards as adopted by the United Kingdom and which received an unqualified report from the Auditors, and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006, have been filed with the Registrar of Companies.

These interim condensed unaudited consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2024.

These interim condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. The same accounting policies and methods of computation are followed in the 30 September 2024 interim condensed unaudited consolidated financial statements as in the most recent annual financial statements.

Change in Accounting Policies

In the current year, the following amendments have been adopted which were effective for the periods commencing on or after 1 January 2024:

- Amendments to IAS 1: Non-current liabilities with covenants, and classification of liabilities as current or non-current;
- Amendments to IFRS 16: Lease liability in a sale and leaseback; and
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements.

As a result of the adoption of the amendments to IAS 1, the Group changes its accounting policy for the classification of borrowings:

- "Borrowings are classified as current liabilities unless at the end of the reporting period the Group has a right to defer settlement of the liability for at least 12 months after the reporting period."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make any retrospective adjustments as a result of adopting the amendments to IAS 1.

<u>Standards and Interpretations in issue but not yet effective</u>

At the date of authorisation of these financial statements there were standards and amendments which were in issue but not yet effective and which have not been applied.
The principal ones were:

- Amendments to IAS 21: Accounting where there is a lack of exchangeability (effective 1 January 2025); and
- IFRS 18: Presentation and Disclosure in Financial Statements (effective 1 January 2027 - subject to endorsement by the UKEB).

The Directors do not expect the adoption of these standards and amendments to have a material impact on the financial statements.

Going Concern

The Directors have considered the appropriateness of adopting a going concern basis in preparing the financial statements. Their assessment is based on forecasts for the next 12 month period, with sensitivity testing undertaken to replicate severe but plausible downside scenarios related to the principal risks and uncertainties associated with the business.

The key assumptions used in the review are summarised below:

- The Group's rental income receipts were modelled for each tenant on an individual basis;
- Existing loan facilities remain available;
- Certain property additions/disposals are assumed in line with the individual asset business plans; and
- Free cash is utilised where necessary to repay debt/cure bank facility covenants.

Compliance with the financial covenants of the Group's main debt facility, its £210m Revolving Credit Facility, was one of the Directors' key areas of review, with particular focus on the following three covenants:

- Loan to Value ("LTV") – the ratio of the drawn loan amount to the value of the secured property as a percentage;
- Loan to Rent Value ("LRV") – the ratio of the loan to the projected contractual net rental income for the next 12 months; and
- Projected Net Rental Interest Cover Ratio ("ICR") – the ratio of projected net rental income to projected finance costs.

The October 2024 compliance position for these covenants is summarised below:

Covenant	Requirement	Actual
LTV	65%	48%
LRV	15*	10.9
ICR	185%	256%

* Covenant relaxation from 12 times to 15 times agreed with lenders from December 2023 up to but not including the January 2025 IPD.

The results of this review demonstrated the following:

- The forecasts show that all bank facility financial covenants will be met throughout the review period, with headroom to withstand a 32% fall in contracted rental income;
- Property values could fall by 32% before loan to value covenants come under pressure;
- Whilst the Group has a WAULT of 6.8 years, in a downside scenario whereby all tenants with lease expiries or break options in the going concern period exercise their breaks or do not renew at the end of their lease, and with no vacant space let or re-let, the rental income covenants would be met throughout the review period; and
- Additional asset sales could be utilised to generate cash to repay debt, materially increasing covenant headroom.

Based on this analysis, the Directors have adopted a going concern basis in preparing the accounts for the Period.

Principal Risks and Uncertainties

The ability to identify, assess, monitor and manage risks is fundamental to the financial stability, continuing performance and reputation of our business. The responsibility for the Group's risk-centric governance arrangements lies with the Board of Directors of Helical (the "Board") and it is through application of the Group's established risk management framework that the Board determines the nature and extent of the principal risks the Group is willing to take to achieve its long-term strategic objectives.

The Board assesses and monitors the principal risks of the business and considers how these risks can be managed or mitigated, where possible, through a combination of risk management procedures and internal controls. Whilst the Board is ultimately responsible for the management of risk, the Group is structured so that risk identification, assessment, management and monitoring occur at all levels of the Helical team and risk management is a standing agenda item at the Group's management meetings.

For the Period to 30 September 2024, the Group considered the appropriateness of its principal risks, taking into account the Group's performance, the macro-political and economic environment and current business projects. The Group's increased levels of development activity, the escalation of the Israel-Hamas war, the deepening of the Russo-Ukrainian war and the impacts of political elections on the global economy were of significant note when reviewing the principal risks.

The improved market sentiment towards "best-in-class" offices over the Period was also considered, specifically the forecast demand for "best-in-class" office space outstripping supply and property yield stabilisation.

Following its review of the Period to 30 September 2024, the Group concluded that, despite there being revisions to the impacts of each of the principal risks given the wider macro-economic environment and Helical's current operations, overall Helical's principal risks remain materially unchanged from those reported in the Group's 2024 Annual Report and Accounts. The Board is also satisfied that we continue to operate within our risk appetite.

