HELICAL PLC

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

Annual Results for the Year to 31 March 2017

HELICAL'S LONDON PORTFOLIO CONTINUES TO DELIVER

Gerald Kaye, Chief Executive, commented:

"Helical has a dynamic portfolio with good upside potential through a combination of development, refurbishment and significant asset management opportunities. We believe our concentration on offices and mixed use assets in London, offices in Manchester and well located logistics units will provide capital growth from development gains and rising income streams.

"We have ambition to continue to grow the Company and have actively sought to add to our development pipeline with exciting new schemes, particularly in London. Rebalancing the portfolio through the sale of non-core assets enables us to recycle some of the value we have created in recent years and fully pursue those opportunities that we have identified."

Financial Highlights

Results

- EPRA net asset value per share up 3.7% to 473p (31 March 2016: 456p).
- EPRA earnings per share of 0.5p (2016: 17.1p).
- IFRS basic earnings per share of 34.0p (2016: 91.3p).
- IFRS Profit before tax of £41.6m (2016: £114.0m).
- Total Accounting Return of 8.3% (2016: 22.5%).
- See-through Total Property Return of £79.9m (2016: £164.6m).
  - Group's share of net rental income of £47.0m (2016: £43.4m) – up 8.3%.
  - Development losses of £5.7m (2016: profits of £27.5m), after provisions of £12.8m (2016: £6.4m).
  - Net gain on sale and revaluation of investment properties of £38.6m (2016: £93.7m).
- Final dividend proposed of 6.20p per share (2016: 2nd interim plus final 5.87p) – up 5.6%.

Property Valuations

- Group's share of property portfolio £1,205m (31 March 2016: £1,240m).
- Unleveraged return of property portfolio as measured by IPD of 9.4% (2016: 21.7%) compared to 4.4% (2016: 11.4%) for the benchmark index.
- Investment property valuations, on a like-for-like basis, up 5.2% (4.5% including sales and purchases).

Financing

- See-through loan to value reduced to 51% (31 March 2016: 55%).
- Average maturity of the Group's share of debt of 3.6 years (31 March 2016: 4.5 years) at an average cost of 4.3% (31 March 2016: 4.2%).
- Group's share of cash and undrawn bank facilities at 31 March 2017 of £267m (31 March 2016: £193m).

Operational Highlights

London Portfolio – strong valuation performance supported by ongoing lettings progress and the completion of refurbishments

- 9.8% valuation increase, on a like-for-like basis, of see-through London investment portfolio, valued at £666m at 31 March 2017 (65.5% of investment portfolio) compared with £593m at 31 March 2016 (56.4%).
- Contracted rents on our see-through London portfolio at 31 March 2017, including pre-lets at The Bower, increased to £27.9m (2016: £23.6m) compared to an ERV of £45.0m (2016: £45.4m).
- At 25 Charterhouse Square EC1, refurbishment works on this 43,600 sq ft building were completed in March 2017 with 50% of the office space (18,725 sq ft) let at £75 psf.
- At The Loom E1, a major repositioning of the building was completed in September 2016 and 19,275 sq ft is currently available with 2,750 sq ft under offer. Average contracted rents of £37.50 psf compare to lettings during the year of up to £54 psf.
- Planning permission granted at Power Road Studios, Chiswick W4 for 42,500 sq ft of new office space.
- At The Bower EC1, 58,907 sq ft of Phase 2, The Tower, was pre-let to WeWork in November 2016.
- At Barts Square EC1, 118 (82%) of the 144 residential units in Phase One had exchanged by 24 May 2017 (31 March 2016: 102 units) at an average of £1,570 psf, with a further three reserved.

Regional Portfolio – asset recycling providing stronger focus on Manchester offices and logistics units

- 2.1% valuation decrease, on a like-for-like basis, in the see-through Regional investment portfolio, valued at £351m at 31 March 2017 (34.5% of investment portfolio) compared with £460m at 31 March 2016 (43.6%).
- Contracted gross rents on see-through Regional investment portfolio at 31 March 2017 of £24.3m (2016: £32.4m) compared to an ERV of £26.6m (2016: £35.6m).
- Regional investment portfolio comprised 9.3% offices, 5.0% in town retail, 2.8% retail parks, 15.4% logistics and 2.0% other (percentages of whole investment portfolio at year end).
- Sales of 22 regional assets during the period comprising 13 logistics units, three offices and six retail assets for £117m at a 1.5% premium to March 2016 values.
- The Morgan Quarter, Cardiff and a retail park at Great Yarmouth sold post year end for a total of £59m.
- Trinity Court, a 47,500 sq ft office building in Manchester, acquired for £12.9m post year end.
- 39,047 sq ft let at Churchgate House, Manchester at average rents of £17.27 psf, 12.7% above March 2016 ERV.
- 92,672 sq ft logistics unit let in Burton-on-Trent at £5.50 psf, 5% above March 2016 ERV.
- Since 31 March 2016, 96 retirement village units sold for £39.3m with 53 reserved or exchanged for £27.4m.
- Land at Liphook sold for £3.7m at a profit of £3.1m.

For further information, please contact:

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Results Presentation

Helical will be holding a presentation for analysts and investors at 9am, Thursday 25 May 2017 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. If you would like to attend, please contact Jenni Nkomo on 020 3727 1000, or email her at jenni.nkomo@fticonsulting.com.

Helical plc will host a live conference call and webcast. The details are as follows:

Conference Call Details:

Participants, Local – London, United Kingdom:	+44 (0)330 336 9411
Confirmation Code:	5857195

Webcast Link:
http://webcasting.brrmedia.co.uk/broadcast/591f0b181ef2297b08216e7c

The presentation will also be on the Company's website www.helical.co.uk

Financial Highlights

See-through Income Statement	Notes 1, 8	Year to 31 March 2017 £m	Year to 31 March 2016 Restated £m
Net rental income		47.0	43.4
Development property (losses)/profits		(5.7)	27.5
Gain on revaluation of investment properties		37.3	49.8
Gain on sale of investment properties		1.3	43.9
Total property return		79.9	164.6
IFRS Profit before tax		41.6	114.0
EPRA earnings		0.5	19.6

Earnings Per Share and Dividends		Pence	Pence
Basic earnings per share	2	34.0	91.3
Diluted earnings per share	2	33.2	88.0
EPRA earnings per share	2	0.5	17.1
Dividends per share paid in year		3.12	12.60
Dividends per share declared for year		8.60	8.17

See-through Balance Sheet	3	At 31 March 2017 £m	At 31 March 2016 Restated £m
See-through property portfolio		1,205.2	1,240.0
See-through net borrowings		620.0	681.8
Net assets		516.9	480.7

Net assets per share, gearing and loan to value			
EPRA Net Asset Value per share	4	473p	456p
See-through loan to value	5	51%	55%
Pro-forma see-through loan to value	6	49%	n/a
See-through net gearing	7	120%	142%

Notes
1. Includes Group's share of income and gains of its subsidiaries and joint ventures. See Appendix 1.
2. Calculated in accordance with IAS 33 and guidance issued by the European Public Real Estate Association ("EPRA"). EPRA earnings per share exclude the net gain on sale and revaluation of the investment portfolio of £38.6m (2016: £93.7m) but include development losses of £5.7m (2016: profits of £27.5m).
3. Includes the Group's share of assets and liabilities of its subsidiaries and joint ventures. See Appendix 1.
4. The EPRA Net Asset Value per share at 31 March 2016 has been restated from 461p for the matters referred to in note 25.
5. See-through loan to value is the ratio of see-through net borrowings to see-through property portfolio. See Appendix 2.
6. See-through loan to value at 31 March 2017, adjusted for £65m of sales proceeds and £13m of purchases since the year end.
7. See-through net gearing is the ratio of see-through net borrowings to net assets. See Appendix 2.
8. See the Glossary in Appendix 6 for definition of key terms.

Chief Executive's Statement

Overview

I am pleased to present the Company's 2017 Annual Results, the first since my appointment as Chief Executive of Helical plc at the 2016 AGM.

The year to 31 March 2017 has been eventful with the real estate sector proving resilient against a background of both UK and international political change. Looking back 12 months it was clear that the exceptional growth in property values that we experienced over the period from 2012 to 2016, as the market recovered from the 2008 Global Financial Crisis, was coming to an end with yields approaching historic lows, but with some prospect for growth in rental values.

At Helical, we took advantage of the strong recovery in property values during this period by expanding the Company's business activities, investing in development opportunities in London and higher yielding regional assets to provide a stable flow of rental income. Using the proceeds of our 2013 Retail Bond and our 2014 Convertible Bond, together with additional borrowings, we increased our property portfolio from £626m at 31 March 2013 to over £1.2bn, generating significant surpluses which have more than doubled shareholders' funds from £254m to £517m at 31 March 2017.

During the year we have sought to recycle some of the capital created in this period into the schemes which we believe will continue to support the future growth of the Company. We have narrowed the focus of the Company to London, offices in Manchester and a portfolio of logistics units. We expect to complete this process during the current year with the sale of the remaining non-core assets, being the retail properties and regional offices outside of Manchester, whilst continuing to work through the retirement village programme.

In the year under review, the majority of our performance has come from the assets we own in London, where we have increased our weighting to 63% of the total portfolio. Sales of regional assets since the year end have increased this London weighting further to 66%. In the investment portfolio we have created buildings which reflect the needs of our tenants, acknowledging that modern lifestyles increasingly merge work and leisure needs. We now have a portfolio of multi-let, flexible and desirable properties which also provide ongoing asset management opportunities to add value. Our London portfolio remains reversionary with further value to be created through the completion of our redevelopment and refurbishment programme, letting vacant space and upcoming rent reviews.

We believe that London will continue to outperform the rest of the UK over the medium and long term and our strategy is to continue to increase our London holdings.

Results for the Year

The profit before tax for the year to 31 March 2017 was £41.6m (2016: £114.0m). Total Property Return reduced to £79.9m (2016: £164.6m) and included growing net rents of £47.0m, an increase of 8.3% on 2016 (£43.4m), and development losses of £5.7m (2016: £27.5m) after deducting provisions of £12.8m (2016: £6.4m). The gain on sale and revaluation of the investment portfolio contributed £38.6m (2016: £93.7m).

Net finance costs of £21.2m were lower than in 2016 (£22.6m) and the Income Statement benefited from the shortening of the maturity period for the Group's remaining interest rate swaps which led to a £0.8m credit (2016: charge of £6.9m) arising from the valuation of the Company's derivative financial instruments. The revaluation of the Company's Convertible Bond provided a credit of £3.0m (2016: £0.5m). Recurring administration costs were marginally higher at £10.8m (2016: £10.7m). Performance related awards were substantially lower at £6.9m (2016: £13.3m) with National Insurance on these awards of £0.7m (2016: £2.1m).

These results allow the Board to continue its progressive dividend policy and to recommend to shareholders a final dividend of 6.20p which, together with the interim dividend of 2.40p paid in December 2016, takes the total dividend for the year to 8.60p (2016: 8.17p), an overall increase of 5.3%.

Performance

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

EPRA earnings per share fell from 17.1p to 0.5p, reflecting growing net rental income offset by reduced development profits. On a like-for-like basis, the investment portfolio increased by 5.2% (4.5% including sales and purchases). Sales during the year offset this growth in values contributing to an overall reduction in the portfolio value to £1,205m (2016: £1,240m). The unleveraged return of our property portfolio, as measured by IPD, was 9.4% (2016: 21.7%), compared to 4.4% (2016: 11.4%) for the benchmark index. These investment gains contributed to an increase in EPRA net asset value per share, up 3.7% to 473p (2016: 456p).

Finance

The Company has expanded its activities significantly in recent years, seeking to increase shareholder funds through the generation and retention of increased net rental streams, development profits and valuation surpluses. This growth has been financed through an increase in secured debt borrowed primarily from UK high street banks and, since 2013, through the use of unsecured debt in the form of a Retail Bond and a Convertible Bond. In assessing the needs of the business the Company is conscious that it needs to manage any risks inherent in this leveraged approach to growing the business. It seeks to do this through the use of unsecured debt (24% of total debt), by maintaining an appropriate debt maturity profile and by hedging its interest rate exposure.

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

At 31 March 2017, the Company's see-through loan to value ("LTV"), being the ratio of see-through net borrowings to the value of the see-through property portfolio, was 51%. This metric has varied between 45% and 55% in the last five years and, subsequent to the year end, has fallen below 50% following the recent sales of properties in Cardiff and Great Yarmouth.

Looking forward, the Company will seek to operate within an LTV range of 40%-50% for the foreseeable future, subject to being able to maximise opportunities in the market whilst remaining aware of the risks of higher levels of gearing.

During the year, the average debt maturity reduced to 3.6 years (2016: 4.5 years), with no secured loan repayable before November 2019, whilst marginally increasing the average cost of debt at 4.3% (2016: 4.2%). The Company has a significant level of liquidity with cash and unutilised bank facilities of £267m (2016: £193m) to fund capital works on its portfolio.

Board Matters

In July 2016, I became CEO of Helical succeeding Michael Slade who became the Company's Non-Executive Chairman. The Board also consists of three Executive Directors and five Independent Non-Executive Directors. Our Executive team has an average of over 19 years' experience at Helical and are supported by a strong team of property and finance professionals and administrative staff.

The Future

Helical has a dynamic portfolio with good upside potential through a combination of development, refurbishment and significant asset management opportunities. We believe our concentration on offices and mixed use assets in London, offices in Manchester and well located logistics units will provide capital growth from development gains and rising income streams.

