



HELICAL PLC

(“Helical” or the “Group” or the “Company”)

Annual Results for the Year to 31 March 2018

HELICAL - TRANSFORMATION COMPLETED

Gerald Kaye, Chief Executive, commented:

“Today’s results reflect the completion of the transformation of the Helical Group over the last two years from a multi-sector, geographically spread UK property company, into an office-led investment and development company focused purely on London and Manchester.

“We believe that London will remain the best source of potential capital gains and development profits for the foreseeable future with Manchester being the most dynamic regional city in the UK. Our ongoing focus is on maximising the potential of our current portfolio, both in terms of generating development and valuation surpluses but also on capturing the ERV of the assets we own to ensure a sustainable surplus of rental income over all costs. We also continue to seek exciting opportunities to add to our portfolio of assets, a recent example being the over-ground development of the Farringdon East Elizabeth Line Station. Our much reduced gearing levels have increased the Group’s firepower and balance sheet capacity significantly and will enable us to add to our pipeline of opportunities in the future.

“Our newly refocused and reprioritised portfolio is a select showcase for London and Manchester. We create buildings for today’s occupiers who demand more inspiring space with distinctive architectural detail, carefully curated public realm, market leading amenities, high quality management and our flexible approach to leasing. Applying this philosophy, we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity as we continue to drive the future vision of Helical.”

Operational Performance

- Investment property sale proceeds on disposals of £349m in the year at 6.2% above book value following the Group’s exit from the logistics and retail sectors.
- 41 new office lettings in London of 268,336 sq ft during the year, generating £16.6m (our share £5.7m) of rental income at 8.1% above 31 March 2017 ERVs.
- Since the year end, we have let three additional floors at The Tower, London EC1 to an existing tenant of Phase One in line with market rents. This takes the office space let at The Tower, prior to completion of the building works, to 52%.
- A further 10 office lettings in Manchester of 79,657 sq ft occurred in the year generating rental income of £1.3m at 10.8% above 31 March 2017 ERVs.
- Sale of the retirement village portfolio for £102m, a discount of 13.5% to book value.
- Capital expenditure of £104m incurred on our office development programme, with £76m remaining to be expended in 2018-2020.
- 294,000 sq ft of office developments under construction for delivery in 2018-19.
- New 89,000 sq ft office development started at Farringdon East Elizabeth Line Station for delivery in Q4 2019.

Financial Highlights

Property Valuations

- Group's share of property portfolio £910m (31 March 2017: £1,205m) following £484m of disposals.
- Unleveraged return of property portfolio as measured by IPD delivered strong outperformance of 11.1% (2017: 9.4%) compared to 9.3% (2017: 4.4%) for the benchmark index.
- Investment property valuations, on a like-for-like basis, up 4.5% (5.0% including sales and purchases).

Earnings

- IFRS basic earnings per share of 22.3p (2017: 34.0p).
- IFRS profit before tax of £30.8m (2017: £41.6m).
- Total Accounting Return of 5.3% (2017: 8.3%).
- See-through Total Property Return of £68.8m (2017: £79.9m).
 - Group's share of net rental income of £36.1m (2017: £47.0m).
 - Development losses of £8.0m (2017: £5.7m), after provisions of £4.1m (2017: £12.8m).
 - Net gain on sale and revaluation of investment properties of £40.7m (2017: £38.6m).
- EPRA loss per share of 7.0p (2017: earnings of 0.5p).
- Final dividend proposed of 7.00p per share (2017: 6.20p) – up 12.9%.

Balance Sheet

- Net asset value of £533.9m (31 March 2017: £516.9m) – up 3.3%.
- EPRA net asset value per share down 1.1% to 468p (31 March 2017: 473p).
- EPRA triple NAV per share up 1.4% to 448p (31 March 2017: 442p).

Financing

- See-through loan to value reduced to 39.9% (31 March 2017: 51.4%).
- Average maturity of the Group's share of debt of 3.0 years (31 March 2017: 3.6 years) at an average cost of 4.3% (31 March 2017: 4.3%).
- Group's share of cash and undrawn bank facilities at 31 March 2018 of £277m (31 March 2017: £267m).

Portfolio Update

London Portfolio

- 4.2% valuation increase, on a like-for-like basis, of our see-through London investment portfolio, valued at £700m at 31 March 2018 (84.8% of investment portfolio) compared with £666m at 31 March 2017 (65.5% of investment portfolio).
- Contracted rents on our see-through London portfolio at 31 March 2018, including pre-lets at The Bower, increased to £28.4m (2017: £27.9m) compared to an ERV of £49.6m (2017: £45.0m).

Manchester Portfolio

- 10.8% valuation increase, on a like-for-like basis, of our Manchester investment portfolio, valued at £98m at 31 March 2018 (11.9% of investment portfolio) compared to £71.5m at 31 March 2017 (7.0%).
- Contracted rents on the Manchester portfolio at 31 March 2018 increased to £4.7m (2017: £4.1m) compared to an ERV of £8.1m (2017: £5.6m).

For further information, please contact:

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Results Presentation

Helical will be holding a presentation for analysts and investors starting at 11am on Thursday 24 May 2018 at the offices of FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. If you would like to attend, please contact Alex King on 020 3727 1000, or email schelical@fticonsulting.com.

The presentation will be on the Company's website www.helical.co.uk and a conference call facility will be available. The dial-in details are as follows:

Participants, Local – London, United Kingdom: +44 (0)330 336 9105
Confirmation Code: 1723085

Webcast Link:
<http://webcasting.brrmedia.co.uk/broadcast/5ab109118e43d12e0d13b41a>

Financial Highlights

	Notes	Year to 31 March 2018 £m	Year to 31 March 2017 £m
See-through Income Statement			
Net rental income	1, 7	36.1	47.0
Development property losses		(8.0)	(5.7)
Gain on revaluation of investment properties		27.2	37.3
Gain on sale of investment properties		13.5	1.3
Total property return		68.8	79.9
IFRS profit before tax		30.8	41.6
EPRA (losses)/earnings		(8.3)	0.5
Earnings Per Share and Dividends			
		Pence	Pence
Basic earnings per share	2	22.3	34.0
Diluted earnings per share	2	22.1	33.2
EPRA (loss)/earnings per share	2	(7.0)	0.5
Dividends per share paid in year		8.70	3.12
Dividends per share declared for year		9.50	8.60
See-through Balance Sheet			
	3	31 March 2018 £m	31 March 2017 £m
See-through property portfolio		909.6	1,205.2
See-through net borrowings		362.9	620.0
Net assets		533.9	516.9
Net assets per share, loan to value and gearing			
EPRA net asset value per share		468p	473p
See-through loan to value	4	39.9%	51.4%
Pro-forma see-through loan to value	5	37.1%	48.8%
See-through net gearing	6	68.0%	119.9%

Notes:

1. Includes the Group's share of income and gains of its subsidiaries and joint ventures. See Appendix 1.
2. Calculated in accordance with IAS 33 and guidance issued by the European Public Real Estate Association ("EPRA"). EPRA earnings per share exclude the net gain on sale and revaluation of the investment portfolio of £40.7m (2017: £38.6m) but include development losses of £8.0m (2017: £5.7m).
3. Includes the Group's share of assets and liabilities of its subsidiaries and joint ventures. See Appendix 1.
4. See-through loan to value is the ratio of see-through net borrowings to see-through property portfolio. See Appendix 2.
5. See-through loan to value at 31 March 2018, adjusted for £25.8m of sales proceeds deferred from the sale of the retirement village portfolio.
6. See-through net gearing is the ratio of see-through net borrowings to net assets. See Appendix 2.
7. See the Glossary in Appendix 6 for definition of key terms.

Chief Executive's Statement

I am pleased to present the Company's 2018 Annual Results.

Transformation Completed

The results for the year to 31 March 2018 reflect the completion of the transformation of the Helical Group over the last two years from a multi-sector, geographically spread UK property company, into an office-led investment and development company focused purely on London and Manchester. During this two-year period, Helical has sold £484m of investment property (2018: £328m) for gross proceeds of £507m (2018: £349m) at a net profit of £15.0m (2018: £13.6m). We have exited the logistics, retail and retirement village sectors whilst investing £144m (2018: £84m) in our London portfolio and £24m (2018: £19m) in Manchester whilst reducing see-through loan to value from 55.0% to 39.9% (2017: 51.4%). As at 31 March 2018, the Group owned eight London and four Manchester assets with three remaining non-core properties either subsequently sold or being marketed for sale. This compares to 75 separate assets two years ago.

The majority of the Group's performance in the year has again come from our schemes in London, where we have now increased our weighting to 86%, with 11% in Manchester and the remaining non-core assets, representing just 3% of the portfolio.

Results for the Year

Profit before tax for the year to 31 March 2018 was £30.8m (2017: £41.6m). Total Property Return reduced to £68.8m (2017: £79.9m) and included net rents of £36.1m (2017: £47.0m). Lettings at One Creechurch Place, London EC3, enabled the Group to recognise development profits of £10.2m in the year. However, a loss of £13.0m on the sale of the Retirement Villages portfolio plus provisions of £4.1m (2017: £12.8m) turned this profit into a net development loss of £8.0m (2017: £5.7m). The gain on sale and revaluation of the investment portfolio contributed £40.7m (2017: £38.6m).

Net finance costs of £35.2m were substantially higher than in 2017 (£21.2m) and included an £8.7m premium payable on the repayment of the Group's £80m Retail Bond. This redemption, made 27 months before the Bond was due for repayment, will save annual interest costs of £4.8m. The Income Statement benefited from the shortening of the maturity period for the Group's remaining interest rate swaps and an increase in medium and long-term interest rates which led to a £4.0m credit (2017: £0.8m) arising from the valuation of the Company's derivative financial instruments. The revaluation of the Company's Convertible Bond provided a charge of £1.6m (2017: credit of £3.0m). Recurring administration costs were marginally higher at £11.0m (2017: £10.8m). Performance related awards were substantially lower at £1.7m (2017: £6.9m) with National Insurance on these awards of £0.1m (2017: £0.7m).

The reduction in annual finance costs from the repayment of debt during the year coupled with recent action taken to reduce performance related administration costs both contribute to lower central costs going forward. With net rental income increasing towards an ERV for the portfolio of £60m over the next few years, the Board is confident that the Group's earnings will increase significantly in the near future. This expectation has led the Board to recommend to Shareholders an increase in the final dividend of 12.9% to 7.00p (2017: 6.20p) which, together with the interim dividend of 2.50p paid in December 2017, takes the total dividend for the year to 9.50p (2017: 8.60p), an overall increase of 10.5%.

Performance

We measure our performance at both portfolio and Company level, seeking to outperform the relevant sector indices and our peer group in the medium and long term.

IFRS basic earnings per share reduced to 22.3p (2017: 34.0p) with EPRA loss per share of 7.0p (2017: earnings of 0.5p), reflecting a fall in net rental income and increased development losses in the year following the sale of a third of the investment portfolio and the retirement village portfolio. On a like-for-like basis, the investment portfolio increased by 4.5% (5.0% including sales and purchases). Sales during the year offset this growth in values contributing to an overall reduction in the portfolio value to £910m (31 March 2017: £1,205m). The unleveraged return of our property portfolio, as measured by IPD, was 11.1% (2017: 9.4%), compared to 9.3% (2017: 4.4%) for the benchmark index. Total Accounting Return, being the increase in Shareholders' Funds before dividends, was 5.3% (2017: 8.3%). EPRA net asset value per share was down 1.1% to 468p (31 March 2017: 473p), with EPRA triple net asset value per share up 1.4% to 448p (31 March 2017: 442p).

Finance

The Company uses gearing on a tactical basis throughout the property cycle, being raised to accentuate performance when property returns are judged to materially outperform the cost of debt and lowered when seeking to reduce exposure to the property market.

During the year to 31 March 2018, the Group sold £328m of investment properties and £156m of development stock whilst exiting the industrial, retail and retirement village sectors. These sales, net of investment in the portfolio of £172m, were used to reduce net borrowings by £262m, significantly reducing future finance costs.

The transformation of the Group has allowed us to significantly reduce our gearing levels with our see-through loan to value ratio ("LTV"), down from 55.0% two years ago to 39.9% at the year-end (31 March 2017: 51.4%) and 37.1% on a pro-forma basis, taking into account the deferred consideration from the sale of the retirement village portfolio due in November 2018. Our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, has fallen from 142% to 68% (31 March 2017: 120%) over the same period.

During the year, the average debt maturity reduced to 3.0 years (31 March 2017: 3.6 years), with no secured loan repayable before November 2019, whilst maintaining the average cost of debt at 4.3% (31 March 2017: 4.3%). The Company has a significant level of liquidity with cash and unutilised bank facilities of £277m (31 March 2017: £267m) to fund capital works on its portfolio and future acquisitions.

Board Matters

In February 2018, the Group announced that Michael Slade will step down from his role as Chairman of Helical at the 2019 AGM and Richard Grant, current Chairman of the Audit Committee, was appointed his successor and Deputy Chairman until he assumes the role of Chairman next year. In addition, Richard Cotton succeeded Richard Gillingwater as Senior Independent Director. Richard Gillingwater has indicated that he will not seek re-election as a Non-Executive Director at the 2018 AGM. On behalf of the whole Board, I would like to thank Richard for his commitment, support and guidance during his six years on the Board of Helical.

The Future

We believe that London will remain the best source of potential capital gains and development profits for the foreseeable future with Manchester being the most dynamic regional city in the UK. Our ongoing focus is on maximising the potential of our current portfolio, both in terms of generating development and valuation surpluses but also on capturing the ERV of the assets we own to ensure a sustainable surplus of rental income over all costs. We also continue to seek exciting opportunities to add to our portfolio of assets, a recent example being the over-ground development of the Farringdon East Elizabeth Line Station. Our much-reduced gearing levels have increased the Group's firepower and balance sheet capacity significantly and will enable us to add to our pipeline of opportunities in the future.