At 30 September 2024, Group considers its principal risks to be:

Risk Category	Principal Risk	Description
Strategic	1	The Group's strategy is inconsistent with the market
	2	Risks arising from the Group's significant development projects
	3	Property values decline/reduced tenant demand for space
	4	Geopolitical and economic
	5	Climate change
Financial	6	Availability and cost of bank borrowing, cash resources and potential breach of loan covenants
Operational	7	Our people and relationships with business partners and reliance on external partners
	8	Health and safety risk
	9	Significant business disruption/external catastrophic event/cyber-attacks to our business and our buildings
Reputational	10	Poor management of stakeholder relations and non-compliance with prevailing legislation, regulation and best practice

2. Revenue from Contracts with Customers

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Development property income	865	462	711
Service charge income	5,652	5,958	10,689
Other	-	-	991
Total revenue from contracts with customers	6,517	6,420	12,391

The total revenue from contracts with customers is the revenue recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*.

No impairment of contract assets was recognised in the Period to 30 September 2024 (Half Year to 30 September 2023: £nil, Year to 31 March 2024: £23,000).

3. Segmental Information

The Group identifies two discrete operating segments whose results are regularly reviewed by the Chief Operating Decision Maker (the Chief Executive) to allocate resources to these segments and to assess their performance. The segments are:

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation; and
- Development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

Revenue	Investments Half Year to 30.09.24 £000	Developments Half Year to 30.09.24 £000	Total Half Year to 30.09.24 £000	Investments Half Year to 30.09.23 £000	Developments Half Year to 30.09.23 £000	Total Half Year to 30.09.23 £000
Gross rental income	10,403	-	10,403	12,804	-	12,804
Development property income	-	865	865	-	462	462
Service charge income	5,652	-	5,652	5,958	-	5,958
Other revenue	-	-	-	905	-	905
Revenue	16,055	865	16,920	19,667	462	20,129

Revenue	Investments Year to 31.03.24 £000	Developments Year to 31.03.24 £000	Total Year to 31.03.24 £000
Gross rental income	27,514	-	27,514
Development property income	-	711	711
Service charge income	10,689	-	10,689
Other revenue	991	-	991
Revenue	39,194	711	39,905

Cost of sales	Investments Half Year to 30.09.24 £000	Developments Half Year to 30.09.24 £000	Total Half Year to 30.09.24 £000	Investments Half Year to 30.09.23 £000	Developments Half Year to 30.09.23 £000	Total Half Year to 30.09.23 £000
Rents payable	-	-	-	(95)	-	(95)
Property overheads	(2,151)	-	(2,151)	(846)	-	(846)
Service charge expense	(5,652)	-	(5,652)	(5,958)	-	(5,958)
Development cost of sales	-	(536)	(536)	-	(922)	(922)
Development sales expenses	-	(22)	(22)	-	(36)	(36)
Cost of sales	(7,803)	(558)	(8,361)	(6,899)	(958)	(7,857)

Cost of sales	Investments Year to 31.03.24 £000	Developments Year to 31.03.24 £000	Total Year to 31.03.24 £000
Rents payable	(224)	-	(224)
Property overheads	(2,580)	-	(2,580)
Service charge expense	(10,689)	-	(10,689)
Development cost of sales	-	(922)	(922)
Development sales expenses	-	(35)	(35)
Cost of sales	(13,493)	(957)	(14,450)

Profit/(loss) before tax	Investments Half Year to 30.09.24 £000	Developments Half Year to 30.09.24 £000	Total Half Year to 30.09.24 £000	Investments Half Year to 30.09.23 £000	Developments Half Year to 30.09.23 £000	Total Half Year to 30.09.23 £000
Net property income	8,252	307	8,559	12,768	(496)	12,272
Share of results of joint ventures	(1,371)	228	(1,143)	(4,439)	(60)	(4,499)
Gain/(loss) on sale and revaluation of Investment properties	11,847	-	11,847	(93,367)	-	(93,367)
Segmental profit/(loss)	18,728	535	19,263	(85,038)	(556)	(85,594)
Administrative expenses			(5,895)			(5,570)
Finance costs			(4,747)			(4,365)
Finance income			923			328
Change in fair value of derivative financial instruments			(4,893)			2,098
Profit/(loss) before tax			4,651			(93,103)

Loss before tax	Investments Year to 31.03.24 £000	Developments Year to 31.03.24 £000	Total Year to 31.03.24 £000
Net property income	25,701	(246)	25,455
Share of results of joint ventures	(9,969)	659	(9,310)
Loss on sale and revaluation of Investment properties	(181,213)	-	(181,213)
Segmental (loss)/profit	(165,481)	413	(165,068)
Administrative expenses			(11,011)
Finance costs			(8,608)
Finance income			661
Change in fair value of derivative financial instruments			(5,609)
Loss before tax			(189,635)

Net assets	Investments at 30.09.24 £000	Developments at 30.09.24 £000	Total at 30.09.24 £000	Investments at 30.09.23 £000	Developments at 30.09.23 £000	Total at 30.09.23 £000
Investment properties	371,933	-	371,933	595,073	-	595,073
Land and developments	-	28	28	-	28	28
Asset held for sale	6,880	-	6,880	-	-	-
Investment in joint ventures	134,356	7,686	142,042	81,126	1,015	82,141
	513,169	7,714	520,883	676,199	1,043	677,242
Other assets			98,812			84,601
Total assets			619,695			761,843
Liabilities			(215,486)			(259,515)
Net assets			404,209			502,328