We have ambition to continue to grow the Company and have actively sought to add to our development pipeline with exciting new schemes, particularly in London. Rebalancing the portfolio through the sale of non-core assets enables us to recycle some of the capital we have created in recent years and fully pursue those opportunities that we have identified.

Gerald Kaye
Chief Executive
25 May 2017

Our Market

Overview

Helical's core business is developing and owning dynamic, well located office space in London and Manchester and also includes a portfolio of logistics units along the motorway network of England and Wales. With intelligent stock selection, we aim to maximise returns by development and refurbishment as well as through significant asset management initiatives.

London

In our judgement, the London commercial property market currently provides the best source of potential capital profits and we expect this to remain the case for the foreseeable future, notwithstanding the risks associated with our exit from the European Union and other potential headwinds.

In order for Helical to generate capital profits the Company needs to identify those areas where it believes tenant demand is, or will become, strong and to source opportunities in those areas at an appropriate entry price. Using the skills, knowledge and expertise gained over many years, the Helical team aims to deliver attractive and exciting office space, in locations with growing tenant demand.

The Company has recognised three continuing major developments in the London office market. First, the growth of the London population, which exceeded its previous peak during 2015. Second, the continuing and rapid expansion of the creative industries, predominantly in technology and media. Third, the migration of occupiers from the West End to the City and East London.

London's population reached 8.7 million in 2015, exceeding its previous peak in 1939, and is forecast to continue growing towards 10 million by 2030. Whilst this growth will present challenges to London, particularly in terms of its infrastructure, the opening of the Elizabeth Line (Crossrail) at the end of 2018 will assist in alleviating these problems. Our properties in the City and Tech Belt are all in locations that will benefit from this rail link.

Recently published research by CBRE noted that the UK is a global leader in the creative industries and we have targeted these industries with our portfolio. In London, companies involved in media, advertising and marketing, technology and other creative industries comprised 54% of our new lettings in the year to 31 March 2017.

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

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

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

The Regions

Outside London, the Company has identified two key areas that contribute the potential for capital growth and are a source of recurring net rental income at good yields.

In Manchester we now have four assets (one acquired post year-end) with a potential capital value, after all refurbishment works and lettings are concluded, approaching £100m. Here, the occupational and investment market continues to strengthen. The city has high quality office stock and a diverse occupier base which has seen much international and institutional investment over the past few years. Companies have access to a deep and highly skilled talent pool in a cost effective location both for the employer and the employee. Recent research by CBRE identified Manchester as the "leading UK creative location outside London by some margin" and our buildings are designed to attract creative occupiers. Annual office take up is consistently in excess of 1m sq ft with high profile new occupiers coming to the City on a frequent basis.

In addition, we have a portfolio of logistics units comprising 15% of our investment portfolio but which contribute 25% of our current contracted rents. This sector is characterised by strong occupational demand and limited available supply. These properties have little obsolescence and good prospects of rental growth.

Looking Forward

The key areas of focus going forward for Helical are London, Manchester offices and logistics units. All other assets currently held are regarded as non-core and we will seek to continue to exit those assets as the opportunities to do so arise.

Our ambition is to have a balanced portfolio which generates sufficient net rental income to exceed all of our recurring costs and provide a surplus significantly greater than our annual dividend to shareholders. We have an ERV on the portfolio, post recent sales, of £69m and expect to generate this surplus once all of our current asset management initiatives are completed. We also seek a pipeline of opportunities to grow the balance sheet of Helical through the creation of development profits and capital surpluses.

Performance

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

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

Investment Property Databank

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

IPD has compared the ungeared performance of Helical's total property portfolio against that of portfolios within IPD for the last 20 years. The Group's annual performance target is to exceed the top quartile of the IPD database, which it has consistently achieved. Helical's ungeared performance for the year to 31 March 2017 was 9.4% (2016: 21.7%) compared to the IPD benchmark of 4.4% (2016: 11.4%) and upper quartile benchmark of 6.9% (2016: 13.0%).

Helical's unleveraged portfolio returns to 31 March 2017 were as follows:

	1 yr % pa	3 yrs % pa	5 yrs % pa	10 yrs % pa	20 yrs % pa
Helical	9.4	17.0	16.6	8.4	14.5
IPD Benchmark	4.4	11.0	10.0	4.3	8.8
Helical's Percentile Rank	8	3	3	3	2

Source: Investment Property Databank

Helical's trading and development portfolio (15.5% of gross assets) is shown in IPD at the lower of book cost or fair value and uplifts are only included on the sale of an asset.

EPRA Net Asset Value Per Share

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

The diluted net asset value per share, excluding trading stock surplus, at 31 March 2017 increased by 6.4% to 431p (2016: 405p). Including the surplus on valuation of trading and development stock and adjusting for the fair value of derivatives and deferred taxation, the EPRA net asset value per share at 31 March 2017 increased by 3.7% to 473p (2016: 456p).

Total Shareholder Return

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

The Total Shareholder Return in the year to 31 March 2017 was -18.0% (2016: 1.0%). Over five, ten, fifteen, twenty and twenty five years Helical's Total Shareholder Return exceeded that of the Listed Real Estate Sector Index.

		Performance Measured Over						
		1 year Total return pa %	3 years Total return pa %	5 years Total return pa %	10 years Total return pa %	15 years Total return pa %	20 years Total return pa %	25 years Total return pa %
Helical plc	1	-18.0	-3.8	13.0	-1.3	6.4	10.6	16.2
UK Equity Market	2	22.0	7.7	9.7	5.7	6.6	6.7	8.7
Listed Real Estate Sector Index	3	-0.3	4.7	12.2	-2.1	5.6	5.8	8.2
Direct Property - monthly data	4	3.8	11.2	10.0	3.9	7.8	8.8	8.9

1. Growth over all periods to 31/03/17.
2. Growth in FTSE All-Share Return Index over all periods to 31/03/17.
3. Growth in FTSE 350 Real Estate Super Sector Return Index over all periods 31/03/17. For data prior to 30 September 1999 FTSE All Share Real Estate Sector Index has been used.
4. Growth in Total Return of IPD UK Monthly Index (All Property) over all periods to 31/03/17.

Average Length of Employee Service and Average Staff Turnover

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

The average length of service of the Group's head office employees at 31 March 2017 was eight years and the average staff turnover during the year to 31 March 2017 was 5.7%.

	2017	2016	2015	2014	2013
Average length of service at 31 March - Years	8.0	7.6	7.6	8.7	10.2
Staff Turnover during the year to 31 March - %	5.7	14.3	12.5	5.9	10.3

Financial Review

IFRS Performance	EPRA Performance
Profit Before Tax £41.6m (2016: £114.0m)	EPRA EPS 0.5p (2016: 17.1p)
IFRS Diluted EPS 33.2p (2016: 88.0p)	EPRA NAV 473p (2016: 456p)
IFRS Diluted NAV 431p (2016: 405p)	EPRA Triple NAV 442p (2016: 424p)

Results for the Year

The year to 31 March 2017 saw the Group deliver continued growth in net rental income and a valuation surplus on the investment portfolio leading to pre-tax profit of £41.6m and an increase in EPRA net asset value per share of 3.7%.

The proposed final dividend of 6.20p takes the total dividend for the year to 8.60p, a 5.3% increase on the previous year. With growing rents from our core London portfolio, supported by strong income streams from the regional portfolio, the Company aims to continue to grow this dividend.

The Group's real estate portfolio, including its share of assets held in joint ventures, reduced to £1,205m (2016: £1,240m) as gains from its annual revaluation and capital expenditure on the investment portfolio and development programme were offset by the sale of £199m of assets. There were no purchases of new investment, trading or development assets during the year.

The sale of investment assets during the year has resulted in a reduction in the Group's loan to value to 51% (2016: 55%) which has been reduced further since the year end to 49% on a pro-forma basis following the sale of £65m of assets and the purchase of one asset for £13m. The Group's debt maturity profile shortened to 3.6 years (2016: 4.5 years) and its weighted average cost of debt increased to 4.3% (2016: 4.2%).

At 31 March 2017, the Group had unutilised bank facilities of £158m and £109m of cash. The bank facilities are primarily available to fund Phase Two of the Group's redevelopment of The Bower, London EC1, the construction works at Barts Square, London EC1, including the last phase of residential, its retirement village development programme and future potential investment purchases.

Total Accounting Return

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

	2017 %	2016 %	2015 %	2014 %	2013 %
Total Accounting Return	8.3	22.5	21.1	36.8	2.4

Total Property Return

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

	2017 £m	2016 £m	2015 £m	2014 £m	2013 £m
Total Property Return	79.9	164.6	155.3	140.1	35.9

Earnings Per Share

The IFRS earnings per share decreased from 91.3p to 34.0p and is based on the after tax earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

On an EPRA basis, earnings per share were 0.5p (2016: 17.1p), reflecting the Group's share of net rental income of £47.0m (2016: £43.4m) and development losses of £5.7m (2016: profits of £27.5m) but excluding gains on sale and revaluation of investment properties of £38.6m (2016: £93.7m).

Net Asset Value

IFRS diluted net asset value per share increased from 405p to 431p and is a measure of shareholders' funds divided by the number of shares in issue at the period end, excluding those held by the Company's Employee Share Ownership Plan Trust, adjusted to allow for the effect of all dilutive share awards.

EPRA net asset value per share increased by 3.7% to 473p per share (2016: 456p). This increase arose principally from a total comprehensive income (retained profits) of £39.2m (2016: £104.9m) less dividends paid of £3.6m (2016: £14.4m) and reflecting a reduction in the surplus on valuation of the trading and development stock to £12.5m (2016: £19.4m).

Income Statement

Rental Income and Property Overheads

Gross rental income receivable by the Group in respect of wholly owned properties increased by 7.3% to £48.8m (2016: £45.5m) reflecting the partial capture of the investment portfolio's reversionary potential offset by sales of assets during the year. In the joint ventures, gross rents fell from £1.8m to £0.9m. Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures fell from £3.4m to £2.5m. After taking account of net rents payable to our profit share partners of £0.3m (2016: £0.5m), see-through net rents increased by 8.3% to £47.0m (2016: £43.4m).

Development Profits

The majority of the Group's development activities are carried out on assets held as investment properties such as The Bower, London EC1 and 25 Charterhouse Square, London EC1, schemes funded with third parties, or in joint ventures as referred to below.

In the year under review the Company made progress at its retirement village portfolio, increasing sales to £40.0m, including the sale of land, (2016: £29.9m) with profits of £1.8m (2016: £0.6m). In its development management role at Barts Square, London EC1 and One Creechurch Place, London EC3 and in respect of the development of the Scottish Power headquarters in Glasgow, it earned fees of £2.8m. Our retail development programme generated net profits of £2.3m (2016: loss of £1.8m) as the pre-let scheme at Cortonwood was forward funded during the year. In total, the Group generated development profits of £7.1m (2016: £30.7m).

At the year end we reviewed the book value of our land holdings and made provisions of £6.3m (2016: £6.4m), primarily in respect of the retirement village at Great Alne, where forecast costs have increased during the year. Net of these provisions, a development property profit of £0.8m (2016: £24.3m) was recognised.

In the previous year to 31 March 2016, profits included a development management fee of £23.2m in respect of The Bower, London EC1 and £3.7m in respect of One Creechurch Place and the Scottish Power headquarters.

Share of Results of Joint Ventures

The sale of our retail development at Shirley and the termination of the lease to the NHS at Barts Square to allow the final phase of development to commence reduced net rents in our joint ventures from £1.3m to £0.8m. No further rents are expected in respect of assets currently held in joint ventures in the short term. At the year end we reviewed the book value of our land holdings in the joint ventures and made provisions of £6.5m against the carrying value of our schemes at Hammersmith Town Hall and Barts Square. Finance, administration and taxation costs and sundry provisions against the carrying value of assets added a further £0.8m of losses leaving a net loss from our joint venture of £6.5m.

In the previous year to 31 March 2016, gains on the sale or revaluation of the investment assets of £43.9m, mainly in respect of The Bower, London EC1 and Barts Square, London EC1, contributed to a total net profit from joint ventures for that year of £50.5m.

Gain on Sale and Revaluation of Investment Properties

During the year, we sold 24 investment assets for a total of £159m generating a net overall profit of £1.4m. In London we sold two office buildings at One King Street, Hammersmith, W6 and Chart House, EC1 for £42.0m at a small net loss of £0.3m. In the regions we sold three office buildings at Castle Donnington, Cheadle and Cobham for £14.2m at a profit of

£0.7m after costs. We sold six retail assets during the period, being a shop in Leicester and five retail parks in Ellesmere Port, Harrogate, Huddersfield, Scarborough and Stockport for a combined £44.1m at a net loss of £2.9m. From our logistics portfolio, we sold 13 assets for £58.5m at a net profit of £3.8m.

The valuation of our investment portfolio continued to reflect the benefit of our refurbishment activities in London where we generated an increase of 9.1% overall and 9.8% on a like-for-like basis. The regions contributed a loss of 1.3% overall and 2.1 % on a like-for-like basis. In total, the investment portfolio showed a valuation increase of 4.5%, or 5.2% on a like-for-like basis.

The total impact on our results of the gain on sale and revaluation of our investment portfolio, including in joint ventures, was a net gain of £38.6m (2016: £93.7m).