Our newly refocused and reprioritised portfolio is a select showcase for London and Manchester. We create buildings for today's occupiers who demand more inspiring space with distinctive architectural detail, carefully curated public realm, market leading amenities, high quality management and our flexible approach to leasing. Applying this philosophy, we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity as we continue to drive the future vision of Helical.

Gerald Kaye
Chief Executive
24 May 2018

Our Market

Overview

Helical's core business is developing and owning dynamic, well located office space in London and Manchester. With intelligent stock selection, we aim to maximise returns by development and refurbishment as well as through significant asset management initiatives.

London

In our judgement, the London commercial property market continues to provide the best source of potential capital profits and we expect this to remain the case for the foreseeable future, notwithstanding the risks associated with our exit from the European Union, the impact of a potential future change in Government or other headwinds.

In order for Helical to generate capital profits the Company needs to identify those areas where it believes tenant demand is, or will become, strong and to source opportunities in those areas at an appropriate entry price. Equally important, we need to provide a working environment suited to the needs of our customers, the tenants. Using the skills, knowledge and expertise gained over many years, the Helical team aims to deliver attractive and exciting office space, in locations with growing tenant demand. In a low growth environment, stock selection needs to reflect the granular characteristics that will attract our target market.

The Company has based its investment decisions in London on three continuing major developments in the office market. First, the growth of the London population; second, the continuing and rapid expansion of the creative industries, predominantly in technology and media and third, the migration of occupiers from the West End to the City and East London. To this should be added a fast-growing market in flexible leasing.

London's population reached 8.7 million in 2015 and is forecast to continue growing towards 10 million by 2030. Whilst this growth will present challenges to London, particularly in terms of its infrastructure, the opening of the Elizabeth Line at the end of 2018 will assist in alleviating these problems. Our properties in the City and Tech Belt are all in locations that will benefit from this new rail link.

The UK is a global leader in the creative industries and we have targeted these industries with our portfolio. In London, companies involved in media, advertising and marketing, technology and other creative industries comprised 59% of our new lettings in the year to 31 March 2018 (2017: 54%).

The third factor influencing our choice of location for our portfolio is the migration of occupiers across Central London to the City and East London. The desire to be part of creative hubs, surrounded by like-minded individuals, located a short travelling distance from home is a common theme in discussing requirements with tenants. Most obviously, those hubs are in the Tech Belt from Kings Cross to Whitechapel.

Finally, the growth of flexible leasing is having a profound effect on the commercial office letting market in London and is beginning to spread to regional cities. At Helical we seek early and continued engagement with tenants and look to develop long standing relationships with them. By offering flexible leases which allow them to occupy space commensurate with their requirements we target long term retention of our customers.

In London, Helical has been building up a portfolio of multi-tenanted office buildings in the Tech Belt locations of Farringdon, the Old Street roundabout and Whitechapel, and also in West London from Chiswick to Shepherd's Bush. By owning these "clusters" or "villages" of office buildings the Company now has a portfolio of assets with multiple lease events leading to ongoing asset management opportunities.

The Company is also seeking to expand its portfolio by taking on additional schemes in Central London either by co-investment or by forward selling/funding them, to allow for the generation of profit shares and development management fees but with reduced balance sheet exposure.

Manchester

We believe Manchester presents an attractive opportunity for us outside London given its strong economic and employment growth record and future forecasts. High graduate retention rates demonstrate its appeal to Generation Y and it is rapidly becoming known as the second tech city behind London with more TMT take up than any other.

Manchester has seen rapid growth and change over the past 20 years and this is forecast to continue. From 2002 to 2015, Manchester city centre experienced population growth of 149%, the largest increase of any regional city. As the population has increased so has the growth of jobs giving companies access to a deep and highly skilled talent pool in a cost-effective location both for the employer and the employee.

Annual office take-up is consistently in excess of 1m sq ft, with high profile new occupiers coming to the city on a frequent basis and Manchester is now the leading UK creative location outside London by some margin. This has resulted in the city offering high quality office buildings and a diverse occupier base, leading to significant international and institutional investment over the past few years. In Manchester we have four assets with a potential capital value, after all refurbishment works and lettings are concluded, of c.£110m. These buildings are designed to attract these occupiers and are located across the city centre. Each is specific in their offering, location, size and rental tone but with the opportunity for Helical to apply the skills, knowledge and property expertise gained over many years in London. Once complete, the portfolio of multi-tenanted office buildings will provide Helical with a resilient income stream outside London.

Looking Forward

Our ambition is to have a balanced portfolio that generates sufficient net rental income to exceed all of our recurring costs and provide a surplus significantly greater than our annual dividend to Shareholders. We have an ERV on the portfolio, post recent sales, of £60m and expect to generate this surplus once all of our current development and asset management activities are completed. We also seek a pipeline of opportunities to grow the balance sheet through the creation of development profits and capital surpluses.

Performance

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

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

Investment Property Databank

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

IPD has compared the ungeared performance of Helical's total property portfolio against that of portfolios within IPD for the last 20 years. The Group's annual performance target is to exceed the top quartile of the IPD database, which it has consistently achieved. Helical's ungeared performance for the year to 31 March 2018 was 11.1% (2017: 9.4%) compared to the IPD benchmark of 9.3% (2017: 4.4%) and upper quartile benchmark of 12.0% (2017: 6.9%).

Helical's unleveraged portfolio returns to 31 March 2018 were as follows:

	1 year % pa	3 years % pa	5 years % pa	10 years % pa	20 years % pa
Helical	11.1	13.9	17.1	9.7	13.3
IPD Benchmark	9.3	8.3	11.1	6.2	8.4
Helical's Percentile Rank	39	4	4	1	2

Source: Investment Property Databank

Helical's trading and development portfolio (9.3% of gross assets) is shown in IPD at the lower of book cost or fair value and uplifts are only included on the sale of an asset.

EPRA Net Asset Value Per Share

The Group's main objective is to maximise growth in net asset value per share which we seek to achieve through increases in investment portfolio values and from retained earnings from other property related activity. EPRA net asset value per share is the property industry's preferred measure of the share of net assets attributable to each share as it includes the fair value of net assets on an ongoing long term basis. The adjustments to net asset value to arrive at this figure are shown in note 22 to the financial statements.

The diluted net asset value per share, excluding trading stock surplus, at 31 March 2018 increased by 3.2% to 445p (31 March 2017: 431p). Including the surplus on valuation of trading and development stock and adjusting for the fair value of derivatives and deferred taxation, the EPRA net asset value per share at 31 March 2018 reduced by 1.1% to 468p (31 March 2017: 473p). EPRA triple net asset value per share at 31 March 2018 increased by 1.4% to 448p (31 March 2017: 442p)

Total Shareholder Return

Total Shareholder Return is a measure of the return on investment for shareholders. It combines share price appreciation and dividends paid to show the total return to the shareholder expressed as an annualised percentage.

The Total Shareholder Return in the year to 31 March 2018 was 6.1% (2017: (18.0%)).

	Performance Measured Over						
	1 year Total return pa %	3 years Total return pa %	5 years Total return pa %	10 years Total return pa %	15 years Total return pa %	20 years Total return pa %	25 years Total return pa %
Helical plc ¹	6.1	(4.2)	8.8	0.5	9.0	9.1	13.5
UK Equity Market ²	1.2	5.9	6.6	6.7	9.3	5.1	7.8
Listed Real Estate Sector Index ³	7.9	6.2	9.5	2.5	8.0	4.7	7.5
Direct Property - monthly data ⁴	11.3	8.9	11.8	6.2	7.8	8.6	9.4

1. Growth over all periods to 31/03/18.

2. Growth in FTSE All-Share Return Index over all periods to 31/03/18.

3. Growth in FTSE 350 Real Estate Super Sector Return Index over all periods to 31/03/18. For data prior to 30 September 1999 FTSE All Share Real Estate Sector Index has been used.

4. Growth in Total Return of IPD UK Monthly Index (All Property) over all periods to 31/03/18.

Average Length of Employee Service and Average Staff Turnover

High levels of staff retention remain a key feature of Helical's business. The Group retains a highly skilled and experienced team. We assess our success based on two key metrics, the average length of service of the Group's head office employees and average staff turnover.

The average length of service of the Group's head office employees at 31 March 2018 was 7.9 years and the average staff turnover during the year to 31 March 2018 was 15.2%.

	2018	2017	2016	2015	2014
Average length of service at 31 March - years	7.9	8.0	7.6	7.6	8.7
Staff turnover during the year to 31 March - %	15.2	5.7	14.3	12.5	5.9

Financial Review

IFRS Performance

Profit Before Tax
£30.8m (2017: £41.6m)

IFRS EPS
22.3p (2017: 34.0p)

IFRS Diluted NAV
445p (31 March 2017: 431p)

EPRA Performance

EPRA EPS
Loss 7.0p (2017: earnings 0.5p)

EPRA NAV
468p (31 March 2017: 473p)

EPRA Triple NAV
448p (31 March 2017: 442p)

Results for the Year

The year to 31 March 2018 includes net rental income of £36.1m and a net gain on sale and revaluation of the investment portfolio of £40.7m, offset by development losses of £8.0m leading to a Total Property Return of £68.8m. Significantly reduced total administration costs of £13.3m and net finance costs of £35.2m contributed to a pre-tax profit of £30.8m (2017: £41.6m). EPRA net asset value per share reduced by 1.1% to 468p (31 March 2017: 473p).

The proposed final dividend of 7.00p takes the total dividend for the year to 9.50p, a 10.5% increase on the previous year. With growing rents from our London and Manchester portfolios, the Company aims to continue to increase its annual dividend going forward.

The Group's real estate portfolio, including its share of assets held in joint ventures, reduced to £910m (31 March 2017: £1,205m) as gains from its annual revaluation and capital expenditure on the investment portfolio and development programme were offset by the sale of £484m of assets. Two new assets were purchased during the year, being the scheme at Trinity Court, Manchester and the site at Farringdon East, Elizabeth Line Station, London EC1.

The sale of property assets during the year has resulted in a reduction in the Group's see-through loan to value to 39.9% (31 March 2017: 51.4%). The Group's debt maturity profile shortened to 3.0 years (31 March 2017: 3.6 years) and its weighted average cost of debt remained at 4.3% (31 March 2017: 4.3%).

At 31 March 2018, the Group had unutilised bank facilities of £173m and £104m of cash. The bank facilities are primarily available to fund completion of Phase Two of the Group's redevelopment of The Bower, London EC1, the construction works at Barts Square, London EC1, including the last phase of residential, as well as future potential purchases.

Total Accounting Return

The total accounting return is the growth in the net asset value of the Company plus dividends paid in the year, expressed as a percentage of the net asset value at the beginning of the year. The metric measures the growth in Shareholders' Funds each year and is expressed as an absolute measure.

	2018 %	2017 %	2016 %	2015 %	2014 %
Total Accounting Return	5.3	8.3	22.5	21.1	36.8

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.

	2018 £m	2017 £m	2016 £m	2015 £m	2014 £m
Total Property Return	68.8	79.9	164.6	155.3	140.1

Earnings Per Share

The IFRS earnings per share reduced from 34.0p to 22.3p and are based on the after tax earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

On an EPRA basis, losses per share were 7.0p (2017: earnings 0.5p), reflecting the Group's share of net rental income of £36.1m (2017: £47.0m) and development losses of £8.0m (2017: £5.7m) but excluding gains on sale and revaluation of investment properties of £40.7m (2017: £38.6m).

Net Asset Value

IFRS diluted net asset value per share increased from 431p to 445p and is a measure of Shareholders' Funds divided by the number of shares in issue at the year end, excluding those held by the Company's Employee Share Ownership Plan Trust, adjusted to allow for the effect of all dilutive share awards.

EPRA net asset value per share reduced by 1.1% to 468p per share (31 March 2017: 473p). This movement arose principally from a total comprehensive income (retained profits) of £26.3m (2017: £39.2m) less dividends paid of £10.2m (31 March 2017: £3.6m) and reflecting a reduction in the surplus on valuation of the trading and development stock to £2.3m (31 March 2017: £12.5m).

EPRA triple net asset value per share increased by 1.4% to 448p (31 March 2017: 442p).

Income Statement

Rental Income and Property Overheads

Gross rental income receivable by the Group in respect of wholly owned properties reduced by 17.6% to £40.2m (2017: £48.8m) reflecting the partial capture of the investment portfolio's reversionary potential offset by sales of assets during the year. In the joint ventures, gross rents fell from £0.9m to £0.2m. Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures increased from £2.5m to £4.1m, with void costs of refurbished or redeveloped buildings significantly increasing prior to letting. After taking account of net rents payable to our profit share partners of £0.1m (2017: £0.3m), see-through net rents reduced by 23.2% to £36.1m (2017: £47.0m).

Development Profits

The majority of the Group's development activities are carried out on assets held as investment properties, such as The Bower, London EC1, schemes funded with third parties, or in joint ventures.

In the year under review, the Company sold £11.8m of units at its retirement village portfolio at a net £1.1m loss and in November 2017 sold the remainder of the portfolio for £101.5m, of which £86.7m related to the four development sites at Bramshott Place, Millbrook Village, Durrants Village and Maudslay Park. This sale was at a £13.0m loss to its then book value. In its development management role at One Creechurch Place, London EC3, the Group let 69% of the office space at the building during the year enabling it to recognise £10.2m of profit from its promote arrangement with its joint venture agreement with Healthcare of Ontario Pension Plan. At Barts Square, London EC1 the Group earned development management fees of £1.9m during the year but made a provision for additional costs of £3.3m, mainly as the result of the replacement of Carillion as contractor on the scheme. In Glasgow, the Group sold its building at Cathcart for £9.1m at a profit of £0.9m. The site was originally acquired as part of the arrangements in connection with the development management role on the Scottish Power headquarters which completed in 2016.