Net assets	Investments at 31.03.24 £000	Developments at 31.03.24 £000	Total at 31.03.24 £000
Investment properties	472,522	-	472,522
Land and developments	-	28	28
Asset held for sale	42,761	-	42,761
Investment in joint ventures	71,528	2,395	73,923
	586,811	2,423	589,234
Other assets			68,635
Total assets			657,869
Liabilities			(256,794)
Net assets			401,075

4. Net Property Income

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Gross rental income	**10,403**	12,804	27,514
Head rents payable	**-**	(95)	(224)
Property overheads	**(2,151)**	(846)	(2,580)
Net rental income	**8,252**	11,863	24,710
Development property income	**865**	462	711
Development cost of sales	**(536)**	(922)	(922)
Sales expenses	**(22)**	(36)	(35)
Development property profit/(loss)	**307**	(496)	(246)
Other revenue	**-**	905	991
Net property income	**8,559**	12,272	25,455

Included within gross rental income above is a net addition of £52,000 (September 2023: net deduction of £4,307,000, March 2024: net deduction of £5,830,000) of accrued income for rent free periods. Also included within gross rental income are dilapidation receipts of £146,000 (September 2023: £215,000, March 2024: £1,490,000).

Included in other revenue of £nil (30 September 2023: £905,000, 31 March 2024: £991,000) is the gain on the sublet of the Group's head office of £nil (30 September 2023: £902,000, 31 March 2024: £902,000).

5. Gain on Sale of Investment Properties and Assets held for sale

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Net proceeds from the sale of Investment properties and assets held for sale	**152,029**	-	-
Book value of Investment properties (Note 11)	**(99,178)**	-	-
Asset held for sale	**(42,761)**	-	-
Gain on sale of Investment properties and assets held for sale	**10,090**	-	-

6. Administrative Expenses

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Administration costs	**(5,100)**	(4,655)	(9,731)
Performance related awards, including annual bonuses and NIC	**(795)**	(915)	(1,280)
Administrative expenses	**(5,895)**	(5,570)	(11,011)

7. Net Finance Costs and Change in Fair Value of Derivative Financial Instruments

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Interest payable on bank loans and overdrafts	**(1,511)**	(2,878)	(5,493)
Other interest payable and similar charges	**(1,276)**	(1,487)	(3,115)
Total before cancellation of loans	**(2,787)**	(4,365)	(8,608)
Cancellation of loans	**(1,960)**	-	-
Finance costs	**(4,747)**	(4,365)	(8,608)
Finance income	**923**	328	661
Net finance costs	**(3,824)**	(4,037)	(7,947)
Change in fair value of derivative financial instruments	**(4,893)**	2,098	(5,609)
Net finance costs and change in fair value of derivative financial instruments	**(8,717)**	(1,939)	(13,556)

8. Tax on Profit on Ordinary Activities

The Group became a UK REIT on 1 April 2022. As a REIT, the Group is not subject to Corporation Tax on the profits of its property rental business and chargeable gains arising on the disposal of investment assets used in the property rental business, but remains subject to tax on profits and chargeable gains arising from non REIT business activities. No current tax charge arises in the half year to 30 September 2024 (Half Year to 30 September 2023: £nil, Year to 31 March 2024: £179,000) in respect of non-REIT activities.

At 30 September 2024, no deferred tax was recognised (30 September 2023: £nil, 31 March 2024: £nil). This is on the basis that deferred tax assets and liabilities either relate to the Group's exempt property rental business, or are deferred tax assets where it is unlikely that there will be taxable profit in the future against which they could be used.

9. Dividends

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Attributable to equity share capital			
Ordinary			
- Interim paid 3.05p per share (2023: 3.05p)	**-**	-	3,744
- Prior period final paid 1.78p per share (2023: 8.70p)	**1,913**	9,540	10,679
	1,913	9,540	14,423

The interim dividend of 1.50p per share (30 September 2023: 3.05p per share) was approved by the Board on 25 November 2024 and will be paid on 15 January 2025 to Shareholders on the register on 6 December 2024. This interim dividend, amounting to £1,841,000 has not been included as a liability as at 30 September 2024.

10. 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 Period. This is a different basis to the net asset per share calculations which are based on the number of shares at the Period end.

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 share awards.

