Helical Bar plc

Report & accounts
2008

Contents

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Financial highlights

Profit before tax, revaluation and loss on sale of investment properties	Diluted EPRA earnings per share	Final dividend per share	Diluted EPRA net asset value per share
£8.5m	**11.6p**	**2.75p**	**352p**

Helical Bar is a property development and investment company. We create shareholder value through a wide variety of high margin activities with property investment at our core.


Change of use


Mixed use development

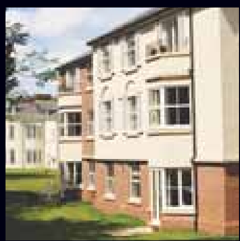

Office refurbishment

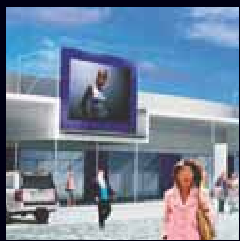

Retail refurbishment

Property investment


Industrial development

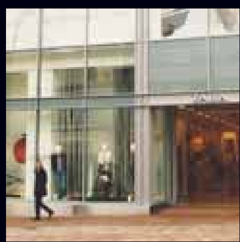

Asset management


Retirement villages


Overseas development


Outsourcing


Office development


Retail development

Morgan Arcade
Cardiff

Helical has produced a creditable performance in the year to 31 March 2008 against a background of considerable turbulence in the financial markets.

Total shareholder return

Total Returns	Performance measured over 1 year %pa	3 years %pa	5 years %pa	10 years %pa	15 years %pa	20 years %pa
Helical Bar plc	(11.4)	19.0	28.1	18.3	23.0	14.7
UK Equity Market	(7.7)	9.5	14.7	3.5	8.5	10.1
Listed Real Estate Sector index	(33.3)	6.8	19.8	7.1	11.0	7.5
Direct Property – monthly data	(10.7)	7.7	10.7	10.6	11.2	10.0

Source: New Bridge Street Consultants/Thomson Financial

Total shareholder return measures the return to shareholders from share price movements and dividend income and is used to compare returns between companies listed on the London Stock Exchange.

IPD (all monthly and quarterly valued funds) ungeared returns

Total Returns	Annualised over 1 year %pa	3 years %pa	5 years %pa	10 years %pa	18 years %pa
Helical	(1.6)	16.4	18.4	17.9	17.5
IPD Benchmark	(8.5)	8.6	11.0	10.5	8.6
Helical's percentile rank	8	4	1	1	0

Source: Investment Property Databank "0"= top ranked fund

Note: excludes the surplus arising from the directors' valuation of trading and development stock.

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

Chairman's statement

Helical has produced a creditable performance in the year to 31 March 2008 against a background of considerable turbulence in the financial markets. The Company is not immune to the impact of global events and these have undoubtedly had an adverse impact on the outlook for UK commercial property.

Results

Profits before the loss on sale and revaluation of investment properties fell from £19.5m to £8.5m reflecting a reduction in development profits to £6.1m (2007: £13.6m), no trading profits (2007: £2.1m) and a decline in our share of the results of our 50:50 joint ventures which showed a loss of £0.1m (2007: profit £6.2m).

Administration costs reduced from £17.5m to £13.7m with performance related bonuses of nil (2007: £4.2m). Net finance costs increased from £0.4m to £1.7m as the consequence of increased borrowings and higher interest rates.

Diluted loss per share was 13.5p (2007: earnings 53.7p) and diluted EPRA earnings per share were 11.6p (2007: 16.6p).

As referred to in the Chief Executive's Statement, valuation yields on our investment portfolio rose by 90 basis points, which was in line with the market and this caused a fall in values of 11.3% (2007: increase of 14.4%) reflected as a loss on revaluation of £32.6m (2007: gain £33.2m). A loss on sale of investment properties of £0.2m compares with a profit of £7.4m in the previous year.

The Group's diluted EPRA net asset value per share fell by 6% to 352p (2007: 374p). The directors' valuation of trading and development stock showed a surplus of £43m (2007: £36m) and excluding this surplus the adjusted diluted net asset value per share fell by 8% to 306p (2007: 334p).

In view of the uncertain economic outlook the Board is recommending to shareholders that the final dividend is maintained at the same level as last year at 2.75p per share. Under IFRS dividends are accounted for once approved and, as a consequence, this final dividend is not reflected in these accounts. However, taken with the interim dividend paid in December 2007 of 1.75p (2007: 1.60p) it represents a total dividend of 4.50p (2007: 4.35p), an increase of 3%.

Financing

During the year we were happy to invest selectively in our development and trading portfolio with particular emphasis on retail warehousing in Poland and change of use. With expenditure of £90m net debt has increased to £205m at 31 March 2008 (2007: £134m). Gearing has increased, as a consequence, to 76% (2007: 47%). As at 17 June 2008, the Company had £14m of cash on deposit, over £65m of undrawn facilities and £170m of uncharged property.

The Board

During the year we were delighted to welcome Matthew Bonning-Snook and Jack Pitman to the main board in recognition of their contribution to our business over many years. Both have considerable experience in unlocking value through the planning process, working on mixed use projects and managing joint venture partnerships. Michael Brown has moved up to deputy Chief Executive working closely with Chief Executive, Michael Slade, on formulating the company strategy in these challenging times. Helical has a strong culture of personal commitment to the business with the main board executives having a 19% shareholding and between them on average over 15 years of service.

I would like to extend my thanks to the tireless contribution of the rest of our staff and our many joint venture partners all of whom will be working hard to ensure Helical's success during this demanding time.

Outlook

Whilst the property market is currently on a downward trend we take comfort in the latent potential of our development and trading portfolio. Profits released over the next couple of years from a diverse spread of activity including planning gain, retail warehouse development in Poland and retirement villages should drive our continued relative outperformance.

The next 12 months will be a relatively difficult time for the sector and there may well be further setbacks to the economy during that time. However, I am confident that we have the skills, financial resources and diversity of projects to take advantage of whatever opportunities the future brings.

Giles Weaver
Chairman

17 June 2008

Chief Executive's statement

The market

The market has suffered a sharp correction as sentiment has finally turned against an overheated investment market. Whilst the pace of decline has slowed in recent months it now seems likely that property is entering a "double dip" as occupational markets weaken in deteriorating economic conditions. At Helical we are braced for a second consecutive year of poor returns in the commercial property market. Whether the market can stabilise in 2009 is entirely dependent on the underlying strength of the economy and whether a recession can be avoided.

Helical anticipated the rise in yields by greatly reducing the proportion of its assets held in the investment portfolio and by diversifying its exposure into a broader spread of activities including retail warehouse developments in Poland, planning deals, mixed use developments and retirement villages. This approach has delivered an unleveraged return of 7% above benchmark returns as measured by IPD despite our valuation yields rising 90 basis points, in line with the market. There remains significant latent potential to be unlocked within our development and trading portfolio which should continue to mitigate any underlying slide in market values.

With threats come opportunity and Helical has put together many of its best deals in difficult markets. We need to remain patient whilst the major adjustment in prices is unfolding. However, we expect to re-enter the market during 2009 and 2010 and rebuild our investment portfolio at prices that will serve us well during the next upswing in the property cycle.

Michael Slade
Chief Executive
17 June 2008

Our portfolio

	London offices	Provincial offices	In town retail	Out of town retail	Industrial	Change of use	Retirement village	Total
Investment	29.2%	2.5%	15.3%	4.4%	6.1%	3.8%	–	61.3%
Trading and development	0.5%	4.7%	1.2%	4.4%	12.2%	12.9%	2.8%	38.7%
Total	29.7%	7.2%	16.5%	8.8%	18.3%	16.7%	2.8%	100.0%

Shepherds Building
London W14

Business review

Our goals

We seek to make excellent returns for our shareholders whilst avoiding the pitfalls of the commercial property cycle. We aim to achieve this through a broadly based, diversified property business, which has access to a very wide range of opportunities.

We do this with a small, long serving management team who have a significant proportion of their own wealth invested in an 19% stake in the Company and have no competing interests. We try to keep execution risk to a minimum, working with first rate joint venture partners when we move into new areas of property business.

Planning

We are specialists in unlocking value by obtaining planning consents for more valuable uses.

During the year we acquired an office building in Fieldgate Street, London E1 where we believe value will be released by redevelopment as student accommodation.

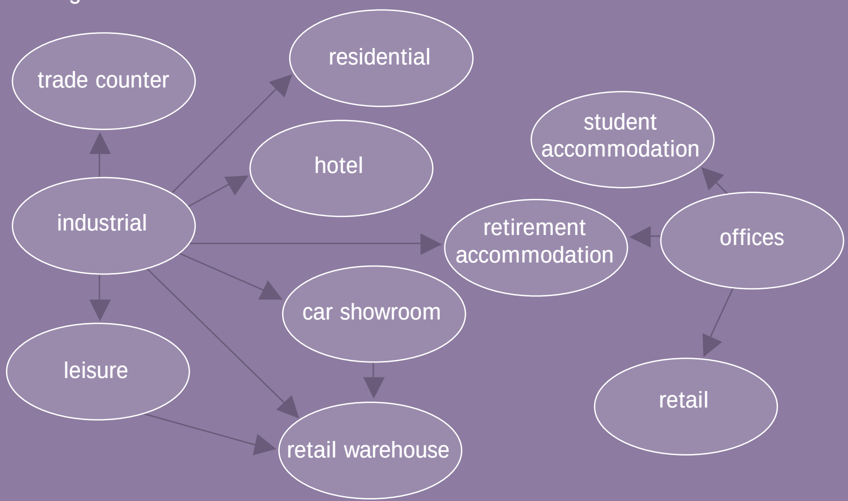
In Vauxhall, London, we are working with National Grid UK Pension Fund to secure a large residential allocation on an industrial estate fronting the Thames.

Our biggest project is at White City where on behalf of a consortium of landowners we are master planning 4.5 million sq.ft. of residential and commercial space on 33 acres.

During the year we acquired a brownfield site in Exeter to add to our holdings in Cambridge, Horsham and Great Alne (west of Stratford-upon-Avon) where we are seeking retirement village consents. Residential use is being sought on industrial sites in Fleet and Whitstable and on a greenfield site acquired during the year in Telford.

In Milton Keynes we have gained consent for a 305,000 sq.ft. retail warehouse and leisure scheme and a trade park on separate sites.

Change of use



Residential flats at
Morgan Department Store
Cardiff

Our approach

Our spread of activities gives us the flexibility to deploy capital rapidly across our business and focus on whatever opportunities offer the best returns at different points of the property cycle

Mixed use development

In recent years we have sought to create more sustainable development with a variety of complementary uses. In particular, we have incorporated residential uses into a number of our schemes. These include 440 flats above a supermarket in Milton Keynes, 700 student units above retail in Nottingham and 56 flats above retail in Cardiff. In all these cases we have reduced our market exposure by forward sales. We are working up a variety of projects for future development.

In Wolverhampton we are converting a disused railway station into a casino pre-let to BIL and have sold a site for student housing having previously disposed of land parcels for residential, hotel, car showroom and a public house.

During the year we were selected by the London Borough of Hammersmith in partnership with residential specialist Grainger to provide a scheme of 120,000 sq.ft. new civic offices, a food store, restaurants and 350 flats.

We also signed a joint venture agreement with National Grid at High Wycombe to pursue a 100,000 sq.ft. retail and leisure scheme plus 125 residential units adjoining the new Eden Shopping Centre.

At Parkgate, Shirley we continue land assembly for an 80,000 sq.ft. Asda supermarket together with 120,000 sq.ft. of retail and 200 residential units.

In Bracknell we are planning a 300,000 sq.ft. office and residential scheme.

Retail development

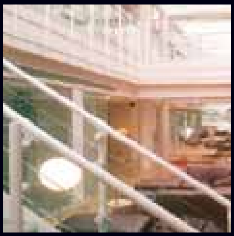
We are currently focusing on our retail development in Poland where we have over 1 million sq.ft. of development planned in three projects. In Opole a 38,000 sq.m. scheme anchored by Carrefour with funding from Standard Life is due to commence in the Autumn. In Wroclaw a 9,600 sq.m. scheme is due to complete by the end of the year and is 60% prelet. Our largest scheme at Gliwice is 50,000 sq.m. and 60% preleased with commitments from Carrefour and Castorama and is likely to commence in Spring 2009.

Office development

We have a 20 year track record of building Grade A Central London office buildings, often in partnership with institutions and other landowners.

We are managing the development of the new 320,000 sq.ft. Man Group HQ at Riverside House in the City for Pace Investments (City) Ltd and the City of London. In the West End we are refurbishing Clareville House, SW1 which comprises 35,000 sq.ft. of offices and 23,000 sq.ft. of leisure and restaurant space for National Grid Pension Fund.

At Mitre House, EC3 we continue to work with the land owners seeking a pre-let for a 350,000 sq.ft. office scheme.



Office refurbishment

We like to breathe new life into unloved, empty office buildings in and around Central London introducing some design flair and creating new hubs or communities of occupiers.

In Battersea we recently converted an empty TV studio into offices with a communal bar and meeting space which is now let to over 20 different businesses. We are now in the process of doubling the floor space, building a second 50,000 sq.ft. on part of the car park which is due to complete in December. Investment properties Rex House, SW1, Shepherds Building, W12 and 61 Southwark Street, SE1 represent over £100m of buildings that we have refurbished in the past and retained for their growth potential. Our London holdings comprise circa 390,000 sq.ft. of offices fully let to 78 tenants generating a reversionary rent roll of £10.6 million, an average of just £27 per sq.ft.

Industrial development

In partnership with Chancerygate and Quadrant we are building 140 units totalling over 580,000 sq.ft. for onward sale to owner occupiers at two sites in Oxford and at Southampton, Southall (West London) and Hailsham. In recent years we have completed successful schemes in Slough with Chancerygate and in Cambridge, Edenbridge and Harlow in partnership with Dencora. These schemes often include sales of parcels of land for hotels, car showrooms and self-storage and the development of trade counter schemes.

Retirement villages

As part of our planning business we have obtained retirement village consents and in the past sold off the sites for development. At Cawston, Rugby we retained an interest in the development as a consortium member and following its success have elected to build out the first of three phases of our recently consented 147 unit scheme at Liphook. Construction is proceeding well and we have reservations on 24 units.

Outsourcing

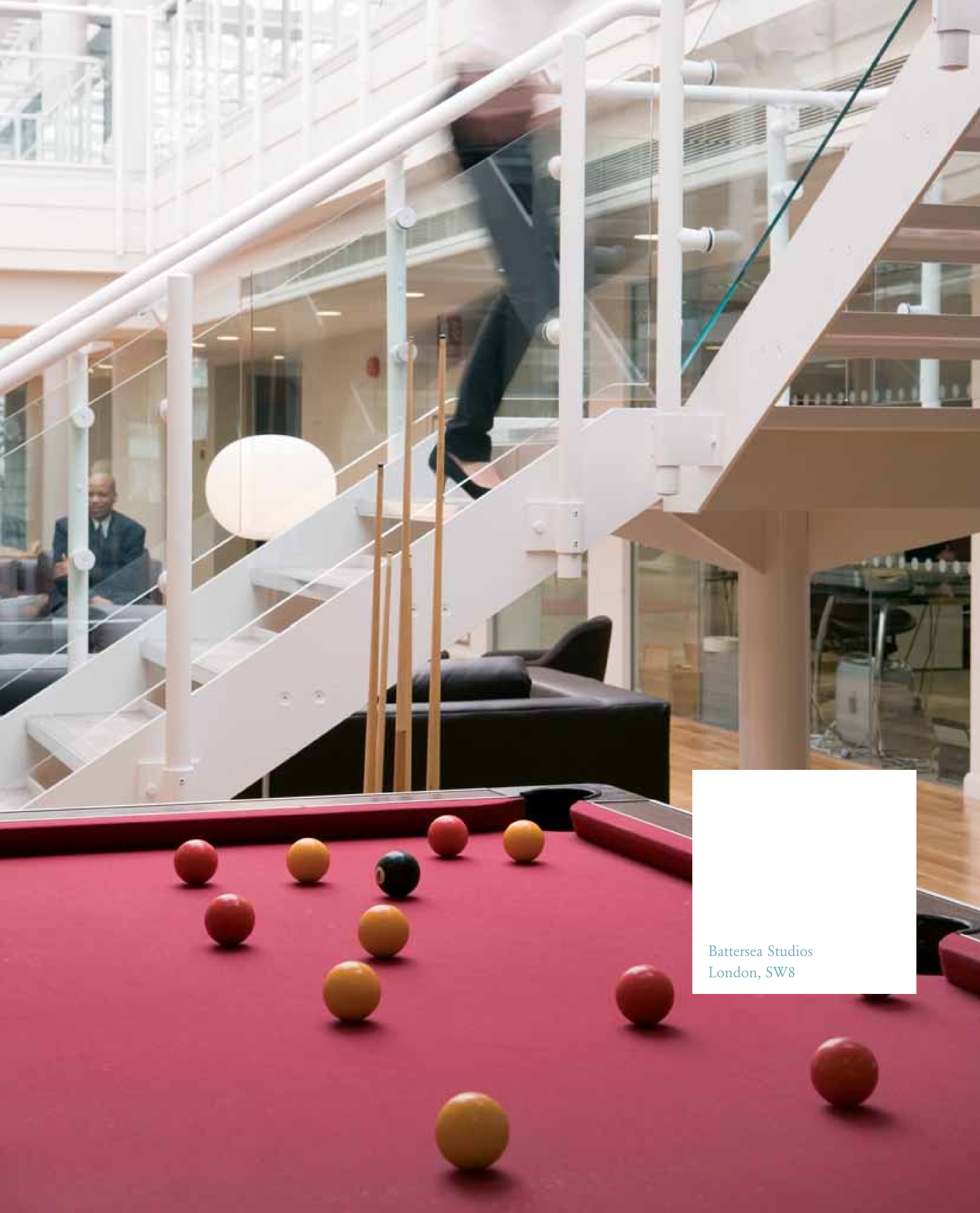
The Asset Factor, our outsourcing joint venture, has continued to make good progress. NB Entrust, the joint venture between NB Real Estate and the Asset Factor, is a property operator that integrates management and service delivery in multi-let buildings where there are common services delivered under a service charge. The Asset Factor has been a driving force behind an investment in new management and systems with the aim of creating a market leading property and facilities management business. Alongside this operation the Asset Factor has established a number of related ventures. Asset Oncall is a helpdesk and asset management systems business set up to help clients improve the performance of their facilities management. Asset Faculty is a training business focused on developing the skills and performance of people in property support businesses. Asset Space is focused on managing and improving the performance of properties through non-lease income such as advertising, concessions and brand promotions.

Governetz

Our Helical Governetz venture is seeking to assist Government in securing its long term occupational needs in campus developments where shared facilities improve efficiency and reduce costs and where the new buildings meet all their environmental targets. Helical Governetz has secured agreements with owners of strategic sites in Rotherham, Keele and Newport. The campuses will be built to fit the needs of government organisations and private sector suppliers relocating as a result of the findings of the Lyons, Gershon and Varney reports, all of which call for fundamental changes in the way in which the Public Sector operates and is housed in the future.

Quotient

In January 2007 we acquired a research facility near Newmarket in a joint venture with the majority shareholder of Quotient who occupy the buildings. As part of the transaction we acquired a stake in Quotient, a fast growing biosciences company.



Battersea Studios
London, SW8

Portfolio statistics

Investment portfolio

Valuation movements

Sector	Valuation Movement	Weighting	Yield increase over 12 months Initial	Equivalent
Offices	-5.1%	54%	+100bp	+120bp
Retail	-20.8%	33%	+130bp	+80bp
Industrial	-9.8%	13%	-120bp	+40bp
All	-11.3%		+90bp	+90bp

Valuation yields

Sector	Initial	On letting voids	On rack rental value	Equivalent	True equivalent
Offices	7.2%	7.3%	8.2%	7.2%	7.5%
Retail	4.9%	5.4%	6.0%	5.8%	6.0%
Industrial	4.9%	7.9%	7.9%	7.8%	8.1%
All	6.1%	6.8%	7.4%	6.8%	7.1%

Sector	Capital value psf	Vacancy rate	(under offer)	Average unexpired lease term
Offices	£330	1%	(0%)	5.2
Retail	£348	11%	(8%)	8.5
Industrial	£50	33%	(10%)	5.2
All	£190	9%	(3.5%)	6.1

Lease expiries and tenant break options

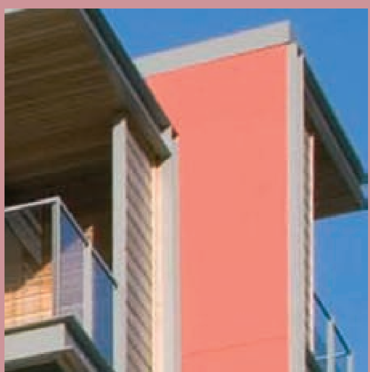
	2008	2009	2010	2011
Percentage of rent roll	5.6%	10.8%	6.8%	19.2%
Number of leases	40	43	38	34
Average rent per lease	£25,500	£45,500	£32,500	£102,500

Development and trading portfolio

Project Type	Book cost £m	Directors' valuation £m	Surplus over book cost £m	Basis of valuation
Change of use	57	80	23	current site value
Industrial development for freehold sales	59	61	2	current site value
Retirement village development	13	22	9	current site value
Office development	20	20	0	current site value
Retail development (Helical Poland)	16	25	9	current site value
Others - mainly mixed development	17	17	0	current site value
Total	182	225	43	

Project Type	Potential profit over directors' valuation at current values £m	Basis of potential profit
Change of use	68	Planning consents gained*
Industrial development for freehold sales	11	Development
Retirement village development	10	Development & assignment fees
Office development	6	Development
Retail development (Helical Poland)	15	Development
Others – mainly mixed development	5	Development
Total	115	

* The change of use portfolio has the potential to provide significant further development profits not included in these figures once planning consents have been obtained.