During the year we reached settlement on an outstanding claim with the main contractor at the Europa Centralna retail scheme at Gliwice with our former partners, AIMCo, and our share of this settlement contributed to a loss of £1.4m in Poland. Our retail development programme generated net profits of £1.5m (2017: £2.3m) with the pre-let scheme at Cortonwood contributing £0.6m, supplemented by the reversal of £0.9m of provisions previously made against the carrying value of other retail schemes.

In total, the Group incurred development losses of £2.0m (2017: profits of £7.1m).

At the year-end, we reviewed the book value of our land holdings and made provisions of £2.2m (2017: £6.3m), primarily in respect of Drury Lane, London WC1. Net of these provisions, a development property loss of £4.2m (2017: profit of £0.8m) was recognised by the Group.

Share of Results of Joint Ventures

The revaluation of our investment assets held in joint ventures generated a surplus of £3.3m (2017: loss of £1.9m) but an assessment of the book value of our land holdings and future anticipated development costs at One Bartholomew, Barts Square, London EC1 resulted in development losses of £3.8m. Finance, administration, taxation and sundry costs added a further £1.5m (2017: £1.0m) of losses. Accounting adjustments to our interest in the Barts Square and One Creechurch joint ventures generated surpluses of £5.2m, leaving a net profit from our joint ventures of £3.2m (2017: loss of £6.5m).

Gain on Sale and Revaluation of Investment Properties

During the year, we sold 32 investment assets for gross proceeds of £348.7m generating a net overall profit of £13.6m. In London we sold our office building at C-Space, City Road, EC1 for £73.1m generating a loss of £1.7m reflecting transaction costs and rental guarantees. In the regions we sold the whole of our industrial portfolio in three separate sales, for a total of £179.6m at a profit of £19.4m, after costs. The regional offices at Crawley were sold for book value of £7.9m and we sold our retail assets at the Morgan Quarter and in Great Yarmouth and Southend for a combined £73.3m, generating a £1.5m profit. As part of the sale of the retirement village portfolio we sold the clubhouses at the Bramshott Place, Millbrook and Durrants villages for a combined £14.8m, a loss after costs of £5.3m.

The valuation of our investment portfolio continued to reflect the benefit of our refurbishment activities in London where we generated an increase of 3.6% overall and 4.2% on a like-for-like basis. In Manchester, the portfolio generated an increase of 10.8% on a like-for-like basis. In total, the investment portfolio showed a valuation increase of 5.0%, or 4.5% on a like-for-like basis.

The total impact on our results of the gain on sale and revaluation of our investment portfolio, including in joint ventures, was a net gain of £40.7m (2017: £38.6m).

Administration Costs

Administration costs in the Group, before performance-related awards, increased marginally from £10.8m to £11.0m.

Performance related share awards and bonus payments, before National Insurance costs, were £1.7m (2017: £6.9m). Of this amount, the £1.4m (2017: £1.7m) 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.

	2018 £000	2017 £000
Administration costs	11,023	10,800
Share awards	1,388	1,672
Directors and senior executives' bonuses	289	5,182
NIC on share awards and bonuses	65	718
Group	12,765	18,372
In joint ventures	468	338
Total	13,233	18,710

Finance Costs, Finance Income and Derivative Financial Instruments

Interest payable on secured bank loans including our share of loans on assets held in joint ventures, but before capitalised interest, reduced to £18.5m (2017: £19.8m). Interest payable in respect of the unsecured Retail and Convertible Bonds was £8.4m (2017: £8.8m). Bank charges, commitment fees, sundry interest and the amortisation of refinancing costs increased to £9.1m (2017: £4.9m) as bank loans were repaid and cancelled. Capitalised interest reduced from £7.9m to £5.2m as development schemes progressed and reflecting the sale of the Retirement Village portfolio. Total finance costs, including joint ventures, but before the redemption of the Retail Bond, increased to £30.8m. (2017: £25.6m). In March 2018, we redeemed the 6% Retail Bond at a redemption premium of £8.7m. This increased total finance costs to £39.5m for the year (2017: £25.6m). Finance income earned, including in joint ventures, was £4.3m (2017: £4.4m). The movement in medium and long-term interest rate projections during the year, offset by the shortening maturity period of the Group's financial instruments, contributed to a credit of £4.0m (2017: £0.8m) on their mark-to-market valuation. The mark to market valuation of the Convertible Bond resulted in a charge of £1.6m (2017: credit of £3.0m).

Taxation

Helical pays corporation tax on its UK sourced net rental income, trading and development profits and realised chargeable gains, after offset of administration and finance costs.

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

Dividends

Helical follows a progressive dividend policy of increasing its dividends whilst retaining the majority of funds generated for investment in growing the business. As the Company completes and lets its current development programme, it expects to be able to continue to reflect the growth in earnings in increased dividends paid to Shareholders. The interim dividend paid on 22 December 2017 of 2.50p was an increase of 4.2% on the previous interim dividend of 2.40p. The Company has proposed a final dividend of 7.00p, an increase of 12.9% on the previous year (2017: 6.20p) for approval by Shareholders at the 2018 AGM. In total, the dividend paid or payable in respect of the results for the year to 31 March 2018 will be 9.50p (2017: 8.60p), an increase of 10.5%. Since 2015, the compound annual growth rate of the Company's dividends has been 9.4%.

Balance Sheet

Shareholders' Funds

Shareholders' Funds at 1 April 2017 were £516.9m. The Group's results for the year added £26.3m (2017: £39.2m), net of tax, representing the total comprehensive income for the year. Movements in reserves arising from the Group's share schemes increased funds by £0.9m. The Company paid dividends to Shareholders amounting to £10.2m leaving a net increase in Shareholders' Funds from the Group activities during the year of £17.0m to £533.9m.

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 2017	1,003,000	13,907	1,016,907	-	(15,440)	1,001,467
Acquisitions and transfers - wholly owned	24,967	-	24,967	2,189	-	27,156
Capital Expenditure - wholly owned	73,886	-	73,886	-	-	73,886
- joint ventures	-	5,392	5,392	-	-	5,392
Disposals - wholly owned	(328,344)	-	(328,344)	-	4,342	(324,002)
Revaluation Surplus - wholly owned	25,125	-	25,125	-	(1,277)	23,848
- joint ventures	-	3,324	3,324	-	-	3,324
- profit share partners	3,500	-	3,500	-	-	3,500
Valuation at 31 March 2018	802,134	22,623	824,757	2,189	(12,375)	814,571

In the year to 31 March 2018, the Group acquired offices at Trinity Court, Manchester for £13.5m and a scheme at Farringdon East, London EC1 for £11.4m. The Group expended £79.3m on capital works on the investment portfolio, mainly at The Bower, London EC1 (£59.6m), Barts Square, London EC1 (£5.4m), Power Road Studios, London W4 (£4.4m) and Dale House, Manchester (£3.7m). The aggregate book value of the 32 investment assets sold during the year was £328m. Revaluation gains added £31.9m (£3.5m for our partners) to increase the see-through value of the portfolio, before lease incentives, to £824.8m (2017: £1,016.9m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £814.6m (31 March 2017: £1,001.5m).

Debt and Financial Risk

In seeking to finance Helical's expansion in recent years, the Group has used a combination of new secured facilities, whose purpose and terms reflect the nature of the assets charged to the lenders, and unsecured bonds, which have provided the firepower to acquire many of the assets which have contributed to the recent growth in Shareholders' Funds. Following the repayment of the Retail Bond in March 2018, unsecured debt represented 22% of debt drawn at 31 March 2018.

In total, Helical's outstanding debt at 31 March 2018 of £471m (31 March 2017: £737m) had an average maturity of 3.0 years (31 March 2017: 3.6 years) and a weighted interest cost of 4.3% (31 March 2017: 4.3%).

Debt Profile at 31 March 2018 – Excluding the Effect of Arrangement Fees

	Total facility £000	Total utilised £000	Available facility £000	Net LTV %	Weighted average interest rate %	Average maturity Years
Investment facilities	474,000	319,389	154,611	-	4.5	3.8
In joint ventures	58,035	49,945	8,090	-	3.6	1.7
Total secured debt	532,035	369,334	162,701	-	4.4	3.5
Convertible Bond	100,000	100,000	-	-	4.0	1.2
Working capital	10,000	-	10,000	-	-	-
Fair value of Convertible Bond	-	1,333	-	-	-	-
Total unsecured debt	110,000	101,333	10,000	-	4.0	1.2
Total debt	642,035	470,667	172,701	39.9	4.3	3.0

Secured Debt

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

- Investment facilities

We have £150m of revolving credit facilities that enable the Group to acquire, refurbish, reposition and hold significant parts of our investment portfolio. Our London investment assets are primarily held in £324m of term loan secured facilities which, where appropriate, allow us to finance refurbishment projects including the redevelopment of The Tower at The Bower, Old Street, London EC1. The value of the Group's properties secured in these facilities at 31 March 2018 was £706m (31 March 2017: £983m) with a corresponding loan to value of 45.3% (31 March 2017: 47%). The average maturity of the Group's investment facilities at 31 March 2018 was 3.8 years (31 March 2017: 4.1 years) with a weighted average interest rate of 4.5% (31 March 2017: 4.3%).

- Joint venture facilities

We hold a number of investment and development properties in joint venture with third parties and include in our reported figures our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 31 March 2018 was 1.7 years (31 March 2017: 2.7 years) with a weighted average interest rate of 3.6% (31 March 2017: 3.4%).

Unsecured Debt

The Group's unsecured debt, now just reflecting the Convertible Bond at its mark-to-market valuation, is £101.3m (31 March 2017: £179.8m) as follows:

- Retail Bond

On 2 March 2018, the Group repaid its £80m Retail Bond, issued on 24 June 2013 and originally due for repayment on 24 June 2020. The redemption price of the Bond was calculated on 28 February 2018 based on the benchmark gilt at that time plus a 0.5% margin, in accordance with the terms and conditions of the Bond. The aggregate redemption price of the Bond was £88.7m, a premium of £8.7m over the aggregate issue price of the Bond. Following the redemption of the Bond, the Group's future interest payments will reduce by c.£11.1m in the period to 24 June 2020, a net saving compared to the redemption premium of £2.4m.

- **Convertible Bond**

In June 2014, the Group raised £100m from the issue of a listed unsecured Convertible Bond with a 4.0% coupon, repayable in June 2019, or, subject to certain conditions, convertible at the option of the Bond holders into ordinary shares, unless a cash settlement option is exercised by the Company. The initial conversion price has been set at £4.9694 per share, representing a 35% premium above the price on the day of the issue and a premium of 59% above the Company's EPRA net asset value per share at 31 March 2014. The value of the Bond at 31 March 2018, as determined by the listed market price, was £101.3m (31 March 2017: £99.8m).

- **Short term working capital facilities**

These facilities provide access to additional working capital for the Group.

Cash and Cash Flow

At 31 March 2018, the Group had £277m (2017: £267m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures as well as £105m (2017: £17m) of uncharged property on which it could borrow funds.

Net Borrowings and Gearing

Total gross borrowings of the Group, including in joint ventures, have reduced from £736.6m to £470.7m during the year to 31 March 2018. After deducting cash balances of £103.7m (31 March 2017: £109.0m) and unamortised refinancing costs of £4.1m (31 March 2017: £7.6m), net borrowings reduced from £620.0m to £362.9m. The gearing of the Group, including in joint ventures, reduced from 120% to 68%.

	31 March 2018	31 March 2017
See-through gross borrowings	£470.7m	£736.6m
See-through cash balances	£103.7m	£109.0m
Unamortised refinancing costs	£4.1m	£7.6m
See-through net borrowings	£362.9m	£620.0m
Shareholders' Funds	£533.9m	£516.9m
See-through gearing - IFRS net asset value	68%	120%

Hedging

At 31 March 2018, the Group had £366.6m (31 March 2017: £651.4m) of fixed rate debt with an average effective interest rate of 4.1% (31 March 2017: 4.2%) and £54.2m (31 March 2017: £29.3m) of floating rate debt with an average effective interest rate, excluding commitment fees, of 3.9% (31 March 2017: 3.0%). In addition, the Group had £15.0m of interest rate caps at an average of 0.75% (31 March 2017: £3.3m at 0.75%). In our joint ventures, the Group's share of fixed rate debt was £nil (31 March 2017: £nil) and £49.9m (31 March 2017: £55.9m) of floating rate debt with an effective rate of 3.6% (31 March 2017: 3.4%) with interest rate caps set at 1.5% plus margin on £24.4m (31 March 2017: £61.8m) and 0.5% plus margin on £58.0m (31 March 2017: £56.9m).

	2018 £m	Effective interest rate %	2017 £m	Effective interest rate %
Fixed rate debt				
- Secured borrowings	265.3	4.1	471.6	4.0
- Retail Bond	-	-	80.0	6.0
- Convertible Bond	100.0	4.0	100.0	4.0
- Fair value of Convertible Bond	1.3	-	(0.2)	-
Total	366.6	4.1	651.4	4.2
Floating rate debt				
- Secured	54.2	7.0 ¹	29.3	8.9 ¹
Total	420.8	4.4	680.7	4.4
In joint ventures				
- Floating rate	49.9	3.6	55.9	3.4
Total borrowings	470.7	4.3	736.6	4.3

¹This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 3.9% (31 March 2017: 3.0%).