The earnings per share is 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:

	Half Year to 30 September 2024 000	Half Year to 30 September 2023 000	Year to 31 March 2024 000
Ordinary shares in issue	**123,355**	123,355	123,355
Own shares held	**(602)**	(602)	(602)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	**122,753**	122,753	122,753
Weighted average ordinary shares issued on share settled bonuses	**154**	154	154
Weighted average ordinary shares to be issued under Performance Share Plan	**304**	-	-
Adjustment for anti-dilutive shares	-	(154)	(154)
Weighted average ordinary shares in issue for calculation of diluted earnings per share	**123,211**	122,753	122,753

	£000	£000	£000
Earnings/(loss) used for calculation of basic and diluted earnings per share	**4,651**	(93,103)	(189,814)
Basic earnings/(loss) per share	**3.8p**	(75.8)p	(154.6)p
Diluted earnings/(loss) per share	**3.8p**	(75.8)p	(154.6)p

		£000	£000	£000
Earnings/(loss) used for calculation of basic and diluted earnings per share		**4,651**	(93,103)	(189,814)
Net gain/(loss) on sale and revaluation of Investment properties				
	– subsidiaries	**(11,847)**	93,367	181,213
	– joint ventures	**2,694**	3,309	7,401
Gain on movement in share of joint ventures		**(30)**	(66)	(155)
Fair value movement on derivative financial instruments				
	– subsidiaries	**4,893**	(2,098)	5,609
	– joint ventures	**(170)**	-	-
Expense on cancellation of loans		**1,960**	-	-
Non-operating items		**607**	-	-
Earnings used for calculations of EPRA earnings per share		**2,758**	1,409	4,254
EPRA earnings per share		**2.25p**	1.15p	3.47p

The earnings used for the calculation of EPRA earnings per share include net rental income and development property profits but exclude investment and trading property gains.

11. Investment Properties

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Book value at 1 April	**472,522**	681,682	681,682
Additions at cost	**3,782**	6,814	16,038
Disposals	**(99,178)**	-	-
Transfer to Asset held for sale	**(6,880)**	-	(43,817)
Letting cost amortisation	**(70)**	(56)	(168)
Revaluation gain/(loss)	**1,757**	(93,367)	(181,213)
As at period end	**371,933**	595,073	472,522

There are two small sites held at Directors' valuation totalling £150,000. All remaining properties are stated at market value and are valued by professionally qualified external valuers (Cushman & Wakefield LLP) in accordance with the Valuation - Professional Standards, published by the Royal Institution of Chartered Surveyors. The fair value of the Investment properties are as follows:

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Book value	**371,933**	595,073	472,522
Lease incentives and costs included in trade and other receivables	**7,217**	9,689	7,078
Head leases capitalised	-	(2,112)	-
Fair value	**379,150**	602,650	479,600

Cumulative interest capitalised in respect of the refurbishment of Investment properties at 30 September 2024 amounted to £8,271,000 (30 September 2023: £9,620,000, 31 March 2024: £8,271,000). Interest capitalised during the Period in respect of the refurbishment of Investment properties amounted to £nil (30 September 2023: £nil, 31 March 2024: £nil) and an amount of £nil (30 September 2023: £nil, 31 March 2024: £1,349,000) was released as a result of an asset being transferred to assets held for sale.

The historical cost of Investment property is £420,737,000 (30 September 2023: £640,052,000, 31 March 2024: £608,010,000).

The fair value of the Group's Investment property as at 30 September 2024 was determined by independent external valuers at that date, except for Investment properties valued by the Directors. The valuations are in accordance with the 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 property 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 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 outputs, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

The reversionary yield is the return received from an asset once the estimated rental value has been captured on today's assessment of market value.

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.

A sensitivity analysis was performed to ascertain the impact of a 25 and 50 basis point shift in the equivalent yield and a 2.5% and 5.0% shift in ERVs for the wholly owned investment portfolio:

	At 30 September 2024	Change in portfolio value %	£m
True equivalent yield	6.79%		
+ 50bps		(7.2)	(27.9)
+ 25bps		(3.7)	(14.4)
- 25bps		4.0	15.6
- 50bps		8.4	32.5
ERV	£78.38 psf		
+ 5.00%		4.2	16.3
+ 2.50%		2.1	8.1
- 2.50%		(2.0)	(7.9)
- 5.00%		(4.1)	15.8

12. Joint Ventures

Share of results of joint ventures	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Revenue	3,080	1,442	2,559
Gross rental income	3,080	887	2,004
Property overheads	(348)	(349)	(1,209)
Net rental income	2,732	538	795
Loss on revaluation of Investment properties	(2,694)	(3,309)	(5,933)
Loss on sale of Investment properties	-	-	(1,468)
Development property (loss)/profit	(9)	(18)	659
	29	(2,789)	(5,947)
Administrative expenses	(82)	(188)	(338)
Operating loss	(53)	(2,977)	(6,285)
Interest payable on bank loans and overdrafts	(1,209)	(1,502)	(3,012)
Other interest payable and similar charges	(108)	(104)	(211)
Finance income	27	18	43
Fair value movement on derivative financial instruments	170	-	-
Loss before tax	(1,173)	(4,565)	(9,465)
Tax	-	-	1
Loss after tax	(1,173)	(4,565)	(9,464)
Adjustment for Barts Square economic interest[1]	30	66	154
Share of results of joint ventures	(1,143)	(4,499)	(9,310)

1. This adjustment reflects the impact of the consolidation of a joint venture at its economic interest of 50% (31 March 2024: 50%) rather than its actual ownership interest of 33%.

The net rental income has increased in the Period due to lettings at The JJ Mack Building, EC1.