C4.1
Milton Keynes

Property portfolio

Ongoing Projects

Mixed use Developments	Description	Helical share
Morgan Department Store, Cardiff	160,000 sq.ft. retail – Borders, TK Maxx, Moss Bros., Rossiters 56 flats, all forward sold. Completion 2008.	100%/I
C4.1, Milton Keynes	110,000 sq.ft. Sainsbury's (forward sold). 440 residential units (forward sold). 35,000 sq.ft. of retail and offices. Completion 2008.	50%/D
Trinity Square, Nottingham	180,000 sq.ft. retail – Borders, TK Maxx, Dixons. 700 student units. Forward sold to Morley for over £100m. Completion 2008.	65%/D
King Street, Hammersmith	Selected as Development Partner to Hammersmith & Fulham Borough Council. Joint venture with Grainger plc. Scheme comprises new civic offices (11,000 sq.m.), foodstore, restaurant/retail, and 350+ flats with a bridge linking to the River Thames. Application to be submitted 2008/9. Completion 2013/14.	50%/D
Amen Corner, Bracknell	Land and options held for a gateway office/mixed use development off A329M.	100%/D
Bluebrick, Wolverhampton	11 acre site Individual land sales completed for 208 flats, 20,000 sq.ft. showroom, 88 bed hotel, 7,000 sq.ft. pub. Refurbishment ongoing of listed building pre-let for casino. Further 1.5 acres sold for student housing.	75%/D
Leisure Plaza, Milton Keynes	Planning consent gained for 165,000 sq. ft. retail store, 65,000 sq. ft. casino, 50,000 sq. ft. ice rink, plus a further 25,000 sq. ft. of leisure.	50%/D
Lily's Walk, High Wycombe	100,000 sq ft of retail/leisure, 125 residential units. Planning application to be submitted 2008.	80%/D
Parkgate, Shirley, Birmingham	200,000 sq.ft. retail – Asda (80,000 sq.ft.supermarket) and 200 residential units. Site assembly underway.	50%/D
Hagley Road West, Quinton, Birmingham	16,000 sq.ft. retail plus 15 residential units. Construction to commence 2008.	75%/D

Office Developments	Description	Helical share
Riverbank House, London EC4	320,000 sq.ft. pre-let to Man Group. Under construction.	Development management role/D
Clareville House, London SW1	Refurbishment of 35,000 sq.ft. offices plus 23,000 sq.ft. of restaurant, nightclub and retail. Construction started.	Development management role/D
Battersea Studios, London SW8, (phase 2)	50,000 sq.ft. of new office development. Completion late 2008.	75%/I
Downtown Glasgow	50,000 sq ft new office development. 30% pre-let to Glasgow School of Art. Completion early 2009.	70%/D
Mitre Square, London EC3	350,000 sq.ft. Site assembly ongoing.	50%/D
Forestgate, Crawley	Refurbishment of 24,000 sq.ft. completed. Scheme for two new buildings of 21,000 sq.ft. and 18,000 sq.ft.	75%/D

Industrial Developments	Description	Helical share
Scotts Road, Southall, West London	250,000 sq. ft. of industrial units for freehold sales. Construction of Phase 1 of 166,000 sq.ft. commenced 2007. 45,000 sq.ft. presold.	80%/D
Ropemaker Park, Hailsham	70,000 sq.ft. light industrial, 12,000 sq.ft. supermarket and 1,500 sq.ft. restaurant all sold. 30,000 sq.ft. trade park, 12,000 sq.ft. industrial and 7,000 sq.ft. ancillary to let.	50%/D
Millbrook Trading Estate, Southampton	Construction of 65,000 sq ft of industrial units, 64,000 sq. ft. of trade counters commenced in 2008. 1 acre sold for self-storage. Phase 2 comprises 4 acres of industrial land.	80%/D

I – Investment   D – Development   T – Trading

Ongoing Projects

Industrial Developments	Description	Helical share
Watlington Road, Cowley, Oxford	71,000 sq.ft. of industrials and offices of which 56,000 sq.ft. sold.	80%/D
Langford Lane, Kidlington	Phase 1 of 72,000 sq.ft. of industrial units completed. Phase 2, 15,000 sq. ft. completed and sold. 1 acre site for further sales.	80%/D
Tiviot Way, Stockport	A planning application will be submitted in 2008 for 100,000 sq.ft. industrial, 49,000 sq.ft. trade counter, 20,000 sq.ft. self storage, 20,000 sq.ft. builders' merchant and car showroom.	80%/D

Retail Developments	Description	Helical share
Opole, Poland	38,000 sq.m. out of town retail. Part pre-let to Carrefour. 50% preleased. Construction to commence 2008.	50%/D
Wroclaw, Poland	9,600 sq.m. out of town retail. 60% preleased. Construction due to complete by end of 2008.	50%/D
Gliwice, Poland	50,000 sq.m. out of town retail. 60% preleased to Carrefour and Castorama. Construction to commence 2009.	50%/D

Retirement Village Developments	Description	Helical share
Lime Tree Village, Rugby	154 bungalows, cottages and apartments being constructed in phases. 128 sold to date.	33%/D
Bramshott Place, Liphook	Construction commenced in 2008 of 45 unit Phase 1 of 147 unit scheme.	90%/D

Projects with change of use potential	Description	Helical share
White City, London W12	Planning consent to be sought for 4.5 m sq.ft. residential on 33 acres.	Consortium landowner and development manager/D
Vauxhall, London SW8	In partnership with National Grid UK Pension Fund we are seeking to gain consent for a large residential led mixed-use development on a Thames-side industrial estate.	Profit share/D
Fieldgate Street, London E1	Planning consent sought for 14,000 sq. ft. of retail and 350 student residential units.	67%/D
St Loye's College, Exeter	18 acre site currently used as a college. Potential for retirement village use, planning application to be submitted for 225 units in 2008.	90%/D
Ely Road, Milton, Cambridge	32,000 sq.ft. of industrial on 20 acres. Planning application to be submitted in 2008 for 120 unit retirement village.	90%/D
Maudslay Park, Great Alne	314,000 sq.ft. industrial estate on a 20 acre site with potential for up to 175 retirement home units.	90%/D
Cherry Tree Yard, Faygate, Horsham	Former sawmill on 15 acres. With potential for 175 retirement home units.	90%/D
Waterside, Fleet	54,000 sq.ft. of industrial property on 5 acres with potential for 207 residential units.	75%/I
Thanet Way, Whitstable	80,000 sq.ft. of industrial on 6 acres with potential for 236 residential units.	90%/D
Arleston, Telford	19 acre greenfield site with residential potential.	90%/D
Winterhill, Milton Keynes	28,000 sq.ft. of warehouses and offices with trade counter consent and retail warehouse potential.	50%/I
Cardiff Royal Infirmary	Vacant hospital on a peppercorn lease with residential potential.	75%/I
Cawston, Rugby	32 acre greenfield site with potential retirement village.	40%/D

I – Investment   D – Development   T – Trading

REX HOUSE
10

Income producing assets

Offices	Description	Helical share
Rex House, Lower Regent Street, London SW1	80,000 sq.ft. office building refurbished in 2001. Short leasehold expiring 2035. Acquired vacant in 2000.	100%/I
Shepherds Building, Shepherds Bush, London W14	150,000 sq.ft. of studio offices refurbished in 2001 and let to over 50 tenants. Acquired vacant in 2000.	90%/I
61 Southwark Street, London SE1	66,000 sq.ft. of offices that have been subject to a rolling refurbishment plus a penthouse floor addition. Acquired 1998.	100%/I
200 Great Dover Street, London SE1	36,000 sq. ft. of offices. Acquired 2008.	100%/I
Battersea Studios, London SW8	55,000 sq.ft. of media style offices refurbished in 2006. Acquired vacant in 2005.	75%/I
Quotient HQ, Fordham, Newmarket	70,000 sq.ft. of R&D space and offices on a 32 acre landscaped site. Acquired 2007.	53%/I
Amberley Court, Crawley	Partial refurbishment of 31,000 sq.ft. office campus.	90%/I

Retail in-town	Description	Helical share
Morgan & Royal Arcades, Cardiff	56 units to be subject to intensive management on completion of the adjoining development at the David Morgan Department Store. Acquired 2005.	100%/I
1-5 Queens Walk, East Grinstead	37,000 sq.ft. of retail opposite a proposed new retail scheme. Acquired 2005.	87%/I
Glasgow Portfolio	Two unit shop investments and part of a multi-let office block, all in Glasgow City Centre. Acquired 2005.	100%/I/T

Retail out-of-town	Description	Helical share
Otford Road Retail Park, Sevenoaks	43,000 sq.ft. with open A1 consent let to Wickes, Currys and Carpetright. Acquired 2003.	75%/I
Stanwell Road, Ashford	32,000 sq.ft. Focus DIY store. Acquired 2004.	75%/I
215 Brixham Road, Paignton	24,000 sq.ft. Focus store with open A1 consent (including food). Acquired 2005.	67%/I

Industrial	Description	Helical share
Westgate, Aldridge	208,000 sq.ft. 184,000 sq.ft. let during year. Acquired 2006.	80%/I
Dales Manor, Sawston, Cambridge	70,000 sq.ft. multi-let estate. Acquired 2003.	67%/I/D
Standard Industrial Estate, North Woolwich	50,000 sq.ft. estate. Acquired 2002.	60%/I
Hawtin Park, Blackwood	251,000 sq.ft. estate, part vacant. Acquired 2003.	100%/I
Golden Cross, Hailsham	102,000 sq.ft. unit recently vacated. Acquired 2001.	100%/I
Bushey Mill Lane, Watford	24,000 sq.ft. income producing with development potential. Acquired 2006.	80%/D

I – Investment D – Development T – Trading

Performance and risk

A property company's share price should reflect growth in net assets per share. Our Company's main objective is to maximise growth in assets from increases in investment portfolio values and from retained earnings from other property related activities.

Risk is an integral part of any company's business activities and Helical's ability to identify, assess, monitor and manage each risk to which it is exposed is fundamental to its financial stability, current and future financial performance and reputation.

Key Performance Indicators and Benchmarks

We incentivise management to outperform the Company's competitors by setting the right 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. For a number of years we have reported on these, the most important of which are:

Investment Property Databank

The Investment Property Databank ("IPD") produces a number of independent benchmarks of property returns which are regarded as the main industry indices. They have compared the ungeared performance of Helical's total property portfolio against that of portfolios within IPD for the last 18 years. The Company's annual performance target is to exceed the top quartile of the IPD database. Helical's ungeared performance for the year to 31 March 2008 was -1.6% (2007: 24.1%) compared to the IPD median benchmark of -8.5% (2007: 15.8%) and upper quartile benchmark of -6.3% (2007: 17.2%).

IPD (all monthly and quarterly valued funds) Ungeared returns

Total Returns	31.3.08 %	31.3.07 %	31.3.06 %
Helical	(1.6)	24.1	25.9
IPD upper quartile	(6.3)	17.2	22.8
Percentile rank	8	5	10

The returns on shareholder capital earned by Helical are generally higher than those measured by IPD due to the use of gearing. The returns noted above take no account of the £43m (2007: £36m) surplus of trading and development stock above book value arising from the directors' valuation.

Total Shareholder Return

Total Shareholder Return ("TSR") measures the return to shareholders from share price movements and dividend income and is used to compare returns between companies listed on the London Stock Exchange. Management is incentivised to exceed the top quartile of the real estate sector. Helical's TSR for the year to 31 March 2008 was -11.4% (2007: 9.7%) compared to the median of the listed real estate sector of -33.3% (2007: 22.1%).

Net asset value

Net asset value per share represents the share of net assets attributable to each ordinary share. Whilst the basic and diluted net asset per share calculation provide a guide to performance the property industry prefers to use an adjusted diluted net asset per share. The adjustments necessary to arrive at this figure are shown in note 34 to these accounts.

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

The adjusted diluted net asset value per share, excluding trading stock surplus, at 31 March 2008 was 306p (2007: 334p).

Including the surplus on valuation of trading and development stock, the diluted EPRA net asset value per share at 31 March 2008 was 352p (2007: 374p). Diluted EPRA triple net asset value per share was 335p (2007: 346p).

Risk Management

Risk governance

The responsibility for the governance of the Company's risk profile lies with the Board of Directors of Helical. The Board is responsible for setting the Company's risk strategy by assessing risks, determining its willingness to accept those risks and ensuring that the risks are monitored and that the Company is aware of and, if appropriate, reacts to, changes in those risks. The Board is also responsible for allocating responsibility for risk within the Company's management structure.

Strategic risks

Strategic risks are those risks that may adversely affect the Company's financial performance by following an inappropriate strategy or by the failure to execute an appropriate strategy. Strategic risks arise over a long time frame where there are fundamental differences between the business environment in which the Company operates and the environment assumed on the establishment of that strategy.

The Company's reputation is a key component of our ability to achieve its strategic goals and success in meeting these goals depends not only on the effective management of risks but also on the maintenance of its reputation among stakeholders i.e. employees, investors, regulators, business partners, financial institutions and the public.

The other main strategic risks identified by the Company include:

- long-term under-performance of the real estate sector compared to alternative forms of investment e.g. equities, gilts;
- regulatory changes which significantly impact on the attractiveness of real estate as an investment compared to alternative forms of investment, or on the attractiveness of investing in real estate through a listed company;
- the effect of global events e.g. oil prices, international conflicts and terrorism, economic impacts of global inflation/depressions on UK real estate in general and on London, as a financial centre, in particular;
- macro-economic changes such as interest rate rises affecting yields achievable on real estate;
- overdependence on an inadequate level of business relationships restricting an ability to source opportunities; and,
- retention of key senior employees.

The principal strategic risks noted above and the underlying drivers of such risks are monitored by management and discussed in the annual update of a five year Business Plan presented by the Company's Finance Director to the full Board each year.

In addition the Company receives regular updates on the impact of economic scenarios on the real estate sector as well as subscribing to a number of economic journals in order that senior employees are kept up-to-date.

The Board has a schedule of matters specifically reserved to it for decision. The Board controls the business but delegates day-to-day responsibility to the executive management. However, there are a number of matters which are required to be or, in the interests of the Company, should only be decided by the Board of Directors as a whole.

The Board monitors the financial performance of the Company at quarterly Board meetings where comparisons against budgets and forecasts are made together with a review of key performance indicators.

The remuneration packages of senior directors and employees are seen as the key to their retention and motivation. These remuneration packages are designed to provide a basic level of salary at the lower to mid-range of the Company's peer group but with cash bonuses and share awards at the top end of the peer group rewarding outperformance compared to that peer group.

Risks to the Company's reputation are mitigated by the adoption of an internal Code of Conduct and "whistle-blowing" procedures which are reviewed annually.

The most recent annual review of the strategic risks faced by the Company indicate that the business of Helical is appropriate to the business environment in which it competes.

Market conditions in the period under review have had an adverse impact on the Company with investment values and the Company's share price falling. However, the Company anticipated these conditions by greatly reducing its investment portfolio and by diversifying into a broader spread of activities. As a consequence, the Company's property portfolio outperformed benchmark returns, as measured by IPD, by 7% and the 11.4% fall in Total Shareholder Return for the Company in the year to 31 March 2008 compares to a fall of 33.3% for the Listed Real Estate Sector Index.

Operational risks

Operational risk is the risk that the Company may suffer a loss from inadequate internal processes, systems, resources, incorrect decision-making or through external events.

Losses from operational risk can arise from:

- people-related issues such as inadequate resources, skills or departure of key personnel;
- software or hardware failure, inadequate IT security, failure of back-up facilities;
- incorrect or inappropriate use of valuation models, inappropriate gearing levels, breaches of authorisation levels;
- fraud from internal or external sources;
- external events leading to a loss of a major provider of services e.g. contractor failure.

The Company's approach is not to eliminate operational risk, but rather to identify the areas in which it might arise and to contain it within acceptable limits through the application of effective controls. Ultimately, the management of operational risk is dependent upon the application of sound management judgement. The close involvement of the executive directors in the day-to-day running of the business is critical to that judgement.

The Company has not suffered any material losses arising from exposure to operational risks in the year under review.

Market risks

Market risks arise from the possibility that the Company may suffer reduced income or a loss resulting from fluctuations in the values of, or income from, its real estate portfolio.

Market risk is a key component of the Company's long-term strategy with exposure to the various real estate sectors fluctuating as perceptions of the future performance of each of those sectors change. Net asset value growth, a key performance indicator, is dependent upon an ability to move easily between sectors at the appropriate time.

The Company's directors constantly analyse fluctuations in market movements using evidence gathered from a variety of public and personal sources, using this analysis to determine the future direction of real estate investment.

Selecting the most appropriate level of exposure to each sector is fundamental to the success of the Company. Measuring that success is undertaken by comparing the Company's portfolio returns over short-, medium- and long-term periods with those as reported by Investment Property Databank (IPD), the source of the main real estate sector indices.

In the year under review, and over the medium- and long-term, the Company's performance compares favourably with the rest of the sector as reported by IPD on pages 3 and 20.

Liquidity risks

Liquidity risks arise from having insufficient financial resources to enable the Company to meet its obligations as they fall due, or can only secure them at an excessive cost. Liquidity risks also arise where the Company has insufficient resources to enable investment decisions, arising from its assessment of market risks, to be executed.

The Company finances its operations from the cash flow generated by its operations, bank borrowings, both secured and unsecured and over short-, medium- and long-term periods, and from the capital markets through share issues.

The management of cash and debt is monitored daily with medium-term cash flows prepared weekly and long-term cash flows discussed regularly in management meetings and presented to the Board annually.

The Company's overall approach is to provide sufficient liquidity to be able to meet, from cash resources and available facilities, the expected requirements of the business. The guiding principle is to ensure that funding is obtained from diverse providers with a range of maturities, backed up by interest rate protection where appropriate. This is to ensure that a stable flow of financing is available and to provide protection in the event of market disruption.

The Company's cash resources, bank borrowings, interest rate protection and gearing are noted on pages 64 to 69.

Credit risks

Credit risk is the possibility that the Company may suffer a loss from the failure of its tenants, borrowers, suppliers or other counterparties to meet their financial obligations to the Company, including their failure to meet them in a timely manner. It includes the risks that the Company may suffer a loss as a result of guarantees to third parties. Credit risk in order to earn a return is not a central feature of the Company's business activities, rather it is a consequence of those activities.

The Company is exposed to credit risk in respect of the financial stability of the tenants and potential tenants in its real estate portfolio. It is also exposed to credit risk where cash flows from the sales of real estate, whether investment or trading properties or funded developments, are deferred. The potential failure of major suppliers such as contractors or sub-contractors also exposes the Company to credit risk. Guarantees to third parties, such as banks, where the Company is in joint venture with partners expose the Company to risks that those partners are unable to fulfil their obligations.

The financial assessment of tenants, potential tenants, contractors and potential partners are part of the daily routine of the Company. The assessment of these third parties is undertaken by the finance department in discussion with the executive responsible for the real estate decision.

In the year under review bad debts constituted less than 1.25% of gross rental income and no other third parties resulted in a loss arising in the Company from their financial position.

Financial review

Consolidated Income Statement

Loss before tax

The loss before tax was £24.3m (2007: profit £60.1m) resulting principally from a loss on sale and revaluation of investment properties of £32.8m (2007: gain £40.6m), a reduction in development profits to £6.1m (2007: £13.6m) and a lower contribution from the Company's joint ventures.

Adjusted profit before tax, which excludes the loss on sale and revaluation of investment properties, was £8.5m (2007: £19.5m). Loss after tax was £12.3m (2007: profit £52.1m).

Rental income

Net rental income for the year rose to £16.4m (2007: £14.8m) reflecting constant gross rental income and reduced rental costs of £1.8m (2007: £3.3m).

Trading and other profits

There were no trading profits in the year (2007: £2.1m).