Tim Murphy
Finance Director
24 May 2018

Helical's Property Portfolio – 31 March 2018

Property Overview

Helical divides its property activities into two core markets: London and Manchester offices. Following the sale of all of the logistics assets, C-Space and the Retirement Village portfolio, the London portfolio represents 86% of the total property portfolio and Manchester offices 11%. Whilst there are structural differences in these markets, Helical has found that its business model can be applied successfully to each, driving capital growth, development profits and rental income.

In addition, at 31 March 2018 we had a small portfolio of non-core assets comprising two regional offices and one regional retail property that together represented 3% of the total property portfolio. Subsequent to the year end we have exchanged contracts to sell the office in Reading at its book value of £8.3m.

The London Portfolio

Our strategy is to continue to increase our London holdings, focusing on areas where we see strong tenant demand and growth potential, such as the “Tech Belt” that runs from King's Cross through Old Street and Shoreditch to Whitechapel and in West London, in particular Shepherds Bush, Chiswick and Hammersmith. Our London portfolio comprises income producing multi-let offices, office refurbishments and developments and a mixed used commercial/residential scheme.

- **City and Tech Belt**

One Creechurch Place, City of London EC3

One Creechurch Place is a landmark City office scheme in the heart of the insurance district in London. In May 2014, Helical signed a joint venture agreement with HOOPP (Healthcare of Ontario Pension Plan) to redevelop the site. Under the terms of the joint venture, HOOPP and Helical jointly funded the project on a 90:10 split, with Helical acting as development manager for which it will receive a promote payment upon successful completion and letting of the scheme. The new building, comprising 272,127 sq ft of offices and 786 sq ft of retail, achieved practical completion on 7 November 2016. In the year to March 2018 we have let 69% of the building to Hyperion (115,910 sq ft), Enstar (31,958 sq ft), Travelers (15,969 sq ft), Dell (22,357 sq ft) and Illy (786 sq ft), a total of 186,980 sq ft. Since the year end a further floor of 15,994 sq ft has been let to Coverys, taking the building to 74% let.

25 Charterhouse Square, Smithfield EC1

In January 2016, Helical was granted a new 155 year leasehold interest in 25 Charterhouse Square from the Governors of Sutton's Hospital in Charterhouse for £16m. The building is a Grade A office adjacent to the new Farringdon East station on the Elizabeth Line (Crossrail) and overlooks the historic Charterhouse Square. Helical has carried out a major refurbishment of the existing building, which increased the previous 34,000 sq ft to 38,355 sq ft of offices with the addition of a new sixth floor, and 5,138 sq ft of retail/restaurant space. The building achieved practical completion on 28 March 2017 and was fully let by December 2017, less than two years after it was acquired. The second to sixth floors have been let at £75 psf to Anomaly, Peakon and Hudson Sandler. The ground and first floors have been let to Senator International on five year leases at £77 psf for the first floor and an average £59 psf for the “shell” ground floor units.

The Loom, Whitechapel E1

This 110,068 sq ft building is one of London's few remaining former Victorian wool warehouses and was acquired in 2013. Works to transform this asset completed in September 2016 and included a new entrance and reception onto Gowers Walk, a café, showers and a bike store. The Loom has won both a RIBA London and National Award as well as an Architects Journal Retrofit Award. Due to careful asset management, the building

remained an average of 78% let throughout the refurbishment. Since 1 April 2017, we have completed new lettings on 22,302 sq ft, with newly refurbished space being let at between £52.50 psf and a record £55.00 psf. Since the year end a further 10,822 sq ft has been let and the building is now 92% let.

The Bower EC1

The Bower is a landmark quarter immediately adjacent to Old Street roundabout and, once completed in July 2018, will feature 312,603 sq ft of innovative, high quality office space along with a destination restaurant and retail space (20,606 sq ft).

211 Old Street EC1

The development of Phase One comprises The Warehouse, 128,262 sq ft (including 10,298 sq ft of retail), and The Studio, 23,177 sq ft. Works on The Warehouse entailed a complete refurbishment of the building which retained its 1960's characteristics. The Studio was a ground up development on the former car park.

Phase One completed in March 2015 and was fully pre-let to CBS, Farfetch, Pivotal, Allegis and Stripe (The Warehouse) and John Brown Media (The Studio), and all tenants are in occupation. The retail operators are Bone Daddies, Draft House, Enoteca da Luca, Honest Burger and Franze & Evans.

207 Old Street EC1

The Tower, due to complete in July 2018, offers 171,462 sq ft of office space with a contemporary façade, innovatively designed interconnecting floors and 10,308 sq ft of retail space across two units.

We had previously pre-let six floors, comprising 59,015 sq ft (34%) to WeWork and, since the year end, have let a further three floors, comprising 29,635 sq ft, prior to completion of the building, taking the office space to 52% pre-let.

Barts Square EC1

In a joint venture with The Baupost Group LLC, Helical owns the freehold interest of Barts Square, a 3.2 acre site between St Pauls and Smithfield Market, situated a short walk from Farringdon East Crossrail station which is due to be operational in December of this year.

Barts Square will ultimately provide an entirely new quarter in the City consisting of 236 residential apartments, three office buildings of 213,179 sq ft, 24,013 sq ft and c.11,200 sq ft together with 21,692 sq ft of retail/A3 at ground floor as well as major public realm improvements.

Phase One – Residential

Phase 1 of Barts Square comprises 144 residential units, 3,193 sq ft of retail and extensive public realm improvements. The residential units are being handed over to purchasers as buildings are completed with three buildings (71 unit sales) completed within the year and four further buildings (62 unit sales) to be completed and handed over before the end of August 2018. In total, contracts have been exchanged for the sale of 133 residential units for a total value of £170m at an average of £1,560 psf leaving just 11 apartments to sell.

90 Bartholomew Close – Offices

The 24,013 sq ft office building with 6,282 sq ft of restaurant use completed in March 2018. Marketing of the offices has commenced and there is good interest in the space.

Phase Two – One Bartholomew – Offices

One Bartholomew was sold to clients of Ashby Capital LLP (“Ashby”) for £102.4m in August 2015. The demolition of the existing building and the construction of a new 12 storey Grade A office block of 213,179 sq ft commenced in January 2016 and is due to

be completed in October 2018. Ashby's clients finance the development costs and, when the building is completed and successfully let, the joint venture will be entitled to receive a profit share payment. Helical is the development manager for delivery of the project.

Phase Three - Residential/Retail

Demolition work on Phase 3 of Barts Square has completed and construction works are now well underway. This phase will comprise 92 apartments and 12,217 sq ft of retail space. Marketing of the units commenced in March 2018 and during the year contracts were exchanged on 14 units, with a further eight units exchanged post year end, at an aggregate average of £1,782 psf.

Phase Three - 54/58 Bartholomew Close

The refurbishment of 54/58 Bartholomew Close will provide c.11,200 sq ft of offices and is expected to start in Q2 2018 for completion by Q3 2019.

Farringdon East, Smithfield EC1

We have exchanged a development agreement with Transport for London ("TfL") with respect to the Over-Station Development at the Farringdon East Elizabeth Line Station. This will lead to the creation of an office-led scheme with a gross development value of £120m. Following the year end a 150 year lease was granted and the site handed over by TfL. The development will comprise a six storey office building of 89,000 sq ft with a retail/restaurant unit on the ground floor and the building will sit immediately east of Smithfield Market with views over Charterhouse Square and towards St Paul's Cathedral. Development of the scheme commences in August 2018 and completion is due in October 2019.

C-Space, 37-45 City Road EC1

Helical acquired C-Space in June 2013. Planning consent was obtained for a complete refurbishment of the building which increased the previous c.50,000 sq ft office building to 61,973 sq ft. The works, which were completed in October 2015, involved an additional floor and extensions to the third floor, a landscaped courtyard and entrance pavilion to the rear and full height glazing to the raised ground floor. 75% of the space was pre-let to the creative agency MullenLowe in June 2015, with the remaining space let to NeuLion in November 2016. The building was sold in December 2017 for £73.1m.

• West London

The Shepherds Building, Shepherds Bush W14

This 150,470 sq ft multi-let office building close to the Westfield London shopping centre maintains an occupancy approaching 100%, as it has for the past ten consecutive years. The Shepherds Building was constructed around 1960 and Helical has owned the building since 2000. In 2002 the building underwent a full refurbishment with an additional floor added, creating an eight storey building. In 2014 a new entrance and refurbishment of central spaces updated the existing building which included a refurbished café/bar. The average contracted rent for the building is £45.90 psf with a total contracted rent of £6.5m. During the year we have completed new lettings and agreement for leases totalling 26,026 sq ft and a further 2,871 sq ft since the year end.

Power Road Studios, Chiswick W4

The site comprises 57,289 sq ft of offices across four buildings and is multi-let to a wide range of predominantly media tenants. In October we completed the refurbishment of Studio 1, a project comprising c.16,000 sq ft of air conditioned Grade A space, refurbished common parts and two new lift shafts to accommodate a consented future roof extension of 13,000 sq ft. Of the newly refurbished space we have let 8,341 sq ft at £43 psf. Preliminary works have been completed for a new 30,000 sq ft office building which secured planning consent in August 2017.

The Powerhouse, Chiswick W4

Helical acquired this 24,288 sq ft office and recording studios by way of sale and leaseback in 2013. The Powerhouse is a listed building on Chiswick High Road and is fully let on a long lease to Metropolis Music Group.

King Street, Hammersmith W6

Hammersmith & Fulham Borough Council, who have been opposed to this regeneration project since the Council became Labour controlled, have exercised their option to terminate the development agreement. The value of the land held by the Company (which is a 50/50 joint venture with Grainger plc) is being determined by an expert under the terms of the termination provision in the agreement.

Drury Lane & Dryden Street WC2

This is a 0.5 acre office and retail site which sits within the Covent Garden construction area. The Group has agreed with Savills Investment Management to act as development manager to obtain a revised office planning consent. The Group will receive a fee for this which is dependent on the value of the property with the new consent.

Manchester Offices

Manchester is a city with a diverse, thriving and growing economy that is widely regarded as England's second city and the centre of the "Northern Powerhouse". Helical has found that the approach it applies to development and asset management in London is equally well received by the tenants in Manchester. The assets we hold there are:

Churchgate and Lee House, Manchester

This asset comprises 243,701 sq ft of multi let offices. The asset was 64% let when acquired in March 2014. Since purchase we have refurbished the reception and 76,382 sq ft of office space and the building is fully let. During the year we agreed a new ten year lease with Capita on 33,000 sq ft at £15.50 psf, an uplift of 7% on the previous rent. Looking forward we will continue with asset management initiatives to drive further rental and capital growth.

31 Booth Street, Manchester

This 25,441 sq ft office located in the prime city core was acquired in January 2016 for £4.7m. The building have been fully refurbished and was launched to the market in March 2017. The ground floor and basement have been let on an agreement to lease to Elevatione, a luxury boutique cosmetic retailer. There is good interest in the remaining office space, with the fifth and sixth floor under offer.

35 Dale Street, Manchester

35 Dale Street is a 53,265 sq ft office building situated in the Northern Quarter of Manchester, acquired in March 2015. The building is undergoing a complete refurbishment, with the final office floor due to complete in June 2018. During the year the building became 62% let with an additional 10% being let post year end with a new headline rent of £23.50 psf. 17% of the remaining space is exchanged on agreement for leases with the final lower ground floor unit (6,000 sq ft) due to be marketed from June 2018.

Trinity Court, Manchester

Trinity Court, purchased in May 2017 for £12.9m, is a 47,443 sq ft office building situated in the central business district of Manchester. On acquisition the building was 100% let but the building has now been vacated to allow a full refurbishment and extension. The completed building will comprise 59,109 sq ft of new and refurbished office space and is expected to complete in December 2018.

Non-Core

Logistics

During the year Helical sold all of its logistics units in three packages for a total of £180m, a premium of 14.5% to book value.

Retirement Villages

Our retirement village portfolio consisted of four villages at Bramshott Place Liphook, Durrants Village Faygate, Millbrook Village Exeter and Maudslay Park Great Alne. In November 2017, we sold our entire retirement village portfolio to L&G Capital for gross proceeds of £102m, with £26m deferred for 12 months, a 13.5% discount to book value.

Retail Investments

During the year we sold our retail assets at Morgan Quarter, Cardiff, Great Yarmouth and Southend for a combined £73.3m, a premium to book value of 4.6%. At 31 March 2018, our single remaining retail investment is a 42,490 sq ft retail park in Sevenoaks.

Other Regional Offices

At 31 March 2018 our regional offices, outside Manchester, comprise two buildings located in Reading (fully let) and Glasgow (98% let). Crawley was sold in December 2017 for its book value. Following the year end, contracts have been exchanged for the sale of Reading at its book value, with completion due in July 2018.

Retail Developments

We continue to progress our retail schemes at Truro, Kingswinford and East Ham. We have assigned our land option in Evesham, with a profit share dependant on the success of the scheme, which is due for completion in 2019.