Investment in joint ventures	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Summarised balance sheets			
Non-current assets			
Investment properties	205,187	146,257	140,811
Owner occupied property, plant and equipment	63	63	63
Derivative financial instruments	170	-	-
	205,420	146,320	140,874
Current assets			
Land and developments	5,627	-	1,321
Trade and other receivables	6,906	1,894	3,034
Cash and cash equivalents	3,516	2,207	3,064
	16,049	4,101	7,419
Current liabilities			
Trade and other payables	(7,310)	(2,728)	(4,254)
Borrowings	(66,746)	(61,634)	-
	(74,056)	(64,362)	(4,254)
Non-current liabilities			
Trade and other payables	(1,314)	(407)	(1,155)
Borrowings	(4,359)	-	(65,644)
Leasehold interest	(5,166)	(5,020)	(5,020)
	(10,839)	(5,427)	(71,819)
Net assets pre-adjustment	136,574	80,632	72,220
Acquisition costs	5,468	1,509	1,703
Investment in joint ventures	142,042	82,141	73,923

During the Period, our share of the net assets of our joint ventures has increased by £68,119,000. The majority of this increase is the acquisition of 50% of 100 New Bridge Street, EC4, for £55,000,000.

The fair value of Investment properties held by joint ventures at 30 September 2024 is as follows:

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Book value	205,187	146,257	140,811
Lease incentives and costs included in trade and other receivables	4,626	989	1,770
Head leases capitalised	(4,317)	(4,346)	(4,331)
Fair value	205,496	142,900	138,250

13. Other Investments

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Book value at 1 April	565	353	353
Acquisitions	21	81	212
As at period end	586	434	565

On 6 August 2021, the Group entered into a commitment of £1,000,000 to invest in the Pi Labs European PropTech venture capital fund ("Fund") of which £21,000 (31 March 2024: £212,000, 30 September 2023: £81,000) was invested during the Period. The Fund is focused on investing in the next generation of proptech businesses.

The fair value of the Group's investment is based on the net asset value of the Fund, representing Level 2 fair value measurement as defined in IFRS 13 *Fair Value Measurement*.

14. Land and Developments

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
At 1 April and period end	**28**	28	28

The Directors' valuation of development stock shows a surplus of £302,000 (30 September 2023: £302,000, 31 March 2024: £302,000) above book value. This surplus has been included in the EPRA net tangible asset value (Note 23). No interest has been capitalised or included in land and developments.

15. Assets Held for Sale

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Transfer to assets held for sale	**6,880**	-	43,817
Lease incentives	**-**	-	1,133
Long leasehold liability	**-**	-	(2,189)
As at period end	**6,880**	-	42,761

16. Trade and Other Receivables

Due within 1 year	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Trade receivables	**2,134**	3,027	2,111
Other receivables	**3,846**	1,296	3,601
Prepayments	**2,279**	2,099	4,103
Accrued income	**7,213**	10,275	7,166
Total trade and other receivables	**15,472**	16,697	16,981

Included in Accrued income is accrued income from rent free periods granted to tenants of £7,113,000 (30 September 2023: £9,689,000, 31 March 2024: £7,046,000). Prepayments include capital contributions to tenants of £104,000 (30 September 2023: £nil, 31 March 2024: £32,000). Taken together, these form the lease incentives adjustment in Note 11.

Due after 1 year	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Other receivables	**1,056**	1,449	1,252
Total trade and other receivables	**1,056**	1,449	1,252

17. Cash and Cash Equivalents

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Cash held at managing agents	**4,113**	7,513	4,914
Rental deposits	**10,498**	7,714	7,828
Restricted cash	**5,095**	4,350	3,880
Cash deposits	**46,424**	17,463	12,011
Total cash and cash equivalents	**66,130**	37,040	28,633

Restricted cash is made up of rental deposits and cash in restricted accounts.

18. Trade and Other Payables

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Trade payables	**15,762**	14,465	13,497
Other payables	**923**	1,591	1,252
Accruals	**3,399**	3,030	5,101
Deferred income	**4,939**	7,320	5,036
Total trade and other payables	**25,023**	26,406	24,886

19. Lease Liability

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Current lease liability	**861**	695	829
Non-current lease liability	**3,008**	5,238	3,445

Included within the lease liability are £861,000 (30 September 2023: £695,000, 31 March 2024: £829,000) of current and £3,008,000 (30 September 2023: £3,049,000, 31 March 2024: £3,445,000) of non-current lease liabilities which relate to the long leasehold of the Group's head office.

20. Borrowings

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Current borrowings	**-**	-	-
Borrowings repayable within:			
- two to three years	**186,594**	227,176	227,634
Non-current borrowings	**186,594**	227,176	227,634
Total borrowings	**186,594**	227,176	227,634

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Total borrowings	**186,594**	227,176	227,634
Cash	**(66,130)**	(37,040)	(28,633)
Net borrowings	**120,464**	190,136	199,001

Net borrowings exclude the Group's share of borrowings in joint ventures of £71,105,000 (30 September 2023: £61,634,000, 31 March 2024: £65,644,000) and cash of £3,516,000 (30 September 2023: £2,207,000, 31 March 2024: £3,064,000). All borrowings in joint ventures are secured.