Development profits

The development programme generated profits at the office schemes at Riverbank House, London EC3 and Clareville House, London SW1 and the retail schemes at Wolverhampton, Luton and Nottingham.

Developments	2008 £000	2007 £000	2006 £000
Profits	6,068	13,587	4,594

Share of results of joint ventures

During the year profits recognised on the mixed use scheme at C4.1 Milton Keynes were offset by our share of the costs of operating the joint venture with The Asset Factor resulting in a loss of £0.1m (2007: profit £6.2m).

Loss on sale and revaluation of investment properties

During the year to 31 March 2008 the Group sold investment properties with book values of £6.3m (2007: £45.6m) on which it made a £0.2m loss (2007: £7.5m profit). The properties sold included an industrial unit near Cambridge and a small retail unit in Glasgow. The revaluation deficit for the year was £32.6m (2007: surplus £33.2m).

Administrative expenses

Administrative expenses decreased to £13.7m (2007: £17.5m) as no directors' bonuses were paid in respect of the year (2007: £4.2m). Administrative expenses, before impairment of goodwill, share based payments charge and executive bonuses, increased to £6.9m (2007: £6.1m) reflecting a small increase in the number of employees and a rise in accommodation costs.

Finance costs, finance income and derivative financial instruments

Increases in borrowings and higher interest rates during the year led to an increase in interest costs. However, capitalised interest offset some of the higher interest costs with net finance costs being £3.0m (2007: £2.7m). Finance income earned on cash deposits increased to £2.6m (2007: £1.3m).

Net finance costs	2008 £000	2007 £000	2006 £000
Interest payable on bank loans	11,901	8,437	7,638
Other interest payable	265	228	2,346
Finance arrangement costs	163	114	234
Interest capitalised	(9,296)	(6,069)	(2,797)
Finance costs	3,033	2,710	7,421
Finance income	2,579	1,335	1,295

Derivative financial instruments have been valued on a mark to market basis and a deficit of £1.3m (2007: surplus £1.0m) has been recognised in the Income Statement.

Foreign exchange gains

A foreign exchange gain of £1.9m (2007: nil) has been recognised based on the translation of balances with the Group's Polish subsidiaries.

Taxation

The Group corporation tax charge for the year is less than the standard rate of 30% due to the use of capital allowances, tax relief on share awards and tax losses.

The deferred tax credit for the year reflects a reduction in the provision for tax on revaluation surpluses as a result of the decline in the value of the investment portfolio and a reduction in the provision for tax on temporary differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases in accordance with IFRS.

Dividends

The Board is recommending to shareholders at the Annual General Meeting on 23 July 2008 a final dividend of 2.75p per share (2007: 2.75p) to be paid on 25 July 2008 to shareholders on the register on 27 June 2008. This final dividend, amounting to £2.4m (2007: £2.5m) has not been included as a liability at 31 March 2008, in accordance with IFRS.

Dividends	2008 pence	2007 pence	2006 pence
Interim	1.75	1.60	1.45
Prior period final	2.75	2.45	2.20
Total	4.50	4.05	3.65

(Loss)/earnings per share

Loss per share in the year to 31 March 2008 was 13.5p (2007: earnings 58.0p) per share and on a diluted basis was a loss of 13.5p (2007: earnings 53.7p) per share.

(Loss)/earnings per share	2008 pence	2007 pence	2006 pence
(Loss)/earnings per share	(13.5)	58.0	54.7
Diluted (loss)/earnings per share	(13.5)	53.7	51.8
Diluted EPRA earnings per share	11.6	16.6	12.2

(Loss)/earnings per share calculations are based on the weighted average number of shares held in the year. This is a different basis to the net asset value per share calculations which are based on the number of shares at 31 March 2008.

In accordance with IAS 33 on Earnings per Share, no weighting adjustments have been made for share awards in existence during the year to 31 March 2008 as a loss was made during that year making the adjustment anti-dilutive. Accordingly, the basic and diluted loss per share for the year are the same.

Diluted EPRA earnings per share excludes from earnings the IFRS effects of including the loss on sale and revaluation of investment properties (net of tax) and fair value movement on derivative financial instruments.

Consolidated Balance Sheet

Investment portfolio

During the year investment properties with a book value of £6.3m were sold and £12.2m of new properties were acquired. In addition, around £19.4m of capital expenditure was spent on refurbishing various office, industrial and retail buildings. At 31 March 2008 there was a revaluation deficit of £32.6m (2007: surplus of £33.2m) on the investment portfolio.

Investment portfolio	2008 £000	2007 £000	2006 £000
Cost or valuation at 1 April	316,025	294,583	271,315
Additions at cost	31,603	28,965	40,231
Disposals	(6,250)	(45,638)	(57,565)
Joint venture share of revaluation	(2,044)	4,938	4,869
Revaluation	(32,554)	33,180	35,733
Amortisation of finance lease	(2)	(3)	–
Cost or valuation at 31 March	306,778	316,025	294,583

Net asset values

The performance of the Company in the year to 31 March 2008 has decreased equity shareholders funds, on which the net asset value per share is calculated, by £13.7m. This has led to a 6% decrease in diluted net assets per share to 289p (2007: 307p). Taking into account the surplus arising from the directors' valuation of trading and development stock of £43m (2007: £36m), the diluted EPRA net assets per share decreased by 6% to 352p (2007: 374p).

Net asset values per ordinary share	2008 pence	2007 pence	2006 pence
Diluted – 1	289	307	253
Adjusted diluted – 2	306	334	278
Diluted EPRA – 3	352	374	309
Diluted EPRA triple net asset value – 4	335	346	284

1 – net asset value diluted for share options.
2 – net asset value as per 1, but after adding back deferred tax on revaluation surpluses and capital allowances and the fair value of financial instruments.
3 – net asset value as per 2, but after adding surplus from fair value of trading and development properties.
4 – net asset value as per 3, less the deferred tax on revaluation surpluses and capital allowances and the fair value of financial instruments.

Borrowings and financial risk

The Group's purchases of development sites have increased debt and, at 31 March 2008, net debt had increased from £134.0m to £205.5m. Taken with a decrease in net assets of £13.5m, the increase in net debt combined to increase the Group's net gearing from 47% to 76%.

The value of the Group's investment, trading and development portfolio at 31 March 2008 was £532.3m (2007: £463.2m). With net borrowings of £205.5m (2007: £134.0m) the ratio of net borrowings to the value of the property portfolio was 38.6% (2007: 28.9%). At 31 March 2008, the Group had £87.7m (2007: £40.9m) of fixed rate borrowings with an average effective interest rate of 6.33% (2007: 6.19%) and an average length of 3.4 years (2007: 2.7 years), and £80m of interest rate caps at 7% (2007: £80m at 7%).

Net debt and gearing		2008	2007	2006
Net debt	£m	205.5	134.0	112.7
Gearing	%	76	47	49

The Group seeks to manage financial risk by ensuring that there is sufficient financial liquidity to meet foreseeable needs and to invest surplus cash safely and profitably. At the year end, Helical had £76m of undrawn bank facilities and cash of £17.1m (2007: £3.4m). In addition it had £179m (2007: £195m) of uncharged property on which the Group could borrow funds.

As at 17 June 2008, Helical's average interest rate was 6.5%.

Performance Measures

In order to evaluate its overall performance against other small to mid-size capital companies, both in the UK and abroad, Helical looks at equity value added.

Equity value added

Year ended 31 March		2008	2007	2006
Capital employed	£m	427	411	336
Return on capital	%	1.3	21.6	19.7
Weighted average cost of capital	%	7.1	7.7	7.0
Spread	%	5.8	13.9	12.7
Equity value (lost)/added	£m	(24.8)	46.7	44.1

Nigel McNair Scott
Finance Director

17 June 2008

Corporate social responsibility

Helical Bar plc recognises and acknowledges that the conduct of its business has an impact on its employees, its partners, its customers and suppliers and the economy, community and environment of its property portfolio. An indication of the Company's commitment to good corporate social responsibility is its inclusion on the FTSE4Good UK Benchmark Index, a benchmark index of companies which meet criteria set down by EIRIS (Ethical Investment Research Service) on environmental, social and ethical performance.

The criteria established by EIRIS encompass corporate governance, environment, human rights, stakeholder issues, employee issues and customers and suppliers. The Company's corporate governance policies are noted on pages 33 to 35 and on the environment on page 29. The Company has no business activities in any countries which have unacceptable human rights records. The Company's relationship with its key stakeholders, its shareholders, is noted on page 35.

Employees

Helical Bar plc is committed to non-discrimination in all its forms and actively supports the training and development of all its employees. The Company's Code of Conduct, which all employees are required to follow, is designed to ensure that the Company complies with laws and regulations, acts fairly in dealing with customers and suppliers, maintains integrity in financial reporting and treats employees fairly and equally.

The Company actively encourages participation in the ownership of the business through the operation of a Share Incentive Plan authorised by shareholders at the 2002 AGM. This Plan replaced the Profit Sharing Scheme which had operated since 1997. All employees are eligible to benefit from Company contributions into personal pension plans or into the Company's Stakeholder Pension Plan.

The Company employs 24 staff including executive Directors. The average length of service (broken down in the table below) reflects the Company's ongoing commitment to attract and retain the best people who add value to the business, through competitive remuneration and benefits packages.

	Total People	Average Period of Service (years)
Directors & Management	9	13
Finance	6	8
Administration	9	5

The Company has introduced a Cycle to Work Scheme during the year in which all permanent employees are entitled to participate.

Statement of General Health and Safety Policy

Helical Bar's policy is to develop a culture throughout its organisation that is committed to the prevention of injuries and ill health to its employees or others that may be affected by its activities.

The Board of Directors and senior staff are responsible for implementing this policy throughout the Company and must ensure that health and safety considerations are always given priority in planning and in day-to-day activities.

Helical Bar recognises its legal responsibility for health and safety. The Chief Executive has overall responsibility for policy formulation, development and implementation. The Company shall liaise and co-operate with the appropriate authorities and will obtain expert advice where necessary to determine the risks to health and safety in its activities.

Facilities are provided for employer/employee consultation on health and safety matters. All employees are expected to co-operate with the Company to achieve the objectives of this policy and must ensure that their own work, so far as is reasonably practicable, is carried out without risk to themselves or others.

The Company is committed to providing relevant information and necessary ongoing training to employees in respect of risks to health and safety, which may arise out of their activities or at their workplace.

This policy statement will be displayed prominently at all Company offices and the organisation and arrangements for implementing this policy will be available at all Company offices for reference.

The policy will be reviewed and updated as necessary and any revisions will be communicated to those affected by the changes.

Community involvement

Helical Bar plc has for many years joined in efforts to raise money for charitable causes. In 2007, the Company organised an entry under the Helical banner into the London to Brighton Bike Ride and was awarded the prize for top fundraisers at the event, raising over £110,000 for the British Heart Foundation. In 2008 employees of the Company took part in the Land Aid fun run in Battersea Park. The Company's Chief Executive, Mr Michael Slade, is President of the Land Aid Charitable Trust, a charity established in 1985 to focus the fundraising efforts of the property industry. Land Aid's mission is to support the homeless and vulnerable by raising funds to help provide accommodation, assist in refurbishment projects and give financial assistance where needed. The Charity organises several fundraising events each year. The Company also makes charitable donations in its own right and in the year under review the donations amounted to £28,850 (2007: £45,485), which includes donations to Royal Marsden Cancer and the Reform Research Trust.

Ethical concerns

The Company has adopted a Code of Ethics which sets out its approach to its business principles and provides details of good business practices promoted by the Company. It includes a clear policy statement that the Company does not condone any form of corrupt behaviour in its business dealings.

The Company has also adopted an Equal Opportunities Policy which sets out its determination to treat all employees in accordance with that policy.

Environmental policy and objectives

Helical Bar plc is a property development and investment company. Our activities comprise the development of commercial and industrial property and the management of a portfolio of offices, retail and industrial properties in the UK. We recognise our responsibility to reduce any adverse environmental impacts arising from our business activities and we will try to improve the environment wherever possible.

Working within the existing regulatory framework and complying with all the environmental legislation that applies to our activities, we also seek to continuously improve our environmental performance by moving beyond compliance, wherever practicable, and achieving good environmental standards in both our developed and managed properties. In order to do so, we engage proactively with our numerous contractors, suppliers and agents in order to ensure that they are aware of our environmental commitments and have the necessary skills to deliver them.

We will implement this policy throughout our development and management activities, including the important stages of design and construction. This policy will be delivered through the following set of broad environmental objectives.

- In acquiring new properties, we will investigate pollution and other environmental risks as part of our due diligence procedures.
- We will limit our consumption of natural resources, including energy and water in an attempt to maximise efficiency and minimise waste.
- We will pay particular attention to good waste management practices, seeking to reduce, re-use and recycle before disposing of the rest according to the best practicable environmental option.
- We will take care to protect landscape and biodiversity and try to improve the quality of these wherever practical.
- We will be mindful of the transport associated impacts of our developments and investments and attempt to promote more sustainable forms of travel to and from properties.
- We will integrate environmental considerations into the design of new and refurbished buildings, seeking wherever possible to achieve good practice standards.
- We will prohibit the use of materials that have potentially hazardous effects, as well as tropical hardwood that has not come from sustainably managed sources.
- We will minimise the risks of pollution or contamination arising from our activities and seek to operate a ‘good neighbours’, policy, particularly during construction or demolition.
- We will seek to reduce the adverse environmental impacts associated with our own office management practices and procurement policies.
- We will communicate effectively with our contractors, consultants and agents, as well as our tenants wherever practical, in order to help and encourage them to meet our environmental standards and improve their own environmental performance.
- We will monitor and review our performance against our environmental objectives on a regular basis in order to demonstrate that we are achieving the standards that we set ourselves and ensure their ongoing appropriateness.

Helical recognises the importance of pro-actively managing environmental impacts arising from our property management and development activities. Our environmental policy can be found on the company website www.helical.co.uk. We remain committed to the environmental objectives outlined in this policy.

Legislative standards are becoming increasingly stringent in the markets in which we operate. We work with all of our contractors and consultants in order to achieve compliance with these standards, striving to go beyond them where possible. We believe that consistent delivery of projects that meet and exceed these standards minimises risk, future proofs the projects for owners and occupiers alike, reduces ongoing operational costs and ultimately delivers enhanced value to our shareholders.

Environment target review: 2007/08

As in previous years we set measurable targets in 2007/08 to focus our efforts on tangible goals which provide demonstrable environmental benefits at both a corporate and project level. A detailed review of our progress against these targets is conducted by our independent advisors annually. The 2007/08 review can be found on the company website. Some of our key environmental achievements during the year are listed below.

Building Design and Construction

“Very good” BREEAM certification at design stage for Riverbank House, London EC4 and 80 Silverthorne Road, Battersea, London SW8.

Property Management

Energy audit undertaken for a property in Southwark to determine areas where future energy savings can be made. The outcomes of the audit are to be implemented in the forthcoming financial year and where feasible rolled out to other managed properties.

Own Occupation

36% waste recycling rate achieved at Helical’s head office.

Implementation of a ‘Cycle to work’ scheme providing a tax exempt loan scheme of bicycles and cycling equipment to the company’s employees.

Environment target review: 2008/09

We are undertaking a comprehensive review of our environmental strategy for the coming year. Annual targets for 2008/09 and the outcomes of this strategic review will be available on our website by mid-summer 2008.

Michael Slade

17 June 2008

The Board of Directors and senior management

The Board of Helical Bar plc is collectively responsible for providing the entrepreneurial leadership of the Company within a framework of controls and reporting structures which assist the Company in pursuing its strategic aims and business objectives.

The Board of Helical Bar plc comprises six executive directors and four non-executive directors.

Board of Directors and other officers

Executive directors

Chief Executive
Michael Slade, BSc (Est Man) FRICS FSVA, joined the Board as an executive director in 1984 and was appointed Chief Executive in 1986. Aged 61.

Deputy Chief Executive
Michael Brown, BSc (Est Man) MRICS, was appointed to the Board as an executive director in 1998 and made Deputy Chief Executive on 1 August 2007. He is responsible for the Company's property investment activities. He is a former director of Threadneedle Property Fund Managers. Aged 47.

Finance Director
Nigel McNair Scott, MA FCA FCT, joined the Board as a non-executive director in 1985 and was subsequently appointed Finance Director in 1987. A former director of Johnson Matthey plc and Govett Strategic Investment Trust plc, he is Chairman of Avocet Mining Plc. Aged 62.

Director
Gerald Kaye, BSc (Est Man) FRICS, was appointed to the Board as an executive director in 1994 and is responsible for the Company's development activities. He is a former director of London & Edinburgh Trust Plc. Aged 50.

Director
Matthew Bonning-Snook, BSc (Urb Est Surveying) MRICS, was appointed to the Board as an executive director on 1 August 2007. Prior to joining Helical in 1995 he worked for Richard Ellis (now CBRE), and oversees many of Helical's office and mixed use developments. Aged 40.

Director
Jack Pitman, MA (Cantab) MRICS, was appointed to the Board as an executive director on 1 August 2007. Before joining the Company in 2001 he worked for Chester Properties Ltd. He is responsible for many of Helical's change of use projects and for a number of joint venture relationships. Aged 39.

Non-executive directors

Chairman
Giles Weaver, FCA, was appointed to the Board as a non-executive director in 1993 and was appointed Chairman following the 2005 AGM. He is Chairman of the Remuneration and Nominations and Appointments Committees. A recent Chairman of Murray Johnstone Ltd, he is Chairman of Kenmore European Industrial Fund Limited and AH Medical Properties PLC and a director of Aberdeen Asset Management plc and ISIS Property Trust 2 Ltd as well as being Chairman or a director of a number of investment companies. Aged 62.

Antony Beevor, BA, was appointed to the Board as a non-executive director in 2000. He is the Senior Independent Director and Chairman of the Audit Committee. He is also a member of the Remuneration and Nominations and Appointments Committees. A former Head of Corporate Finance at Hambros Bank and former Chairman of Croda International Plc, he is Deputy Chairman of the Takeover Panel and Chairman of the Trustees of Croda International's pension funds. He is also Chairman of the charity Fairbridge. Aged 68.

Wilf Weeks, OBE, was appointed to the Board as a non-executive director in 2005. He is a member of the Audit, Remuneration and Nominations and Appointments Committees. Founder and Chairman of GJW Government Relations, he is now the Chairman of European Public Affairs at Weber Shandwick. He was awarded an OBE in June 2006 for his services to the arts in London. Aged 60.

Andrew Gulliford, BSc(Est.Man), FRICS, was appointed to the Board as a non-executive director in 2006. He is a member of the Audit, Remuneration and Nominations and Appointments Committees. A former Deputy Senior Partner of Cushman & Wakefield Healey & Baker, he is a non-executive director of McKay Securities PLC, ISIS Property Trust 2 Ltd and various other companies. Aged 61.

Company Secretary

Tim Murphy, ACA, was appointed Company Secretary in 1994. Aged 48.

Senior management

John Inwood joined the Company as a management executive in 1995. Aged 42.

Duncan Walker joined the Company as a development executive in August 2007. Aged 29.

Directors' report

The directors' present their report and financial statements for the year ended 31 March 2008.

Principal activities

The principal activity of the Company is that of a holding company and the principal activities of the subsidiaries are property investment, dealing and development. A full review of these activities and the Group's future prospects are given in the Business Review on pages 7 to 26.

Trading results

The results for the year are set out on page 46. The loss after tax amounts to £12,314,000 (2007 profit: £52,088,000).

Share capital

The detailed movements in share capital are set out in note 28 to these financial statements. At 31 March 2008 and 17 June 2008 there were 95,732,457 ordinary 1p shares in issue.

Dividends

A final dividend of 2.75p (2007: 2.75p) per share is recommended for approval at the Annual General Meeting on 23 July 2008. The total ordinary dividend paid in the year of 4.50p (2007: 4.05p) per share amounts to £4,081,000 (2007: £3,615,000).

Charitable donations

Donations to charities amounted to £28,850 (2007: £45,485).

Creditor payment policy

The Company's policy is to settle all agreed liabilities within the terms established with suppliers. At 31 March 2008 there were 75 days' (2007: 85 days') purchases outstanding in respect of the Company's creditors.

Auditors

Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with Section 489 of the Companies Act 2006.

Substantial shareholdings

At 5 June 2008 the shareholders listed in Table A on page 32 had notified the Company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of the Company.

Directors' remuneration

Details of directors' remuneration, share awards, service contracts and pension contributions are noted in the Directors' Remuneration Report on pages 36 to 42.

Directors and their interests

The directors who were in office during the year and their interests, all of which were beneficial, in the ordinary shares of the Company are listed in Table B on page 32.

Share awards made to directors under the terms of the share option schemes and Performance Share Plan and shares purchased on behalf of directors under the terms of the Share Incentive Plan are disclosed in the Directors' Remuneration Report on pages 36 to 42.