Total Portfolio by Fair Value

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
- Completed, let and available to let	488.6	59.2	14.3	16.9	502.9	55.3
- Being redeveloped	211.3	25.6	-	-	211.3	23.2
- Land held for sale	-	-	5.3	6.2	5.3	0.5
- Held for future redevelopment	-	-	0.1	0.1	0.1	0.1
London Residential	-	-	59.0	69.6	59.0	6.5
Total London	699.9	84.8	78.7	92.8	778.6	85.6
Manchester Offices						
- Completed, let and available to let	83.4	10.1	-	-	83.4	9.2
- Being redeveloped	14.6	1.8	-	-	14.6	1.6
Total Core Portfolio	797.9	96.7	78.7	92.8	876.6	96.4
Regional Offices	16.7	2.1	-	-	16.7	1.8
Regional Retail	10.0	1.2	3.5	4.1	13.5	1.5
Land	0.2	-	2.6	3.1	2.8	0.3
Total Non-Core Portfolio	26.9	3.3	6.1	7.2	33.0	3.6
Total	824.8	100.0	84.8	100.0	909.6	100.0

Trading and Development Portfolio

	Book value £m	Fair value £m	Surplus £m	Fair value %
London Offices	19.7	19.7	-	23.2
London Residential	57.3	59.0	1.7	69.6
Total London	77.0	78.7	1.7	92.8
Manchester Offices	-	-	-	-
Total Core Portfolio	77.0	78.7	1.7	92.8
Regional Retail	3.5	3.5	-	4.1
Land	2.0	2.6	0.6	3.1
Total Non-Core Portfolio	5.5	6.1	0.6	7.2
Total	82.5	84.8	2.3	100.0

Capital Expenditure

We have a planned development and refurbishment programme.

Property	Capex budget (Helical share) £m	Remaining spend (Helical share) £m	Pre-spend refurbished space sq ft	New space sq ft	Total completed space sq ft	Completion date
Office Investment - committed						
207 Old Street, London EC1	95.0	22.1	114,000	67,770	181,770	July 2018
Farringdon East, London EC1	44.2	41.7	-	89,000	89,000	October 2019
35 Dale Street, Manchester	4.8	1.0	53,265	-	53,265	May 2018
Trinity Court, Manchester	6.1	5.5	47,443	11,666	59,109	December 2018
Office Investment - planned						
Barts Square, London EC1	5.9	5.9	9,000	2,200	11,200	August 2020
Residential Development - committed						
Barts Square, London EC1 - Phase 1	63.8	11.3	-	126,772	126,772	August 2018
Barts Square, London EC1 - Phase 3	40.3	32.6	-	90,936	90,936	December 2019

Asset Management

Asset management is a critical component in driving Helical's performance. Through having well considered business plans and by maximising the combined skills of our management team, we are able to create value in our assets without relying on market movements.

Investment Portfolio	Fair value weighting %	Passing rent £m	Contracted rent ¹ %	Contracted rent ¹ £m	2018 ERV ² %	2018 ERV ² £m	ERV change like for like %	2017 ERV £m	
London Offices									
- Completed, let and available to let	59.2	21.1	78.2	24.6	69.2	29.6	49.0	1.4	29.1
- Being redeveloped	25.6	-	-	3.8	10.7	20.0	33.2	3.7	13.4
- Held for future development	-	-	-	-	-	-	-	-	2.5
Total London	84.8	21.1	78.2	28.4	79.9	49.6	82.2	2.1	45.0
Manchester Offices									
- Completed, let and available to let	10.1	3.6	13.1	4.7	13.2	6.4	10.6	15.1	5.6
- Being redeveloped	1.8	-	-	-	-	1.7	2.9	n/a	n/a
Total Core Portfolio	96.7	24.7	91.3	33.1	93.1	57.7	95.7	3.6	50.6
Regional Office	2.1	1.5	5.6	1.6	4.5	1.7	2.9	2.0	2.3
Regional Retail	1.2	0.8	2.9	0.8	2.3	0.8	1.3	0.2	6.2
Total Non-Core Portfolio	3.3	2.3	8.5	2.4	6.8	2.5	4.2	1.5	8.5
Other	-	-	0.2	-	0.1	0.1	0.1	2.0	12.5
Total	100.0	27.0	100.0	35.5	100.0	60.3	100.0	3.5	71.6

¹ Contracted rent includes £3.8m pre-let to WeWork at The Bower.

² ERV includes £6.15m relating to Farringdon East.

During the period, total contracted income reduced by £16.7m as a result of the sale of investment properties and losses from breaks and lease expiries, offset by the purchase of one investment property and rent from new lettings and rent reviews.

	Total portfolio contracted rent £m
Rents lost at break/expiry	(3.7)
Rent review and uplifts on lease renewal	0.2
New lettings:	
- London	5.7
- Manchester	1.3
Total increase in the year from asset management activities	3.5
Contracted rent reduced through sales of:	
- London assets	(3.6)
- Logistics assets	(12.2)
- Other assets	(5.8)
Increased from purchase of investment properties	1.4
Total contracted rental change from sales and purchases	(20.2)
Net decrease in contracted rents in the year	(16.7)

Investment Portfolio – as at 31 March 2018

Portfolio Yields

	EPRA topped up NIY %	Reversionary %
London Offices		
- Completed, let and available to let	4.5	5.3
- Being redeveloped	n/a	5.6
Total London	4.5	5.4
Manchester Offices		
- Completed, let and available to let	5.3	6.5
- Being redeveloped	n/a	7.0
Total Core Portfolio	4.6	5.6
Regional Offices	8.7	9.2
Regional Retail	7.4	7.6
Total Non-Core Portfolio	8.2	8.7
Total	4.8	5.7

Capital Values, Vacancy Rates and Unexpired Lease Terms

	Capital value psf* £	Vacancy rate** %	WAULT Years
London Offices			
- Completed, let and available to let	910	8.3	5.8
- Being redeveloped	971	n/a	n/a
Total London	927	8.3	5.8
Manchester Offices			
- Completed, let and available to let	259	12.8	4.2
- Being redeveloped	309	n/a	n/a
Total Core Portfolio	707	10.0	5.5
Regional Offices	179	1.4	2.3
Regional Retail	235	-	6.2
Total Non-Core Portfolio	196	1.0	3.8
Total	651	8.7	5.4

*Capital values psf exclude Farringdon East.

**The vacancy rates exclude assets in the course of redevelopment and assets in joint ventures.

Valuation Movements

	Valuation change inc sales & purchases %	Valuation change excl sales & purchases %	Investment portfolio weighting 31.3.18 %	Investment portfolio weighting 31.3.17 %
London Offices				
- Completed, let and available to let	2.7	3.3	59.2	49.3
- Being redeveloped	7.2	7.8	25.6	12.4
- Held for future redevelopment	n/a	n/a	n/a	3.8
Total London	3.6	4.2	84.8	65.5
Manchester Offices				
- Completed, let and available to let	10.8	10.8	10.1	7.0
- Being redeveloped	0.3	n/a	1.8	n/a
Total Core Portfolio	4.2	4.9	96.7	72.5
Regional Offices				
Regional Offices	(3.6)	(5.7)	2.1	2.3
Regional Retail	4.1	-	1.2	7.8
Retirement Villages	(25.6)	n/a	n/a	2.0
Regional Logistics	14.4	n/a	n/a	15.4
Total Non-Core Portfolio	7.1	(3.5)	3.3	27.5
Total	5.0	4.5	100.0	100.0

Lease Expiries or Tenant Break Options

	Year to 2019	Year to 2020	Year to 2021	Year to 2022	Year to 2023
% of rent roll	10.6	7.8	7.4	20.2	10.8
Number of leases	47	51	29	25	15
Average rent per lease (£)	71,792	48,440	81,294	255,741	228,817

We have a strong rental income stream and a diverse tenant base, with the largest tenant in the portfolio accounting for 10.3% of the rent roll. The top 10 tenants account for 39.9% of the total rent roll and the tenants come from a variety of industries.

Rank	Tenant	Tenant Industry	Rent £m	Contracted Rent Roll %
1	Endemol Shine UK Limited	Media	3.7	10.3
2	Gopivotal (UK) Limited	Technology	2.0	5.6
3	Farfetch UK Limited	Online retail	1.9	5.2
4	Anomaly UK Limited	Marketing	1.4	3.9
5	CBS Interactive Limited	Media	1.0	2.9
6	Allegis Group Limited	Recruitment	1.0	2.8
7	Stripe Payments UK Limited	Technology	0.8	2.3
8	The Growth Company Limited	Economic development	0.8	2.3
9	Senator International Limited	Furniture	0.8	2.3
10	Capita Life & Pensions Regulated Services Limited	Technology	0.8	2.3
Total			14.2	39.9

Consolidated income statement

For the year ended 31 March 2018

	Notes	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Revenue	2	165,973	99,934
Net rental income	3	36,329	46,162
Development property (loss)/profit	4	(4,174)	843
Share of results of joint ventures	12	3,196	(6,528)
Other operating income		111	982
Gross profit before net gain on sale and revaluation of investment properties		35,462	41,459
Net gain on sale and revaluation of investment properties	5	37,415	40,543
Fair value movement of available-for-sale assets	14	1,385	(3,352)
Gross profit		74,262	78,650
Administrative expenses	6	(12,765)	(18,372)
Operating profit		61,497	60,278
Finance costs	7	(37,438)	(25,598)
Finance income		4,303	3,156
Change in fair value of derivative financial instruments		4,029	789
Change in fair value of Convertible Bond		(1,559)	2,973
Foreign exchange loss		(10)	(3)
Profit before tax		30,822	41,595
Tax on profit on ordinary activities	8	(4,537)	(2,471)
Profit for the year		26,285	39,124
Earnings per share	10		
Basic		22.3p	34.0p
Diluted		22.1p	33.2p

Consolidated statement of comprehensive income

For the year ended 31 March 2018

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Profit for the year	26,285	39,124
Exchange difference on retranslation of net investments in foreign operations	(15)	48
Total comprehensive income for the year	26,270	39,172

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

Consolidated balance sheet

At 31 March 2018

	Notes	31.3.18 £000	31.3.17 £000
Non-current assets			
Investment properties	11	791,948	987,560
Owner occupied property, plant and equipment		1,825	2,124
Investment in joint ventures	12	27,809	19,882
Derivative financial instruments	19	123	-
		821,705	1,009,566
Current assets			
Land, developments and trading properties	13	6,042	86,680
Corporation tax receivable		3,736	3,320
Trade and other receivables	15	100,757	73,925
Cash and cash equivalents	16	91,871	99,262
		202,406	263,187
Total assets		1,024,111	1,272,753
Current liabilities			
Trade and other payables	17	(51,378)	(56,349)
Borrowings	18	-	(2,517)
		(51,378)	(58,866)
Non-current liabilities			
Borrowings	18	(416,992)	(671,184)
Derivative financial instruments	19	(2,874)	(13,981)
Long leasehold liability		(2,189)	-
Deferred tax liability	8	(16,784)	(11,825)
		(438,839)	(696,990)
Total liabilities		(490,217)	(755,856)
Net assets		533,894	516,897
Equity			
Called-up share capital	20	1,451	1,447
Share premium account		98,798	98,798
Revaluation reserve		162,753	164,190
Capital redemption reserve		7,478	7,478
Other reserves		291	291
Retained earnings		263,123	244,693
Total equity		533,894	516,897

Consolidated cash flow statement

For the year to 31 March 2018

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Cash flows from operating activities		
Profit before tax	30,822	41,595
Depreciation	291	391
Revaluation surplus on investment properties	(23,848)	(39,152)
Gain on sales of investment properties	(13,567)	(1,391)
Loss/(profit) on sale of plant and equipment	81	(56)
Net financing costs	33,135	22,442
Change in value of derivative financial instruments	(4,029)	(789)
Change in fair value of Convertible Bond	1,559	(2,973)
Share based payment charge	1,185	1,672
Share of results of joint ventures	(3,196)	6,528
Fair value movement of available-for-sale assets	(1,385)	3,352
Foreign exchange movement	(19)	6
Cash inflows from operations before changes in working capital	21,029	31,625
Change in trade and other receivables	(25,126)	876
Change in land, developments and trading properties	82,801	3,789
Change in trade and other payables	(6,917)	(9,338)
Cash inflows generated from operations	71,787	26,952
Finance costs	(45,537)	(33,041)
Finance income	162	1,413
Tax paid	6	(3,392)
	(45,369)	(35,020)
Cash flows from operating activities	26,418	(8,068)
Cash flows from investing activities		
Additions to investment property	(95,821)	(59,310)
Sale of investment property	337,570	156,254
Investment in joint ventures	(5,403)	-
Dividends from joint ventures	671	1,580
Receipts/(purchases) in respect of available for sale assets	1,385	(238)
Sale of plant and equipment	-	178
Purchase of owner occupied property, plant and equipment	(73)	(442)
Net cash generated from investing activities	238,329	98,022
Cash flows from financing activities		
Borrowings drawn down	94,196	41,986
Borrowings repaid	(356,670)	(102,887)
Shares issued	4	-
Sale/(purchase) of own shares	521	(944)
Equity dividends paid	(10,195)	(3,566)
Net cash used by financing activities	(272,144)	(65,411)
Net (decrease)/increase in cash and cash equivalents	(7,397)	24,543
Exchange gains on cash and cash equivalents	6	49
Cash and cash equivalents at start of year	99,262	74,670
Cash and cash equivalents at end of year	91,871	99,262

Consolidated statement of changes in equity

At 31 March 2018

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Total £000
At 31 March 2016	1,447	98,798	143,699	7,478	291	229,008	-	480,721
Total comprehensive income	-	-	-	-	-	39,172	-	39,172
Revaluation surplus	-	-	39,152	-	-	(39,152)	-	-
Realised on disposals	-	-	(18,661)	-	-	18,661	-	-
Performance share plan	-	-	-	-	-	1,672	-	1,672
Performance share plan - deferred tax	-	-	-	-	-	(2,062)	-	(2,062)
Share settled bonus	-	-	-	-	-	1,904	-	1,904
Dividends paid	-	-	-	-	-	(3,566)	-	(3,566)
Purchase of own shares	-	-	-	-	-	-	(944)	(944)
Own shares held reserve transfer	-	-	-	-	-	(944)	944	-
At 31 March 2017	1,447	98,798	164,190	7,478	291	244,693	-	516,897
Total comprehensive income	-	-	-	-	-	26,270	-	26,270
Revaluation surplus	-	-	23,848	-	-	(23,848)	-	-
Realised on disposals	-	-	(25,285)	-	-	25,285	-	-
Issued share capital	4	-	-	-	-	-	-	4
Performance share plan	-	-	-	-	-	1,185	-	1,185
Performance share plan - deferred tax	-	-	-	-	-	(55)	-	(55)
Share settled bonus	-	-	-	-	-	(733)	-	(733)
Dividends paid	-	-	-	-	-	(10,195)	-	(10,195)
Sale of own shares	-	-	-	-	-	-	521	521
Own shares held reserve transfer	-	-	-	-	-	521	(521)	-
At 31 March 2018	1,451	98,798	162,753	7,478	291	263,123	-	533,894

For a breakdown of total comprehensive income see the Consolidated Statement of Comprehensive Income.