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Net assets	**404,209**	502,328	401,075
Net gearing	**29.8%**	37.9%	49.6%

21. Derivative Financial Instruments

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Derivative financial instruments asset	**12,742**	25,343	17,635

A loss on the change in fair value of £4,893,000 has been recognised in the Unaudited Consolidated Income Statement (30 September 2023: gain of £2,098,000, 31 March 2024: loss of £5,609,000) as a result of the unwinding of the derivative asset and the reduction in the medium and long-term interest rate projections.

The fair values of the Group's outstanding interest rate swaps and caps have been estimated by calculating the present values of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined in IFRS 13 *Fair Value Measurement*.

22. Share Capital

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Authorised	**39,577**	39,577	39,577

The authorised share capital of the Company is £39,577,000 divided into ordinary shares of 1p each.

Allotted, called up and fully paid:			
- 123,355,197 (30 September 2023: 123,355,197, 31 March 2024: 123,355,197) ordinary shares of 1p each	**1,233**	1,233	1,233
	1,233	1,233	1,233

23. Net Assets Per Share

	At 30 September 2024 £000	Number of shares 000	p	At 31 March 2024 £000	Number of shares 000	p
IFRS net assets	**404,209**	**123,355**		401,075	123,355	
Adjustments:						
- own shares held		**(602)**			(602)	
Basic net asset value	**404,209**	**122,753**	**329**	401,075	122,753	327
- share settled bonus		**154**			154	
- dilutive effect of Performance Share Plan		**308**			-	
Diluted net asset value	**404,209**	**123,215**	**328**	401,075	122,907	326
Adjustments:						
- fair value of financial instruments	**(12,911)**			(17,635)		
- fair value of land and developments	**302**			302		
- real estate transfer tax	**39,049**			44,605		
EPRA net reinstatement value	**430,649**	**123,215**	**350**	428,347	122,907	349
- real estate transfer tax	**(22,932)**			(21,879)		
EPRA net tangible asset value	**407,717**	**123,215**	**331**	406,468	122,907	331

	At 30 September 2024 £000	Number of shares 000	p	At 31 March 2024 £000	Number of shares 000	p
Diluted net asset value	404,209	123,215	328	401,075	122,907	326
Adjustments:						
- surplus on fair value of stock	302			302		
EPRA net disposal value	404,511	123,215	328	401,377	122,907	327

	At 30 September 2023 £000	Number of shares 000	p
IFRS net assets	502,328	123,355	
Adjustments:			
- own shares held		(602)	
Basic net asset value	502,328	122,753	409
- share settled bonus		154	
- dilutive effect of Performance Share Plan		-	
Diluted net asset value	502,328	122,907	409
Adjustments:			
- fair value of financial instruments	(25,343)		
- deferred tax	-		
- fair value of land and developments	302		
- real estate transfer tax	50,348		
EPRA net reinstatement value	527,635	122,907	429
- real estate transfer tax	(25,301)		
- deferred tax	-		
EPRA net tangible asset value	502,334	122,907	409

	At 30 September 2023 £000	Number of shares 000	p
Diluted net assets	502,328	122,907	409
Adjustments:			
- surplus on fair value of stock	302		
EPRA net disposal value	502,630	122,907	409

The net asset values per share have been calculated in accordance with guidance issued by the European Public Real Estate Association ("EPRA").

The adjustments to the net asset value comprise the amounts relating to the Group and its share of joint ventures.

The calculation of EPRA net tangible asset value includes a real estate transfer tax adjustment which adds back the benefit of the saving of the purchaser's costs that Helical expects to receive on the sales of the corporate vehicles that own the buildings, rather than direct asset sales.

The calculation of EPRA net disposal value per share reflects the fair value of all the assets and liabilities of the Group at 30 September 2024.

24. Related Party Transactions

The following amounts were due from/(to) the Group's joint ventures:

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Charterhouse Place Limited group	1,306	578	1,340
Barts Square companies	51	71	71
100 New Bridge Street group	1,997	-	-
Platinum companies	4	-	1,530
Shirley Advance LLP	(43)	8	(43)

A development management, accounting and corporate services fee of £25,000 (30 September 2023: £25,000, 31 March 2024: £50,000) was charged by the Group to the Barts Square companies. In addition, a net development management, accounting and corporate services fee of £55,000 was charged during the Period (30 September 2023: reversal of charge of £1,229,000, 31 March 2024: reversal of charge of £1,084,000) by the Group to the Charterhouse Place Limited group. A development management fee of £317,000 (30 September 2023: £nil) was charged by the Group to the 100 New Bridge Street group. During the Period, the Group advanced a short term working capital loan to the 100 New Bridge Street group. The balance at 30 September 2024 was £1,997,000 (31 March 2024: £nil).

25. See-through Analysis

Helical holds a significant proportion of its property assets in joint ventures with partners that provide a significant equity contribution, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account under IFRS for its share of the net results and net assets of joint ventures on an equity basis in the Income Statement and Balance Sheet. Helical considers that Net asset value per share, a key performance measure used in the real estate industry, as reported in the financial statements under IFRS, does not provide Shareholders with the most relevant information on the fair value of assets and liabilities within an ongoing real estate company with a long-term investment strategy.