There have been no changes in the directors' interests in the period from 31 March 2008 to 17 June 2008.

Corporate governance

The Company's application of the principles of corporate governance is noted in the Corporate Governance Report on pages 33 to 35.

Appointment and replacement of directors

The Nominations and Appointments Committee controls the process for Board appointments and details of the operation of this committee may be found in their report on pages 34 and 35.

Amendment of articles of association

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

Directors' powers

The Annual General Meeting to be held on 23rd July 2008 will resolve to give the directors' the following powers:

- To allot unissued shares in the Company up to a nominal value of £319,108, representing approximately one third of the current issued ordinary share capital. Other than in respect of the Company's obligations under its employee share schemes, the directors currently have no intention of issuing any shares pursuant to this authority.
- To allot shares for cash. Apart from the issue of equity securities in connection with rights issues, this power is limited to the issue of equity securities up to a nominal amount of £47,866, representing approximately 5% of the current issued ordinary share capital.
- To make market purchases of up to 9,563,672 ordinary shares representing 9.99% of the Company's current issued ordinary share capital. The directors' will only exercise this authority if they are satisfied that a purchase would lead to an increase in the net asset value of the remaining shares and would be in the interests of Shareholders generally.

Financial risk

Financial risk policies and objectives are discussed in the Performance and Risk report on pages 20 to 22.

Directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union.

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

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Acts 1985 and 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

– there is no relevant audit information of which the Company's auditors are unaware; and,
– the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Annual general meeting

The Annual General Meeting of the Company will be held on 23 July 2008 at 11.30 a.m. at The Westbury Hotel, Bond Street, London W1S 2YF.

The notice of meeting and the resolutions to be proposed at that meeting are set out in the enclosed circular.

Table A – Substantial shareholdings

	Number of ordinary shares at 5 June 2008	%
Michael Slade – Chief Executive	**13,130,209**	13.7
Helical Bar Share Ownership Plan Trust	**5,170,868**	5.4
Fidelity	**5,053,823**	5.3
Aberdeen Asset Management	**4,940,370**	5.2
Legal & General	**4,474,999**	4.7
F&C Asset Management	**4,160,765**	4.3
Dimensional Fund Advisors	**3,968,082**	4.1
Standard Life Investments	**3,374,800**	3.5

Table B – Directors' interests

	Ordinary 1p shares 31 March 2008	Ordinary 1p shares 1 April 2007
Giles Weaver – Chairman	**96,250**	96,250
Michael Slade – Chief Executive	**13,130,209**	12,686,000
Michael Brown	**1,132,437**	909,478
Nigel McNair Scott	**2,238,370**	2,015,411
Gerald Kaye	**1,203,232**	980,273
Matthew Bonning-Snook*	**124,214**	13,704
Jack Pitman*	**150,919**	45,517
Antony Beevor	**8,750**	8,750
Wilf Weeks	**–**	–
Andrew Gulliford	–	–
Total directors' interests	**18,084,381**	16,755,383
Issued share capital	**95,732,457**	95,719,432
Percentage of issued share capital	**18.9%**	17.5%

* Appointed on 1 August 2007

By Order of the Board
T.J. Murphy
Secretary
17 June 2008

Corporate governance report

The Company is committed to applying the highest principles of corporate governance.

The Board is accountable to the Company's shareholders for good corporate governance. This report and the Directors' Remuneration Report describe how the Company complies with the provisions of the Combined Code (2006) (the "Code").

Compliance

With the exception of Code provision A.3.2 requiring at least half the board to be comprised of independent non-executive directors, the Company has complied throughout the year with the Code provisions set out in Section 1 of the Combined Code (2006). On 1 August 2007, the Company appointed two additional executive directors increasing the Board to six executive and four non-executive directors. The Company considers that the current non-executive directors are able to discharge their duties without additional support, but will keep this under review in future periods.

Application of the principles

The Board consists of six executive directors who hold the key operational positions in the Company and four non-executive directors, who bring a breadth of experience and knowledge to their roles. Two of the executive directors were appointed by the Board during the year.

Chairman and Chief Executive

The Chairman of the Board is Giles Weaver. The Company's business is run by Michael Slade, the Chief Executive.

Board balance and independence

As noted above, two of the six executive directors were appointed by the Board during the year and bring fresh thinking to the board process. The Chairman, Giles Weaver, has been a non-executive director of Helical since 1993. In the Company's view, the experience gained as a chairman or director of several listed companies in the financial sector provides him with the necessary skills of leadership and guidance that the role of Chairman of this Company requires. These skills together with his detachment from day-to-day issues within the Company, and his robustly independent approach to the role of Chairman provide the Board with the necessary comfort that despite his time as a non-executive director he could properly be regarded as independent at the time of his appointment as Chairman.

The Chairman of the Company, Giles Weaver, is also Chairman of the Remuneration Committee because the Company regards the setting of remuneration policy to be an integral and critical function of the Board in a small, people-orientated business such as Helical.

The senior independent director is Antony Beevor. The remaining non-executive directors are Wilf Weeks and Andrew Gulliford. The breadth of experience provided by the non-executive directors allied to the management information provided by the Company enable the non-executive Board members to assess and advise the full Board on the major risks faced by the Company. In view of this we continue to believe that all the non-executive directors are independent and for the purposes of this report are referred to below as independent directors.

The Board of Directors

The Company supports the concept of an effective Board leading and controlling the Company. The Board provides entrepreneurial leadership of the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Group's strategic aims, ensures that the necessary financial and human resources are in place for the Group to meet its objectives and reviews management performance. The Board sets the Group's values and standards and ensures that the Company's obligations to its shareholders and others are understood and met.

The members of the Board, and the roles of each director are given in the biographical details of the directors on page 30.

All directors take decisions objectively in the interests of the Company.

As part of their role as members of the Board, non-executive directors constructively challenge and help develop proposals on strategy. Non-executive directors scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning.

In addition to ad hoc meetings arranged to discuss particular transactions and events and the 2007 AGM, the full Board met on six occasions during the year under review. The attendance record of the directors is shown in the table below.

Meetings	Mr. C.G.H. Weaver	Mr. M.E. Slade	Mr. N.G. McNair Scott	Mr. G.A. Kaye	Mr. P.M. Brown	Mr M.C. Bonning-Snook	Mr J.S. Pitman	Mr. A.R. Beevor	Mr. W. Weeks	Mr. A. Gulliford
Full Board	6	6	6	5	6	4	4	6	6	5
Audit Committee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	3	3
Remuneration Committee	5	n/a	n/a	n/a	n/a	n/a	n/a	5	5	5
Nominations and Appointments Committee	2	n/a	n/a	n/a	n/a	n/a	n/a	2	2	2

* Matthew Bonning-Snook and Jack Pitman were appointed to the Board on 1 August 2007

The Board has a schedule of matters specifically reserved to it for decision. The Board controls the business but delegates day-to-day responsibility to the executive management. However, there are a number of matters which are required to be or, in the interests of the Company, should only be decided by the Board of Directors as a whole. A summary of the decisions reserved for the Board is set out below:

Schedule of matters reserved for the Board:

- Strategy and management – responsibility for the overall management of the Group; approval of the Group's long-term objectives and commercial strategy; approval of annual administration budgets; oversight of the Group's operations; extension of the Group's activities into new business areas; any decision to cease to operate all or any material part of the Group's business.
- Structure and capital – changes to the Group's capital structure; major changes to the Group's corporate structure; changes to the Group's management and control structure; changes to the Company's listing or plc status.
- Financial reporting and controls – approval of interim and preliminary announcements; approval of annual report and accounts, including the corporate governance statement and the directors' remuneration report; approval of dividend policy; approval of significant changes in accounting policies or practices; approval of treasury policies.
- Internal controls – ensuring maintenance of a sound system of internal control and risk management.
- Communication – approval of resolutions and documentation to be put to shareholders in general meeting; approval of press releases concerning matters decided by the Board.
- Board membership and other appointments to senior management.
- Both the appointment and removal of the Company Secretary.
- Corporate governance matters including directors' performance evaluations.
- Approval of policies including code of conduct; share dealing code; health and safety policy; environmental and corporate social responsibility policy and equal opportunity policy.

Nominations and Appointments Committee

The terms of reference of the Nominations and Appointments Committee are available by request and are included on the Company's website at www.helical.co.uk.

The membership of the Committee is as follows:

Giles Weaver (Chairman)
Antony Beevor
Wilf Weeks
Andrew Gulliford

Directors – appointments to the Board
Appointments are made on merit and against objective criteria. Care is taken to ensure that appointees have enough time available to devote to the job.

The Nominations and Appointments Committee controls the process for Board appointments and makes recommendations to the Board. A majority of the Committee are independent non-executive Directors.

The work of the Nominations and Appointments Committee in the year
The Committee met twice during the period. A record of attendance at this meeting is shown on page 33. During these meetings the Committee resolved that Matthew Bonning-Snook and Jack Pitman be appointed to the Board and that Giles Weaver, Gerald Kaye and Michael Brown be recommended to shareholders for re-appointment as directors at the 2007 AGM.

Directors – information and professional development
The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties and its directors are free to seek any further information they consider necessary.

Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required. The Company Secretary is responsible for advising the Board through the Chairman on all governance matters.

The Board ensures that directors, especially non-executive directors, have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as directors. Training is available for new directors and other directors as necessary.

All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that board procedures are complied with.

The Company has arranged appropriate insurance cover in case of legal action against its directors.

Directors – performance evaluation
During the year the Board undertook a formal evaluation of its own performance and that of its Committees and individual directors in the period.

The Chairman is responsible for the annual evaluation process, and will act on its outcome. This process involves each director submitting an appraisal to the Chairman in respect of the performance of the main Board, and in respect of each Board Committee of which they are a member.

The non-executive directors, led by the senior independent non-executive director, are responsible for performance evaluation of the Chairman, taking into account views of executive directors. Each director completed an evaluation of the Chairman's performance and provided this evaluation to the senior independent non-executive director.

There were no significant matters arising out of the annual evaluation process which required action by the Board.

Directors re-election
All directors are subject to re-election, after receiving the recommendation of the Nominations and Appointments Committee, every three years and, on appointment, at the first AGM after appointment. The Nominations and Appointments Committee have recommended the re-appointment of the following directors at the 2008 AGM:

– Giles Weaver has served more than nine years on the Board and in accordance with the Code offers himself for re-election;

– Wilf Weeks is due to retire by rotation and offers himself for re-election;

– Matthew Bonning-Snook was appointed to the Board on 1 August 2007 and offers himself for re-election; and,

– Jack Pitman was appointed to the Board on 1 August 2007 and offers himself for re-election.

Biographical details of the directors are given on page 30.

Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and quality of management. It therefore holds regular meetings with, and presentations to, its institutional shareholders to discuss its objectives. The Company also regularly meets, with the help of its brokers, institutions that do not currently hold shares in the Company to inform them of its objectives. The Chairman and Senior Independent Director are available to shareholders, should they wish to discuss matters relating to the Company.

The AGM is used to communicate with private investors and they are encouraged to participate. The members of the Audit, Remuneration and Nominations and Appointments Committees are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to consider the annual report and accounts. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution, after it has been dealt with by a show of hands.

The Company communicates with all shareholders through the issue of regular press releases and through its website at www.helical.co.uk. The Company receives regular reports from sector analysts and its investor relations advisors on how it is viewed by its shareholders.

Accountability and audit

Financial reporting

The Board presents a balanced and understandable assessment of the Company's position and prospects. It seeks to do so in all published information and in particular in interim and preliminary announcements and other price-sensitive reports and reports to regulators as well as in the information required to be presented by statutory requirements.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Audit Committee and auditors

The terms of reference of the Audit Committee are available by request and are included on the Company's website at www.helical.co.uk.

The membership of the Committee is as follows:

Antony Beevor (Chairman)
Wilf Weeks
Andrew Gulliford

The Committee endorses the principles set out in the Smith Guidance for Audit Committees.

The Board has formal and transparent arrangements for considering how it applies the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors.

Whilst all directors have a duty to act in the interests of the Company, the Audit Committee has a particular role, acting independently from the executive, to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control.

Appointments to the Audit Committee are made by the Board on the recommendation of the Nominations and Appointments Committee in consultation with the Audit Committee Chairman.

The work of the Audit Committee in the year

The Audit Committee met three times during the year. A record of attendance at these meetings is shown on page 33. The Audit Committee met the external auditors three times to discuss matters arising from the annual and interim audits.

In addition to matters discussed in relation to the annual and interim audits, the Committee reviewed the Company's system of internal control following receipt of the auditors review of the design effectiveness of internal controls in March 2006. The key findings and recommendations of this report, which cover governance, operational controls and financial reporting were considered and, where appropriate, were implemented. Those recommendations not immediately implemented will continue to be kept under consideration in future years.

Internal control

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

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

– clearly defined organisational responsibilities and limits of authority. The day-to-day involvement of the executive directors in the running of the business ensures that these responsibilities and limits are adhered to;

– financial controls and review procedures;

– financial information systems including cash flow, profit and capital expenditure forecasts. The Board receives regular and comprehensive reports on the day-to-day running of the business;

– an Audit Committee which meets with the auditors and deals with any significant internal control matter. In the year under review the Committee met with the Auditors on three occasions.

Internal audit

The Board reviewed its position during 2007/08 and reaffirmed its stance that in view of the relatively small size of the Company it does not consider that an Internal Audit function would provide any significant additional assistance in maintaining a system of internal controls.

Audit independence

A policy of reviewing audit independence has been adopted whereby non-audit services undertaken by the auditors is approved prior to work being carried out. During the year under review non-audit services comprised VAT advice, financial assistance review and remuneration advice.

Directors' remuneration report

Directors' remuneration

The Board recognises that directors' remuneration is of legitimate concern to shareholders and is committed to following current best practice. In accordance with Section 241A of the Companies Act 1985, as amended by the Directors' Remuneration Report Regulations 2002, the Board presents the directors' remuneration report for shareholder approval.

Information not subject to audit

Remuneration Committee

The terms of reference of the Remuneration Committee are available on request and are included on the Company's website at www.helical.co.uk.

The Remuneration Committee ("Committee") has responsibility for making recommendations to the Board to determine the Company's framework or broad policy on salary, bonuses, pensions and other remuneration issues for individual directors. The Committee approves all salary increases, bonus payments and share awards to all directors and employees. It carries out the policy on behalf of the Board and in the year under review the Committee met five times. A record of attendance at these meetings is shown on page 33.

The membership of the Committee is as follows:

Giles Weaver (Chairman)
Antony Beevor
Wilf Weeks
Andrew Gulliford

All the members of the Committee are independent non-executive directors. None of the Committee has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-directorships nor any day-to-day involvement in running the business. The Committee consults the Chief Executive and Finance Director about its proposals and has access to professional advice from inside and outside the Company. During the year under review the Committee were advised by New Bridge Street Consultants in relation to the performance criteria of the Company's share option schemes and Performance Share Plan and Grant Thornton in respect of the Performance Share Plan.

Policy on executive directors' remuneration

The Company operates within a competitive environment and its performance depends on the individual contributions of the directors and employees. Executive remuneration packages are designed to attract, motivate and retain directors of the calibre necessary to maintain the Company's position as a market leader and to reward them for enhancing shareholder value and return. The performance measurement of the executive directors and the determination of their annual remuneration package is undertaken by the Committee.

The remuneration packages of individual directors are structured so that the performance related elements form a significant proportion of the total and are designed to align their interests with those of the shareholders. Share incentives are designed so that they recognise the long-term growth of the Company. No director has a service contract of more than one year.

There are four main elements to the executive directors' remuneration packages:

i basic annual salary and benefits-in-kind;
ii annual sector bonus payments;
iii Executive Bonus Plan; and,
iv share incentives.

Basic annual salary and benefits-in-kind

Basic annual salaries for executive directors are reviewed having regard to individual performance and market practice and were last reviewed in July 2007.

Benefits-in-kind provided to executive directors include the provision of a company car and health insurance.

Annual sector bonus payments

The Committee establishes the objectives which must be met for annual cash bonuses to be paid. Performance related cash bonuses, which recognise the relative success of the different parts of the business, may be paid to the executive directors responsible for their parts. Michael Brown, Gerald Kaye, Matthew Bonning-Snook and Jack Pitman are eligible for sector bonuses. The maximum amount payable in each year is a total of £5m. Payment of annual sector bonuses is at the discretion of the Committee. No annual sector bonuses have been paid in respect of the year to 31 March 2008 (2007: £1,142,000).

Executive Bonus Plan

The Company operates an Executive Bonus Plan ("2006 Plan") designed to align the motivations of the senior management team with the interests of shareholders and to link their remuneration to the performance of the Company's property portfolio. The Plan operates over a five year period from 1 April 2006 and cash bonuses will be paid annually subject to the achievement of challenging performance targets. Michael Slade and Nigel McNair Scott are eligible for Executive Bonus Plan bonuses.

Performance conditions The Committee may, at its discretion, award bonuses in respect of a financial year subject to performance conditions, the aim of which is to link the size of bonuses paid to financial growth of the Group over that financial year. No bonus will be payable unless the following conditions are satisfied:

i Increase in net asset value; increase in net asset value at the end of the financial year exceeds net asset value at the beginning of the financial year;

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

The Committee will recommend the size of the bonus payable by reference to the same sliding scale based on the amount by which the increase in net asset value per share exceeds the increase in the Upper Quartile of the IPD Capital Growth Benchmark subject to a cap.

Calculation of amounts payable The total amount of the bonuses payable in any one year shall be determined by:

– calculating the difference between the percentage increase in net asset value per share for the Performance Period and the percentage increase in the Upper Quartile of the IPD Capital Growth Benchmark over the same period (the "Difference"); and,

– calculating the sum of the amounts payable in relation to each 1% of the Difference on the following basis:

Amount of Difference	% of base net asset value payable
Less than 1%	0.01
1% to less than 2%	0.02
And thereafter for every additional 1%	An increment of 0.01
For example: From 4% to less than 5%	0.05

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

Financial accounts The audited financial accounts which record the financial performance on which the Plan operates will be those accounts prepared in accordance with International Financial Reporting Standards.

2006 Plan and individual limits The total amount payable under the 2006 Plan in any one year is limited to £2m (2007: £4m). An individual employee's participation in the 2006 Plan is limited so that the bonus which may be paid to him under the 2006 Plan will not exceed £1.5m per annum. There is a further limit that payments under the 2006 Plan in any year may not exceed 20% of the Group's pre-tax profits and payments under the 2006 Plan. Among other constraints the Committee could restrict the bonuses if payment would affect the financial or trading position of the Company. No Executive Bonus Plan bonuses have been paid in respect of the year to 31 March 2008 (2007: £3,061,000).

Timing of bonuses Bonuses will ordinarily be paid, subject to the performance conditions being satisfied, and provided that the participant remains a director or employee of the Group at the time of payment, on a specified bonus date, which will fall within four months of the end of the relevant Performance Period. Bonuses are not transferable, nor will benefits obtained under the 2006 Plan be pensionable.

Termination of employment If a participant dies, the bonus that would have been paid for the relevant financial year may, at the discretion of the Committee, be paid to the participant's personal representatives, but will be scaled down pro rata to reflect the period elapsed since the start of the Performance Period. If a participant's employment ends in any other circumstances prior to the payment of the bonus, no entitlement will arise.

Change of control In the event of a change in control of the Group, bonuses in respect of the financial year in which the change of control falls may be paid to the extent that the relevant performance target(s) have been satisfied over an adjusted Performance Period.

Termination of the 2006 Plan The Committee will not recommend the making of bonuses under the 2006 Plan in connection with a financial year later than the year ended 31 March 2011 without further shareholder authority.

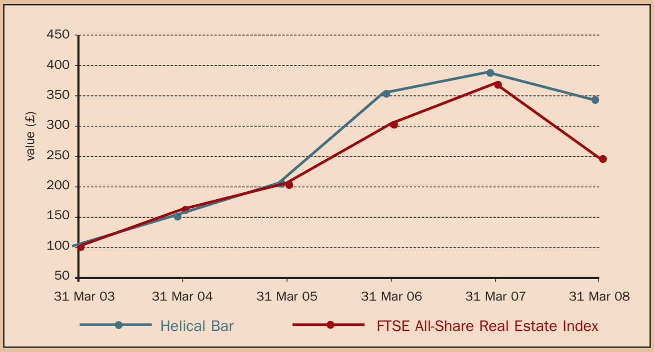
Service contracts The service contracts of Michael Slade, Nigel McNair Scott, Gerald Kaye and Michael Brown operate from 1 April 2007, and of Matthew Bonning-Snook and Jack Pitman from 1 August 2007. Each service contract provides for a one year notice period. On termination of employment each director is entitled to a payment in lieu of notice of basic salary and other contractual entitlements i.e. provision of car and health insurance.