The adjustment against retained earnings of £1,185,000 (31 March 2017: £1,672,000) adds back the share based payments charge of £1,388,000 in accordance with IFRS 2 Share Based Payments and reflects the impact of awards settled in cash in the year of £203,000.

There were net transactions with owners of £9,273,000 (31 March 2017: £2,996,000) made up of the performance share plan credit of £1,185,000 (31 March 2017: £1,672,000) and related deferred tax charge of £55,000 (31 March 2017: £2,062,000), dividends paid of £10,195,000 (31 March 2017: £3,566,000), the transaction in own shares credit of £521,000 (31 March 2017: charge of £944,000), issued share capital £4,000 (31 March 2017: £nil) and the share settled bonus charge of £733,000 (31 March 2017: credit of £1,904,000).

Notes to the full year results

1. Basis of Preparation

These financial statements have been prepared using the recognition and measurement principles of International Financial Reporting Standards (“IFRS”), including International Financial Reporting Interpretations Committee (“IFRIC”) interpretations as adopted by the European Union.

The financial statements have been prepared in Sterling (rounded to the nearest thousand) under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments, convertible bonds and derivative financial instruments.

The principal accounting policies of the Group are set out in the Group’s 2017 annual report and financial statements, there has been no significant change to these policies. The Group Annual Report and Financial Statements for 2017 are available at Companies House.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 but has been derived from the Company’s audited statutory accounts for the year ended 31 March 2018. These accounts will be delivered to the Registrar of Companies following the Annual General Meeting. The auditor’s opinion on the 2018 accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. 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 trading properties, which are owned or leased with the intention to sell; and,
- development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

	Investment and Trading Year ended 31.03.18 £000	Developments Year ended 31.03.18 £000	Total Year ended 31.03.18 £000	Investment and Trading Year ended 31.03.17 £000	Developments Year ended 31.03.17 £000	Total Year ended 31.03.17 £000
Revenue						
Rental income	40,157	-	40,157	48,835	-	48,835
Development property income	-	125,678	125,678	-	49,994	49,994
Other revenue	138	-	138	1,105	-	1,105
Revenue	40,295	125,678	165,973	49,940	49,994	99,934

	Investment and Trading Year ended 31.03.18 £000	Developments Year ended 31.03.18 £000	Total Year ended 31.03.18 £000	Investment and Trading Year ended 31.03.17 £000	Developments Year ended 31.03.17 £000	Total Year ended 31.03.17 £000
Profit before tax						
Net rental income	36,329	-	36,329	46,213	(51)	46,162
Development property (loss)/profit	-	(4,174)	(4,174)	-	843	843
Share of results of joint ventures	5,135	(1,939)	3,196	(2,049)	(4,479)	(6,528)
Gain on sale and revaluation of investment properties	37,415	-	37,415	40,543	-	40,543
	78,879	(6,113)	72,766	84,707	(3,687)	81,020
Fair value movement of available for sale assets			1,385			(3,352)
Other operating income			111			982
Gross profit			74,262			78,650
Administrative expenses			(12,765)			(18,372)
Net finance costs			(30,665)			(18,680)
Foreign exchange loss			(10)			(3)
Profit before tax			30,822			41,595

	Investment and Trading 31.03.18 £000	Developments 31.03.18 £000	Total 31.03.18 £000	Investment and Trading 31.03.17 £000	Developments 31.03.17 £000	Total 31.03.17 £000
Net assets						
Investment properties	791,948	-	791,948	987,560	-	987,560
Land, development and trading properties	28	6,014	6,042	28	86,652	86,680
Investment in joint ventures	12,352	15,457	27,809	1,814	18,068	19,882
	804,328	21,471	825,799	989,402	104,720	1,094,122
Other assets			198,312			178,631
Total assets			1,024,111			1,272,753
Liabilities			(490,217)			(755,856)
Net assets			533,894			516,897

3. Net Rental Income

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Gross rental income	40,157	48,835
Rents payable	(144)	(68)
Property overheads	(3,549)	(2,283)
Net rental income	36,464	46,484
Net rental income attributable to profit share partner	(135)	(322)
Net rental income	36,329	46,162

4. Development Property (Loss)/Profit

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Development property income	125,678	49,994
Cost of sales	(125,085)	(37,576)
Sales expenses	(2,554)	(5,275)
Provision against book values	(2,213)	(6,300)
Development property (loss)/profit	(4,174)	843

5. Net Gain on Sale and Revaluation of Investment Properties

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Net proceeds from the sale of investment properties	341,911	156,939
Book value (note 11)	(324,002)	(154,863)
Tenants incentives on sold investment properties	(4,342)	(685)
Gain on sale of investment properties	13,567	1,391
Revaluation surplus on investment properties	23,848	39,152
Net gain on sale and revaluation of investment properties	37,415	40,543

6. Administrative Expenses

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Administration costs	(11,023)	(10,800)
Performance related awards	(1,677)	(6,854)
National Insurance on performance related awards	(65)	(718)
Administrative expenses	(12,765)	(18,372)

7. Finance Costs

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Interest payable on bank loans, bonds and overdrafts	(26,873)	(28,586)
Retail Bond redemption premium	(8,708)	-
Other interest payable and similar charges	(7,053)	(4,913)
Interest capitalised	5,196	7,901
Finance costs	(37,438)	(25,598)

8. Tax on Profit on Ordinary Activities

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
The tax credit is based on the profit for the year and represents:		
United Kingdom corporation tax at 19% (2017: 20%)		
- Group corporation tax	(831)	-
- Adjustment in respect of prior periods	1,253	1,521
- Overseas tax	-	2
Current tax credit	422	1,523
Deferred tax		
- Capital allowances	709	(1,023)
- Tax losses	(5,478)	(4,347)
- Unrealised chargeable gains	2,525	1,803
- Other timing differences	(2,715)	(427)
Deferred tax charge	(4,959)	(3,994)
Total tax charge for the year	(4,537)	(2,471)
	31.3.18 £000	31.3.17 £000
Deferred tax		
Capital allowances	(2,260)	(2,969)
Tax losses	2,696	8,174
Unrealised chargeable gains	(19,806)	(22,331)
Other timing differences	2,586	5,301
Deferred tax liability	(16,784)	(11,825)

Under IAS 12, deferred tax provisions are made for the tax that would potentially be payable on the realisation of investment properties and other assets at book value.

If upon sale of the investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £2,260,000 (2017: £2,969,000) would be released and further capital allowances of £40,921,000 (2017: £31,390,000) would be available to reduce future tax liabilities.

The net deferred tax asset in respect of other timing differences arises from tax relief available to the Group on the mark-to-market valuation of financial instruments, the future vesting of share awards and other timing differences.

9. Dividends

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
<hr/>		
Attributable to equity share capital		
Ordinary		
- Interim paid 2.50p per share (2017: 2.40p)	2,934	2,743
- Prior year final paid 6.20p per share (2016: 0.72p)	7,261	823
	<hr/> 10,195	<hr/> 3,566

A final dividend of 7.00p, if approved at the AGM on 12 July 2018, will be paid on 20 July 2018 to Shareholders on the register on 15 June 2018. This final dividend, amounting to £8,303,000, has not been included as a liability as at 31 March 2018, in accordance with IFRS.

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 year. This is a different basis to the net asset per share calculations which are based on the number of shares at the year end. Shares held by the Helical Employees' Share Ownership Plan Trust (the "ESOP"), which has waived its entitlement to receive dividends, are treated as cancelled for the purpose of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends on the assumed exercise of all dilutive options.

The EPRA earnings per share is calculated in accordance with IAS 33 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:

	Year ended 31.3.18 000's	Year ended 31.3.17 000's
Ordinary shares in issue	118,611	118,196
Weighting adjustment	(997)	(3,110)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	117,614	115,086
Weighted average ordinary shares issued on share settled bonuses	920	1,402
Weighted average ordinary shares to be issued under performance share plan	478	1,403
Weighted average ordinary shares in issue for calculation of diluted earnings per share	119,012	117,891
	£000	£000
Earnings used for calculation of basic and diluted earnings per share	26,285	39,124
Basic earnings per share	22.3p	34.0p
Diluted earnings per share	22.1p	33.2p
	£000	£000
Earnings used for calculation of basic and diluted earnings per share	26,285	39,124
Net (gain)/loss on sale and revaluation of investment properties	(37,415)	(40,543)
	- subsidiaries	(3,317)
	- joint ventures	1,929
Tax on profit on disposal of investment properties	3,931	420
Gain on movement in share of joint ventures	(1,693)	-
Fair value movement on derivative financial instruments	(4,029)	(789)
	- subsidiaries	(7)
	- joint ventures	42
Fair value movement on Convertible Bond	1,559	(2,973)
Profit on cancellation of derivative financial instruments	(1,756)	-
Expense on cancellation of loans	2,296	-
Retail Bond redemption premium	8,708	-
Fair value movement of available-for-sale assets	(1,385)	3,352
Deferred tax on adjusting items	(1,431)	(37)
(Loss)/earnings used for calculations of EPRA earnings per share	(8,254)	525
EPRA (loss)/earnings per share	(7.0)p	0.5p

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

11. Investment Properties

	31.3.18 £000	31.3.17 £000
Book value at 1 April	987,560	1,035,033
Additions and transfers at cost	101,042	68,778
Disposals	(324,002)	(154,863)
Revaluation surplus	23,848	39,152
Revaluation surplus/(deficit) attributable to profit share partners	3,500	(540)
Book value at 31 March	791,948	987,560

All properties are stated at market value as at 31 March 2018, of which £790,550,000 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 remaining £11,584,000 was valued by the Directors. The fair value of the investment properties at 31 March 2018 is as follows:

	31.3.18 £000	31.3.17 £000
Book value	791,948	987,560
Lease incentives and costs included in trade and other receivables	12,375	15,440
Head leases capitalised	(2,189)	-
Fair value	802,134	1,003,000

Interest capitalised in respect of the refurbishment of investment properties at 31 March 2018 amounted to £9,057,000 (31 March 2017: £10,972,000).

The historical cost of investment property is £622,226,000 (31 March 2017: £822,161,000).

12. Investments in Joint Ventures

	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Share of results of joint ventures		
Gross rental income	189	931
Property overheads	(412)	(100)
Net rental (expense)/income	(223)	831
Net gain/(loss) on revaluation of investment properties	3,317	(1,875)
Loss on sale of investment properties	-	(54)
Development loss	(1,939)	(35)
Provision against book value of development stock	(1,880)	(6,524)
Other operating expenses	(31)	(1,118)
Gross loss	(756)	(8,775)
Administrative expenses	(468)	(338)
Operating loss	(1,224)	(9,113)
Interest payable on bank loans and overdrafts	(24)	(2)
Other interest payable and similar charges	(2,012)	-
Finance income	16	1,233
Change in fair value of derivative financial instruments	7	(42)
Loss before tax	(3,237)	(7,924)
Tax	1,255	1,396
Loss after tax	(1,982)	(6,528)
Reversal of Creechurch loss*	3,485	-
Uplift for Barts Square economic interest**	1,693	-
Share of results of joint ventures	3,196	(6,528)

*This is an adjustment that has been made to add back the Group's share of the loss incurred in one of its joint ventures, arising from finance and other costs in the year to ensure the Group's interest is shown at its recoverable amount.

**This is an adjustment to reflect the impact of the consolidation of a joint venture at its economic interest of 43.8% rather than its actual ownership interest of 33.3%.

	31.3.18 £000	31.3.17 £000
Investment in joint ventures		
Summarised balance sheets		
Non-current assets		
Investment properties	22,623	13,907
Owner occupied property, plant and equipment	39	30
Derivative financial instruments	59	52
Deferred Tax	3,071	1,811
	25,792	15,800
Current assets		
Land, development and trading properties	76,474	89,115
Trade and other receivables	6,109	1,327
Cash and cash equivalents	11,790	9,745
	94,373	100,187
Current liabilities		
Trade and other payables	(18,666)	(17,699)
	(18,666)	(17,699)
Non-current liabilities		
Trade and other payables	(27,652)	(23,124)
Borrowings	(49,523)	(55,282)
	(77,175)	(78,406)
Net assets pre-adjustments	24,324	19,882
Reversal of Creechurch net liability position*	3,485	-
Net assets	27,809	19,882

*This is an adjustment that has been made to add back the Group's share of the loss incurred in one of its joint ventures, arising from finance and other costs in the year to ensure the Group's interest is shown at its recoverable amount.

The Directors' valuation of trading and development stock shows a surplus of £1,700,000 (2017: £7,500,000) above book value.