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures' results into a "see-through" analysis of its 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

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures is shown in the table below.

		Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Gross rental income	– subsidiaries	10,403	12,804	27,514
	– joint ventures	3,080	887	2,004
Total gross rental income		13,483	13,691	29,518
Rents payable	– subsidiaries	-	(95)	(224)
Property overheads	– subsidiaries	(2,151)	(846)	(2,580)
	– joint ventures	(348)	(349)	(1,209)
See-through net rental income		10,984	12,401	25,505

See-through Net Development Profits/(Losses)

Helical's share of development profits/(losses) from property assets held in subsidiaries and in joint ventures is shown in the table below.

	Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
In parent and subsidiaries	307	(496)	(246)
In joint ventures	(9)	(18)	659
See-through development profits/(losses)	298	(514)	413

See-through Net Gain/(loss) on Sale and Revaluation of Investment Properties

Helical's share of the net gain/(loss) on the sale and revaluation of Investment properties held in subsidiaries and joint ventures is shown in the table below.

		Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Revaluation gain/(loss) on Investment properties	– subsidiaries	1,757	(93,367)	(181,213)
	– joint ventures	(2,694)	(3,309)	(5,933)
Total revaluation loss		(937)	(96,676)	(187,146)
Net gain/(loss) on sale of Investment properties	– subsidiaries	10,090	-	-
	– joint ventures	-	-	(1,468)
Total net gain/(loss) on sale of Investment properties		10,090	-	(1,468)
See-through net gain/(loss) on sale and revaluation of Investment properties		9,153	(96,676)	(188,614)

See-through Administration Expenses

Helical's share of the administration expenses incurred in subsidiaries and joint ventures is shown in the table below.

		Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Administration expenses	– subsidiaries	5,100	4,655	9,731
	– joint ventures	82	188	338
Total administration expenses		5,182	4,843	10,069
Performance related awards, including NIC	– subsidiaries	795	915	1,280
Total performance related awards, including NIC		795	915	1,280
See-through administration expenses		5,977	5,758	11,349

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 subsidiaries and joint ventures is shown in the table below.

		Half Year to 30 September 2024 £000	Half Year to 30 September 2023 £000	Year to 31 March 2024 £000
Interest payable on bank loans and overdrafts	– subsidiaries	1,511	2,878	5,493
	– joint ventures	1,209	1,502	3,012
Total interest payable on bank loans and overdrafts		2,720	4,380	8,505
Other interest payable and similar charges	– subsidiaries	3,236	1,487	3,115
	– joint ventures	108	104	211
Total finance costs		6,064	5,971	11,831
Interest receivable and similar income	– subsidiaries	(923)	(328)	(661)
	– joint ventures	(27)	(18)	(43)
See-through net finance costs		5,114	5,625	11,127

See-through Property Portfolio

Helical's share of the investment, land and development property portfolio in subsidiaries and joint ventures is shown in the table below.

		At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Investment property fair value	– subsidiaries	379,150	602,650	479,600
	– joint ventures	205,496	142,900	138,250
Asset held for sale	– subsidiaries	6,880	-	42,761
Total Investment property fair value		591,526	745,550	660,611
Land and development stock	– subsidiaries	28	28	28
	– joint ventures	5,627	-	1,321
Total land and development stock		5,655	28	1,349
Total land and development stock surplus		302	302	302
Total land and development stock at fair value		5,957	330	1,651
See-through property portfolio		597,483	745,880	662,262

See-through Net Borrowings

Helical's share of borrowings and cash deposits in subsidiaries and joint ventures is shown in the table below.

		At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Gross borrowings more than one year	– subsidiaries	186,594	227,176	227,634
	– joint ventures	4,359	-	-
Total		190,953	227,176	227,634
Gross borrowings less than one year	– joint ventures	66,746	61,634	65,644
Total		66,746	61,634	65,644
Cash and cash equivalents	– subsidiaries	(66,130)	(37,040)	(28,633)
	– joint ventures	(3,516)	(2,207)	(3,064)
Total		(69,646)	(39,247)	(31,697)
See-through net borrowings		188,053	249,563	261,581

26. See-through Net Gearing and Loan to Value

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Property portfolio	597,483	745,880	662,262
Net borrowings	188,053	249,563	261,581
Net assets	404,209	502,328	401,075
See-through net gearing	46.5%	49.7%	65.2%
See-through loan to value	31.5%	33.5%	39.5%
Pro-forma see-through loan to value (Note 30)	15.9%	N/A	28.7%

27. Total Accounting Return

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Brought forward IFRS net assets	401,075	608,675	608,675
Carried forward IFRS net assets	404,209	502,328	401,075
Increase/(decrease) in IFRS net assets	3,134	(106,347)	(207,600)
Dividends paid	1,913	9,540	14,423
Total accounting return	5,047	(96,807)	(193,177)
Total accounting return percentage	1.3%	(15.9%)	(31.7%)