Non-executive directors Non-executive directors are appointed by a Letter of Appointment and are subject to re-appointment by shareholders at the Company's AGM at least every three years. The remuneration of the non-executive directors is determined by the Board and was last increased in April 2007. The appointment of non-executive directors is terminable on three months notice. Non-executive directors do not participate in any of the Company's bonus or share option schemes.

Total shareholder return The performance criteria of the Company's 1999 share option schemes, referred to on pages 39 to 40 below, require the Company to exceed certain targets of total shareholder return. The total shareholder return for a holding in the Company's shares in the five years to 31 March 2008 is shown in the graph below.

This graph looks at the value, by 31 March 2008, of £100 invested in Helical Bar on 31 March 2003 compared with the value of £100 invested in the FTSE All-Share Real Estate Index. The other points plotted are the values at intervening financial year-ends. Dividends received are re-invested in shares.

Total shareholder return
Source: Thomson Financial



Information subject to audit: Remuneration of directors

Remuneration in respect of the directors was as follows:

Year ended 31 March 2008	Salary/fees £000	Benefits-in-kind £000	Sector bonuses £000	Executive bonus plan £000	Total £000	Gain on vesting of PSP awards £000	Gain on exercise of share options £000	Total (including gains) £000	Pensions £000
Chairman									
Giles Weaver	**75**	–	–	–	**75**	–	–	**75**	–
Non-executive directors									
Antony Beevor	**42**	–	–	–	**42**	–	–	**42**	–
Wilf Weeks	**35**	–	–	–	**35**	–	–	**35**	–
Andrew Gulliford	**35**	–	–	–	**35**	–	–	**35**	–
Executive directors									
Michael Slade	**458**	**35**	–	–	**493**	**2,767**	–	**3,260**	–
Nigel McNair Scott	**300**	**28**	–	–	**328**	**1,384**	–	**1,712**	–
Gerald Kaye	**271**	**31**	–	–	**302**	**1,384**	**2,079**	**3,765**	–
Michael Brown	**308**	**30**	–	–	**338**	**1,384**	**1,735**	**3,457**	–
Matthew Bonning-Snook	**157**	**11**	–	–	**168**	**681**	–	**849**	–
Jack Pitman	**157**	**12**	–	–	**169**	**649**	–	**818**	–
	1,838	**147**	–	–	**1,985**	**8,249**	**3,814**	**14,048**	–

Gerald Kaye was the highest paid director during the year with a total remuneration of £3,765,000 (including gain on share awards) (2007: Michael Slade £9,681,000).

Year ended 31 March 2007	Salary/fees £000	Benefits-in-kind £000	Sector bonuses £000	Executive bonus plan £000	Total £000	Gain on vesting of PSP awards £000	Gain on exercise of share options £000	Total (including gains) £000	Pensions £000
Chairman									
Giles Weaver	55	–	–	–	55	–	–	55	–
Non-executive directors									
Antony Beevor	35	–	–	–	35	–	–	35	–
Wilf Weeks	30	–	–	–	30	–	–	30	–
Andrew Gulliford	30	–	–	–	30	–	–	30	–
John Southwell (retired 20/07/06)	10	8	–	–	18	–	–	18	–
Executive directors									
Michael Slade	480	35	–	1,531	2,046	–	7,635	9,681	–
Nigel McNair Scott	300	23	–	510	833	–	4,104	4,937	–
Gerald Kaye	258	31	142	510	941	–	764	1,705	–
Michael Brown	258	30	775	510	1,573	–	1,425	2,998	225
	1,456	127	917	3,061	5,561	–	13,928	19,489	225

In order to compensate option holders for the payment of the special dividend in April 2002, the Company pays a cash bonus of 20p per share on the date option holders exercise their options, as noted on page 40. The gain on exercise of share options of the directors includes cash bonuses of £233,000 arising out of the exercise of options during the year. The cost of these cash bonuses is included in administrative expenses.

Directors' fees

Fees receivable by Nigel McNair Scott in his capacity as Chairman of Avocet Mining Plc are shown in the financial statements of that Company.

Share options

The Company operated two share option schemes during the year.

The Helical Bar 1999 Share Option Scheme operates in respect of the grant of share options which exceed the Inland Revenue limit of £30,000. Under this scheme the aggregate market value of shares issued or issuable to an individual under this and other option schemes may not exceed eight times his annual earnings. Remaining share options granted in respect of this scheme are included in note 29.

The Helical Bar 1999 Approved Share Option Scheme is an Inland Revenue approved scheme. Under the terms of this scheme options up to a maximum value of £30,000 per individual may be granted. Remaining share options granted in respect of this scheme are included in note 29.

The performance criteria of the two schemes require total shareholder return over a set period to exceed a certain percentile of the aggregate performance of companies in the Real Estate Sector Index of the FTSE All-Share Index. For the approved scheme the relevant period is three years and the 50th percentile. For the unapproved scheme the relevant period is five years and 25th percentile.

These share option schemes have been replaced by the Performance Share Plan, details of which are included on pages 41 and 42, and future share option grants will only be made in exceptional circumstances and only following consultation with principal shareholders on the key terms of those options.

The directors' interests in the share option schemes during the year were as follows:

	Type	At start of year	Options exercised in year	At end of year	Exercise price	Date granted	Date from which exercisable	Expiry date	Profit if options exercised at 31 March 2008
Michael Slade									
Helical Bar 1999 Share Option Scheme	Subscription	966,105	–	966,105	88.5p	08.03.99	08.03.04	07.03.09	2,777,552
Helical Bar 1999 Share Option Scheme	Purchase	740,000	–	740,000	150.0p	18.12.00	18.12.05	17.12.10	1,672,400
Helical Bar Approved 1999 Share Option Scheme	Subscription	33,895	–	33,895	88.5p	08.03.99	08.03.02	07.03.09	97,448
		1,740,000	–	1,740,000					4,547,400
Nigel McNair Scott									
Helical Bar 1999 Share Option Scheme	Subscription	367,770	–	367,770	88.5p	08.03.99	08.03.04	07.03.09	1,057,339
Helical Bar 1999 Share Option Scheme	Purchase	360,000	–	360,000	150.0p	18.12.00	18.12.05	17.12.10	813,600
Helical Bar Approved 1999 Share Option Scheme	Subscription	33,895	–	33,895	88.5p	08.03.99	08.03.02	07.03.09	97,448
		761,665	–	761,665					1,968,387
Gerald Kaye									
Helical Bar 1999 Share Option Scheme	Purchase	635,000	(635,000)	–	–	–	–	–	–
Helical Bar 1999 Share Option Scheme	Purchase	647,095	–	647,095	153.3p	15.11.01	15.11.06	14.11.11	1,441,081
Helical Bar Approved 1999 Share Option Scheme	Subscription	33,895	–	33,895	88.5p	08.03.99	08.03.02	07.03.09	97,448
		1,315,990	(635,000)	680,990					1,538,529

	Type	At start of year	Options exercised in year	At end of year	Exercise price	Date granted	Date from which exercisable	Expiry date	Profit if options exercised at 31 March 2008
Michael Brown									
Helical Bar 1999 Share Option Scheme	Purchase	530,000	(530,000)	–	–	–	–	–	–
Helical Bar 1999 Share Option Scheme	Purchase	502,090	–	502,090	153.3p	15.11.01	15.11.06	14.11.11	1,118,154
Helical Bar Approved 1999 Share Option Scheme	Subscription	33,895	–	33,895	88.5p	08.03.99	08.03.02	07.03.09	97,448
		1,065,985	(530,000)	535,985					1,215,602
Matthew Bonning-Snook									
Helical Bar 1999 Share Option Scheme	Purchase	210,000	–	210,000	150.0p	18.12.00	18.12.05	17.12.10	474,600
		210,000	–	210,000					474,600
Jack Pitman									
Helical Bar 1999 Share Option Scheme	Purchase	170,510	–	170,510	156.0p	08.01.01	08.01.06	07.01.11	375,122
Helical Bar 1999 Share Option Scheme	Subscription	150,000	–	150,000	156.0p	08.01.01	08.01.06	07.01.11	330,000
Helical Bar 1999 Share Option Scheme	Subscription	299,310	–	299,310	141.5p	21.11.02	21.11.07	20.11.12	*
Helical Bar Approved 1999 Share Option Scheme	Subscription	21,200	–	21,200	141.5p	21.11.02	21.11.05	20.11.12	49,714
		641,020	–	641,020					754,836

* Performance conditions not satisfied as at 31 March 2008.

Exercise of share options

In order that the dilutive effect of issuing new shares be reduced, and to reduce the number of shares required by the ESOP to satisfy share awards, the Company agreed with employees that the number of shares required on the exercise of options be reduced. To ensure that employees were not disadvantaged by this reduction, the exercise prices applied on the exercise of the options were correspondingly reduced.

In accordance with this agreement, the options exercised during the year by the directors, were as follows:

Director	Date of exercise	Type of option	Original number of shares	Reduced number of shares	Original exercise price	Reduced exercise price	Sale price	Gain £000's
Gerald Kaye	28.09.07	Purchase	635,000	427,850	150.0p	1.0p	458.5p	2,079
Michael Brown	28.09.07	Purchase	530,000	357,100	150.0p	1.0p	458.5p	1,735

The market price of the ordinary shares at 31 March 2008 was 376p (2007: 429p). This market price varied between 289p and 507p during the year.

The gain on exercise of share options includes a cash bonus of 20p per 1p share in accordance with the matter referred to under special dividend below.

Special dividend

In order to compensate option holders for the payment of a special dividend or a distribution of capital, the Board has, under the terms of the Senior Executive 1988 Share Option Scheme and the Helical Bar 1999 Share Option Scheme ("the Schemes"), the authority to adjust the number of shares subject to option or the exercise price of those options.

The Company is currently unable to increase the number of shares under option in sufficient quantity to satisfy the requirement to compensate option holders for the special dividend of 100p paid in April 2002. An adjustment to the exercise price of the existing options would result in an increased national insurance cost to the Company. Accordingly, the Board has considered alternative ways of compensating option holders and, as a result, the Company will compensate holders of options at the time the special dividend was declared, on the dates they exercise their options by 20p per 1p share (previously 100p per 5p share), equivalent to the special dividend. In the year under review compensation of £270,221 was paid following the exercise of options over 1,351,105 1p shares.

Performance Share Plan

At the 2004 Annual General Meeting the Company received approval for the adoption of a Performance Share Plan ("PSP").

General

The operation of the PSP is supervised by the Remuneration Committee (the "Committee").

The PSP is capable of delivering shares to an executive after a period of not less than three years, other than in exceptional circumstances and with the approval of the Committee, subject to meeting pre-specified performance targets.

Eligibility

All employees of the Company and its subsidiaries (including directors who are required to devote substantially the whole of their working time to the business of the Group) who are not under notice nor within six months of any contractual retirement ages will be eligible to receive invitations to participate in the PSP at the discretion of the Remuneration Committee.

Grant of awards

Awards may be made within the six weeks following approval at a general meeting, the announcement by the Company of its results for any period, or the removal of any statutory or regulatory restriction which had previously prevented an award being granted or any other times considered by the Remuneration Committee to be exceptional.

No awards may be made more than ten years after the adoption of the PSP by the Company. The Remuneration Committee will formally review the operation of the PSP after no more than five years.

An award consists of the right to acquire shares in the Company for either no payment or payment of a nominal sum. Awards are neither transferable nor pensionable.

Limit on individual participation

No awards may be granted over shares in any financial year whose value is greater than three times an employee's annual rate of salary.

Exercise of awards

Other than in exceptional circumstances, an award will vest no earlier than the third anniversary of its grant to the extent that the applicable performance conditions (see below) have been satisfied and the participant is still employed by the Group. Once exercisable, awards will then remain capable of exercise for a period of normally no more than six months.

The Remuneration Committee has set demanding performance conditions for the vesting of shares. There are two performance conditions, one based on absolute growth in the Company's net asset value per share and the other based on the gross total property return per share relative to other property funds as determined by IPD but excluding those funds worth less than £50m at the start of the three year period. Performance will be measured over the three years following grant.

Participants will not normally be permitted to sell shares received through the PSP, other than to meet taxation (and national insurance contributions) liabilities, until they own shares to the value of 2 x salary for directors and 1 x salary for other executives.

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

Vesting of Awards

During the year the performance conditions relating to the first award, granted on 18 August 2004, were considered. The three year performance period to 31 March 2007 showed that the net asset value per share, calculated in accordance with the terms of the PSP, had increased by 23.1% p.a. During this three year period the total return of Helical's property portfolio, as determined by the IPD, had increased by 25.9% p.a. Accordingly, the performance criteria applicable to this award were met and the shares vested in full and 1,504,358 shares, after deduction of shares sold to pay income tax, were transferred to award holders on 4 December 2007. The value of the shares on that date which were attributable to the directors is included in the table of the Remuneration of Directors on page 38.

The share of the increase in the value of the Company that accrued to all executives through the Company's long and short-term incentive and bonus plans over the three year performance period to 31 March 2007 was under 20%.

Applicable conditions

(a) Absolute net asset value per share (having added back dividends) condition

Annual compound increase after three years	% of award vesting
15% p.a. or more	66.7
Between 7.5% p.a. and 15% p.a.	Pro rata between 6.7 and 66.7
7.5% p.a.	6.7
Below 7.5% p.a.	Zero

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

(b) Total property return v IPD property funds condition

Ranking after three years	% of award vesting
Upper quartile or above	33.3
Between median and upper quartile	Pro rata between 3.3 and 33.3
Median	3.3
Less than median	Zero

Provided the net asset value per share (having added back dividends) increases over the three year period.

Share awards will be cancelled where the gross return falls below the IPD median and where the growth in triple net asset value is below 7.5% per annum over the three year period.

Alignment with shareholders' interests
The Remuneration Committee has analysed the potential gains that may be made by executives (directors and those below Board level) through the PSP and other incentive arrangements currently in place. It has concluded that the share of the increase in the value of the Company (measured as the increase in the net asset value plus cash returned as dividends to shareholders) that could accrue to all executives through the Company's long and short-term incentive and bonus plans (excluding gains on share options granted before December 2002) at the point at which the maximum awards vest might be of the order of 20%. At this point, in absolute terms, the Company will have increased its triple net asset value by at least 15% per annum with the Company's relative performance placing it in the top quartile of IPD, over the three year period.

Relationship to the Company's share option schemes
The PSP has replaced future share option grants which will only be made in exceptional circumstances and only following consultation with principal shareholders on the key terms of those options.

Awards made to directors under the terms of the PSP which have not yet vested are as follows:

Director	Shares awarded 06.07.05 at 277p	Shares awarded 04.07.06 at 368p	Shares awarded 06.07.07 at 481p	Total
Michael Slade	519,855	391,304	187,110	1,098,269
Nigel McNair Scott	324,910	244,565	124,740	694,215
Gerald Kaye	279,420	210,326	171,518	661,264
Michael Brown	279,420	210,326	202,703	692,449
Matthew Bonning-Snook	135,380	105,978	146,570	387,928
Jack Pitman	129,965	101,902	146,570	378,437

Helical Bar 2002 Approved Share Incentive Plan
On 24 July 2002 the shareholders approved the Helical Bar 2002 Approved Share Incentive Plan (the "Plan"). Under the terms of this Plan employees of the Company are given up to £3,000 of free shares in any tax year. Participants in the Plan may purchase additional shares up to a value of £1,500 which is matched in a ratio of 2:1 by the Company. Provided participants remain employed by the Company for a minimum of three years they will retain the free and matching shares.

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

	12 June 2007 at 432.75p	6 July 2007 at 481.0p	28 September 2007 at 450.0p	9 January 2008 at 320.0p
Michael Slade	693	240	338	438
Nigel McNair Scott	693	240	338	438
Gerald Kaye	693	240	338	438
Michael Brown	693	240	338	438
Matthew Bonning-Snook	693	240	249	438
Jack Pitman	693	240	338	438

Shares held by the Trustees of the Plan at 31 March 2008 were 233,460 (2007: 205,660).

Giles Weaver
Chairman

17 June 2008

Independent auditors report

To the Members of Helical Bar plc

We have audited the Group and parent company financial statements (the "financial statements") of Helical Bar plc for the year ended 31 March 2008 which comprise the principal accounting policies, the Consolidated income statement, the Group and parent balance sheets, the Group and parent cash flow statements, the Group and parent company statements of recognised income and expense and notes 1 to 35. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review and Financial Review that is cross-referred from the trading results section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's statement, operating and financial review, the corporate governance statement and corporate social responsibility report and financial highlights. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2008 and of its result for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 March 2008;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation; and,
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2008.

Separate opinion in relation to IFRSs

As explained in the notes to the Group financial statements, the Group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the Group financial statements give a true and fair view, in accordance with IFRSs, of the state of the Group's affairs as at 31 March 2008 and of its result for the year then ended.

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants

London

17 June 2008

Index to the financial statements

Consolidated income statement

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2008

	Note	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Revenue	2	**65,623**	123,176
Net rental income	3	**16,400**	14,771
Development profits	4	**6,068**	13,587
Trading (losses)/profits	5	**(29)**	2,094
Share of results of joint ventures	18	**(98)**	6,196
Other operating (expense)/income		**(315)**	766
Gross profit before (loss)/gain on sale and revaluation of investment properties		**22,026**	37,414
(Loss)/gain on sale and revaluation of investment properties	6	**(32,790)**	40,637
Gross (loss)/profit		**(10,764)**	78,051
Administrative expenses	7	**(13,659)**	(17,544)
Operating (loss)/profit		**(24,423)**	60,507
Finance costs	8	**(3,033)**	(2,710)
Finance income	8	**2,579**	1,335
Change in fair value of derivative financial instruments	21	**(1,270)**	956
Foreign exchange gains		**1,862**	–
(Loss)/profit before tax		**(24,285)**	60,088
Taxation on (loss)/profit on ordinary activities	9	**11,971**	(8,000)
(Loss)/profit after tax		**(12,314)**	52,088
– attributable to minority interests		**(7)**	300
– attributable to equity shareholders		**(12,307)**	51,788
(Loss)/profit for the year		**(12,314)**	52,088
Basic (loss)/earnings per share	13	**(13.5p)**	58.0p
Diluted (loss)/earnings per share	13	**(13.5p)**	53.7p

Group and company balance sheets

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2008

	Note	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Non-current assets					
Investment properties	14	**306,778**	316,025	**–**	–
Owner occupied property, plant and equipment	15	**2,007**	351	**2,007**	351
Available-for-sale investments	16	**12,000**	_	**12,000**	–
Investment in subsidiaries	17	**–**	_	**37,771**	15,300
Investment in joint ventures	18	**6,078**	6,188	**7,065**	6,679
Goodwill	19	**30**	30	**–**	–
		326,893	322,594	**58,843**	22,330
Current assets					
Land, developments and trading properties	20	**182,508**	110,815	**546**	1,166
Available-for-sale investments	16	**12**	912	**–**	900
Derivative financial instruments		**–**	345	**–**	–
Trade receivables and other receivables	22	**44,083**	70,526	**352,585**	360,964
Cash and cash equivalents	23	**17,090**	3,389	**11**	11
		243,693	185,987	**353,142**	363,041
Total assets		**570,586**	508,581	**411,985**	385,371
Current liabilities					
Trade payables and other payables	24	**(66,374)**	(64,203)	**(197,963)**	(164,726)
Current tax liabilities		**–**	(3,909)	**–**	(2,785)
Borrowings	25	**(50,238)**	(31,560)	**(2,508)**	(10,250)
		(116,612)	(99,672)	**(200,471)**	(177,761)
Non-current liabilities					
Borrowings	25	**(172,362)**	(105,847)	**–**	–
Derivative financial instruments		**(925)**	–	**–**	–
Deferred tax provision	10	**(11,851)**	(20,697)	**(2,824)**	(172)
Obligations under finance leases	27	**(177)**	(179)	**–**	–
		(185,315)	(126,723)	**(2,824)**	(172)
Total liabilities		**(301,927)**	(226,395)	**(203,295)**	(177,933)
Net assets		**268,659**	282,186	**208,690**	207,438

Group and company balance sheets

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2008

	Note	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Equity					
Called-up share capital	31	**1,222**	1,222	**1,222**	1,222
Share premium account	31	**42,520**	42,520	**42,520**	42,520
Revaluation reserve	31	**57,072**	79,664	**–**	–
Capital redemption reserve	31	**7,478**	7,478	**7,478**	7,478
Other reserves	31	**291**	291	**1,987**	1,987
Retained earnings	31	**163,911**	157,006	**159,475**	160,226
Own shares held	31	**(3,992)**	(5,995)	**(3,992)**	(5,995)
Equity attributable to equity holders of the parent		**268,502**	282,186	**208,690**	207,438
Minority interests		**157**	–	**–**	–
Total equity		**268,659**	282,186	**208,690**	207,438

The financial statements were approved by the Board of Directors on 17 June 2008.