13. Land, Developments and Trading Properties

	31.3.18 £000	31.3.17 £000
Development properties	6,014	86,652
Properties held as trading stock	28	28
	6,042	86,680

The Directors' valuation of trading and development stock shows a surplus of £628,000 (2017: £5,014,000) above book value.

Total interest to date in respect of the development of sites is included in stock to the extent of £nil (2017: £11,178,000). Interest capitalised during the year in respect of development sites amounted to £2,188,000 relating to assets which were sold during the year.

14. Available-For-Sale Assets

Fair Value	31.3.18 £000	31.3.17 £000
At 1 April	-	3,114
Additions	-	248
Movement	1,385	(3,352)
Disposals	(1,385)	(10)
At 31 March	-	-

The fair value of the Group's Level 3 (IFRS 13 Fair Value Hierarchy) available-for-sale asset has been determined by assessing the expected future consideration receivable from this asset, as the value cannot be derived from observable market data. The fair value of the asset is sensitive only to potential sales proceeds. The gain of £1,385,000 (2017: loss of £3,352,000) recognised in the year is the result of cash received in relation to a previously fully impaired asset.

15. Trade and Other Receivables

	31.3.18 £000	31.3.17 £000
Trade receivables	35,883	12,836
Other receivables	30,083	27,462
Prepayments and accrued income	34,791	33,627
	100,757	73,925

16. Cash and Cash Equivalents

	31.3.18 £000	31.3.17 £000
Rent deposits and cash held at managing agents	5,371	4,046
Restricted cash	2,713	12,111
Cash deposits	83,787	83,105
	91,871	99,262

Restricted cash is made up of cash held by solicitors and cash in blocked/restricted bank accounts.

17. Trade and Other Payables

	31.3.18 £000	31.3.17 £000
Trade payables	11,175	12,197
Other payables	1,632	3,022
Accruals and deferred income	38,571	41,130
	51,378	56,349

18. Borrowings

	31.3.18 £000	31.3.17 £000
Current borrowings	-	2,517
Borrowings repayable within:		
- one to two years	272,501	4,150
- two to three years	-	304,641
- three to four years	-	215,667
- four to five years	21,878	1,053
- five to six years	-	73,353
- six to ten years	122,613	72,320
Non-current borrowings	416,992	671,184
Total borrowings	416,992	673,701

Included within borrowings repayable within one to two years is the Convertible Bond at its fair value of £101,333,000 (2017: £99,774,000). It is a financial instrument classified as Level 1 under the IFRS 13 fair value hierarchy.

On 24 June 2013 the Group issued an £80m fixed rate retail bond at 6% pa and with a maturity date of 24 June 2020. On 2 March 2018 the Retail Bond was repaid resulting in an early redemption charge of £8,708,000 recognised in the Income Statement at 31 March 2018. At 31 March 2018 the Retail Bond was included at its amortised cost of £nil (2017: £79,408,000).

Net Gearing	31.3.18 £000	31.3.17 £000
Total borrowings	416,992	673,701
Cash	(91,871)	(99,262)
Net borrowings	325,121	574,439

Net borrowings excludes the Group's share of borrowings in joint ventures of £49,523,000 (2017: £55,282,000) and cash of £11,790,000 (2017: £9,745,000). All borrowings in joint ventures are secured.

	31.3.18 £000	31.3.17 £000
Net assets	533,894	516,897
Gearing	61%	111%

19. Derivative Financial Instruments

	31.3.18 £000	31.3.17 £000
Derivative financial instruments asset	123	-
Derivative financial instruments liability	(2,874)	(13,981)

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.

20. Share Capital

	31.3.18 £000	31.3.17 £000
Authorised	39,577	39,577

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

	31.3.18 £000	31.3.17 £000
Allotted, called up and fully paid:		
- 118,610,741 (2017: 118,196,215) ordinary shares of 1p each	1,186	1,182
- 212,145,300 deferred shares of 1/8p each	265	265
	1,451	1,447

21. Own Shares Held/Performance Share Plan

Following approval at the 1997 Annual General Meeting the Company established the Helical Employees' Share Ownership Plan Trust (the "ESOP") to be used as part of the remuneration arrangements for employees. The purpose of the ESOP was to facilitate and encourage the ownership of shares by or for the benefit of employees by the acquisition and distribution of shares in the Company. The ESOP sold its entire holding of 163,000 shares for £521,000 in March 2018.

The ESOP purchases shares in the Company to satisfy the Company's obligations under its Share Option Scheme and Performance Share Plan. Nil shares (2017: 254,000) in the Company were purchased during the year at a cost of £nil (2017: £944,000).

At 31 March 2018 the ESOP held nil ordinary shares in Helical plc (2017: 1,262,000).

At 31 March 2018 awards over 3,734,000 (2017: 4,744,000) ordinary shares in Helical plc, made under the terms of the Performance Share Plan, were outstanding.

22. Net Assets per Share

	31.3.18 £000	Number of Shares 000's	31.3.18 Pence Per Share
Net asset value	533,894	118,611	
Less: - own shares held by ESOP		-	
- deferred shares	(265)		
Basic net asset value	533,629	118,611	450
Add: share settled bonus		920	
Add: dilutive effect of the Performance Share Plan		478	
Diluted net asset value	533,629	120,009	445
Adjustment for:			
- fair value of financial instruments	2,692		
- fair value movement on Convertible Bond	1,333		
- deferred tax	21,662		
Adjusted diluted net asset value	559,316	120,009	466
Adjustment for:			
- fair value of trading and development properties	2,328		
EPRA net asset value	561,644	120,009	468
Adjustment for:			
- fair value of financial instruments	(2,692)		
- deferred tax	(21,662)		
EPRA triple net asset value	537,290	120,009	448

The adjustment for the fair value of trading and development properties represents the surplus as at 31 March 2018.

	31.3.17 £000	Number of Shares 000's	31.3.17 Pence Per Share
Net asset value	516,897	118,196	
Less: - own shares held by ESOP		(1,262)	
- deferred shares	(265)		
Basic net asset value	516,632	116,934	442
Add: share settled bonus		1,402	
Add: dilutive effect of the Performance Share Plan		1,410	
Diluted net asset value	516,632	119,746	431
Adjustment for:			
- fair value of financial instruments	13,929		
- fair value movement on Convertible Bond	(226)		
- deferred tax	23,124		
Adjusted diluted net asset value	553,459	119,746	462
Adjustment for:			
- fair value of trading and development properties	12,514		
EPRA net asset value	565,973	119,746	473
Adjustment for:			
- fair value of financial instruments	(13,929)		
- deferred tax	(23,124)		
EPRA triple net asset value	528,920	119,746	442

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.

23. Related Party Transactions

At 31 March 2018 and 31 March 2017 the following amounts were due from/(to) the Group's joint ventures.

	31.3.18 £000	31.3.17 £000
King Street Developments (Hammersmith) Limited	9,916	8,162
Shirley Advance LLP	249	503
Barts Square companies	(9)	(13)
Helical Sosnica Sp. Zoo	-	1,126
Old Street Holdings LP	3	3
Creechurch Place Limited	18,035	15,883

24. Capital Commitments

The Group has a commitment of £63,143,000 (2017: £69,830,000) in relation to construction contracts, which are due to be completed in the period to March 2019.

26. Post Balance Sheet Events

In April 2018 the Group completed its acquisition of the long leasehold of the Over Station Development of Farringdon East, London EC1 with an initial payment of £13,000,000 and a deferred payment of £10.8m due April 2020. In addition, it exchanged contracts for the sale of its office building in Reading for its book value of £8,300,000.

Appendix 1 – See-Through Analysis

Helical holds a significant proportion of its property assets in joint ventures with partners that provide the majority of the equity required to purchase the assets, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account under IFRS for our share of the net results and net assets of joint ventures in limited detail in the income statement and balance sheet. 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 our property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

See-through net rental income

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

		Year ended 31.3.18 £000	Year ended 31.3.17 £000
Gross rental income	- subsidiaries	40,157	48,835
	- joint ventures	189	931
Total gross rental income		40,346	49,766
Rents payable	- subsidiaries	(144)	(68)
Property overheads	- subsidiaries	(3,549)	(2,283)
	- joint ventures	(412)	(100)
Net rental income attributable to profit share partner		(135)	(322)
See-through net rental income		36,106	46,993

See-through net development (losses)/profits

Helical's share of development profits from property assets held in subsidiaries and in joint ventures are shown in the table below.

		Year ended 31.3.18 £000	Year ended 31.3.17 £000
In parent and subsidiaries		(1,961)	7,143
In joint ventures		(1,939)	(35)
Total gross development (loss)/profit		(3,900)	7,108
Provision against stock	- subsidiaries	(2,213)	(6,300)
	- joint ventures	(1,880)	(6,524)
See-through development losses		(7,993)	(5,716)

See-through net gain on sale and revaluation of investment properties

Helical's share of the net gain on sale and revaluation of investment properties held in subsidiaries and in joint ventures are shown in the table below.

		Year ended 31.3.18 £000	Year ended 31.3.17 £000
Revaluation surplus/(deficit) on investment properties	- subsidiaries	23,848	39,152
	- joint ventures	3,317	(1,875)
Total revaluation surplus		27,165	37,277
Net gain/(loss) on sale of investment properties	- subsidiaries	13,567	1,391
	- joint ventures	-	(54)
Total net gain on sale of investment properties		13,567	1,337
See-through net gain on sale and revaluation of investment properties		40,732	38,614

See-through net finance costs

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings, bonds and cash deposits in subsidiaries and in joint ventures are shown in the table below.

		Year ended 31.3.18 £000	Year ended 31.3.17 £000
Interest payable on bank loans, bonds and overdrafts	- subsidiaries	26,873	28,586
	- joint ventures	24	2
Total interest payable on bank loans, bonds and overdrafts		26,897	28,588
Other interest payable and similar charges	- subsidiaries	15,761	4,913
	- joint ventures	2,012	-
Interest capitalised	- subsidiaries	(5,196)	(7,901)
Total finance costs		39,474	25,600
Interest receivable and similar income	- subsidiaries	(4,303)	(3,156)
	- joint ventures	(16)	(1,233)
See-through net finance costs		35,155	21,211

See-through property portfolio

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

		31.3.18 £000	31.3.17 £000
Investment property fair value	- subsidiaries	802,134	1,003,000
	- joint ventures	22,623	13,907
Total investment property fair value		824,757	1,016,907
Trading and development stock	- subsidiaries	6,042	86,680
	- joint ventures	76,474	89,115
Total trading and development stock		82,516	175,795
Trading and development stock surplus	- subsidiaries	628	5,014
	- joint ventures	1,700	7,500
Total trading and development stock surpluses		2,328	12,514
Total trading and development stock at fair value		84,844	188,309
See-through property portfolio		909,601	1,205,216

See-through net borrowings

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

		31.3.18 £000	31.3.17 £000
Gross borrowings less than one year	- subsidiaries	-	2,517
Gross borrowings more than one year	- subsidiaries	416,992	671,184
Total gross borrowings in parent and subsidiaries		416,992	673,701
Gross borrowings less than one year	- joint ventures	-	-
Gross borrowings more than one year	- joint ventures	49,523	55,282
Total gross borrowings in joint ventures		49,523	55,282
Cash and cash equivalents	- subsidiaries	(91,871)	(99,262)
	- joint ventures	(11,790)	(9,745)
See-through net borrowings		362,854	619,976

Appendix 2 – See-through Analysis Ratios

	31.03.18 £000	31.03.17 £000	31.03.16 £000	31.03.15 £000	31.03.14 £000
Balance sheet					
Property portfolio	909,601	1,205,216	1,240,003	1,021,362	801,712
Net borrowings	362,854	619,976	681,842	531,897	365,059
Net assets	533,894	516,897	480,721	404,363	340,527
Loan to value	39.9%	51.4%	55.0%	52.1%	45.5%
Gearing	68.0%	119.9%	141.8%	131.5%	107.2%

Appendix 3 – Five Year Review

Income Statements

	Year ended 31.3.18 £000	Year ended 31.3.17 £000	Year ended 31.3.16 £000	Year ended 31.3.15 £000	Year ended 31.3.14 £000
Revenue	165,973	99,934	116,500	106,341	123,637
Net rental income	36,329	46,162	42,164	34,233	24,402
Development property (loss)/profit	(1,961)	7,143	30,700	16,126	62,273
Provisions against stock	(2,213)	(6,300)	(6,448)	(452)	552
Trading profit	-	-	-	2,503	252
Share of results of joint ventures	3,196	(6,528)	50,469	27,497	16,448
Other operating income	111	982	20	368	230
Gross profit before gain on investment properties	35,462	41,459	116,905	80,275	104,157
Gain on sale of investment properties	13,567	1,391	2,385	2,480	8,611
Revaluation surplus on investment properties	23,848	39,152	47,441	66,904	20,714
Fair value movement of available-for-sale assets	1,385	(3,352)	(1,370)	(773)	(88)
Administrative expenses excluding performance related awards	(11,023)	(10,800)	(10,716)	(10,156)	(8,816)
Performance related awards	(1,742)	(7,572)	(15,387)	(16,374)	(17,860)
Finance costs	(37,438)	(25,598)	(24,113)	(23,678)	(13,983)
Finance income	4,303	3,156	5,128	2,480	4,135
Movement in fair value of derivative financial instruments	4,029	789	(6,860)	(8,389)	5,312
Convertible Bond adjustment*	(1,559)	2,973	516	(3,263)	-
Foreign exchange (losses)/gains	(10)	(3)	100	(2,061)	(501)
Profit before tax	30,822	41,595	114,029	87,445	101,681
Tax on profit on ordinary activities	(4,537)	(2,471)	(9,146)	(12,669)	(14,126)
Profit after tax	26,285	39,124	104,883	74,776	87,555