Administration Costs

Administration costs, before performance related awards, increased marginally from £10.7m to £10.8m.

Performance related share awards and bonus payments, before National Insurance costs, were £6.9m (2016: £13.3m). Of this amount, the £1.7m (2016: £6.7m) charge for share awards under the Performance Share Plans is expensed through the Income Statement but added back to Shareholders' Funds through the Statement of Changes in Equity. In addition, National Insurance of £0.7m (2016: £2.1m) has been charged in the year.

	2017 £000	2016 £000
Administration Costs	**10,800**	10,717
Share awards	**1,672**	6,666
Directors and senior executives' bonuses	**5,182**	6,633
NIC on share awards and bonuses	**718**	2,087
Total	**18,372**	26,103

Finance Costs, Finance Income and Derivative Financial Instruments

Interest payable on secured bank loans including our share of loans on assets held in joint ventures, but before capitalised interest, increased to £24.7m (2016: £23.9m). Interest payable in respect of the unsecured Retail and Convertible Bonds was £8.8m (2016: £8.8m). The movement in medium and long term interest rate projections during the year, offset by the shortening maturity period of the Group's financial instruments, contributed to a credit of £0.8m (2016: charge of £6.9m) on their mark-to-market valuation. Capitalised interest increased from £4.9m to £7.9m as development schemes progressed. Total finance costs, including joint ventures, reduced from £27.8m to £25.6m. Finance income earned was £4.4m (2016: £5.1m).

Taxation

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

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

Dividends

Helical follows a progressive dividend policy increasing its dividends in line with its results, whilst retaining the majority of funds generated for investment in growing the business. The interim dividend paid on 30 December 2016 of 2.40p was an increase of 4.3% on the previous interim dividend of 2.30p. The Company has proposed a final dividend of 6.20p, an increase of 5.6% on the previous year (2016: 5.87p). In total, the dividend paid or payable in respect of the results for the year to 31 March 2017 is 8.60p (2016: 8.17p), an increase of 5.3%. Since 2014 the compound annual growth rate of the Company's dividends has been 8.4%.

Balance Sheet

Shareholders' Funds

Shareholders' funds at 1 April 2016 were £480.7m. The Group's results for the year added £39.2m, net of tax, representing the total comprehensive income for the year. Movements in reserves arising from the Group's share schemes increased funds by £0.6m. The Company paid dividends to shareholders amounting to £3.6m leaving a net increase in Shareholders' Funds from the Group activities during the year of £36.2m to £516.9m.

Investment Portfolio

	Wholly owned £000	In joint venture £000	See-through £000	Lease incentives £000	Book Value £000
Valuation at 31 March 2016	1,041,100	11,552	1,052,652	(6,067)	1,046,585
Acquisitions	-	-	-	-	-
Capital Expenditure	63,712	4,230	67,942	-	67,942
Disposals	(155,548)	-	(155,548)	685	(154,863)
Transfer from Stock	5,066	-	5,066	-	5,066
Revaluation Surplus - Helical	49,210	(1,875)	47,335	(10,058)	37,277
- Profit Share Partners	(540)	-	(540)	-	(540)
Valuation at 31 March 2017	1,003,000	13,907	1,016,907	(15,440)	1,001,467

Debt and Financial Risk

In seeking to finance Helical's expansion in recent years, the Group has used a combination of new secured facilities, whose purpose and terms reflect the nature of the assets charged to the lenders, and unsecured bonds which have provided the firepower to acquire many of the assets which have contributed to the recent growth in Shareholders' Funds. The composition of the Group's debt structure has significantly changed since 31 March 2013 with unsecured debt now representing 24% of debt drawn at 31 March 2017.

In total, Helical's outstanding debt at 31 March 2017 of £737m (2016: £778m) had an average maturity of 3.6 years (2016: 4.5 years) and a weighted interest cost of 4.3% (2016: 4.2%).

Debt Profile at 31 March 2017 – Excluding the Effect of Arrangement Fees

	Total facility £000's	Total utilised £000's	Available facility £000's	Net LTV %	Weighted average interest rate %	Average maturity Years
Investment facilities	572,859	457,992	114,867	-	4.3	4.1
Development facilities	60,000	42,949	17,051	-	3.7	3.4
Total wholly owned	632,859	500,941	131,918	-	4.3	3.6
In joint ventures	72,270	55,886	16,384	-	3.4	2.7
Total secured debt	705,129	556,827	148,302	37	4.2	3.9
Retail Bond	80,000	80,000	-	-	6.0	3.2
Convertible Bond	100,000	100,000	-	-	4.0	2.2
Working capital	10,000	-	10,000	-	-	-
Fair Value of Convertible Bond	(226)	(226)	-	-	-	-
Total unsecured debt	189,774	179,774	10,000	-	4.9	2.7
Total debt	894,903	736,601	158,302	51	4.3	3.6

Secured Debt

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

- Investment facilities
  We have £190m of revolving credit facilities which enable the group to acquire, refurbish, reposition and hold significant parts of our investment portfolio. We have used these facilities to finance our regional portfolio. Our London investment assets are primarily held in £383m of term loan secured facilities which, where appropriate, allow us to finance refurbishment projects including the redevelopment of The Tower at The Bower, Old Street, London EC1. The value of the Group's properties secured in these facilities at 31 March 2017 was £983m (31 March 2016: £945m) with a corresponding loan to value of 47% (2016: 54%). The average maturity of the Group's investment facilities at 31 March 2017 was 4.1 years (2016: 5.0 years) with a weighted average interest rate of 4.3% (2016: 3.8%).

- Development facilities
  These facilities finance the construction of the retirement villages at Durrants Village, Horsham; Maudslay Park, Great Alne; Milbrook Village, Exeter and the fourth phase of Bramshott Place, Liphook. The average maturity of the Group's development facilities at 31 March 2017 was 3.4 years (2016: 4.4 years) with a weighted average interest rate of 3.7% (2016: 3.8%).

- Joint venture facilities
  We hold a number of investment and development properties in joint venture with third parties and include in our reported figures our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 31 March 2017 was 2.7 years (2016: 3.7 years) with a weighted average interest rate of 3.4% (2016: 3.4%).

Unsecured Debt

The Group's unsecured debt, including the Convertible Bond at its mark-to-market valuation, is £179.8m (2016: £182.7m) as follows:

- Retail Bond

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

- Convertible Bond
  In June 2014, the Group raised £100m from the issue of a listed unsecured Convertible Bond with a 4.0% coupon, repayable in June 2019, or, subject to certain conditions, convertible at the option of the bond holders into ordinary shares, unless a cash settlement option is exercised by the Company. The initial conversion price has been set at £4.9694 per share, representing a 35% premium above the price on the day of the issue and a premium of 59% above the Company's EPRA net asset value per share at 31 March 2014. The value of the Bond at 31 March 2017, as determined by the listed market price, was £99.8m (2016: £102.7m).

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

Cash and Cash Flow

At 31 March 2017, the Group had £267m (2016: £193m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures as well as £17m (2016: £153m) of uncharged property on which it could borrow funds.

Net Borrowings and Gearing

Total gross borrowings of the Group, including in joint ventures, have reduced from £777.9m to £736.6m during the year to 31 March 2017. After deducting cash balances of £109.0m (2016: £86.8m) and unamortised refinancing costs of £7.6m (2016: £9.3m), net borrowings reduced from £681.8m to £620.0m. The gearing of the Group, including in joint ventures, reduced from 142% to 120%.

	2017	2016
See-through gross borrowings	**£736.6m**	£777.9m
See-through cash balances	**£109.0m**	£86.8m
Unamortised refinancing costs	**£7.6m**	£9.3m
See-through net borrowings	**£620.0m**	£681.8m
Shareholders' funds	**£516.9m**	£480.7m
See-through gearing - IFRS	**120%**	142%

Hedging

At 31 March 2017, the Group had £651.4m (2016: £635.5m) of fixed rate debt with an average effective interest rate of 4.2% (2016: 4.2%) and £29.3m (2016: £107.1m) of floating rate debt with an average effective interest rate, excluding commitment fees, of 3.0% (2016: 3.9%). In addition, the Group has £3.3m of interest rate caps at an average of 0.75% (2016: £157m at 4.0%). In our joint ventures, the Group's share of fixed rate debt was £nil (2016: £nil) and £55.9m (2016: £35.3m) of floating rate debt with an effective rate of 3.4% (2016: 3.4%) with interest rate caps set at 1.5% plus margin on £61.8m and 0.5% plus margin on £56.9m (2016: £nil).

	2017 £m	Effective interest rate %	2016 £m	Effective interest rate %
Fixed rate debt				
- Secured borrowings	**471.6**	**4.0**	452.8	3.9
- Retail Bond	**80.0**	**6.0**	80.0	6.0
- Convertible Bond	**100.0**	**4.0**	100.0	4.0
- Fair value of Convertible Bond	**(0.2)**	**-**	2.7	-
Total	**651.4**	**4.2**	635.5	4.2
Floating rate debt				
- Secured	**29.3**	**8.9**[1]	107.1	3.9
Total	**680.7**	**4.4**	742.6	4.2
In joint ventures				
- Fixed rate	**-**	**-**	-	-
- Floating rate	**55.9**	**3.4**	35.3	3.4
Total borrowings	**736.6**	**4.3**	777.9	4.2

[1]This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 3.0%.

Interest Cover

In assessing the results of the Group for each financial year, Helical considers its interest cover as a measure of its performance and its ability to finance its annual interest payments from its net operating income, before revaluation gains or losses on the investment portfolio and net realisable provisions on the trading and development stock. In the year to 31 March 2017, this interest cover was 2.6 times (2016: 5.4 times).

	2017	2016
See-through net operating income	**£55.4m**	£121.3m
See-through net finance costs	**£21.2m**	£22.6m
Interest cover	**2.6x**	5.4x

Investment Property Accounting Treatment

International Accounting Standard 40 – *Investment Property* requires that accrued operating lease income assets should be shown separately and deducted from the fair value of the investment properties in the Statement of Financial Position. This accounting treatment had not been applied at 31 March 2016 but has been adopted for the period ended 31 March 2017. A prior year adjustment has been made to ensure consistency of comparative information, clarity and transparency.

The effect of the adjustment on the relevant financial statement line items for the year ended 31 March 2016 is detailed in note 25.

Tim Murphy
Finance Director
25 May 2017

Helical's Property Portfolio – 31 March 2017

Property Overview

Helical divides its property activities into three core markets: London, Manchester offices and logistics. The London Portfolio represents 63% of the total property portfolio and drives capital growth, development profits and, increasingly, income. Manchester offices accounts for 6%, and logistics account for 13%.

In addition, we have a portfolio of four retirement villages which are being completed and sold over the next three years, a small portfolio of regional offices and four regional retail assets (two of which were sold post year end).

The London Portfolio

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

- City and Tech Belt

The Bower, Old Street EC1

This asset was acquired in November 2012 for £60.8m in a joint venture with Crosstree Real Estate Partners LLP. The site is in the heart of an area which has become a "creative halo", a district of London which is a hub for technology, media and telecommunications companies and which is benefiting from substantial investment in infrastructure. A planning consent has been implemented to increase the floor space on the site by 116,000 sq ft, to refurbish existing areas and significantly upgrade the public realm with the creation of a new pedestrian street.

On 20 January 2016, Helical acquired The Warehouse and The Studio (211 Old Street) and The Tower (207 Old Street) from the joint venture.

211 Old Street EC1

The development of Phase One, comprising The Warehouse, 128,262 sq ft, and The Studio, 23,177 sq ft, completed in November 2015.

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

207 Old Street EC1

At The Tower, 178,724 sq ft, the refurbishment and construction works are well underway with practical completion scheduled for Q2 2018. Whilst the formal letting campaign for the building is expected to commence closer to completion, we have already pre-let six floors, comprising 58,907 sq ft, to WeWork, the leading global provider of flexible collaborative co-working space.

Barts Square EC1

In a joint venture with The Baupost Group LLC, Helical owns the freehold interest of Barts Square, a 3.2 acre site between St Pauls and Smithfield Market, situated a short walk from Farringdon East station on the Elizabeth Line (Crossrail) which is due to be operational at the end of 2018.

Barts Square will ultimately provide an entirely new quarter of the City consisting of 236 residential apartments, three office buildings of 213,000 sq ft, 23,485 sq ft and 10,200 sq ft and 20,400 sq ft of retail/A3 at ground floor as well as major public realm improvements.

Phase One – Residential/offices/retail

Phase 1 of Barts Square comprises 144 residential units, 8,900 sq ft of retail space, 23,485 sq ft of new office space and extensive public realm improvements. Construction work is progressing well with the first apartments being handed over to purchasers in Summer 2017. Contracts have been exchanged for the sale of 118 residential units for a total value of £151.3m at an average of £1,570 psf, with a further three units under offer.

Phase Two – One Bartholomew Close – Offices

One Bartholomew Close was sold to clients of Ashby Capital LLP ("Ashby") for £102.4m in August 2015. The demolition of the existing building and the construction of a new 12 storey office block of 213,000 sq ft commenced in January 2016. The building is due to be completed in August 2018. Ashby's clients finance the development costs and when the building is completed and successfully let the joint venture will be entitled to receive a profit share payment. Helical is the development manager for delivery of the project.

Phase Three – Residential/retail

Demolition work on Phase 3 of Barts Square is well underway. This phase will comprise 92 apartments and 11,500 sq ft of retail space. Completion is due in Summer 2019.