M.E. Slade
Director

N.G. McNair Scott
Director

Group and company statements of recognised income and expense

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2008

	Group Year ended 31.3.08 £000	Group Year ended 31.3.07 £000	Company Year ended 31.3.08 £000	Company Year ended 31.3.07 £000
(Loss)/profit for the year	**(12,314)**	52,088	**7,284**	71,751
Fair value movements on available-for-sale investments	**9,974**	(24)	**9,974**	–
Associated deferred tax on fair value movements	**(2,793)**	–	**(2,793)**	–
Total recognised income and expense for the year	**(5,133)**	52,064	**14,465**	71,751
– attributable to equity shareholders	**(5,126)**	51,764	**14,465**	71,751
– attributable to minority interest	**(7)**	300	**–**	–
	(5,133)	52,064	**14,465**	71,751

Group and company cash flow statements

	Group Year to 31.3.08 £000	Group Year to 31.3.07 £000	Company Year to 31.3.08 £000	Company Year to 31.3.07 £000
Cash flows from operating activities				
(Loss)/profit before tax	**(24,285)**	60,088	**12,272**	84,472
Depreciation	**270**	180	**270**	180
Loss/(gain) on investment properties	**32,554**	(40,637)	**–**	–
Other non-cash items	**3,441**	(6,294)	**(31,873)**	(81,790)
Cash flows from operations before changes in working capital	**11,980**	13,337	**(19,331)**	2,862
Change in trade and other receivables	**26,051**	(36,317)	**8,379**	(57,048)
Change in land, developments and trading properties	**(65,031)**	(19,705)	**620**	(645)
Change in trade and other payables	**2,563**	14,828	**33,237**	(21,742)
Cash (outflow)/inflow generated from operations	**(24,437)**	(27,857)	**22,905**	(76,573)
Finance costs	**(12,987)**	(8,035)	**(514)**	(223)
Finance income	**2,579**	574	**628**	9,925
Minority interest dividends paid	**–**	(300)	**–**	–
Dividends from joint ventures	**98**	303	**98**	–
Dividends from subsidiaries	**–**	–	**–**	65,558
Tax paid	**(3,100)**	(2,602)	**(2,922)**	(2,359)
	(13,410)	(10,060)	**(2,710)**	72,901
Cash flows from operating activities	**(37,847)**	(37,917)	**20,195**	(3,672)
Cash flows from investing activities				
Purchase of investment property	**(26,760)**	(27,772)	**–**	–
Sale of investment property	**6,014**	53,446	**–**	–
Purchase of investments	**(8,080)**	(4,164)	**(1,126)**	–
Sale of investments	**6,508**	3,909	**–**	–
Purchase of shares by ESOP	**(5,273)**	(5,084)	**(5,273)**	(5,984)
Sale of plant and equipment	**–**	7	**–**	7
Purchase of leasehold improvements, plant and equipment	**(1,973)**	(48)	**(1,973)**	(48)
	(29,564)	20,294	**(8,372)**	(6,025)
Cash flows from financing activities				
Issue of shares	**–**	43	**–**	43
Borrowings drawn down	**96,837**	46,206	**–**	10,250
Borrowings repaid	**(11,644)**	(31,616)	**(7,742)**	–
Equity dividends paid	**(4,081)**	(3,615)	**(4,081)**	(3,615)
Refinancing costs	**–**	(141)	**–**	–
	81,112	10,877	**(11,823)**	6,678
Net increase/(decrease) in cash and cash equivalents	**13,701**	(6,746)	**–**	(3,019)
Cash and cash equivalents at 1 April	**3,389**	10,135	**11**	3,030
Cash and cash equivalents at 31 March	**17,090**	3,389	**11**	11

Notes to the financial statements

1. Principal accounting policies – Group and Company

Basis of preparation

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards ("IFRS"), as adopted by the European Union and IFRS as issued by the International Accounting Standards Board.

The parent company's financial statements have also been prepared in accordance with IFRS, as adopted by the European Union. The directors have taken advantage of the exemption offered by S.230 of the Companies Act not to present a separate income statement for the parent company.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments and derivative financial instruments. The measurement bases and principal accounting policies of the Group are set out below.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 March 2008. Subsidiary undertakings are those entities over which the Group has the ability to govern the financial and operating policies through the exercise of voting rights. Subsidiaries are accounted for under the purchase method.

Unrealised gains on transactions between the Company and its subsidiaries and between subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Revenue recognition

Revenue consists of gross rental income, sales of trading and development properties, profits accrued on developments, sales of current asset investments and investment income.

Rental income receivable is recognised on the accruals basis in the period from lease commencement to expiry and is spread evenly over that period. Any incentive for lessees to enter into a lease agreement and any costs associated with entering into the lease are spread over the same period.

Trading properties and development sites are regarded as sold when significant risks and rewards of ownership have been transferred to the buyer. For unconditional contracts, sales are recognised on exchange. For conditional contracts, sales are recognised as the conditions are satisfied.

Development profits on pre-sold developments are recognised in accordance with the following milestones:

- on sale of land
- on sale of completed development
- on letting of developed building to tenants
- over the course of the construction in accordance with an agreed contract

Revenue in respect of investment and other income represents investment income, fees and commissions earned on an accruals basis and profits or losses recognised on investments held for the short-term. Dividends are recognised when the shareholders' right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

Share-based payments

The Group provides share-based payments in the form of share options, performance share plan awards and a share incentive plan. These payments are discussed in greater detail in the Directors' Remuneration Report on pages 36 to 42. The fair value of share-based payments related to employees' service are determined indirectly by reference to the fair value of the related instrument at the grant date. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2005 are recognised in the financial statements. The Group uses the stochastic valuation model and the resulting value is amortised through the Consolidated Income Statement ("Income Statement") over the vesting period of the share-based payments.

For the performance share plan and share incentive plan awards, where non-market conditions apply, the expense is allocated, over the vesting period, to the Income Statement based on the best available estimate of the number of awards that are expected to vest. Estimates are subsequently revised if there is any indication that the number of awards expected to vest differs from previous estimates.

Depreciation

In accordance with IAS 40 Investment Property, depreciation is not provided for on freehold investment properties or on leasehold investment properties. The Group does not own the freehold land and buildings which it occupies. Costs incurred in respect of leasehold improvements to the Group's head office at 11-15 Farm Street, London W1J 5RS are capitalised and held as short leasehold improvements. Leasehold improvements, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Residual values are reassessed annually.

Depreciation is charged so as to write off the cost of assets less residual value, over their estimated useful lives, using the straight line method, on the following basis:

Short leasehold improvements	– 10% or length of lease, if shorter
Plant and equipment	– 25%

Taxation

The taxation charge represents the sum of tax currently payable and deferred tax. The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date. Tax payable upon realisation of revaluation gains recognised in prior periods is recorded as a current tax charge with a release of the associated deferred taxation.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which Helical expects, at the balance sheet date, to recover or settle the carrying amount of those assets and liabilities. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The deferred tax asset relating to share based payment awards reflects the estimated value of tax relief available on the vesting of the awards at the balance sheet date.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. It is recognised in the Income Statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

The Group recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

a) the Group is able to control the timing of the reversal of the temporary difference; and,
b) it is probable that the temporary difference will not reverse in the foreseeable future.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which dividends are approved.

Investment properties

Investment properties are properties owned or leased by the Group which are held for long-term rental income and for capital appreciation. Investment properties are initially recognised at cost and revalued at the balance sheet date to fair value as determined by professionally qualified external valuers. In accordance with IAS 40, investment properties held under leases are stated gross of the recognised finance lease liability.

An investment property is regarded as sold when the significant risks and rewards of ownership have been transferred to the buyer. For unconditional contracts, sales are recognised on exchange. For conditional contracts, sales are recognised as the conditions are satisfied.

Gains or losses arising from changes in the fair value of investment properties are included in other operating income in the Income Statement of the period in which they arise.

In accordance with IAS 40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

When the Group redevelops an existing investment property for continued future use as investment property, the property remains an investment property measured at fair value and is not reclassified. Interest is capitalised before tax relief until the date of practical completion.

Details of the valuation of investment properties can be found in note 14.

Investment in joint ventures

Entities whose economic activities are controlled jointly by the Group and by other ventures independent of the Group are accounted for using the equity method of accounting. Under IFRS the Group's share of the results and of the net assets of the joint ventures are shown in the Income Statement and Consolidated Balance Sheet ("Balance Sheet") respectively. Under IFRS the Company's cost of investment in joint ventures is shown in the Company Balance Sheet.

Investments in subsidiaries

Investments in subsidiaries are held in the Company balance sheet at cost and reviewed annually for impairment.

Goodwill
Goodwill, representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. Negative goodwill is recognised immediately after acquisition in the Income Statement.

Land, developments and trading properties
Land, developments and trading properties held for sale are inventory and are included in the Balance Sheet at the lower of cost and net realisable value.

Investments
Investments are classified as available-for-sale investments or trading investments dependent on the purpose for which they were acquired. Available-for-sale investments are revalued to fair value at the balance sheet date. Gains or losses arising from changes in fair value are recognised directly in equity except to the extent that losses are attributable to impairment, in which case they are recognised in the Income Statement. Upon disposal, accumulated fair value adjustments are included in the Income Statement.

Trade receivables
Trade receivables do not carry any interest and are stated initially at fair value and subsequently at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents
Cash and cash equivalents are carried in the Balance Sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks, other short-term, highly liquid investments with original maturities of three months or less.

Trade and other payables
Trade and other payables are not interest bearing and are initially recognised at fair value and subsequently at amortised cost.

Borrowing and borrowing costs
Interest bearing bank loans and overdrafts are initially recorded at fair value, net of finance and other costs yet to be amortised.

Borrowing costs directly attributable to the acquisition and construction of new development and investment properties are added to the costs of such properties until the date of completion of the development or investment.

Derivative financial instruments
Derivative financial assets and financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group enters into derivative transactions such as interest rate caps and floors in order to manage the risks arising from its activities. Derivatives are initially recorded at fair value and are subsequently remeasured to fair value based on market prices, estimated future cash flows and forward rates as appropriate. Any change in the fair value of such derivatives is recognised immediately in the Income Statement as a finance cost or income.

Further information on the categorisation of financial instruments can be found in note 21.

Leases
Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

In accordance with IAS 40, finance leases of investment property are accounted for as finance leases and recognised as an asset and an obligation to pay future minimum lease payments. The investment property asset is included in the balance sheet at fair value, gross of the recognised finance lease liability. Lease payments are allocated between the liability and finance charges so as to achieve a constant financing rate.

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

(Loss)/earnings per share
(Loss)/earnings per share have been calculated in accordance with IAS 33 and the best practice recommendations of EPRA.

Employee Share Ownership Plan Trust
Shares held in the Helical Bar Employee Share Ownership Plan Trust ("ESOP") are shown as a deduction in arriving at equity funds. Assets, liabilities and reserves of the ESOP are included in the statutory headings to which they relate.

Use of estimates and judgements
To be able to prepare accounts according to generally accepted accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial accounts. These estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances. The results of these considerations form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

Areas requiring the use of estimates and critical judgement that may significantly impact on the Group's earnings and financial position are:

- revenue and cost recognition on developments where profits, recognised only when developments are sold and let, are spread over the construction period using estimates of the final outcome;
- valuation of investment properties, where external valuers are used to provide third party valuations;
- valuation of recently acquired investment properties, where a directors' valuation is used based on the terms of the acquisition;
- calculation of deferred tax liabilities, where indexation is used to reduce the provision for deferred tax on revaluation surpluses;
- recognition of share-based payments which is dependent upon the estimated number of performance share plan awards that will vest at the end of the performance periods;
- calculation and assessment of recoverability of deferred tax assets, where it has been assumed that the performance share plan awards will be tax deductible on the vesting of the share awards; and,
- valuation of the investment in Quotient Bioscience Limited, which is based on recent share transactions, as discounted to a current fair value (note 16).

Status of Adoption of Significant New or Amended IFRS Standards or Interpretations

The Group has adopted IFRS 7 "Financial Instruments: Disclosures" in the year. There has been no change in the Income Statement and Balance Sheet as a result of adopting this standard but it has resulted in additional disclosure.

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

IAS 1 "Presentation of financial statements" (revised 2007) – effective 1 January 2009
IAS 23 "Borrowing costs" (revised 2007) – effective 1 January 2009
IAS 27 "Consolidated and separate financial statements" (revised 2008) – effective 1 July 2009
Amendment to IFRS 2 "Share-based Payment" – vesting conditions and cancellations – effective 1 January 2009
IFRS 3 "Business combinations" (revised 2008) – effective 1 January 2009
IFRS 8 "Operating segments" – effective 1 January 2009

Helical does not anticipate any material impact on adopting the above.

2. Segmental information

Revenue	Investment and trading Year ended 31.3.08 £000	Developments Year ended 31.3.08 £000	Total Year ended 31.3.08 £000	Investment and trading Year ended 31.3.07 £000	Developments Year ended 31.3.07 £000	Total Year ended 31.3.07 £000
Rental income	**18,284**	**–**	**18,284**	18,044	–	18,044
Trading property sales	**115**	**–**	**115**	12,355	–	12,355
Developments	**–**	**40,585**	**40,585**	–	88,685	88,685
	18,399	**40,585**	**58,984**	30,399	88,685	119,084
Other	**–**	**–**	**6,639**	–	–	4,092
Revenue	**18,399**	**40,585**	**65,623**	30,399	88,685	123,176

All sales were within the UK. All revenue is attributable to continuing operations.

Profit before tax	Investment and trading Year ended 31.3.08 £000	Developments Year ended 31.3.08 £000	Total Year ended 31.3.08 £000	Investment and trading Year ended 31.3.07 £000	Developments Year ended 31.3.07 £000	Total Year ended 31.3.07 £000
Net rental income	**16,400**	**–**	**16,400**	14,771	–	14,771
Development profits	**–**	**6,068**	**6,068**	–	13,587	13,587
Trading (losses)/profits	**(29)**	**–**	**(29)**	2,094	–	2,094
Share of results of joint venture	**(98)**	**–**	**(98)**	6,196	–	6,196
(Loss)/gain on sale and revaluation of investment properties	**(32,790)**	**–**	**(32,790)**	40,637	–	40,637
	(16,517)	**6,068**	**(10,449)**	63,698	13,587	77,285
Other operating (expense)/income			**(315)**			766
Gross (loss)/profit			**(10,764)**			78,051
Unallocated administrative expenses			**(13,659)**			(17,544)
Unallocated net finance income/(costs)			**138**			(419)
(Loss)/profit before tax			**(24,285)**			60,088

Balance sheet	31.3.08 £000	31.3.08 £000	31.3.08 £000	31.3.07 £000	31.3.07 £000	31.3.07 £000
Investment properties	**306,778**	**–**	**306,778**	316,025	–	316,025
Land, development and trading properties	**1,390**	**181,118**	**182,508**	1,650	109,165	110,815
	308,168	**181,118**	**489,286**	317,675	109,165	426,840
Borrowings	**(141,247)**	**(81,353)**	**(222,600)**	(96,602)	(40,805)	(137,407)
	166,291	**100,395**	**266,686**	221,073	68,360	289,433
Unallocated assets			**81,300**			81,741
Unallocated liabilities			**(79,327)**			(88,988)
Net assets			**268,659**			282,186

The segmental information has been provided in respect of the two main divisions of the Group, the investment and trading department and the development department. Details of capital expenditure and depreciation are included in notes 14 and 15.

3. Net rental income

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Gross rental income	**18,284**	18,044
Rents payable	**(42)**	(137)
Other property outgoings	**(1,842)**	(3,136)
Net rental income	**16,400**	14,771

4. Development profits

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Development revenue	**40,585**	88,685
Cost of sales	**(33,640)**	(70,052)
Sales expenses	**(877)**	(5,046)
Development profit	**6,068**	13,587

5. Trading (losses)/profits

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Trading property sales	**115**	12,355
Cost of sales	**(143)**	(9,251)
Sales expenses	**(1)**	(1,010)
Trading (losses)/profits	**(29)**	2,094

6. (Loss)/gain on sale and revaluation of investment properties

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Net proceeds from the sale of investment properties	**6,014**	53,446
Book value (note 14)	**(6,250)**	(45,638)
Lease incentive and letting costs adjustment	**–**	(351)
(Loss)/gain on sale of investment properties	**(236)**	7,457
Revaluation (losses)/gains on investment properties	**(32,554)**	33,180
(Loss)/gain on sale and revaluation of investment properties	**(32,790)**	40,637

7. Administrative expenses

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Administrative expenses	**13,659**	17,544
Operating (loss)/profit is stated after:		
Staff costs during the year:		
– salaries and other remuneration	**3,765**	8,511
– social security costs	**1,033**	1,318
– other pension costs	**238**	302
	5,036	10,131
Depreciation:		
– owner occupied property, plant and equipment	**270**	180
Share-based payments charge	**4,208**	4,578
Auditors' remuneration:		
– audit of parent company and consolidated financial statements	**135**	127
– audit of company's subsidiaries	**70**	70
– interim audit of consolidated financial statements	**38**	25
– financial assistance	**7**	–
– PSP review	**3**	3

Details of the remuneration of Directors amounting to £14,048,000 (2007: £19,714,000) are included in the Directors' Remuneration Report on pages 36 to 42. The amount of the share-based payments charge incurred in relation to share awards made to Directors is £3,660,000 (2007: £3,342,000).

Other pension costs relate to payments to individual pension plans.

The average number of employees (management and administration) of the Group during the year was 24 (2007: 22).

8. Finance costs and finance income

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Interest payable on bank loans and overdrafts	**(11,901)**	(8,437)
Other interest payable and similar charges	**(265)**	(228)
Finance arrangement costs	**(163)**	(114)
Interest capitalised	**9,296**	6,069
Finance costs	**(3,033)**	(2,710)
Interest receivable and similar income	**2,579**	1,335
Finance income	**2,579**	1,335

All interest payable relates to interest on borrowings and all interest receivable relates to interest on cash and cash equivalents.

9. Taxation on (loss)/profit on ordinary activities

		Year ended 31.3.08 £000	Year ended 31.3.07 £000
The tax credit/(charge) is based on the (loss)/profit for the year and represents:			
United Kingdom corporation tax at 30% (2007: 30%)			
– Group corporation tax		**(1,160)**	(6,449)
– adjustment in respect of prior periods		**1,492**	141
Current tax credit/(charge)		**332**	(6,308)
Deferred tax at 28% (2007: 30%)	– capital allowances	**(560)**	7
	– other temporary differences	**1,209**	929
	– revaluation surpluses	**10,990**	(2,628)
Deferred tax		**11,639**	(1,692)
Tax on (loss)/profit on ordinary activities		**11,971**	(8,000)

Factors affecting tax credit/(charge) for period:
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	31.3.08 £000	31.3.07 £000
(Loss)/profit on ordinary activities before tax	**(24,285)**	60,088
(Loss)/profit on ordinary activities multiplied by		
standard rate of corporation tax in the UK of 30% (2007: 30%)	**7,285**	(18,027)
Effect of:		
– payments for use of tax losses	**(905)**	(3,191)
– expenses not deductible for tax purposes	**(958)**	(375)
– capital allowances not reflected through deferred tax	**907**	727
– tax relief on share awards	**2,963**	3,851
– tax losses utilised	**795**	9,538
– operating losses/(profit) of joint ventures	**(29)**	(107)
– prior year adjustment	**1,492**	142
– other temporary differences	**421**	(558)
Total tax credit/(charge) for period	**11,971**	(8,000)

The current tax charge has been calculated at a rate of 30%, applicable to periods up to 31 March 2008. From 1 April 2008 the corporation tax rate is 28% and the deferred tax balances at 31 March 2008 have been calculated using that rate. The effect of the reduction in the rate applicable to deferred tax balances is to reduce the deferred tax provision at 31 March 2008 and, hence, increase the deferred tax credit for the year to 31 March 2008, by £647,000.

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

10. Deferred tax

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

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Capital gains	**12,566**	23,555	**–**	–
Capital allowances	**2,728**	2,168	**31**	172
Other temporary differences	**(3,443)**	(5,026)	**2,793**	–
Deferred tax provision	**11,851**	20,697	**2,824**	172

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.

Other temporary differences represent deferred tax assets arising from future tax relief available to the Group from capital allowances and when Performance Share Plan awards vest.

If upon sale of the investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £2.7m would be released and further capital allowances of £9.2m would be available to reduce future tax liabilities.

The provision in respect of capital gains tax has been reduced by indexation.