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Brought forward EPRA net tangible assets	406,468	613,455	613,455
Carried forward EPRA net tangible assets	407,717	502,334	406,468
Increase/(decrease) in EPRA net tangible assets	1,249	(111,121)	(206,987)
Dividends paid	1,913	9,540	14,423
Total EPRA accounting return	3,162	(101,581)	(192,564)
Total EPRA accounting return percentage	0.8%	(16.6%)	(31.4%)

28. Total Property Return

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
See-through net rental income	10,984	12,401	25,505
See-through development profits/(losses)	298	(514)	413
See-through revaluation loss	(937)	(96,676)	(187,146)
See-through net gain/(loss) on sale of Investment properties	10,090	-	(1,468)
Total property return	20,435	(84,789)	(162,696)

29. Capital Commitments

In July 2023, Helical and Places for London entered into a Joint Venture Agreement with a commitment to purchase a portfolio of three over-station development sites. 10 King William Street, EC4 site was acquired on 1 October 2024 for £32.6m (our share), the Southwark OSD, SE1 site will be acquired in July 2025 for £11.0m (our share) and the Paddington OSD, W2 site in January 2026 for £30.2m (our share).

30. Post Balance Sheet Events

Following the Period end, the sale of The JJ Mack Building, EC1, for £278.4m (Helical share: £139.2m), which is included within Joint Ventures on the Balance Sheet, completed. In addition, on 1 October 2024, the Group purchased the site at 10 King William Street, EC4 for £32.6m. The impact of these transactions and the completion of the sale of The Power House, W4, whose sale had exchanged before the Period end and was classified as "Asset Held for Sale", is included in the pro-forma table below:

		30 September 2024 £000	Impact of transactions £000	Pro-forma £000
Investment property fair value	– subsidiaries	379,150	-	**379,150**
	– joint ventures	205,496	(102,786)	**102,710**
Asset held for sale	– subsidiaries	6,880	(6,880)	-
Land and developments		5,957	(3,804)	**2,153**
Total see-through property portfolio		597,483	(113,470)	**484,013**
See-through net borrowings		188,053	(111,030)	**77,023**
See-through loan to value		31.5%	-	**15.9%**
Net assets		404,209	-	**404,209**
See through gearing		46.5%	-	**19.1%**

At 31 March 2024, the see-through pro-forma loan to value was 28.7%, which took into account the sale of 25 Charterhouse Square, EC1, in April 2024.

Appendix 1 – Glossary of Terms

Capital value (psf)
The open market value of the property divided by the area of the property in square feet.

Company or Group or Helical
Helical plc and its subsidiary undertakings.

Diluted figures
Reported amounts adjusted to include the effects of potential shares issuable under the Director and employee remuneration schemes.

Earnings per share (EPS)
Profit after tax divided by the weighted average number of ordinary shares in issue.

EPRA
European Public Real Estate Association.

EPRA earnings per share
Earnings per share adjusted to exclude gains/losses on sale and revaluation of Investment properties and their deferred tax adjustments, the tax on profit/loss on disposal of Investment properties, trading property profits/losses, movement in fair value of available-for-sale assets and fair value movements on derivative financial instruments, on an undiluted basis. Details of the method of calculation of the EPRA earnings per share are available from EPRA (see Note 10).

EPRA net disposal value per share
Represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax (see Note 23).

EPRA net reinstatement value per share
Net asset value adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 23).

EPRA net tangible assets per share
Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax, but excludes assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 23).

EPRA topped-up NIY
The current annualised rent, net of costs, topped-up for contracted uplifts, expressed as a percentage of the fair value of the relevant property.

Estimated rental value (ERV)
The market rental value of lettable space as estimated by the Group's valuers at each Balance Sheet date.

Initial yield
Annualised net passing rents on Investment properties as a percentage of their open market value.

Like-for-like valuation change
The valuation gain/loss, net of capital expenditure, on those properties held at both the previous and current reporting period end, as a proportion of the fair value of those properties at the beginning of the reporting period plus net capital expenditure.

MSCI INC. (MSCI IPD)
MSCI INC. is a company that produces independent benchmarks of property returns using its Investment Property Databank (IPD).

Net asset value per share (NAV)
Net assets divided by the number of ordinary shares at the Balance Sheet date (see Note 23).

Net gearing
Total borrowings less short-term deposits and cash as a percentage of net assets.

Net internal area (NIA)
The usable area within a building measured to the internal face of the perimeter walls at each floor level.

Passing rent
The annual gross rental income being paid by the tenant.

Reversionary yield
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.

See-through/Group share
The consolidated Group and the Group's share in its joint ventures (see Note 25).

See-through net gearing
The see-through net borrowings expressed as a percentage of net assets (see Note 26).

Total Accounting Return
The growth in the net asset value of the Company plus dividends paid in the Period, expressed as a percentage of net asset value at the start of the Period (see Note 27).

Total Property Return
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 (see Note 28).

Total Shareholder Return (TSR)
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.

True equivalent yield
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.

Unleveraged returns
Total property gains and losses (both realised and unrealised) plus net rental income expressed as a percentage of the total value of the properties.

WAULT
The total contracted rent up to the first break, or lease expiry date, divided by the contracted annual rent.

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