One Creechurch Place, City of London EC3

One Creechurch Place is a landmark City office scheme in the heart of the insurance sector in London. In May 2014, Helical signed a joint venture agreement with HOOPP (Healthcare of Ontario Pension Plan) to redevelop the site. Under the terms of the joint venture, HOOPP and Helical jointly funded the project on a 90:10 split, with Helical acting as development manager for which it will receive a promote payment depending on the successful outcome of the scheme. The new building, comprising 272,505 sq ft NIA of offices and 786 sq ft of retail, achieved practical completion on 7 November 2016 and is currently being marketed for occupation. There are a number of potential tenants interested in the building.

C-Space, 37-45 City Road EC1

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

25 Charterhouse Square, Smithfield EC1

In January 2016, Helical was granted a new 155 year leasehold interest in 25 Charterhouse Square, from the Governors of Sutton's Hospital in Charterhouse for £16m. Helical has carried out a major refurbishment of the existing building, which increased the previous 34,000 sq ft to 38,355 sq ft of offices, with the addition of a new sixth floor, and added 5,138 sq ft of retail/restaurant. The building achieved practical completion on 28 March 2017. The top two floors, totalling 12,200 sq ft, have been let to Anomaly at £75.00 psf for a ten year lease term.

The Loom, Whitechapel E1

This 110,000 sq ft listed former wool warehouse was acquired in 2013. A major repositioning was completed in September 2016 to include a new entrance and reception onto Gowers Walk, café, showers and a bike store. During the year we completed 11 new lettings and five renewals securing £1.8m of contracted rent. We also completed two rent reviews with an uplift to contracted rent of £300,000. The largest, most prominent, unit in the building of 9,000 sq ft was let in July for £54 psf. The average contracted rent for the building is £37.50 psf. 19,275 sq ft is currently available in five units with an ERV of circa £950k, of which 2,750 sq ft is under offer.

- The West

The Shepherds Building, Shepherds Bush W14

This 151,000 sq ft multi-let office building close to the Westfield London shopping centre maintains an occupancy approaching 100%, as it has for nine consecutive years. The average contracted rent for the building is £44 psf with a total contracted rent of £6.57m and a passing net rent of £3.6m. During the year 13 new lettings, all in excess of £47.50 psf, were completed securing a contracted rent of £500,000. Two rent reviews were settled with an uplift to contracted rent of £225,000. 2,550 sq ft is currently available in four studio units.

Power Road Studios, Chiswick W4

The site comprises 62,000 sq ft of offices across five buildings and is multi-let to a wide range of predominantly media tenants. Recent lettings have been concluded at a rent of £38 psf with £40 psf having been achieved in Studio 1, compared to an average rental of £24 psf at acquisition. Cineworld, which occupied 16,000 sq ft, has surrendered its lease and vacated which permits the comprehensive refurbishment of the unit and creation of a new entrance at the front of the building. These works started in November 2016 and are expected to last nine months, increasing the rental value for this space from £22.00 psf to £42.50 psf. Planning permission to add a further 42,500 sq ft of office space has been granted.

The Powerhouse, Chiswick W4

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

King Street, Hammersmith W6

Hammersmith & Fulham Borough Council, who have been opposed to this regeneration project since the Council became Labour controlled, have exercised their option to terminate the development agreement. With our partners Grainger plc we will now seek to maximise the value of the land held by the joint venture company.

In addition to our holdings in the City and Tech Belt and West London we have one scheme in Covent Garden WC2.

Drury Lane & Dryden Street, Covent Garden WC2

The existing buildings, which are in office and retail use, sit on an island site of approximately 0.5 acres. Approximately half of the site, adjacent to Dryden Street, sits within the Covent Garden Conservation Area. In July 2015, contracts were exchanged with Diageo Pension Fund (a fund managed by Savills Investment Management) for the conditional acquisition of the Drury Lane site. The contract is conditional on the viability of the scheme and Helical securing planning consent. A planning application for the residential led scheme of 68 apartments was submitted in August 2015 and resolution to grant consent was issued at a planning committee in April 2016. A further planning consent for an alternative office led scheme was submitted in December 2016 and is currently being considered by Westminster City Council.

The Regional Portfolio

Our approach to regional investment is to acquire assets where occupational demand is robust throughout the property cycle and the barriers to new supply are high. Successfully picking the sectors and assets with these attributes will ensure strong cash flows and rental growth. In general, yields for regional assets are higher than those in London and these assets are acquired to provide significant cash flow for the Group. We anticipate that income will become an increasingly important part of total returns as yield compression slows and, as such, we focus our attention on areas where we believe the occupational market remains robust.

Our regional portfolio contributed 60% of our net rental income from tenants in diverse sectors and geographical locations. The £351m regional portfolio comprises £156m of logistics (44% of the regional investment portfolio), £95m of offices (27%), £80m retail warehousing and in-town retail (23%), mainly the Morgan Quarter, Cardiff, which has been sold for £55m since year end, and £20m of value from ground rents and assignment fees from our retirement village development programme (6%).

Logistics

Helical had 25 distribution and logistics units located around major UK transport networks at 31 March 2017. These units generally have few bespoke features making them straightforward to re-let if vacancies occur with minimal capital expenditure required. The majority of the assets are single let. Significant assets within the portfolio include a 256,000 sq ft distribution warehouse let to Sainsbury's in Yate, Bristol, a 203,000 sq ft facility in Leighton Buzzard, Bedfordshire and a 183,000 sq ft distribution warehouse let to the Royal Mail in Chester.

Manchester and other Regional Offices

Our regional office investment portfolio comprises seven assets including four in Manchester and others in Crawley, Glasgow and Reading. During the year we sold three assets in Cobham, Castle Donnington and Cheadle for £14.15m, a 6.8% premium to book value.

Manchester is a city with a diverse, thriving and growing economy which is widely regarded as England's second city and the centre of the "Northern Powerhouse". The assets we hold there are:

Churchgate and Lee House, Manchester

This asset, comprising 249,000 sq ft of multi let offices, was purchased in March 2014. Since purchase we have refurbished the reception and 75,254 sq ft of office space. With the successful letting of the 1st floor of Lee House and the Sunshine Suite (15,536 sqft), Churchgate and Lee House is now 100% occupied. Looking forward asset management initiatives still exist to drive further rental growth. We will continue to refurbish the asset as space becomes available through lease events.

Dale House, Manchester

Dale House is a 54,000 sq ft office building situated in the Northern Quarter of Manchester. Following purchase we have pursued surrenders across the building. We successfully achieved surrenders of the top three floors, lower ground and basement spaces which amounts to circa 33,000 sq ft. Refurbishment of these areas has commenced with delivery in Q4 2017. We have secured a pre-let of the 5th floor (7,100 sq ft) and have significant interest in the remaining space that is being delivered.

31 Booth Street, Manchester
This 25,441 sq ft office located in the prime city core was acquired in January 2016 for £4.7m. The building has been fully refurbished and was launched to the market in March 2017. We have received significant occupational interest to date and hope to secure our first letting soon.

Trinity Court, Manchester
Trinity Court, purchased in May 2017 for £12.9m, is a 47,500 sqft office building situated in the central business district of Manchester. The building is currently 100% let with secured income until the end of 2017 at a passing rent of £26.94 psf. The building will be vacated in 2018 and a full refurbishment and extension will be implemented delivering new office space to the market in early 2019.

Retail

Our retail assets total £80m, 7% of our portfolio (31 March 2016: £143m). This part of the portfolio includes a prime retail asset in Cardiff, three retail parks and a number of pre let and/or prefunded retail developments.

During the year, six retail properties were sold for a total of £44.1m, at c. 6% below book value. At the year end the portfolio consisted of four assets of which Cardiff and Great Yarmouth have since been sold reducing the total value of the portfolio to £24.2m.

The Morgan Quarter, Cardiff
During the year we continued to reposition the asset and strengthen the tenant mix. We concluded 12 retail leases representing over £400,000 per annum in rental income which included two tenants upsizing within the estate. Negotiations with Jack Wills, first started in 2015, for them to extend their store finally came to fruition in December.

Along with this expansion, we also completed all of the planned lease renewals and regears with the Hayes retailers, Molton Brown, White Stuff and Joules. In addition we completed the lease renewal with Route One in the Morgan Arcade.

Within the Creative Quarter we completed six office leases and work on Phase Three of the refurbishment completed in May 2017 providing 5,700 sq ft of new space. Since the year end this asset has been sold for £55m, a net initial yield of 5.9% in line with its March 2016 book value.

Retail Developments

Parkgate, Shirley, West Midlands
The shopping centre at Parkgate, Shirley, where Helical had a 50% interest, was completed in 2014 and the 80,000 sq ft Asda, which had been pre-sold to the food-store, together with a number of other retailers including Poundland, Peacocks and Store Twenty-one have all opened successfully for trade. In November 2016 the scheme was sold to a private purchaser.

A second phase of high density residential is being progressed on a 10 acre site opposite the Parkgate scheme. Completions of the first phase of the site sales has occurred to Extracare Charitable Trust and Lioncourt Homes and demolition and infrastructure works have completed. A site for a petrol filling station has been sold to Asda.

Cortonwood Retail Park
This 79,750 sq ft retail park has been 100% pre-let to tenants including Outfit, H&M, New Look, River Island and Marks and Spencer. The scheme has been forward funded with clients of Aberdeen Asset Management and construction is continuing with completion due in July 2017.

Truro

Helical has entered into a Conditional Purchase Agreement on the six acre Truro City Football Club site which has planning consent, subject to a s.106 Agreement, for a 78,000 sq ft non-food retail park. The scheme proposals provide for the relocation of the football club and we anticipate starting on site in 2018.

Retirement Villages

Our retirement village portfolio consists of four villages. We design each of the villages with an active, independent retirement in mind and the communities that we create are the ideal place to live a social and varied lifestyle. Each private, age-exclusive retirement community is centred around a residents' clubhouse, and features many amenities including an indoor pool and gym, landscaped gardens, bar, restaurant and library. With an increasing proportion of the UK population over 65 years old, and a severe under supply in retirement housing, this sector creates significant opportunities for investors and developers.

Bramshott Place, Liphook, Hampshire

This village is situated amongst natural parkland near the village of Liphook on the border of Hampshire, West Sussex and Surrey. The village features a selection of two and three bedroom cottages and one, two and three bedroom apartments arranged around a residents' clubhouse. All construction works to Phases One to Three are completed where 151 units in total have been built and sold. Phase 4 commenced in August 2016 with the construction of 40 additional cottages, due for completion in January 2018. Sales on the site will be formally launched in July 2017, with six of the 40 new cottages already having been reserved and a further two of the 40 being exchanged. The residents' clubhouse is now fully refurbished.

Durrants Village, Faygate, West Sussex

Durrants Village is set within 30 acres of private parkland in the hamlet of Faygate, near Horsham in West Sussex. The village features a selection of cottages and apartments. The first two phases of construction completed in January 2016 with 105 units located around the residents' clubhouse. Phase 3A has commenced and consists of an additional 20 units and is due to complete in September 2017. Sales have progressed well with 99 units sold, 1 exchanged and an additional 10 units reserved. Good interest is being shown in Phase 3A and more reservations are expected to be secured leading up to the delivery of this section in September 2017.

Millbrook Village, Exeter, Devon

Millbrook Village is nestled close to the River Exe in the heart of the historic cathedral city of Exeter. The village features a selection of two and three bedroom cottages and one, two and three bedroom apartments. The site will comprise 164 units once completed. The clubhouse was completed in March and includes a restaurant and bar, games room, gym, cinema and a swimming pool. The build programme is well advanced with 114 units currently completed with more stock now coming online at regular three month intervals. We anticipate that the village will be fully constructed by November 2017. 59 units have been sold, two exchanged with an additional 22 reserved.

Maudslay Park, Great Alne, Warwickshire

Maudslay Park is set in 90-acres of parkland in the Warwickshire village of Great Alne, near Stratford-upon-Avon. The village will comprise 166 units with a mixture of cottages and apartments built around the central clubhouse facility. Similar to our other villages the clubhouse will include a restaurant and bar, games room, gym, cinema and a swimming pool. Phase 1 of the development is currently under construction which consists of 14 cottages, 35 apartments and the central clubhouse facility. The first cottages were completed in April 2017 with the central clubhouse facility being completed in January 2018. Currently we have sold one unit and have a further ten reservations.

Total Portfolio by Fair Value

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
- Completed, let and available to let	501.5	49.3	19.8	10.5	521.3	43.3
- Being redeveloped	125.7	12.4	-	-	125.7	10.4
- Held for future development	38.4	3.8	-	-	38.4	3.2
London Residential	-	-	78.8	41.9	78.8	6.5
Total London	665.6	65.5	98.6	52.4	764.2	63.4
Regional Offices	95.3	9.3	0.5	0.3	95.8	7.9
Regional logistics	156.5	15.4	-	-	156.5	13.0
Regional Retail	79.5	7.8	-	-	79.5	6.6
Retirement Villages	19.9	2.0	82.9	44.0	102.8	8.6
Land	0.1	-	6.3	3.3	6.4	0.5
Total Regional	351.3	34.5	89.7	47.6	441.0	36.6
Total	1,016.9	100.0	188.3	100.0	1,205.2	100.0

Trading and Development Portfolio

	Book Value £m	Fair Value £m	Surplus £m	Fair Value %
London Offices	15.8	19.8	4.0	10.5
London Residential	75.8	78.8	3.0	41.9
Total London	91.6	98.6	7.0	52.4
Regional Offices	0.2	0.5	0.3	0.3
Retirement Villages	79.0	82.9	3.9	44.0
Land	5.0	6.3	1.3	3.3
Total Regional	84.2	89.7	5.5	47.6
Total	175.8	188.3	12.5	100.0

Capital Expenditure

We have a planned development and refurbishment programme.