11. Dividends paid

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Attributable to equity share capital		
Ordinary		
– interim paid of 1.75p (2007: 1.60p) per share	**1,613**	1,441
– prior period final paid of 2.75p (2007: 2.45p) per share	**2,468**	2,174
Total dividends paid in year – 4.50p (2007: 4.05p) per share	**4,081**	3,615

The interim dividend of 1.75p was paid on 21 December 2007 to shareholders on the register on 7 December 2007. The final dividend, if approved at the AGM on 23 July 2008, will be paid on 25 July 2008 to shareholders on the register on 27 June 2008. This final dividend, amounting to £2,490,444, representing 2.75p per share, has not been included as a liability at 31 March 2008.

12. Parent company

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own income statement in the financial statements. The profit for the year of the Company was £7,284,000 (2007: £71,751,000).

13. (Loss)/earnings per share

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

The calculation of diluted (loss)/earnings per share is based on the basic (loss)/earnings per share, adjusted to allow for the issue of shares on the assumed exercise of all dilutive options.

The (loss)/earnings per share are calculated in accordance with IAS 33 and the best practice recommendations of the European Public Real Estate Association ("EPRA").

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

	Year ended 31.3.08 000s	Year ended 31.3.07 000s
Ordinary shares in issue	**95,732**	94,372
Weighting adjustment	**(4,289)**	(5,028)
Weighted average ordinary shares in issue for calculation of basic earnings per share	**91,443**	89,344
Weighted average ordinary shares issued on exercise of share options	**–**	1,847
Weighted average ordinary shares to be issued on exercise of share options	**–**	2,972
Weighted average ordinary shares to be issued under performance share plan	**–**	2,303
Weighted average ordinary shares in issue for calculation of diluted earnings per share	**91,443**	96,466
Weighted average ordinary shares issued on exercise of share options	**461**	–
Weighted average ordinary shares to be issued on exercise of share options	**2,919**	–
Weighted average ordinary shares to be issued under performance share plan	**2,929**	–
Weighted average ordinary shares in issue for calculation of diluted EPRA earnings per share	**97,752**	96,466
(Loss)/earnings used for calculation of basic and diluted earnings per share	**(12,307)**	51,788
Basic (loss)/earnings per share	**(13.5p)**	58.0p
Diluted (loss)/earnings per share	**(13.5p)**	53.7p
(Loss)/earnings used for calculation of basic and diluted earnings per share	**(12,307)**	51,788
(Loss)/gain on sale and revaluation of investment properties	**32,790**	(40,637)
Fair value movement on derivative financial instruments	**1,270**	(955)
Deferred tax in respect of investment properties	**(10,430)**	2,621
Tax on profit on disposal of investment properties	**–**	3,191
Earnings used for calculation of adjusted earnings per share	**11,323**	16,008
Diluted EPRA earnings per share	**11.6p**	16.6p

In accordance with IAS 33 on Earnings per share, no weighting adjustments have been made for share awards in existence during the year to 31 March 2008 as a loss was made during that year making the adjustments anti-dilutive. Accordingly, the basic and diluted loss per share for the year are the same.

Diluted EPRA earnings per share excludes from earnings the IFRS effects of including the loss on sale and revaluation of investment properties (net of tax) and fair value movement on derivative financial statements.

14. Investment properties

	Freehold 31.3.08 £000	Leasehold 31.3.08 £000	Total 31.3.08 £000	Freehold 31.3.07 £000	Leasehold 31.3.07 £000	Total 31.3.07 £000
Group						
Fair value at 1 April	**253,696**	**62,329**	**316,025**	211,451	83,132	294,583
Additions at cost	**29,066**	**493**	**29,559**	32,445	1,458	33,903
Disposals	**(6,250)**	**–**	**(6,250)**	(15,174)	(30,464)	(45,638)
Revaluation (deficit)/surplus	**(30,211)**	**(2,343)**	**(32,554)**	24,974	8,206	33,180
Amortisation of finance lease	**–**	**(2)**	**(2)**	–	(3)	(3)
Fair value at 31 March	**246,301**	**60,477**	**306,778**	253,696	62,329	316,025

A disposal of the investment property portfolio at its stated fair value would crystallise a payment due to the Group's joint venture partners in respect of their share of the revaluation surplus of £6.0m (2007: £9.4m). This amount is included in accruals (note 24).

Interest capitalised during the year in respect of the refurbishment of investment properties amounted to £2,634,000 (2007: £1,192,000).

Interest capitalised in respect of the refurbishment of investment properties is included in investment properties to the extent of £5,140,000 (2007: £2,505,000).

The investment properties have been valued on an open market basis at 31 March 2008 as follows:

	£000
Cushman & Wakefield LLP	**229,075**
Jones Lang LaSalle	**59,700**
Drivers Jonas LLP	**6,500**
Directors' valuation	**11,503**
	306,778

The net deficit arising of £32,554,000 (2007: surplus of £33,180,000) has been transferred to the revaluation reserve.

The historical cost of investment property is £237,838,000 (2007: £213,501,000).

15. Owner occupied property, plant and equipment – Group and Company

	Short leasehold improvements 31.3.08 £000	Plant and equipment 31.3.08 £000	Total 31.3.08 £000	Short leasehold improvements 31.3.07 £000	Plant and equipment 31.3.07 £000	Total 31.3.07 £000
Cost at 1 April	**646**	**778**	**1,424**	646	866	1,512
Additions at cost	**1,734**	**239**	**1,973**	–	49	49
Disposals	**(347)**	**(430)**	**(777)**	–	(137)	(137)
Cost at 31 March	**2,033**	**587**	**2,620**	646	778	1,424
Depreciation at 1 April	**552**	**521**	**1,073**	505	518	1,023
Provision for the year	**123**	**147**	**270**	47	133	180
Eliminated on disposals	**(347)**	**(383)**	**(730)**	–	(130)	(130)
Depreciation at 31 March	**328**	**285**	**613**	552	521	1,073
Net book amount at 31 March	**1,705**	**302**	**2,007**	94	257	351

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

16. Available-for-sale investments

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Non-current investments				
Investment in Quotient Bioscience Ltd	**12,000**	–	**12,000**	–
Current investments				
Investment in Quotient Bioscience Ltd	**–**	900	**–**	900
UK listed investments at fair value	**12**	12	**–**	–
	12	912	**–**	900

Helical owns 29% of the share capital of Quotient Bioscience Limited (QBL), a private bioscience company. The investment has been valued at £12,000,000 by the directors at 31 March 2008 based on recent share transactions and after discounting the value to reflect Helical's minority interest, certain restrictions in the shareholders agreement and other risk factors inherent in the valuation of a shareholding in a private company.

If the directors' valuation was increased by 10% the equity of the Group would increase by £864,000 and the value of the investment increased by £1,200,000. If the directors' valuation was reduced by 10% the equity of the Group would decrease by £864,000 and the value of the investment decrease by £1,200,000.

17. Investment in subsidiaries

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
At 1 April	–	–	**15,300**	15,300
Acquired during year	–	–	**30,246**	–
Impairment in the carrying value of investments	–	–	**(7,775)**	–
At 31 March	–	–	**37,771**	15,300

Additions by the Company arise from a restructuring of the group during the year to 31 March 2008.

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

Name of undertaking	Nature of business	Percentage of ordinary share capital held
Albion Land (Bushey Mill) Ltd	Development	100%
Aycliffe and Peterlee Development Company Ltd	Development and trading	100%
Baylight Developments Ltd*	Investment	100%
Chancerygate (Cowley) Ltd	Development	100%
Chancerygate (Kidlington) Ltd	Development	100%
Chancerygate (Southampton) Ltd	Development	100%
Chancerygate (Stockport) Ltd	Development	100%
Cranmer Investments (Whitstable) Ltd	Development	100%
Dencora (Docklands) Ltd	Investment	100%
Dencora (Fordham) Ltd	Investment	100%
Harbour Developments (Bracknell) Ltd	Development	100%
HB Cambs No. 3 Ltd	Investment	100%
HB Dales Manor No. 3 Ltd	Investment	100%
HB Sawston No. 3 Ltd	Investment	100%
Helical (Aldridge) Ltd	Investment	100%
Helical (Ashford) Ltd	Investment	100%

Name of undertaking	Nature of business	Percentage of ordinary share capital held
Helical Bar Developments (South East) Ltd	Development	100%
Helical Bar (East Grinstead) Ltd	Investment	100%
Helical Bar (Epsom) Ltd	Development	100%
Helical Bar (Hawtin Park No. 3) Ltd	Investment	100%
Helical Bar (Rex House) Ltd	Investment	100%
Helical Bar Services Ltd	Management Services	100%
Helical Bar (Wales) Ltd*	Investment	100%
Helical Bar (White City) Ltd	Development	100%
Helical (Battersea) Ltd	Investment	100%
Helical (Cardiff) Ltd	Investment	100%
Helical (Crawley) Ltd	Investment	100%
Helical (Faygate) Ltd	Development	100%
Helical (Fleet) No. 2 Ltd*	Investment	100%
Helical (Glasgow) Ltd	Investment	100%
Helical (Hailsham) Ltd	Development	100%
Helical (Liphook) Ltd	Development (Jersey)	100%
Helical (Milton) Ltd	Development	100%
Helical (Paignton) Ltd	Investment	100%
Helical Properties Investment Ltd	Investment	100%
Helical Properties Ltd	Investment and trading	100%
Helical Retail Ltd	Development	100%
Helical Retail (RBS) Ltd*	Development	100%
Helical (Sevenoaks) Ltd	Investment	100%
Helical (Winterhill) Ltd	Investment	100%
Prescot Street Investments Ltd	Investment	100%
61 Southwark Street Ltd*	Investment	100%

All principal subsidiary undertakings operate in the United Kingdom and, unless otherwise indicated, are incorporated and registered in England and Wales. A full list of all subsidiaries is lodged with the Annual Return at Companies House.

*Ordinary capital is held by a subsidiary undertaking.

18. Investment in joint ventures

	Group 31.3.08 £000	Group 31.3.07 £000
Summarised income statements		
Revenue	**16,450**	16,233
Operating profit	**233**	6,480
Net finance costs	**(331)**	(284)
(Loss)/profit before tax	**(98)**	6,196
Tax	**–**	–
(Loss)/profit after tax	**(98)**	6,196
Summarised balance sheets		
Non-current assets	**81**	10
Current assets	**30,919**	25,168
Current liabilities	**(7,432)**	(6,415)
Non-current liabilities	**(17,490)**	(12,575)
Net assets	**6,078**	6,188

The cost of the Company's investment in joint ventures was £150,000 (2007: £150,000).

At 31 March 2008 the Group and the Company had interests in the following joint venture companies:

	Country of incorporation	Class of share capital held	Proportion held Group	Proportion held Company	Nature of business
Abbeygate Helical (Leisure Plaza) Ltd	United Kingdom	Ordinary	50%	–	Property development
Abbeygate Helical (Winterhill) Ltd	United Kingdom	Ordinary	50%	–	Property development
Abbeygate Helical (C4.1) LLP	United Kingdom	n/a	50%	–	Property development
The Asset Factor Ltd	United Kingdom	Ordinary	50%	50%	Outsourcing
Shirley Advance LLP	United Kingdom	n/a	50%	–	Property development
King Street Developments (Hammersmith) Ltd	United Kingdom	Ordinary	50%	–	Property development

19. Goodwill

	Group 31.3.08 £000	Group 31.3.07 £000
Cost at 1 April	**1,515**	1,515
Additions	**–**	–
Cost at 31 March	**1,515**	1,515
Impairment at 1 April	**1,485**	1,447
Impairment for the year	**–**	38
Impairment at 31 March	**1,485**	1,485
Fair value at 31 March	**30**	30

The carrying values of the Group's goodwill is reassessed at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If analysis indicates that the carrying value is too high, then this is reduced to its recoverable amount which is the higher of fair value and its value in use.

20. Land, developments and trading properties

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Development sites	**181,118**	109,165	**546**	1,166
Properties held as trading stock	**1,390**	1,650	**–**	–
	182,508	110,815	**546**	1,166

The directors' valuation of trading and development stock shows a surplus of £43m above book value (2007: surplus £36m).

Interest capitalised in respect of the development of sites is included in stock to the extent of £11,636,000 (2007: £4,523,000). Interest capitalised during the year in respect of development sites amounted to £6,661,000 (2007: £4,877,000). Capitalised interest previously provided for but reinstated during the year amounted to £452,000 (2007: nil).

Development sites and properties held as trading stock were impaired during the year by £743,891 and £150,094 respectively. The fair value of the impaired development sites and properties held as trading stock at 31 March 2008 was £10,154,232 and £1,362,000 respectively.

21. Financial instruments

Financial assets and liabilities by category

The financial instruments of the Group as classified in the financial statements as at 31 March can be analysed under the following IAS 39 categories:

Financial assets

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Loans and receivables	**59,689**	73,621	**352,228**	360,800
Available for sale financial assets	**12,012**	912	**12,000**	900
At fair value through income statement	**–**	345	–	–
Total financial assets	**71,701**	74,878	**364,228**	361,700

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

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Available-for-sale investments	**12,012**	912	**12,000**	900
Derivative financial instruments	**–**	345	**–**	–
Trade receivables and other receivables	**42,599**	70,232	**352,217**	360,789
Cash and cash equivalents	**17,090**	3,389	**11**	11
Total financial assets	**71,701**	74,878	**364,228**	361,700

For fair value of available-for-sale investments see note 16. Derivative financial instruments are shown at fair value. The carrying value of the trade receivables and other receivables and cash and cash equivalents is deemed to be the fair value.

Financial receivables

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
At fair value through income statement	**(925)**	–	**–**	–
Other financial liabilities	**(279,889)**	(196,761)	**(199,551)**	(174,976)
Total financial liabilities	**(280,814)**	(196,761)	**(199,551)**	(174,976)

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

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Trade payables and other payables	**(57,289)**	(59,354)	**(197,043)**	(164,726)
Borrowings - current	**(50,238)**	(31,560)	**(2,508)**	(10,250)
Borrowings - non current	**(172,362)**	(105,847)	**–**	–
Derivative financial instruments	**(925)**	(196,761)	**–**	–
Total financial liabilities	**(280,814)**	(196,761)	**(199,551)**	(174,976)

The carrying value of trade payables and other payables and borrowings is deemed to be the fair value. Derivative financial instruments are shown at their fair value.

Change in fair value of derivative financial instruments

	Group Year ended 31.3.08 £000	Group Year ended 31.3.07 £000	Company Year ended 31.3.08 £000	Company Year ended 31.3.07 £000
Change in fair value of:				
Interest rate swaps	**(1,297)**	673	**–**	–
Interest rate caps	**(20)**	(7)	**–**	–
Other	**47**	290	**–**	–
	(1,270)	956	**–**	–

Credit Risk

Credit risks arise from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk the Group periodically assesses the financial reliability of customers, taking into account the financial position, past experience and other factors.

Of the trade receivables held at 31 March 2008 £2,650,000 related to the sales of part of the development site at Bluebrick in Wolverhampton which was sold at 31 March 2008 and the monies received on 22 April 2008. A further £1,446,574 related to monies due on the development at Trinity Square, Nottingham which was received on 7 April 2008 and a further £3,297,426 related to rent due from tenants all of which was deemed receivable.

All other debtors are deemed to be recoverable.

For further information on trade and other receivables, see note 22.

Liquidity Risk

Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price. Liquidity and funding risks, related processes and policies are overseen by management.

Helical manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. The Group's cash and cash equivalents are held with major regulated financial institutions.

For further information on borrowing facilities, see notes 25 and 26.

The Group had the following contracted liabilities as at 31 March 2008.

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Payable within 1 year	**153,700**	104,700	**199,700**	171,900
Payable between 1 and 3 years	**58,900**	68,700	**–**	–
Payable after 3 years	**132,400**	63,500	**–**	–
Total contracted liabilities	**345,000**	236,900	**199,700**	171,900

At 31 March 2008 Helical had £76m of undrawn loan facilities, £179m of uncharged assets and cash balances of £17m. The above contracted liabilities assume that no loans are extended beyond their current facility expiry date. The management believe that these facilities together with anticipated sales and the renewal of some of these loan facilities means that Helical can meet its contracted liabilities as they fall due.

Market Risk

Helical is exposed to market risk, primarily related to interest rates, foreign currency exchange movements, the market value of the investments and accrued development profits. The Group actively monitors these exposures.

Interest rate risk

It is the Group's policy and practice to minimise interest rate cash flow exposures on long-term financing. Helical does this by using a number of derivative financial instruments including interest rate swaps and interest rate caps. The purpose of these derivatives is to manage the interest rate risks arising from the Group's sources of finance. The Group does not use financial instruments for speculative purposes.

Details of financing and financial instruments can be found in note 26.

In the year to 31 March 2008, if interest rates had moved by 1%, this would have resulted in the following movement to pre-tax (losses)/profits and equity due to movements in interest charges and mark-to-market valuations of derivatives.

	31 March 2008 Impact on results £000	31 March 2008 Equity impact £000
1% increase – increase in net results and equity	**2,135**	**2,065**
1% decrease – decrease in net results and equity	**(2,483)**	**(2,413)**

There would have been no significant impact on the results or on the equity of the Company if interest rates had increased or decreased.

Foreign currency exchange risk

Helical has reviewed its foreign currency exchange risk and deems there to be an insignificant risk associated with exchange movements on foreign currencies.

Accrued development profits

Helical has a standard policy for recognising development profits. Development profits are recognised on a scheme by scheme basis taking into account: the funding arrangements of the scheme, the level of completion of the scheme and whether there are any pre-lets with the scheme. At the end of each accounting period, all accrued development profit is reviewed for possible impairment.

22. Trade receivables and other receivables

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Trade receivables	**11,626**	50,850	**110**	389
Amounts owed by joint venture undertakings	**10,529**	5,185	**8,423**	15,074
Amounts owed by subsidiary undertakings	**–**	–	**335,585**	345,293
Other receivables	**3,602**	1,390	**5,922**	33
Prepayments and accrued income	**18,326**	13,101	**2,545**	175
	44,083	70,526	**352,585**	360,964

Receivables	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Fully performing	**40,380**	67,230	**352,217**	360,789
Past due < 3 months	**2,068**	1,936	**–**	–
Past due > 3 months	**151**	1,066	**–**	–
Total receivables being financial assets	**42,599**	70,232	**352,217**	360,789
Total receivables being non-financial assets	**1,484**	294	**368**	175
Total receivables	**44,083**	70,526	**352,585**	360,964

Past due but not impaired relate to a number of independent customers for whom there is no recent history of default. Against trade receivables, Helical held £1.1m of rental deposits at 31 March 2008.

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

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Gross receivables being financial assets	**42,776**	70,524	**352,217**	360,789
Provisions for receivables impairment	**(177)**	(292)	**–**	–
Net receivables being financial assets	**42,599**	70,232	**352,217**	360,789
Receivables written off during the year as uncollectable	**343**	32	**–**	–

23. Cash and cash equivalents

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Rent deposits and cash held at managing agents	**3,105**	1,852	**–**	–
Cash secured against debt and cash held at solicitors	**–**	1,045	**–**	–
Cash deposits	**13,985**	492	**11**	11
	17,090	3,389	**11**	11

24. Trade payables and other payables

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Trade payables	**13,035**	9,841	**306**	123
Social security costs and other taxation	**136**	304	**–**	–
Amounts owed to joint venture undertakings	**8,512**	7,733	**825**	1,554
Amounts owed to subsidiary undertakings	**–**	–	**186,875**	159,003
Other payables	**225**	515	**1,121**	462
Accruals and deferred income	**44,466**	45,810	**8,836**	3,584
	66,374	64,203	**197,963**	164,726

25. Borrowings

	Group 31.3.08 £000	Group 31.3.07 £000	Company 31.3.08 £000	Company 31.3.07 £000
Current borrowings	**50,238**	31,560	**2,508**	10,250
Bank loans repayable within:				
– one to two years	**34,984**	39,981	**–**	–
– two to three years	**16,037**	2,600	**–**	–
– three to four years	**48,280**	9,400	**–**	–
– four to five years	**64,314**	48,336	**–**	–
– after five years	**9,142**	5,800	**–**	–
	172,757	106,117	**–**	–
Deferred arrangement costs	**(395)**	(270)	**–**	–
Non-current borrowings	**172,362**	105,847	**–**	–

Bank overdrafts and term loans in creditors falling due within one year and after one year are secured against properties held in the normal course of business by subsidiary undertakings to the value of £331,657,000 (2007: £222,109,000). These will be repayable when the underlying properties are sold. Bank overdrafts and term loans exclude the Group's share of borrowings in joint venture companies of £19,990,000 (2007: £12,583,000).

26. Financing and financial instruments

The policies for dealing with liquidity and interest rate risk are noted in the Financial Review on page 26.