* Change in fair value of Convertible Bond

Balance Sheets

	31.3.18 £000	31.3.17 £000	31.3.16 £000	31.3.15 £000	31.3.14 £000
Investment portfolio at fair value	802,134	1,003,000	1,041,100	701,521	493,201
Land, developments and trading properties	6,042	86,680	92,035	92,578	98,160
Group's share of investment properties held by joint ventures	22,623	13,907	11,552	88,305	107,504
Group's share of land, trading and development properties held by joint ventures	76,474	89,115	75,904	102,715	75,368
Group's share of land, trading and development stock surpluses	2,328	12,514	19,412	36,243	27,479
Group's share of total properties at fair value	909,601	1,205,216	1,240,003	1,021,362	801,712
Net debt	325,121	574,439	659,393	477,248	312,849
Group's share of net debt of joint ventures	37,733	45,537	22,449	54,649	52,210
Group's share of net debt	362,854	619,976	681,842	531,897	365,059
Net assets	533,894	516,897	480,721	404,363	340,527
EPRA Net assets	561,644	565,973	540,731	469,128	370,062
Dividend per ordinary share paid/payable	8.70p	3.12p	12.60p	6.85p	5.70p
Dividend per ordinary share declared	9.50p	8.60p	8.17p	7.25p	6.75p
EPRA (loss)/earnings per ordinary share	(7.0)p	0.5p	17.1p	2.4p	33.3p
EPRA net assets per share	468p	473p	456p	385p	313p

Appendix 4 – Property Portfolio

London Portfolio

Address	Held As	Description	Area sq ft (NIA)	Vacancy rate at 31 March 2018
Completed, let and available to let				
The Shepherds Building W14	Investment	Multi-let office building	150,470	6%
The Warehouse & Studio, The Bower EC1	Investment	Multi-let office building with retail	151,439	0%
The Loom E1	Investment	Multi-let office building	110,068	17%
The Powerhouse W4	Investment	Single let recording studios/office building	24,288	0%
Power Road Studios W4	Investment	Multi-let office building with redevelopment potential	57,289	29%
25 Charterhouse Square EC1	Investment	Multi-let office building	43,493	0%
One Creechurch Place EC3	Development	Multi-let office building	272,913	31%
Being redeveloped				
The Tower, The Bower EC1	Investment	Multi-let office building with retail undergoing refurbishment and extension	181,770	n/a
Farringdon East EC1	Investment	Over station office development	89,000*	n/a
Barts Square EC1	Investment/ Development	33,301 sq ft offices, 236 residential apartments and 21,692 sq ft retail/leisure development under construction	257,290	n/a
Drury Lane WC1	Development	Planning consent for an alternative office led scheme is being sought	n/a	n/a
Land held for sale				
King Street W6	Development	Development site	n/a	n/a

Manchester Offices

Address	Held as	Description	Area sq ft (NIA)	Vacancy rate
31 Booth Street	Investment	Multi-let office building	25,441	83%
Churchgate & Lee House	Investment	Multi-let office building	243,701	0%
Dale House	Investment	Multi-let office building	53,265	38%
Trinity Court	Investment	Office building currently being redeveloped	47,443	n/a
			369,850	

Regional Portfolio

Address	Held As	Description	Area sq ft (NIA)	Vacancy rate
Regional Offices				
The Hub, Glasgow	Investment	Multi let office building	57,388	2%
Reading**	Investment	Office building	36,092	0%
			93,480	
Land				
Telford, Dawley Road	Development	Residential land	n/a	n/a
Out-of-town Retail				
Sevenoaks, Kent	Investment	Retail park	42,490	0%
			42,490	
Retail Development				
Ibstock site, Kingswinford	Development	Retail park	67,050	n/a
Barking Road, East Ham	Development	Retail/leisure	43,294	n/a
Treyew Road, Truro	Development	Retail park	83,816	n/a
			194,160	

*Estimated space once developed.

**Sold since 31 March 2018 for its book value of £8.3m.

Appendix 5 – Risk Register

STRATEGIC RISKS		
Strategic risks are external risks that could prevent the Group delivering its strategy. These risks principally impact our decision to purchase or exit from a property asset.		
Risk	Risk description	Mitigation/action
The Group's strategy is inconsistent with the market	<p>Changing market conditions could hinder the Group's ability to buy and sell properties envisioned in its strategy. The location, size and mix of properties in the Helical portfolio determine the impact of the risk.</p> <p>If the Group's chosen markets underperform, the impact on the Group's liquidity, investment property revaluations and rental income is greater.</p>	<p>Management constantly monitors the market and makes changes to the Group's strategy in light of market shifts.</p> <p>The Group's management is highly experienced and has a strong track record of understanding the property market.</p> <p>Due to the Group's small management team, changes in strategy can be implemented quickly.</p>
The Group carries out significant development projects	The Group carries out significant development projects over several years and is therefore exposed to fluctuations in the market over time.	Management carefully reviews the risk profile of individual developments and in some cases builds properties in several phases to minimise the exposure to reduced demand for particular asset classes or geographical locations over time. The Group limits the number of speculative developments it does on its own balance sheet.
Property values decline/reduced tenant demand for space	The property portfolio is at risk of revaluation falls through changes in market conditions, including under-performing sectors or locations, lack of tenant demand or general economic uncertainty.	The Group's property portfolio has tenants from diverse industries, reducing over-exposure to one sector. Management reviews external data, seeks the advice of industry experts and monitors the performance of individual assets and sectors in order to dispose of non-performing assets and rebalance the portfolio for the changing market.
Political risk	<p>There is a risk that regulatory and tax changes could adversely affect the market in which the Group operates and changes in legislation could lead to delays in receiving planning permission.</p> <p>There remains uncertainty over the outcome of the United Kingdom's decision to leave the European Union.</p>	Management seeks advice from experts to ensure it understands the political environment and the impact of upcoming regulatory and tax changes on the Group. It maintains good relationships with planning consultants and local authorities.

FINANCIAL RISKS		
Financial risks are those that could prevent the Group from funding its chosen strategy, both in the long and short term.		
Risk	Risk description	Mitigation/action
Availability of bank borrowing and cash resources	The inability to roll over existing facilities or take out new borrowing would impact on the Group's ability to maintain its current portfolio and purchase new properties. The Group may forego opportunities if it does not maintain sufficient cash to take advantage of them as they arise.	<p>The Group maintains a good relationship with many established lending institutions and borrowings are spread across a number of these.</p> <p>Funding requirements are reviewed bi-monthly by management, who seek to ensure that the maturity dates of borrowings are spread over several years.</p> <p>Management monitors the cash levels of the Group on a daily basis and maintains sufficient levels of cash resources and undrawn</p>

		committed bank facilities to fund opportunities as they arise.
Breach of loan and bond covenants	If the Group breaches debt covenants, lending institutions may require the early repayment of borrowings.	Covenants are closely monitored throughout the year. Management carries out sensitivity analyses to assess the likelihood of future breaches based on significant changes in property values or rental income.
Increase in cost of borrowing	The Group is at risk of increased interest rates on unhedged borrowings.	The Group hedges the interest rates on the majority of its borrowings, effectively fixing the rates over several years.

OPERATIONAL RISK		
Operational risks are internal risks that could prevent the Group from delivering its strategy.		
Risk	Risk description	Mitigation/action
Employment and retention of key personnel	The Group's continued success is reliant on its management and staff and successful relationships with its joint venture partners.	The senior management team is very experienced and the average length of service is high. The Nominations Committee and Board regularly review succession planning issues and remuneration is set to attract and retain high calibre staff. The Group has well established relationships with joint venture partners.
Reliance on key contractors and suppliers	The Group is dependent on the performance of its key contractors and suppliers for successful delivery of its development property assets.	The Group actively monitors its development projects and uses external project managers to provide support. Potential contractors are vetted for their quality, health and safety record and financial viability before being engaged. They are then closely managed throughout the development process.
Inability to asset manage, develop and let property assets	The Group relies on external parties to support it in asset managing, developing and letting its properties, including planning consultants, architects, project managers, marketing agencies, lawyers and managing agents.	The Group has a highly experienced team managing its properties. It seeks to maintain excellent relationships with its specialist professional advisors. Management actively monitors these parties to ensure they are delivering the required quality on time.
Health and safety/bribery and corruption risk	The nature of the Group's operations and markets expose it to potential health and safety and bribery and corruption risks both internally and externally within the supply chain.	The Group reviews and updates its Health and Safety policy regularly and it is approved by the Board annually. The Group engages an external health and safety consultant to review contractor contracts prior to appointment to ensure they have appropriate policies and procedures in place, then monitors the adherence to policies throughout the project. The Executive Committee reviews the report by the external consultant every month and the Board reviews them at every scheduled meeting. The internal asset managers carry out regular site visits. The Group's anti-bribery and whistleblowing policies are reviewed and updated annually and projects with greater exposure to bribery and corruption are monitored closely. The Group avoids doing business in high risk territories. All employees are required to complete an online anti-bribery and corruption course and to submit details of corporate hospitality and gifts received.

Property acquisitions or disposals are linked to criminal activities	The Group is exposed to the potential risk of acquiring or disposing of a property where the owner/purchaser has been involved in criminal conduct or illicit activities.	The Group engages legal professionals to undertake due diligence and money laundering checks as well as obtaining documentation on checks performed by the vendor's legal team. All property transactions are reviewed and authorised by the Executive Committee.
Disruption to the business from failure of Information Technology systems	<p>The Group relies on Information Technology to perform effectively. Failure would adversely affect the Group's operations.</p> <p>Commercially sensitive and personal information is electronically stored by the Group. Theft of this information could adversely impact the Group's commercial advantage and result in penalties where the information is protected by law (GDPR).</p> <p>The Group is at risk of being a victim of social engineering fraud.</p>	<p>The Group engages and actively manages external Information Technology experts to ensure the systems operate effectively and that we respond to the evolving I.T. security environment. This includes regular off-site backups and a comprehensive disaster recovery process.</p> <p>The external provider also ensures the system is secure and this is subject to routine testing including bi-annual disaster recovery tests. There is a robust control environment in place for invoice approval and payment authorisations including authorisation limits and a dual sign off requirement for large invoices and bank payments.</p> <p>The Group provides training, and there are procedures in place, to identify emails of a suspicious nature ensuring these are flagged to the IT providers and employees do not open attachments or follow instructions within the email.</p>

REPUTATIONAL RISKS Reputational risks are those that could affect the Group in all aspects of its strategy.		
Risk	Risk description	Mitigation/action
Poor management of stakeholder relations	The Group risks suffering from reputational damage resulting in a loss of credibility with key stakeholders including Shareholders, analysts, banking institutions, contractors, managing agents, tenants, property purchasers/sellers and employees.	<p>The Group believes that by successfully delivering its strategy and mitigating its strategic, financial and operational risks its good reputation will be protected.</p> <p>The Group regularly reviews its strategy and risks to ensure it is acting in the interests of its stakeholders.</p> <p>The Group maintains a strong relationship with investors and analysts through regular meetings. The Group has a formal approval procedure for all press releases and public announcements.</p> <p>A Group Disclosure Policy and Share Dealing Code, Policy & Procedures have been circulated to all staff in accordance with the EU Market Abuse Regulation (MAR).</p>
Modern Slavery and Human Trafficking	The Group would attract criticism and negative publicity were any instances of "modern slavery" identified within its supply chain.	Our Modern Slavery Act statement, which is prominently displayed on our website, gives details of our policy and our approach.
General Data Protection Regulation (GDPR)	The Group would attract criticism and negative publicity if instances of non-compliance with GDPR were identified. Non-compliance may also result in financial penalties.	The Group monitors its GDPR compliance which ensures appropriate safeguards, policies, procedures, contractual terms and records are implemented and maintained in accordance with the regulation.

APPENDIX 6 – GLOSSARY OF TERMS

Average unexpired lease term	The average unexpired lease term expressed in years.
Capital value (psf)	The open market value of the property divided by the area of the property in square feet.
Company or Helical or Group	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 losses/gains on sale and revaluation of investment properties and their deferred tax adjustments, the tax on loss/profit on disposal of investment properties, trading property losses/profits, movement in fair value of available-for-sale investments and fair value movements on derivative financial instruments, on an undiluted basis. Details of the method of the calculation of the EPRA earnings per share are available from EPRA.
EPRA net assets per share	Diluted net asset value per share adjusted to exclude fair value of financial instruments and the Convertible Bond, and deferred tax on capital allowances and on investment properties revaluation, but including the fair value of trading and development properties in accordance with the best practice recommendations of EPRA.
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.
EPRA triple net asset value per share	EPRA net asset value per share adjusted to include fair value of financial instruments and deferred tax on capital allowances and on investment properties revaluation.
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 in arrears.
Estimated rental value (ERV)	The market rental value of lettable space as estimated by the Group's valuers at each balance sheet date.
Gearing	The normal value of Group borrowings expressed as a percentage of net assets
Initial yield	Annualised net passing rents on investment properties as a percentage of the investment property valuation.
IPD	Investment Property Databank Limited (IPD) is a company that produces a number of independent benchmarks of unleveraged commercial property returns.
Net asset value per share (NAV)	Equity Shareholders' Funds divided by the number of ordinary shares at the balance sheet date.
Net gearing	Total borrowings less short-term deposits and cash as a percentage of equity Shareholders' Funds.
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	The consolidated Group and the Group's share in its joint ventures.
See-through gearing	The see-through net borrowings expressed as a percentage of equity Shareholders' Funds.
Total Accounting Return	The growth in the net asset value of the Company plus dividends paid in the year, expressed as a percentage of net asset value.
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.

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.
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 lease expiry date dividend by the contracted annual rent.

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