Property	Capex Budget (Helical Share) £m	Remaining spend (Helical share) £m	Current Total Space Sq ft	Refurbished Space Sq ft	New Space Sq ft	Completion date
London Offices						
207 Old Street, London EC1	94.5	62.9	114,000	179,000	65,000	Jun 2018
Power Road Studios, W4	4.5	3.4	60,000	20,000	-	Sep 2017
The Loom, London E1	7.9	1.8	112,000	80,500	-	Mar 2018
London Residential						
Barts Square, London EC1	87.4	55.7	n/a	n/a	n/a	Sep 2019
Regional Offices						
Dale House, Manchester	4.3	3.5	54,000	30,000	-	Dec 2017

Retirement Villages

Property	Capex Budget £m	Remaining spend £m	Total number of units	Completed units	Units under construction	Completion date
Millbrook Village, Exeter	43.5	7.1	164	114	50	Nov 2017
Durrants Village, Faygate	49.3	17.9	173	105	20	Sep 2019
Maudslay Park, Great Alne	60.9	53.1	166	5	45	May 2019
Bramshott Place, Liphook	17.8	9.5	40	-	40	Jan 2018
	171.5	87.6	543	224	155	

Asset Management

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

Investment portfolio	Fair Value Weighting %	Passing Rent £m	%	Contracted Rent £m	%	ERV £m	%	ERV Change Since March 2016 %	ERV Change Like for Like %
London Offices									
- Completed, let and available to let	49.3	11.3	32.8	22.8	47.1	29.1	40.6	2.6	5.1
- Being redeveloped	12.4	-	-	-	-	13.4	18.7	2.6	2.6
- Held for future development	3.8	1.2	3.5	1.3	2.7	2.5	3.4	(3.3)	17.3
Total London	65.5	12.5	36.3	24.1	49.8	45.0	62.7	(1.1)	4.9
Regional Offices	9.3	5.5	15.9	6.3	13.0	7.9	11.0	(9.9)	3.9
Regional Logistics	15.4	10.9	31.6	12.2	25.2	12.5	17.6	(25.1)	(1.4)
Regional Retail	7.8	5.6	16.2	5.8	12.0	6.2	8.7	(38.6)	(0.9)
Retirement Villages	2.0	-	-	-	-	-	-	-	-
Total Regional	34.5	22.0	63.7	24.3	50.2	26.6	37.3	(25.1)	0.3
Total	100.0	34.5	100.0	48.4	100.0	71.6	100.0	(11.7)	3.1

During the year contracted income increased by £3.5m as a result of new lettings and rent reviews, net of any losses from breaks and lease expiries (2016: £12.7m). The significant contributors to the new lettings were: The Loom, London E1 (£1.6m), C-Space, London EC1 (£1.0m), and 25 Charterhouse Square, London EC1 (£0.9m).

There was significant activity within the investment portfolio with 165 lease events.

	Contracted Rent £m
Rent lost at break/expiry	(2.3)
Rent reviews	0.5
Uplift at lease renewals	0.2
New lettings	5.1
Total increase in the year	**3.5**

Portfolio Yields

	EPRA Topped Up NIY %	Reversionary %
London Offices		
- Completed, let and available to let	4.3	5.4
- Being redeveloped	-	5.8
- Held for future development	3.1	5.6
Total London	4.2	5.5
Regional Offices	6.2	7.4
Regional Logistics	7.3	7.3
Regional Retail	6.9	7.2
Total Regional	6.9	7.3
Total	5.2	6.1

Capital Values, Vacancy Rates and Unexpired Lease Terms

	Capital value psf £	Vacancy rate* %	WAULT Years
London Offices			
- Completed, let and available to let	926	10.0	6.8
- Being redeveloped	619	n/a	-
- Held for future development	645	43.2	0.1
Total London	828	33.2	6.9
Regional Offices	201	12.9	5.1
Regional Logistics	54	4.3	4.8
Regional Retail	217	2.8	4.9
Total Regional	94	5.2	5.0
Total	220	10.0	5.9

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

Valuation Movements

	Val Change inc Capex, Sales & Purchases %	Val Change inc Capex, excl Sales & Purchases %	Investment Portfolio Weighting March 2017 %	Investment Portfolio Weighting March 2016 %
London Offices				
- Completed, let and available to let	11.1	12.3	49.3	45.0
- Being redeveloped	0.3	0.3	12.4	8.6
- Held for future development	3.9	3.9	3.8	2.8
Total London	9.1	9.8	65.5	56.4
Regional Offices	1.7	1.4	9.3	9.7
Regional Logistics	1.6	0.2	15.4	20.0
Regional Retail	(9.6)	(11.4)	7.8	12.8
Retirement Villages	14.3	10.6	2.0	1.1
Total Regional	(1.3)	(2.1)	34.5	43.6
Total	4.5	5.2	100.0	100.0

Lease Expiries or Tenant Break Options

	Year to 2018	Year to 2019	Year to 2020	Year to 2021	Year to 2022
% of rent roll	9.8	10.6	11.2	5.1	14.7
Number of leases	91	90	68	22	35
Average rent per lease (£)	51,742	56,770	79,331	111,898	202,620

We have a strong rental income stream and a diverse tenant base, with the largest tenant in the portfolio accounting for only 8.1% of the rent roll. The top 10 tenants account for 34.8% of the total rent roll and the tenants come from a variety of industries.

Rank	Tenant	Tenant Industry	Rent £m	Rent Roll %
1	Endemol UK Limited	Media	3.9	8.1
2	MullenLowe Limited	Marketing Communications	2.6	5.4
3	Gopivotal (UK) Limited	Technology	2.0	4.1
4	Farfetch UK Limited	Online Retail	1.9	3.9
5	Sainsbury's Supermarkets Limited	Food Retail	1.2	2.6
6	Economic Solutions Limited	Employment and Skills Training	1.1	2.3
7	Neulion Limited	Technology	1.0	2.2
8	CBS Interactive Limited	Media	1.0	2.2
9	Allegis Group Limited	Recruitment	1.0	2.1
10	Anomaly UK Limited	Marketing	0.9	1.9
Total			16.6	34.8

Consolidated income statement

For the year ended 31 March 2017

	Notes	Year ended 31.3.17 £000	Year ended 31.3.16 Restated £000
Revenue	2	99,934	116,500
Net rental income	3	46,162	42,164
Development property profit	4	843	24,252
Share of results of joint ventures	12	(6,528)	50,469
Other operating income		982	20
Gross profit before net gain on sale and revaluation of investment properties		41,459	116,905
Net gain on sale and revaluation of investment properties	5	40,543	49,826
Impairment of available-for-sale investments	14	(3,352)	(1,370)
Gross profit		78,650	165,361
Administrative expenses	6	(18,372)	(26,103)
Operating profit		60,278	139,258
Finance costs	7	(25,598)	(24,113)
Finance income		3,156	5,128
Change in fair value of derivative financial instruments		789	(6,860)
Change in fair value of Convertible Bond		2,973	516
Foreign exchange (loss)/gain		(3)	100
Profit before tax		41,595	114,029
Tax on profit on ordinary activities	8	(2,471)	(9,146)
Profit after tax		39,124	104,883
- attributable to equity shareholders		39,124	104,943
- attributable to non-controlling interests		-	(60)
Profit for the year		39,124	104,883

	Notes	Year ended 31.3.17	Year ended 31.3.16 Restated
Earnings per share	10		
Basic		34.0p	91.3p
Diluted		33.2p	88.0p

Consolidated statement of comprehensive income

For the year ended 31 March 2017

	Year ended 31.3.17 £000	Year ended 31.3.16 Restated £000
Profit for the year	39,124	104,883
Exchange difference on retranslation of net investments in foreign operations	48	(16)
Total comprehensive income for the year	39,172	104,867
- attributable to equity shareholders	39,172	104,927
- attributable to non-controlling interests	-	(60)
Total comprehensive income for the year	39,172	104,867

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

Consolidated balance sheet

At 31 March 2017

	Notes	31.3.17 £000	31.3.16 Restated £000
Non-current assets			
Investment properties	11	987,560	1,035,033
Owner occupied property, plant and equipment		2,124	2,200
Investment in joint ventures	12	19,882	27,990
		1,009,566	1,065,223
Current assets			
Land, developments and trading properties	13	86,680	92,035
Available-for-sale investments	14	-	3,114
Corporate tax receivable		3,320	-
Trade and other receivables	15	73,925	73,057
Cash and cash equivalents	16	99,262	74,670
		263,187	242,876
Total assets		1,272,753	1,308,099
Current liabilities			
Trade and other payables	17	(56,349)	(71,000)
Corporation tax payable		-	(1,592)
Borrowings	18	(2,517)	(885)
		(58,866)	(73,477)
Non-current liabilities			
Borrowings	18	(671,184)	(733,178)
Derivative financial instruments	19	(13,981)	(14,955)
Deferred tax liability	8	(11,825)	(5,768)
		(696,990)	(753,901)
Total liabilities		(755,856)	(827,378)
Net assets		516,897	480,721
Equity			
Called-up share capital	20	1,447	1,447
Share premium account		98,798	98,798
Revaluation reserve		164,190	143,699
Capital redemption reserve		7,478	7,478
Other reserves		291	291
Retained earnings		244,693	229,008
Equity attributable to equity holders of the parent		516,897	480,721
Non-controlling interests		-	-
Total equity		516,897	480,721

Consolidated cash flow statement

For the year to 31 March 2017

	Year ended 31.3.17 £000	Year ended 31.3.16 Restated £000
Cash flows from operating activities		
Profit before tax	41,595	114,029
Depreciation	391	338
Net revaluation gain on investment properties	(39,152)	(47,441)
Gain on sales of investment properties	(1,391)	(2,385)
Profit on sale of plant and equipment	(56)	-
Net financing costs	22,442	18,985
Change in value of derivative financial instruments	(789)	6,860
Change in fair value of Convertible Bond	(2,973)	(516)
Share based payment charge	1,672	6,666
Share of results of joint ventures	6,528	(50,469)
Impairment of available-for-sale investment	3,352	1,370
Foreign exchange movement	6	250
Cash inflows from operations before changes in working capital	31,625	47,687
Change in trade and other receivables	876	(5,074)
Movement in property derivative financial asset	-	16,388
Change in land, developments and trading properties	3,789	306
Change in trade and other payables	(9,338)	5,314
Cash inflows generated from operations	26,952	64,621
Finance costs	(33,041)	(25,312)
Finance income	1,413	3,915
Tax paid	(3,392)	(4,712)
	(35,020)	(26,109)
Cash flows from operating activities	(8,068)	38,512
Cash flows from investing activities		
Additions to investment property	(59,310)	(405,133)
Sale of investment property	156,254	121,770
Return of investment in joint ventures	-	11,495
Dividends from joint ventures	1,580	82,569
Available for sale asset additions	(238)	(142)
Sale of plant and equipment	178	70
Purchase of owner occupied property, plant and equipment	(442)	(263)
Net cash generated from/(used by) investing activities	98,022	(189,634)
Cash flows from financing activities		
Borrowings drawn down	41,986	299,754
Borrowings repaid	(102,887)	(161,648)
Purchase of own shares	(944)	(18,857)
Equity dividends paid	(3,566)	(14,437)
Net cash (used by)/generated from financing activities	(65,411)	104,812
Net increase/(decrease) in cash and cash equivalents	24,543	(46,310)
Exchange gains/(losses) on cash and cash equivalents	49	(13)
Cash and cash equivalents at start of year	74,670	120,993
Cash and cash equivalents at end of year	99,262	74,670

Consolidated statement of changes in equity

At 31 March 2017

	Share capital £000	Share premium £000	Re-valuation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Non-controlling interests £000	Total £000
At 31 March 2015	1,447	98,798	108,060	7,478	291	188,229	-	60	404,363
Total comprehensive income	-	-	-	-	-	104,927	-	(60)	104,867
Revaluation surplus	-	-	47,441	-	-	(47,441)	-	-	-
Realised on disposals	-	-	(11,802)	-	-	11,802	-	-	-
Performance share plan	-	-	-	-	-	6,666	-	-	6,666
Performance share plan - deferred tax	-	-	-	-	-	(3,002)	-	-	(3,002)
Share settled bonus	-	-	-	-	-	1,121	-	-	1,121
Dividends paid	-	-	-	-	-	(14,437)	-	-	(14,437)
Purchase of own shares	-	-	-	-	-	-	(18,857)	-	(18,857)
Own shares held reserve transfer	-	-	-	-	-	(18,857)	18,857	-	-
At 31 March 2016 restated	1,447	98,798	143,699	7,478	291	229,008	-	-	480,721
Total comprehensive income	-	-	-	-	-	39,172	-	-	39,172
Revaluation surplus	-	-	39,152	-	-	(39,152)	-	-	-
Realised on disposals	-	-	(18,661)	-	-	18,661	-	-	-
Performance share plan	-	-	-	-	-	1,672	-	-	1,672
Performance share plan - deferred tax	-	-	-	-	-	(2,062)	-	-	(2,062)
Share settled bonus	-	-	-	-	-	1,904	-	-	1,904
Dividends paid	-	-	-	-	-	(3,566)	-	-	(3,566)
Purchase of own shares	-	-	-	-	-	-	(944)	-	(944)
Own shares held reserve transfer	-	-	-	-	-	(944)	944	-	-
At 31 March 2017	1,447	98,798	164,190	7,478	291	244,693	-	-	516,897

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

The adjustment against retained earnings of £1,672,000 (31 March 2016: £6,666,000) adds back the share based payments charge in accordance with IFRS 2 Share Based Payments.