	Group 31.3.08 £000	Group 31.3.07 £000
Bank overdraft and loans – maturity		
Due after more than one year	**172,362**	105,847
Due within one year	**50,238**	31,560
	222,600	137,407

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2008 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.08 £000	Group 31.3.07 £000
Expiring in one year or less	**62,427**	44,200
Expiring in more than one year but not more than two years	**2,000**	27,456
Expiring in more than two years	**11,730**	2,000
	76,157	73,656

Interest rates

	%	Expiry	31.3.08 £000	%	Expiry	31.3.07 £000
Fixed rate borrowings:						
– fixed	**9.050**	**Feb 2009**	**6,188**	9.050	Feb 2009	6,815
– swap rate plus bank margin	**5.939**	**Sep 2009**	**14,324**	5.939	Sep 2009	14,324
– swap rate plus bank margin	**–**	**–**	**–**	6.231	Feb 2008	5,800
– swap rate plus bank margin	**5.341**	**Jun 2011**	**4,536**	5.341	Jun 2011	4,536
– swap rate plus bank margin	**5.661**	**Nov 2010**	**5,200**	5.661	Nov 2010	5,200
– swap rate plus bank margin	**7.273**	**Nov 2009**	**8,000**	–	–	–
– swap rate plus bank margin	**6.405**	**Oct 2012**	**35,190**	–	–	–
– swap rate plus bank margin	**4.990**	**Mar 2009**	**10,120**	–	–	–
– swap rate plus bank margin	**6.052**	**Jan 2011**	**4,200**	6.052	Jan 2011	4,200
Weighted average	**6.332**	**Aug 2011**	**87,758**	6.189	Nov 2009	40,875
Floating rate borrowings	**6.724**	**Aug 2010**	**135,237**	6.326	Jun 2009	96,802
Total borrowings			**222,995**			137,677
Deferred arrangement costs			**(395)**			(270)
			222,600			137,407

Floating rate borrowings bear interest at rates based on LIBOR.

Hedging

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

Instrument	Value £000	Rate %	Start	Expiry
Current:				
– cap	80,000	7.000	Jan 2006	Sep 2009

Gearing

	Group 31.3.08 £000	Group 31.3.07 £000
Total borrowings	**222,600**	137,407
Cash	**(17,090)**	(3,389)
Net borrowings	**205,510**	134,018

Net borrowings exclude the Group's share of borrowings in joint ventures of £19,990,000 (2007: £12,583,000).

	Group 31.3.08 £000	Group 31.3.07 £000
Net assets	**268,659**	282,186
Gearing	**76%**	47%

27. Obligations under finance leases

	Group 31.3.08 £000	Group 31.3.07 £000
Lease payments under finance leases fall due:		
Not later than one year	**14**	14
Later than one year and not later than five years	**46**	46
Later than five years	**117**	119
Present value of finance lease obligations	**177**	179

28. Share capital

	31.3.08 £000	31.3.07 £000
Authorised	**39,577**	39,577
	39,577	39,577

The authorised share capital of the Company is £39,576,626.60 divided into ordinary shares of 1p each, 5.25p convertible redeemable preference shares 2012 of 70p each and deferred shares of 1/8p each.

	31.3.08 £000	31.3.07 £000
Allotted, called up and fully paid		
– 95,732,457 ordinary shares of 1p each (2007: 95,719,432)	**957**	957
– 212,145,300 deferred shares of 1/8p each	**265**	265
	1,222	1,222

As at 1 April 2007 the Company had 95,719,432 ordinary 1p shares in issue. On 28 September 2007 options over 13,025 ordinary 1p shares were exercised. At 31 March 2008 there were 95,732,457 ordinary 1p shares in issue.

	Shares in issue 31.3.08 Number	Share capital 31.3.08 £000	Shares in issue 31.3.07 Number	Share capital 31.3.07 £000
Ordinary shares				
At 1 April	**95,719,432**	**957**	94,371,925	944
New shares issued	**13,025**	**–**	1,347,507	13
At 31 March	**95,732,457**	**957**	95,719,432	957
Deferred shares				
At 1 April	**212,145,300**	**265**	212,145,300	265
At 31 March	**212,145,300**	**265**	212,145,300	265

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. Capital is defined as being issued ordinary and deferred shares.

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

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

29. Share options

At 31 March 2008 unexercised options over 1,939,965 (2007: 1,956,070) new ordinary 1p shares in the Company and 2,629,695 (2007: 3,964,695) purchased ordinary 1p shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the period no new options were granted. Options over 16,105 new ordinary 1p shares and 1,335,000 purchased ordinary 1p shares were exercised. In order that the dilutive effect of issuing new shares be reduced, and to reduce the number of shares required by the ESOP to satisfy share awards, the Company agreed with employees that the number of shares required on the exercise of options be reduced. To ensure that employees were not disadvantaged by this reduction, the exercise prices applied on the exercise of the options were correspondingly reduced. The effect of the reductions to the exercise prices was to reduce the weighted average exercise price from 149p to 1p. These reductions in exercise prices were not applied to options exercised in accordance with the Helical Bar 1999 Approved Share Option Scheme.

Share options exercised	Original subscription options	Original purchase options	Original total options	Reduced subscription options	Reduced purchase options	Reduced total options
28 September 2007	16,105	1,335,000	1,351,105	13,025	899,475	912,500
	16,105	1,335,000	1,351,105	13,025	899,475	912,500

	Exercise price per share pence	Number of shares	Date from which exercisable	Expiry date of options
Helical Bar 1999 Share Option Scheme				
Subscription options				
Options granted:				
– 8 March 1999	88.5	1,333,875	8 Mar 2005	7 Mar 2009
– 8 January 2001	156.0	150,000	8 Jan 2007	7 Jan 2011
– 21 November 2002	141.5	299,310	21 Nov 2007	20 Nov 2012
Purchase options				
Options granted:				
– 18 December 2000	150.0	1,310,000	18 Dec 2006	17 Dec 2010
– 8 January 2001	156.0	170,510	8 Jan 2007	7 Jan 2011
– 15 November 2001	153.3	1,149,185	15 Nov 2007	14 Nov 2011
Helical Bar 1999 Approved Share Option Scheme				
Subscription options				
Options granted:				
– 8 March 1999	88.5	135,580	8 Mar 2003	7 Mar 2009
– 21 November 2002	141.5	21,200	21 Nov 2006	20 Nov 2012
		4,569,660		

Summary of share options	Number 31.3.08	Weighted average exercise price 31.3.08	Number 31.3.07	Weighted average exercise price 31.3.07
At 1 April	**5,920,765**	**135p**	9,890,205	121p
Options granted	**–**	**–**	–	–
Options exercised	**(1,351,105)**	**1p**	(3,969,440)	3p
Option expired/lapsed	**–**	**–**	–	–
At 31 March	**4,569,660**	**131p**	5,920,765	135p

30. Share-based payments

The Company provides share-based payments to employees in the form of share options, performance share plan awards and a share incentive plan. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2005 are recognised in the financial statements. The Company uses a stochastic valuation model and the resulting value is amortised through the Income Statement over the vesting period of the share-based payments.

Share options granted after 7 November 2002

	Options	2008 Weighted average exercise price	Options	2007 Weighted average exercise price
Outstanding at beginning and end of period	**320,510**	**141.50**	320,510	141.50
	320,510		320,510	

The options outstanding at 31 March 2008 had a weighted average remaining contractual life of four years and eight months.

The input into the stochastic model of valuation of the options were as follows:

	2008	2007
Weighted average share price	**146.72**	146.72
Weighted average exercise price	**141.50**	141.50
Expected volatility	**16%**	16%
Expected life	**6 years**	6 years
Risk free rate	**4.48%**	4.48%
Expected dividends	**1.99%**	1.99%

Expected volatility was determined by calculating the historical volatility of the Company's shares over the last six years. The expected life used in the model has been adjusted, based on the Company's best estimate, for the effects of employee changes (subject to good leaver provisions), exercise restrictions and behavourial considerations.

Performance share plan awards

	Awards	2008 Weighted average award value	Awards	2007 Weighted average award value
Outstanding at beginning of period	**5,960,575**	**268p**	4,514,380	229p
Awards vested during the period	**(2,549,760)**	**197p**	–	–
Awards made during the period	**1,125,250**	**502p**	1,446,195	377p
Outstanding at end of period	**4,536,065**	**366p**	5,960,575	268p

The performance share plan awards outstanding at 31 March 2008 had a weighted average remaining contractual life of two years nine months.

The inputs into the stochastic model of valuation of the PSP awards were as follows:

	2008	2007
Weighted average share price	**366p**	268p
Weighted average exercise price	**–**	–
Expected volatility	**n/a**	n/a
Expected life	**3 years**	3 years
Risk free rate	**n/a**	n/a
Expected dividends	**1.09%**	1.41%

The Company recognised total expenses of £5,340,000 (2007: £4,578,000) in relation to share-based payments.

31. Statement of changes in equity

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Minority interests	Total £000
Group									
At 1 April 2006	1,209	42,490	64,820	7,478	291	120,948	(7,139)	–	230,097
Issue of shares	13	30	–	–	–	–	–	–	43
Revaluation surplus	–	–	30,552	–	–	(30,552)	–	–	–
Realised on disposals	–	–	(15,708)	–	–	15,708	–	–	–
Total recognised income	–	–	–	–	–	52,064	–	–	52,064
Dividends paid	–	–	–	–	–	(3,615)	–	–	(3,615)
Minority interest	–	–	–	–	–	(300)	–	–	(300)
Purchase of shares	–	–	–	–	–	–	(5,155)	–	(5,155)
Share options exercised	–	–	–	–	–	–	71	–	71
Performance share plan	–	–	–	–	–	8,981	–	–	8,981
Own shares held	–	–	–	–	–	(6,228)	6,228	–	–
At 31 March 2007	1,222	42,520	79,664	7,478	291	157,006	(5,995)	–	282,186
Revaluation deficit	**–**	**–**	**(21,564)**	**–**	**–**	**21,564**	**–**	**–**	**–**
Realised on disposals	**–**	**–**	**(1,028)**	**–**	**–**	**1,028**	**–**	**–**	**–**
Total recognised expense	**–**	**–**	**–**	**–**	**–**	**(5,133)**	**–**	**–**	**(5,133)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(4,081)**	**–**	**–**	**(4,081)**
Minority interest	**–**	**–**	**–**	**–**	**–**	**7**	**–**	**157**	**164**
Purchase of shares	**–**	**–**	**–**	**–**	**–**	**–**	**(9,132)**	**–**	**(9,132)**
Performance share plan	**–**	**–**	**–**	**–**	**–**	**4,655**	**–**	**–**	**4,655**
Own shares held	**–**	**–**	**–**	**–**	**–**	**(11,135)**	**11,135**	**–**	**–**
At 31 March 2008	**1,222**	**42,520**	**57,072**	**7,478**	**291**	**163,911**	**(3,992)**	**157**	**268,659**

The adjustment to retained earnings of £4,655,000 (2007: £8,981,000) adds back the share-based payments charge, in accordance with IFRS 2 Share-Based Payments.

Notes:

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

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

Revaluation reserve – represents the surplus of fair value of investment properties over their historic cost.

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

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

Own shares held – relates to the shares purchased by the Helical Bar Employees' Share Ownership Plan Trust.

	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
Company								
At 1 April 2006	1,209	42,490	–	7,478	1,987	98,318	(7,139)	144,343
Issue of shares	13	30	–	–	–	–	–	43
Total recognised income	–	–	–	–	–	71,751	–	71,751
Dividends paid	–	–	–	–	–	(3,615)	–	(3,615)
Shares purchased	–	–	–	–	–	–	(5,155)	(5,155)
Share options exercised	–	–	–	–	–	–	71	71
Own shares held	–	–	–	–	–	(6,228)	6,228	–
At 31 March 2007	1,222	42,520	–	7,478	1,987	160,226	(5,995)	207,438
Total recognised income	**–**	**–**	**–**	**–**	**–**	**14,465**	**–**	**14,465**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(4,081)**	**–**	**(4,081)**
Shares purchased	**–**	**–**	**–**	**–**	**–**	**–**	**(9,132)**	**(9,132)**
Own shares held	**–**	**–**	**–**	**–**	**–**	**(11,135)**	**11,135**	**–**
At 31 March 2008	**1,222**	**42,520**	**–**	**7,478**	**1,987**	**159,475**	**(3,992)**	**208,690**

32. Own shares held

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

The Trust purchases shares in the Company to satisfy the Company's obligations under its Share Option Schemes and Performance Share Plan.

At 31 March 2008 the Trust held 4,170,868 (2007: 5,174,701) ordinary 1p shares in Helical Bar plc.

At 31 March 2008 unexercised options over 2,629,695 (2007: 3,964,695) ordinary 1p shares in Helical Bar plc had been granted over shares held by the Trust.

At 31 March 2008 outstanding awards over 4,536,065 (2007: 5,960,675) ordinary 1p shares in Helical Bar plc had been made under the terms of the Performance Share Plan over shares held by the Trust.

33. Contingent liabilities

The Company has entered into cross guarantees in respect of the banking facilities of its subsidiaries.

Other than these contingent liabilities there were no contingent liabilities at 31 March 2008 (2007: nil).

34. Net assets per share

	31.3.08 £000	Number of shares 000s	31.3.08 pence per share	31.3.07 £000	Number of shares 000s	31.3.07 pence per share
Net asset value	**268,502**	**95,732**		282,186	95,719	
Less: own shares held by ESOP	**–**	**(4,170)**		–	(5,174)	
deferred shares	**(265)**	**–**		(265)	–	
Basic net asset value	**268,237**	**91,562**	**293**	281,921	90,545	311
Add: unexercised share options	**1,988**	**1,940**		2,002	1,956	
Diluted net asset value	**270,225**	**93,502**	**289**	283,923	92,501	307
Adjustment for:						
– fair value of financial instruments	**925**			(345)		
– deferred tax on capital allowances	**2,728**			2,168		
– deferred tax on capital gains	**12,565**			23,555		
Adjusted diluted net asset value	**286,443**	**93,502**	**306**	309,301	92,501	334
Adjustment for:						
– fair value of trading properties	**42,970**			36,480		
Diluted EPRA net asset value	**329,413**	**93,502**	**352**	345,781	92,501	374
Adjustment for:						
– fair value of financial instruments	**(925)**			345		
– deferred tax on capital allowances	**(2,728)**			(2,168)		
– deferred tax on capital gains	**(12,565)**			(23,555)		
Diluted EPRA triple net asset value	**313,195**	**93,502**	**335**	320,403	92,501	346

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

35. Related party transactions

At 31 March 2008 and 31 March 2007 the following amounts were due from the Group's joint ventures

	At 31.3.08 £000	At 31.3.07 £000
Abbeygate Helical (Leisure Plaza) Ltd	**1,318**	889
Abbeygate Helical (Winterhill) Ltd	**(152)**	(864)
Abbeygate Helical (C4.1) LLP	**(636)**	(636)
Grosvenor Hill (Sprucefield) Ltd	**–**	(17)
King Street Developments (Hammersmith) Ltd	**530**	–
Shirley Advance LLP	**5,352**	4,112
The Asset Factor Ltd	**4,116**	551

At 31 March 2008 and 31 March 2007 there were the following balances between the Company and its subsidiaries.

	At 31.3.08 £000	At 31.3.07 £000
Amounts due from subsidiaries	**335,585**	346,766
Amounts due to subsidiaries	**186,875**	159,003

During the years to 31 March 2008 and 31 March 2007 there were the following transactions between the Company and its subsidiaries:

	Year ended 31.3.08 £000	Year ended 31.3.07 £000
Management charges receivable	**3,230**	3,863
Management charges payable	**3,603**	620
Interest receivable	**14,789**	9,482
Interest payable	**–**	–

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

Key management personnel, who are not included in the directors' remuneration report on pages 40-46, were paid £68,828 during the year.

Ten year review

	IFRS 31.3.08 £000	IFRS 31.3.07 £000	IFRS 31.3.06 £000	IFRS 31.3.05 £000	UK GAAP 31.3.04 £000	UK GAAP 31.3.03 £000	UK GAAP 31.3.02 £000	UK GAAP 31.3.01 £000	UK GAAP 31.3.00 £000	UK GAAP 31.3.99 £000
Revenue	**65,623**	123,176	119,274	101,469	54,566	135,192	136,632	165,259	149,922	121,244
Net rental income	**16,400**	14,771	16,524	20,440	22,980	25,619	27,827	25,532	23,652	18,475
Development profits	**6,068**	13,587	4,594	12,664	38	4,630	17,072	29,507	19,345	21,601
Trading (losses)/profits 72		**(29)**	2,094	13,441	5,771	1,031	349	154	920	372
Share of results of joint ventures	**(98)**	6,196	437	2,699	1,636	1,544	986	86	–	–
Other income	**(315)**	766	235	235	601	626	(67)	342	113	(1,144)
Gross profit before gain on investment properties	**22,026**	37,414	35,231	41,809	26,286	32,768	45,972	56,387	43,482	39,004
(Loss)/gain on sale and revaluation of investment properties	**(32,790)**	40,637	43,551	44,204	2,035	2,126	2,463	709	4,555	415
Administrative expenses	**(13,659)**	(17,544)	(16,582)	(15,757)	(8,037)	(6,391)	(10,888)	(12,031)	(9,669)	(6,860)
Loss on sale of subsidiary	**–**	–	–	–	(59)	–	(195)	–	–	–
Negative goodwill	**–**	–	–	–	–	6,362	–	–	–	–
Net finance income/(costs)	**138**	(419)	(5,080)	(5,561)	(6,572)	(9,638)	(14,779)	(19,241)	(16,348)	(12,515)
(Loss)/profit before tax	**(24,285)**	60,088	57,120	64,695	13,653	25,227	22,573	25,824	22,020	20,044
Tax	**11,971**	(8,000)	(9,676)	844	(2,199)	(7,660)	(5,353)	(5,471)	(6,032)	(3,899)
(Loss)/profit after tax	**(12,314)**	52,088	47,444	65,539	11,454	17,567	17,220	20,353	15,988	16,145
Investment portfolio	**306,778**	316,025	294,583	271,315	334,932	342,484	439,911	453,607	419,570	332,457
Shareholders' funds	**268,659**	282,186	230,097	186,165	234,917	226,870	227,653	223,606	171,770	132,652
Dividend per ordinary share	**4.50p**	4.05p	3.65p	3.32p	3.32p	3.00p	2.75p	2.50p	2.23p	2.00p
Special dividend per ordinary share	**–**	–	–	–	–	–	20.0p	–	–	20.0p
Diluted (loss)/earnings per ordinary share	**(13.5p)**	53.7p	51.8p	53.7p	7.9p	11.8p	11.8p	13.5p	13.8p	10.3p
Diluted EPRA net assets per share	**352p**	374p	309p	238p	182p	155p	155p	151p	116p	94p

The financial statements for the year to 31 March 2005 have been restated to reflect the adoption of International Financial Reporting Standards.

The financial statements for the year to 31 March 1999 and subsequently have been restated to reflect the impact of the 5 for 1 share issue on 1 September 2005.

Glossary of terms

Average Unexpired Lease Term	The average unexpired lease term expressed in years.
BREEAM	Building Research Establishment's Environmental Assessment Method.
Diluted 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 and fair value movements on derivative financial instruments, on a diluted basis. Details of the method of the calculation of the diluted EPRA earnings per share is available from EPRA.
Diluted EPRA net assets per share	Diluted net asset value per share adjusted to exclude fair value of financial instruments and deferred tax on capital allowances and on investment properties revaluation, but including the fair value of trading properties in accordance with the best practice recommendations of EPRA.
Diluted EPRA triple net asset value	Diluted 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.
Diluted figures	Reported amounts adjusted to include the effects of potential shares issuable under the employee share option schemes.
Earnings per share	Profit after tax divided by the weighted average number of ordinary shares in issue.
EPRA	European Public Real Estate Association
Estimated rental value (ERV)	The market rental value of lettable space as estimated by the Company's valuers at each balance sheet date.
Initial yield	Annualised net rents on investment properties as a percentage of the investment property valuation.
IPD	The Investment Property Databank Limited (IPD) is a company that produces a number of independent benchmarks of unleveraged commercial property returns.
Like-for-like portfolio	Properties that have been held for the whole of the period of account.
Net assets per share or net asset value (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.
REIT	Real Estate Investment Trust.
Return on capital employed (ROCE)	Return on capital employed is measured as profit before financing costs plus revaluation surplus on investment property divided by the opening gross capital.
Reversionary yield	The anticipated yield, which the initial yield will rise to once the rent reaches the ERV.
Total shareholder return (TSR)	The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.
True equivalent yield	The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received quarterly in advance.
Weighted Average Cost of Capital (WACC)	The weighted average pre-tax cost of the Group's debt and the notional cost of the Group's equity used as a benchmark to assess investment returns.

Financial calendar

Year ended 31 March 2008	Annual General Meeting to be held 23 July 2008 Final ordinary dividend payable 25 July 2008
Half year ending 30 September 2008	Results and interim ordinary dividend announced November 2008 Interim ordinary dividend payable December 2008
Year ending 31 March 2009	Results and final dividend announced June 2009 Final ordinary dividend payable July 2009

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