There were net transactions with owners of £2,996,000 (31 March 2016: £28,509,000) made up of the performance share plan charge of £1,672,000 (31 March 2016: £6,666,000) and related deferred tax debit of £2,062,000 (31 March 2016: £3,002,000), dividends paid of £3,566,000 (31 March 2016: £14,437,000), the purchase of own shares debit of £944,000 (31 March 2016: £18,857,000) and the share settled bonus credit of £1,904,000 (31 March 2016: £1,121,000).

Notes to the full year results

1. Basis of Preparation

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

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

The principal accounting policies of the Group are set out in the Group's 2016 annual report and financial statements, there has been no significant change to these policies.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 but has been derived from the Company's audited statutory accounts for the year ended 31 March 2017. These accounts will be delivered to the Registrar of Companies following the Annual General Meeting. The Group Annual Report and Financial Statements for 2016 are available at Companies House. The auditor's opinion on the 2016 accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Segmental Information

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

- investment properties, which are owned or leased by the Group for long-term income and for capital appreciation, and trading properties, which are owned or leased with the intention to sell; and,

- development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

Revenue	Investment and Trading Year ended 31.03.17 £000	Developments Year ended 31.03.17 £000	Total Year ended 31.03.17 £000	Investment and Trading Year ended 31.03.16 £000	Developments Year ended 31.03.16 £000	Total Year ended 31.03.16 £000
Rental income	48,835	-	48,835	45,158	347	45,505
Development property income	-	49,994	49,994	-	70,876	70,876
Other revenue	1,105	-	1,105	119	-	119
Revenue	49,940	49,994	99,934	45,277	71,223	116,500

Profit before tax	Investment and Trading Year ended 31.03.17 £000	Developments Year ended 31.03.17 £000	Total Year ended 31.03.17 £000	Investment and Trading Year ended 31.03.16 £000	Developments Year ended 31.03.16 £000	Total Year ended 31.03.16 £000
Net rental income	46,213	(51)	46,162	42,010	154	42,164
Development property profit	-	843	843	-	24,252	24,252
Share of results of joint ventures	(2,049)	(4,479)	(6,528)	47,592	2,877	50,469
Gain on sale and revaluation of investment properties	40,543	-	40,543	49,826	-	49,826
	84,707	(3,687)	81,020	139,428	27,283	166,711
Impairment of available for sale assets			(3,352)			(1,370)
Other operating income			982			20
Gross profit			78,650			165,361
Administrative expenses			(18,372)			(26,103)
Net finance costs			(18,680)			(25,329)
Foreign exchange (loss)/gain			(3)			100
Profit before tax			41,595			114,029

Balance sheet	Investment and Trading 31.03.17 £000	Developments 31.03.17 £000	Total 31.03.17 £000	Investment and Trading 31.03.16 £000	Developments 31.03.16 £000	Total 31.03.16 £000
Investment properties	987,560	-	987,560	1,035,033	-	1,035,033
Land, development and trading properties	28	86,652	86,680	28	92,007	92,035
Investment in joint ventures	1,814	18,068	19,882	14,162	13,828	27,990
	989,402	104,720	1,094,122	1,049,223	105,835	1,155,058
Other assets			178,631			153,041
Total assets			1,272,753			1,308,099
Liabilities			(755,856)			(827,378)
Net assets			516,897			480,721

3. Net Rental Income

	Year ended 31.3.17 £000	Year ended 31.3.16 £000
Gross rental income	48,835	45,505
Rents payable	(68)	(80)
Property overheads	(2,283)	(2,728)
Net rental income	46,484	42,697
Net rental income attributable to profit share partner	(322)	(533)
Group share of net rental income	46,162	42,164

4. Development Property Profit

	Year ended 31.3.17 £000	Year ended 31.3.16 £000
Development property income	49,994	70,876
Profit on forward property contract	-	14
Cost of sales	(37,576)	(29,519)
Sales expenses	(5,275)	(10,671)
Provision against book values	(6,300)	(6,448)
Development property profit	843	24,252

5. Net Gain on Sale and Revaluation of Investment Properties

	Year ended 31.3.17 £000	Year ended 31.3.16 £000
Net proceeds from the sale of investment properties	156,939	122,201
Book value (note 11)	(154,863)	(119,385)
Tenants incentives on sold investment properties	(685)	(431)
Gain on sale of investment properties	1,391	2,385
Revaluation surplus on investment properties	39,152	47,441
Net gain on sale and revaluation of investment properties	40,543	49,826

6. Administrative Expenses

	Year ended 31.3.17 £000	Year ended 31.3.16 £000
Administration costs	(10,800)	(10,717)
Performance related awards	(6,854)	(13,299)
National Insurance on performance related awards	(718)	(2,087)
Administrative expenses	(18,372)	(26,103)

7. Finance Costs

	Year ended 31.3.17 £000	Year ended 31.3.16 £000
Interest payable on bank loans, bonds and overdrafts	(28,586)	(25,353)
Other interest payable and similar charges	(4,913)	(3,700)
Interest capitalised	7,901	4,940
Finance costs	(25,598)	(24,113)

8. Tax on Profit on Ordinary Activities

	Year ended 31.3.17 £000	Year ended 31.3.16 £000
The tax credit/(charge) is based on the profit for the year and represents:		
United Kingdom corporation tax at 20%		
- Group corporation tax	-	(7,010)
- Adjustment in respect of prior periods	1,521	(115)
- Overseas tax	2	(712)
Current tax credit/(charge)	1,523	(7,837)
Deferred tax		
- Capital allowances	(1,023)	(385)
- Tax losses	(4,347)	500
- Unrealised chargeable gains	1,803	(7,447)
- Other timing differences	(427)	6,023
Deferred tax charge	(3,994)	(1,309)
Total tax charge for the year	(2,471)	(9,146)

Deferred tax	31.3.17 £000	31.3.16 £000
Capital allowances	(2,969)	(1,946)
Tax losses	8,174	12,521
Unrealised chargeable gains	(22,331)	(24,134)
Other timing differences	5,301	7,791
Deferred tax liability	(11,825)	(5,768)

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

If upon sale of the investment properties the group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £2,969,000 would be released and further capital allowances of £31,390,000 would be available to reduce future tax liabilities.

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

9. Dividends

	Year ended 31.3.17 £000	Year ended 31.3.16 £000
Attributable to equity share capital		
Ordinary		
- Interim paid 2.40p per share (2016: 2.30p)	2,743	2,652
- Second interim paid of 5.15p per share	-	5,886
- Prior year final paid 0.72p per share (2015: 5.15p)	823	5,899
	3,566	14,437

A final dividend of 6.20p, if approved at the AGM on 13 July 2017, will be paid on 21 July 2017 to shareholders on the register on 23 June 2017. This final dividend, amounting to £7,249,950, has not been included as a liability as at 31 March 2017, in accordance with IFRS.

10. Earnings Per Share

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

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

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

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

		Year ended 31.3.17 000's	Year ended 31.3.16 000's
Ordinary shares in issue		118,196	118,184
Weighting adjustment		(3,110)	(3,296)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share		115,086	114,888
Weighted average ordinary shares issued on share settled bonuses		1,402	1,197
Weighted average ordinary shares to be issued under performance share plan		1,403	3,212
Weighted average ordinary shares in issue for calculation of diluted earnings per share		117,891	119,297
		£000	£000
Earnings used for calculation of basic and diluted earnings per share		39,124	104,943
Basic earnings per share		34.0p	91.3p
Diluted earnings per share		33.2p	88.0p
		£000	£000
Earnings used for calculation of basic and diluted earnings per share		39,124	104,943
Net (gain)/loss on sale and revaluation of investment properties	– subsidiaries	(40,543)	(49,826)
	– joint ventures	1,929	(50,210)
Tax on profit on disposal of investment properties		420	998
Fair value movement on derivative financial instruments	– subsidiaries	(789)	6,860
	– joint ventures	42	(211)
Fair value movement on Convertible Bond		(2,973)	(516)
Impairment of available-for-sale investment		3,352	1,370
Deferred tax on adjusting items		(37)	6,212
Earnings used for calculations of EPRA earnings per share		525	19,620
EPRA earnings per share		0.5p	17.1p

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

11. Investment Properties

	31.3.17 £000	31.3.16 £000
Book value at 1 April	1,035,033	701,521
Additions and transfers at cost	68,778	405,133
Disposals	(154,863)	(119,385)
Revaluation surplus	39,152	47,441
Revaluation surplus attributable to profit share partners	(540)	323
Book value at 31 March	987,560	1,035,033

All properties are stated at market value as at 31 March 2017, and are valued by professionally qualified external valuers (Cushman & Wakefield LLP) in accordance with the Valuation-Professional Standards published by the Royal Institution of Chartered Surveyors. The fair value of the investment properties at 31 March 2017 is as follows:

	31.3.17 £000	31.3.16 £000
Book value	987,560	1,035,033
Lease incentives and costs included in trade and other receivables	15,440	6,067
Fair value	1,003,000	1,041,100

Interest capitalised in respect of the refurbishment of investment properties at 31 March 2017 amounted to £10,973,000 (31 March 2016: £6,571,000).

The historical cost of investment property is £822,161,000 (31 March 2016: £889,493,000).

12. Joint Ventures

Share of results of joint ventures	Year ended 31.3.17 £000	Year ended 31.3.16 £000
Gross rental income	931	1,828
Property overheads	(100)	(558)
Net rental income	831	1,270
Net (loss)/gain on revaluation of investment properties	(1,875)	2,316
(Loss)/profit on sale of investment properties	(54)	41,553
Development (loss)/profit	(35)	3,223
Provision against book values	(6,524)	-
Other operating (expenses)/income	(1,118)	218
Administrative expenses	(338)	(1,140)
Finance costs	(2)	(3,673)
Finance income	1,233	21
Change in fair value of derivative financial instruments	(42)	211
(Loss)/profit before tax	(7,924)	43,999
Tax	1,396	129
(Loss)/profit after tax	(6,528)	44,128
Economic interest adjustment*	-	6,341
Share of results of joint ventures	(6,528)	50,469

*Under the Barts Square joint venture agreement the Group is entitled to varying returns dependent upon the performance of the development. Whilst the Group holds a 33.35% equity share in the Barts Square group, it has accounted for its share at 43.8% at the current and prior year end to reflect its expected economic interest in the joint venture. The assessment of the Group's economic interest has not changed since 31 March 2016.

Investment in joint ventures	31.3.17 £000	31.3.16 £000
Summarised balance sheets		
Non-current assets		
Investment properties	13,907	11,552
Owner occupied property, plant and equipment	30	96
Derivative financial instruments	52	-
Deferred Tax	1,811	412
	15,800	12,060
Current assets		
Land, development and trading properties	89,115	75,904
Trade and other receivables	1,327	3,497
Cash and cash equivalents	9,745	12,177
	100,187	91,578
Current liabilities		
Trade and other payables	(17,699)	(14,436)
	(17,699)	(14,436)
Non-current liabilities		
Trade and other payables	(23,124)	(26,586)
Borrowings	(55,282)	(34,626)
	(78,406)	(61,212)
Net assets	19,882	27,990

The Directors' valuation of trading and development stock shows a surplus of £7,500,000 (2016: £7,000,000) above book value.

13. Land, Developments and Trading Properties

	31.3.17 £000	31.3.16 £000
Development properties	86,652	92,007
Properties held as trading stock	28	28
	86,680	92,035

The Directors' valuation of trading and development stock shows a surplus of £5,014,000 (2016: £12,412,000) above book value.

Total interest to date in respect of the development of sites is included in stock to the extent of £11,178,000 (2016: £11,626,000). Interest capitalised during the period in respect of development sites amounted to £3,500,000.

14. Available-For-Sale Investments

	31.3.17 £000	31.3.16 £000
Fair value at 1 April	3,114	4,342
Fair value additions	248	142
Fair value disposals	(10)	-
Fair value impairment	(3,352)	(1,370)
Fair value 31 March	-	3,114

The fair value of the Group's Level 3 available-for-sale investment has been determined by assessing the expected future consideration receivable from this investment, as the value cannot be derived from observable market data. The fair value of the asset is sensitive only to potential sales proceeds.

15. Trade and Other Receivables

	31.3.17 £000	31.3.16 £000
Trade receivables	12,836	20,869
Other receivables	27,462	32,382
Prepayments and accrued income	33,627	19,806
	73,925	73,057

16. Cash and Cash Equivalents

	31.3.17 £000	31.3.16 £000
Rent deposits and cash held at managing agents	4,046	4,906
Restricted cash	12,111	17,063
Cash deposits	83,105	52,701
	99,262	74,670

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

17. Trade and Other Payables

	31.3.17 £000	31.3.16 £000
Trade payables	12,197	14,463
Other payables	3,022	8,218
Accruals and deferred income	41,130	48,319
	56,349	71,000

18. Borrowings

	31.3.17 £000	31.3.16 £000
Current borrowings	2,517	885
Borrowings repayable within:		
- one to two years	4,150	3,617
- two to three years	304,641	3,650
- three to four years	215,667	337,098
- four to five years	1,053	219,523
- five to six years	73,353	95,981
- six to ten years	72,320	73,309
Non-current borrowings	671,184	733,178
Total borrowings	673,701	734,063

Included within borrowings repayable within two to three years is the convertible bond at its fair value of £99,774,000. It is a financial instrument classified as Level 1 under the IFRS 13 fair value hierarchy.

Net Gearing	31.3.17 £000	31.3.16 £000
Total borrowings	673,701	734,063
Cash	(99,262)	(74,670)
Net borrowings	574,439	659,393

Net borrowings excludes the Group's share of borrowings in joint ventures of £55,282,000 (2016: £34,626,000) and cash of £9,745,000 (2016: £12,177,000). All borrowings in joint ventures are secured.

	31.3.17 £000	31.3.16 £000
Net assets	516,897	480,721
Gearing	111%	137%

19. Derivative Financial Instruments

	31.3.17 £000	31.3.16 £000
Derivative financial instruments asset	-	-
Derivative financial instruments liability	(13,981)	(14,955)

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

20. Share Capital

	31.3.17 £000	31.3.16 £000
Authorised	39,577	39,577

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

Allotted, called up and fully paid:		
- 118,196,215 (2016: 118,183,806) ordinary shares of 1p each	1,182	1,182
- 212,145,300 deferred shares of 1/8p each	265	265
	1,447	1,447

21. Own Shares Held

Following approval at the 1997 Annual General Meeting the Company established the Helical Employees' Share Ownership Plan Trust (the "ESOP") to be used as part of the remuneration arrangements for employees. The purpose of the ESOP 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 ESOP purchases shares in the Company to satisfy the Company's obligations under its Share Option Scheme and Performance Share Plan. For this purpose, 254,000 shares (2016: 4,488,000) in the Company were purchased during the year at a cost of £944,000 (2016: £18,857,000).

At 31 March 2017 the ESOP held 1,262,000 ordinary shares in Helical plc (2016: 3,901,000).

At 31 March 2017 options over nil (2016: nil) ordinary shares in Helical plc had been granted through the ESOP. At 31 March 2017 awards over 4,744,000 (2016: 6,558,000) ordinary shares in Helical plc, made under the terms of the Performance Share Plan, were outstanding.

22. Net Assets per Share

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

The adjustment for the fair value of trading and development properties represents the surplus as at 31 March 2017.

	31.3.16 £000	Number of Shares 000's	31.3.16 Pence Per Share
Net asset value	480,721	118,184	
Less: – own shares held by ESOP		(3,901)	
– deferred shares	(265)		
Basic net asset value	480,456	114,283	420
Add: share settled bonus		1,197	
Add: dilutive effect of the Performance Share Plan		3,177	
Diluted net asset value	480,456	118,657	405
Adjustment for:			
– fair value of financial instruments	14,955		
– fair value movement on Convertible Bond	2,747		
– deferred tax	23,161		
Adjusted diluted net asset value	521,319	118,657	439
Adjustment for:			
– fair value of trading and development properties	19,412		
EPRA net asset value	540,731	118,657	456
Adjustment for:			
– fair value of financial instruments	(14,955)		
– deferred tax	(23,161)		
EPRA triple net asset value	502,615	118,657	424

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

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

23. Related Party Transactions

At 31 March 2017 and 31 March 2016 the following amounts were due from/(to) the Group's joint ventures.

	31.3.17 £000	31.3.16 £000
King Street Developments (Hammersmith) Limited	8,162	6,231
Shirley Advance LLP	503	11,347
Barts Square companies	(13)	77
Helical Sosnica Sp. Zoo	1,126	1,099
Old Street Holdings LP	3	-
Creechurch Place Limited	15,883	13,345

24. Capital Commitments

The Group has a commitment of £69,830,000 (2016: £17,209,000) in relation to construction contracts, which are due to be completed in the period to June 2018.

25. Investment Property Accounting Restatement

International Accounting Standard 40 – *Investment Property* requires that accrued operating lease income assets should be shown separately and deducted from the fair value of the investment properties in the Consolidated Balance Sheet. This accounting treatment had not been applied at 31 March 2016 but has been adopted for the year ended 31 March 2017. A prior year adjustment has been made to ensure consistency of comparative information, clarity and transparency.

The effect of the adjustment on the relevant financial statement line items for the year ended 31 March 2016 is as follows:

Impact on equity – increase/(decrease) in equity	Original 31.3.16 £000	Adjustment 31.3.16 £000	Restated 31.3.16 £000
Investment properties	1,041,100	(6,067)	1,035,033
Deferred tax liability	(6,367)	599	(5,768)
Equity	**486,189**	**(5,468)**	**480,721**

Impact on the consolidated income statement – increase/(decrease) in profit for the year	Original Year ended 31.3.16 £000	Adjustment Year ended 31.3.16 £000	Restated Year ended 31.3.16 £000
Net gain on sale and revaluation of investment properties	55,893	(6,067)	49,826
Profit before tax	120,096	(6,067)	114,029
Tax on profit on ordinary activities	(9,745)	599	(9,146)
Profit for the year	**110,351**	**(5,468)**	**104,883**

Impact on basic and diluted earnings per share and EPRA Net Asset Value – increase/(decrease)	Original Year ended 31.3.16 pence	Adjustment Year ended 31.3.16 pence	Restated Year ended 31.3.16 pence
Basic earnings per share	96.1	(4.8)	91.3
Diluted earnings per share	92.6	(4.6)	88.0
EPRA net asset value per share	461	(5)	456

The adjustment did not have an impact on the Group's EPRA earnings per share.

No adjustment was made at 31 March 2015 on the grounds of materiality.

26. Post Balance Sheet Events

In May 2017, the Group sold The Morgan Quarter, Cardiff for £55m and a retail asset in Great Yarmouth for £4.2m, and purchased an office building, Trinity Court, Manchester for £12.9m.

Appendix 1 – See-Through Analysis

Helical holds a significant proportion of its property assets in joint ventures with partners that provide the majority of the equity required to purchase the assets, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account under IFRS for our share of the net results and net assets of joint ventures in limited detail in the income statement and balance sheet. Net asset value per share, a key performance measure used in the real estate industry, as reported in the financial statements under IFRS, does not provide shareholders with the most relevant information on the fair value of assets and liabilities within an ongoing real estate company with a long term investment strategy.

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures' results into a 'see-through' analysis of our property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

See-through net rental income

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

		Year ended 31.3.17 £000	Year ended 31.3.16 £000
Gross rental income	– subsidiaries	48,835	45,505
	– joint ventures	931	1,828
Total gross rental income		49,766	47,333
Rents payable	– subsidiaries	(68)	(80)
Property overheads	– subsidiaries	(2,283)	(2,728)
	– joint ventures	(100)	(558)
Net rental income attributable to profit share partner		(322)	(533)
See-through net rental income		46,993	43,434

See-through net development profits

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

		Year ended 31.3.17 £000	Year ended 31.3.16 £000
In parent and subsidiaries		7,143	30,700
In joint ventures		(35)	3,223
Total gross development profit		7,108	33,923
Provision against stock	- subsidiaries	(6,300)	(6,448)
	- joint ventures	(6,524)	-
See-through development (losses)/profits		(5,716)	27,475

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

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

		Year ended 31.3.17 £000	Year ended 31.3.16 £000
Revaluation surplus/(deficit) on investment properties	– subsidiaries	39,152	47,441
	– joint ventures	(1,875)	2,316
Total revaluation surplus		37,277	49,757
Net gain/(loss) on sale of investment properties	– subsidiaries	1,391	2,385
	– joint ventures	(54)	41,553
Total net gain on sale of investment properties		1,337	43,938
See-through net gain on sale and revaluation of investment properties		38,614	93,695

See-through net finance costs

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

		Year ended 31.3.17 £000	Year ended 31.3.16 £000
Interest payable on bank loans and overdrafts	– subsidiaries	28,586	25,353
	– joint ventures	2	3,673
Total interest payable on bank loans and overdrafts		28,588	29,026
Other interest payable and similar charges	– subsidiaries	4,913	3,700
Interest capitalised	– subsidiaries	(7,901)	(4,940)
Total finance costs		25,600	27,786
Interest receivable and similar income	– subsidiaries	(3,156)	(5,128)
	– joint ventures	(1,233)	(21)
See-through net finance costs		21,211	22,637

See-through property portfolio

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

		31.3.17 £000	31.3.16 £000
Investment property fair value	– subsidiaries	1,003,000	1,041,100
	– joint ventures	13,907	11,552
Total investment property fair value		1,016,907	1,052,652
Trading and development stock	– subsidiaries	86,680	92,035
	– joint ventures	89,115	75,904
Total trading and development stock		175,795	167,939
Trading and development stock surplus	– subsidiaries	5,014	12,412
	– joint ventures	7,500	7,000
Total trading and development stock surpluses		12,514	19,412
Total trading and development stock at fair value		188,309	187,351
See-through property portfolio		1,205,216	1,240,003

See-through net borrowings

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

		31.3.17 £000	31.3.16 £000
In parent and subsidiaries	– gross borrowings less than one year	2,517	885
	– gross borrowings more than one year	671,184	733,178
	Total	673,701	734,063
In joint ventures	– gross borrowings less than one year	-	-
	– gross borrowings more than one year	55,282	34,626
	Total	55,282	34,626
In parent and subsidiaries	Cash and cash equivalents	(99,262)	(74,670)
In joint ventures	Cash and cash equivalents	(9,745)	(12,177)
See-through net borrowings		619,976	681,842

Appendix 2 – See-through Analysis Ratios

Interest cover	31.03.17 £000	31.03.16 £000	31.03.15 £000	31.03.14 £000	31.03.13 £000
Net rental income	46,993	43,434	38,645	29,839	24,459
Trading profits/(losses)	-	-	2,503	252	(1)
Development profits (before provisions)	7,108	33,923	18,028	64,472	7,616
Gain/(loss) on sale of investment properties	1,337	43,938	3,571	8,580	(2,388)
Net operating income	55,438	121,295	62,747	103,143	29,686
Finance costs	21,211	22,637	24,799	12,360	10,893
Interest cover	2.6x	5.4x	2.5x	8.3x	2.7x
Balance sheet					
Property portfolio	1,205,216	1,240,003	1,021,362	801,712	626,425
Net borrowings	619,976	681,842	531,897	365,059	283,350
Shareholders' funds	516,897	480,721	404,363	340,527	253,768
Loan to value	51%	55%	52%	46%	45%
Gearing	120%	142%	132%	107%	112%

Appendix 3 – Five Year Review

Income Statements

	31.3.17 £000	31.3.16 £000	31.3.15 £000	31.3.14 £000	31.3.13 £000
Revenue	99,934	116,500	106,341	123,637	65,439
Net rental income	46,162	42,164	34,233	24,402	19,578
Development profit	7,143	30,700	16,126	62,273	7,616
Provisions against stock	(6,300)	(6,448)	(452)	552	(660)
Trading profit/(loss)	-	-	2,503	252	(1)
Share of results of joint ventures	(6,528)	50,469	27,497	16,448	3,854
Other income/(expense)	982	20	368	230	(547)
Gross profit before gain/(loss) on investment properties	41,459	116,905	80,275	104,157	29,840
Gain/(loss) on sale of investment properties	1,391	2,385	2,480	8,611	(2,388)
Revaluation surplus on investment properties	39,152	47,441	66,904	20,714	3,723
Impairment of available-for-sale investments	(3,352)	(1,370)	(773)	(88)	-
Administrative expenses excluding performance related awards	(10,800)	(10,716)	(10,156)	(8,816)	(8,092)
Performance related awards	(7,572)	(15,387)	(16,374)	(17,860)	(6,828)
Finance costs	(25,598)	(24,113)	(23,678)	(13,983)	(9,577)
Finance income	3,156	5,128	2,480	4,135	887
Movement in fair value of derivative financial instruments	789	(6,860)	(8,389)	5,312	(2,573)
Convertible Bond adjustment	2,973	516	(3,263)	-	-
Foreign exchange (losses)/gains	(3)	100	(2,061)	(501)	17
Profit before tax	41,595	114,029	87,445	101,681	5,009
Tax	(2,471)	(9,146)	(12,669)	(14,126)	815
Profit after tax	39,124	104,883	74,776	87,555	5,824

Balance Sheets

	31.3.17 £000	31.3.16 £000	31.3.15 £000	31.3.14 £000	31.3.13 £000
Investment portfolio at fair value	1,003,000	1,041,100	701,521	493,201	312,026
Land, developments and trading properties	86,680	92,035	92,578	98,160	92,874
Group's share of investment properties held by joint ventures	13,907	11,552	88,305	107,504	94,962
Group's share of land, trading and development properties held by joint ventures	89,115	75,904	102,715	75,368	76,698
Group's share of land, trading and development stock surpluses	12,514	19,412	36,243	27,479	49,685
Group's share of total properties at fair value	1,205,216	1,240,003	1,021,362	801,712	626,425
Net debt	574,439	659,393	477,248	312,849	222,878
Group's share of net debt of joint ventures	45,537	22,449	54,649	52,210	60,472
Group's share of net debt	619,976	681,842	531,897	365,059	283,350
Shareholders' funds	516,897	480,721	404,363	340,527	253,768
EPRA shareholders' funds	565,973	540,731	469,128	370,062	313,733
Dividend per ordinary share paid/payable	3.12p	12.60p	6.85p	5.70p	5.25p
Dividend per ordinary share declared	8.60p	8.17p	7.25p	6.75p	5.55p
EPRA earnings per ordinary share	0.5p	17.1p	2.4p	33.3p	2.4p
EPRA net assets per share	473p	456p	385p	313p	264p

Appendix 4 – Property Portfolio

London Portfolio

Address	Held As	Description	Area sq ft (NIA)	Vacancy rate
The Shepherds Building W14	Investment	Multi let office building	150,470	2%
The Bower (Ph 1) EC1	Investment	Office and retail buildings	151,439	-
The Bower (Ph 2) EC1	Investment	Office and retail buildings undergoing refurbishment and extension	178,724	n/a
The Loom E1	Investment	Multi let office building	110,143	18%
C-Space EC1	Investment	Multi let office building	61,973	-
The Powerhouse W4	Investment	Single let recording studios/office building	24,288	-
Power Road Studios W4	Investment	Multi let office building with redevelopment potential	58,404	43%
25 Charterhouse Square EC1	Investment	Office refurbishment scheme completed in March 2017	43,493	72%
Barts Square EC1	Investment/ Development	213,000 sq ft offices, 236 residential apartments and 20,400 sq ft retail/leisure development under construction	471,228	n/a
One Creechurch Place EC3	Development		277,513	n/a
Drury Lane WC1	Development	Planning consent for an alternative office led scheme has been submitted		n/a
King Street W6	Development	Development site		n/a
			1,527,675	

Regional Portfolio

Address	Held As	Description	Area sq ft (NIA)	Vacancy rate
In Town Retail				
The Morgan Quarter, Cardiff	Investment	Prime retail parade and listed retail arcades	289,537	6.6%
			289,537	
Out-of-town Retail				
Great Yarmouth	Investment	Single let retail park	38,771	-
Sevenoaks, Kent	Investment	Retail park	42,490	-
Southend on Sea	Investment	Retail park	74,954	-
			156,215	
Industrial/Logistics				
Bolton	Investment	Single let cash and carry	73,433	-
Bristol, Portbury	Investment	Single let industrial centre	64,003	-
Brownhills, Birmingham	Investment	Single let distribution centre	52,538	-
Cannock	Investment	Single let distribution centre	153,665	-
Cannock	Investment	Single let distribution centre	103,050	-
Cardiff, Heol Billingsley	Investment	Single let distribution centre	50,684	-
Chester	Investment	Single let distribution centre	182,824	-
Doncaster, Aspect Way	Investment	Single let distribution centre	122,591	100%
Doncaster, Kirk Sandalls	Investment	Single let distribution centre	153,547	-
Gloucester Quedgley	Investment	Multi let industrial estate	43,723	-
Halesowen	Investment	Single let industrial centre	72,120	-
Hinckley	Investment	Single let distribution centre	189,349	-
Jarrow	Investment	Single let industrial centre	101,476	
Leighton Buzzard	Investment	Multi let industrial estate	202,674	-
Newton Aycliffe	Investment	Multi let industrial estate	20,657	7%
Northampton, Crow Lane	Investment	Multi let distribution centre	146,716	-
Peterborough	Investment	Single let industrial centre	160,791	-
Stone, Bibby	Investment	Single let industrial centre	122,301	-
Stone, Opal Way	Investment	Single let industrial centre	130,537	-
Sunderland, Doxford	Investment	Single let industrial centre	139,130	-
Telford	Investment	Single let distribution centre	65,225	-
Thetford	Investment	Single let distribution centre	127,574	-
Warrington, Raglan Court	Investment	Single let distribution centre	81,342	-
Wellingborough	Investment	Single let industrial centre	67,570	-
Yate	Investment	Single let distribution centre	255,714	-
			2,883,234	

Address	Held As	Description	Area sq ft (NIA)	Vacancy rate
Regional Offices				
Crawley	Investment	Single let office building	48,131	-
The Hub, Glasgow	Investment	Multi let office building	57,388	2%
Manchester, 31 Booth St	Investment	Multi let office building	25,441	n/a
Manchester, Churchgate & Lee House	Investment	Multi let city centre office	249,233	2%
Manchester, Dale House	Investment	Multi let city centre office building with refurbishment and asset management potential	53,635	53%
Reading	Investment	Office building	35,847	-
			469,675	
Land				
Telford, Dawley Road	Development	Residential land	n/a	n/a
Crawley, Tilgate	Development	Commercial development site	n/a	n/a
Retail Development				
Cortonwood Retail Park	Development	Pre-let retail park	79,750	-
Four Pools, Evesham	Development	Retail park	41,000	15%
Ibstock site, Kingswinford	Development	Retail park	80,000	n/a
Barking Road, East Ham	Development	Retail/leisure	43,000	-
Treyew Road, Truro	Development	Retail park	78,000	n/a
			321,750	

Address	Held As	Description	Units	Vacancy rate
Retirement Villages				
Millbrook, Exeter	Development	Retirement village development	164	n/a
Durrants Village, Faygate	Development	Retirement village development	173	n/a
Maudslay Park, Great Alne	Development	Retirement village development	166	n/a
Bramshott Place, Liphook	Development	Retirement village development	191	n/a
Bramshott Place Clubhouse	Investment	Clubhouse at retirement village	n/a	n/a
Durrants Village Clubhouse	Investment	Clubhouse at retirement village	n/a	n/a
Millbrook Village Clubhouse	Investment	Clubhouse at retirement village	n/a	n/a
			694	

Appendix 5 – Risk Register

STRATEGIC RISKS Strategic risks are external risks that could prevent the Group delivering its strategy. These risks principally impact our decision to purchase or exit from a property asset.		
Risk	Risk description	Mitigation/action
The Group's strategy is inconsistent with the market.	Changing market conditions could hinder the Group's ability to buy and sell properties envisioned in its strategy. The location, size and mix of properties in the Helical portfolio determine the impact of the risk. If the Group's chosen markets underperform, the impact on the Group's liquidity, investment property revaluations and rental income is greater. The Group carries out significant development projects over several years and is therefore exposed to fluctuations in the market over time.	Management constantly monitors the market and makes changes to the Group's strategy in light of market shifts. The Group's management is highly experienced and has a strong track record of calling the property market. Due to the Group's small management team, changes in strategy can be implemented quickly. Management carefully reviews the risk profile of individual developments and in some cases builds properties in several phases to minimise the exposure to reduced demand for particular asset classes or geographical locations over time. The Group limits the number of speculative developments it does on its own balance sheet.
Property values decline/reduced tenant demand for space.	The property portfolio is at risk of revaluation falls through changes in market conditions, including under-performing sectors or locations, lack of tenant demand or general economic uncertainty.	The Group's property portfolio is diverse in asset type, location and tenant industries, reducing over-exposure to one sector. Management reviews external data, seeks the advice of industry experts and monitors the performance of individual assets and sectors in order to dispose of non-performing assets and rebalance the portfolio for the changing market.
Political risk	There is a risk that regulatory and tax changes could adversely affect the market in which the Group operates and changes in legislation could lead to delays in receiving planning permission. The risk has increased significantly following the United Kingdom's decision to leave the European Union in June 2016.	Management seeks advice from experts to ensure continued monitoring of upcoming regulatory and tax changes and to understand the potential impact on the Group. It maintains good relationships with planning consultants and local authorities.
FINANCIAL RISKS Financial risks are those that could prevent the Group from funding its chosen strategy, both in the long and short term.		
Availability of bank borrowing and cash resources	The inability to roll over existing facilities or take out new borrowing would impact on the Group's ability to maintain its current portfolio and purchase new properties. The Group may forego opportunities if it does not maintain sufficient cash to take advantage of them as they arise.	The Group maintains a good relationship with many established lending institutions and borrowings are spread across a number of these. Funding requirements are reviewed weekly by management, who ensure that the maturity dates of borrowings are spread over several years. Management monitors the cash levels of the Group on a daily basis and maintains sufficient levels of cash resources and undrawn committed bank facilities to fund opportunities as they arise.
Breach of loan and bond covenants	If the Group breaches debt covenants, lending institutions may require the early repayment of borrowings.	Covenants are closely monitored throughout the year. Management carries out sensitivity analysis to assess the likelihood of future breaches based

		on significant changes in property values or rental income.
Increase in cost of borrowing	The Group is at risk of increased interest rates on unhedged borrowings.	The Group hedges the interest rates on the majority of its borrowings, effectively fixing the rates over several years.

OPERATIONAL RISK Operational risks are internal risks that could prevent the Group from delivery its strategy.		
Risk	Risk description	Mitigation/action
Employment and retention of key personnel	The Group's continued success is reliant on its management and staff and successful relationships with its joint venture partners.	The senior management team is very experienced and the average length of service is high. The Nominations Committee and Board regularly review succession planning issues and remuneration is set to attract and retain high calibre staff. The Group has well established relationships with joint venture partners.
Inability to asset manage, develop and let property assets	The Group relies on external parties to support it in asset managing, developing and letting its properties, including planning consultants, contractors, architects, project managers, marketing agencies, lawyers and managing agents.	The Group has a highly experienced team managing its properties. It seeks to maintain excellent relationships with its specialist professional advisors. Management actively monitors these parties to ensure they are delivering the required quality on time.
Health and Safety/Bribery and corruption risk	The nature of the Group's operations and markets expose it to potential health and safety and bribery and corruption risks.	The Group reviews and updates its Health and Safety policy regularly and it is approved by the Board annually. The Group engages an external health and safety consultant to review contractor contracts prior to appointment to ensure they have appropriate policies and procedures in place, then monitors the adherence to policies throughout the project. The Executive Committee reviews the report by the external consultant every month and the Board reviews them at every scheduled meeting. The internal asset managers carry out regular site visits. The Group's anti-bribery and whistleblowing policies are reviewed and updated annually and projects with greater exposure to bribery and corruption are monitored closely. The Group avoids doing business in high risk territories. All employees are required to complete an online anti-bribery and corruption course and to submit details of corporate hospitality and gifts received.
Disruption to the business from failure of Information Technology systems	The Group relies on Information Technology to perform effectively. Failure would adversely affect the Group's operations. Commercially sensitive information is electronically stored by the Group. Theft of this information could adversely impact the Group's commercial advantage and result in penalties where the information is protected by law.	The Group engages and actively manages external Information Technology experts to ensure the systems operate effectively and that we respond to the evolving I.T. security environment. This includes regular off- site backups and a comprehensive disaster recovery process. The external provider also ensures the system is secure and this is subject to routine testing.

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

Appendix 5 – Glossary of Terms

Average unexpired lease term	The average unexpired lease term expressed in years.
Capital value (psf)	The open market value of the property divided by the area of the property in square feet.
Company or Helical or Group	Helical plc and its subsidiary undertakings.
EPRA earnings per share	Earnings per share adjusted to exclude losses/gains on sale and revaluation of investment properties and their deferred tax adjustments, the tax on loss/profit on disposal of investment properties, trading property losses/profits, impairment of available-for-sale investments and fair value movements on derivative financial instruments, on an undiluted basis. Details of the method of the calculation of the EPRA earnings per share are available from EPRA.
EPRA net assets per share	Diluted net asset value per share adjusted to exclude fair value of financial instruments and the convertible bond and deferred tax on capital allowances and on investment properties revaluation, but including the fair value of trading and development properties in accordance with the best practice recommendations of EPRA.
EPRA Topped-up NIY	The current annualised rent, net of costs, topped-up for contracted uplifts, expressed as a percentage of the fair value of the relevant property.
EPRA triple net asset value per share	EPRA net asset value per share adjusted to include fair value of financial instruments and deferred tax on capital allowances and on investment properties revaluation.
Diluted figures	Reported amounts adjusted to include the effects of potential shares issuable under the Director and employee remuneration schemes.
Earnings per share (EPS)	Profit after tax divided by the weighted average number of ordinary shares in issue.
EPRA	European Public Real Estate Association.
Equivalent yield	The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received in arrears.
Estimated rental value (ERV)	The market rental value of lettable space as estimated by the Group's valuers at each balance sheet date.
Gearing	The normal value of Group borrowings expressed as a percentage of net assets
Initial yield	Annualised net 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.
Net assets value per share (NAV)	Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date.
Net gearing	Total borrowings less short-term deposits and cash as a percentage of equity shareholders' funds.
Passing rent	The annual gross rental income being paid by the tenant.
Reversionary yield	The income/yield from the full estimated rental value of the property on the market value of the property grossed up to include purchaser's costs, capital expenditure and capitalised revenue expenditure.
See-through	The consolidated Group and the Group's share in its Joint Ventures.
See-through gearing	The see-through net borrowings as expressed as a percentage of equity shareholders' funds.
Total Accounting Return	The growth in the net asset value of the Company plus dividends paid in the year, expressed as a percentage of net asset value.
Total property return	The total of net rental income, trading and development profits and net gain on sale and revaluation of investment properties on a See-through basis.

Total shareholder return (TSR)	The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.
True equivalent yield	The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received quarterly in advance.
Unleveraged returns	Total property gains and losses (both realised and unrealised) plus net rental income expressed as a percentage of the total value of the properties.
WAULT	The total contracted rent up to the lease expiry date dividend by the contracted annual rent.

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