

# Helical Bar plc

## Half Year Report 2007



Front cover:

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01 Bramshott Place, Liphook  
02 Morgan Department Store, Cardiff  
03 C4.1 Milton Keynes  
04 Riverbank House, London  
05 Hatters Retail Park, Luton  
06 Gliwice, Poland

03

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## Corporate Statement

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

### Contact details

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## Financial Highlights

	Notes	Half year to 30.9.07 £m	Half year to 30.9.06 £m	Year to 31.3.07 £m
Net rental income		7.9	6.7	14.8
Development profits		4.3	1.7	13.6
Trading profits		–	4.6	2.1
Share of results of joint ventures	1	0.4	3.3	6.2
Profits before gains on investment properties and taxation		7.3	10.8	19.5
Gains on investment properties	2	–	0.6	40.6
Profits before tax		7.3	11.4	60.1
		pence	pence	pence
Basic earnings per share		14.3	11.1	58.0
Diluted earnings per share		13.4	10.5	53.7
Diluted EPRA earnings per share	3	9.7	7.5	16.6
Dividends per share – ordinary dividend		1.75	1.60	4.05
Adjusted diluted net assets per share	2	342	283	334
Diluted EPRA net assets per share	4	382	314	374
		£m	£m	£m
Value of investment portfolio	2	323.2	290.4	316.0
Net borrowings		179.0	132.1	134.0
Net assets		293.0	236.5	282.2
Net gearing		61%	56%	47%

### Notes

1. The Group's share of the results of entities controlled equally by the Group and its joint venture partners.
2. There has been no interim revaluation of the investment portfolio as at 30 September 2007 and 30 September 2006.
3. Calculated in accordance with IAS33 and the best practice recommendations of the European Public Real Estate Association ("EPRA"). See note 8 of Interim Report.
4. Calculated in accordance with the best practice recommendations of EPRA. See note 20 of Interim Report.

# Chairman's Statement

**Introduction** In commercial property's bull run yields were pushed down to unsustainable levels and we are now witnessing what we consider to be a well overdue correction. Helical thrives in cyclical markets and our worst fear was that yields would stay low, offering pedestrian prospective returns for mainstream property assets.

Naturally a market correction is painful and we are by no means immune but we have sought to mitigate the adverse effect of rising yields on our business by reducing, over time, the size of our investment portfolio as a proportion of our overall business. Over the last decade the investment portfolio has typically been twice our net asset value whereas it is currently about one times net asset value with the investment assets we have retained either offering asset management opportunities or rental growth potential. Whilst our gearing has risen from 47% to 61% in the half year we still have modest gearing by historical standards compared to a typical range of 100–150%. This gives us a considerable war chest for future deals.

Most importantly we have built up our exposure to a variety of projects where future profits will not be undermined by adverse yield shift. For instance, amongst other activities we are adept in unlocking value by obtaining planning consents for more valuable uses – frequently non-commercial uses such as residential, retirement or nursing homes and student accommodation. Such activity remains profitable at any point of the property cycle and provides us with a stream of future development opportunities. Where we subsequently choose to undertake developments we usually de-risk our exposure through pre-lets or pre-sales.

This approach allows us to reduce the impact of cyclical market falls. It does not, however, necessarily generate a steady stream of growing half-yearly profits. We are confident about the size of profit margins we can make but the precise timing of these profits is harder to predict and in no way does this detract from the robustness of our business model or our potential to maintain our exemplary long-term track record. Indeed, challenging markets throw up much better purchasing opportunities than those we have seen in recent years. We are hopeful that as our existing pipeline of deals bears fruit we will also be able to lay the foundations for future outperformance with opportunistic purchases in 2008 and 2009 as we increase our investment stock at reduced prices.

**Results** Profits before tax, including investment gains, were £7.3m (2006: £11.4m). Net rental income for the period was £7.9m (2006: £6.7m). Trading profits at £0m (2006: £4.6m) and development profits of £4.3m (2006: £1.7m) added to the share of results of joint ventures of £0.4m (2006: £3.3m). Administration costs were steady at £6.1m (2006: £6.0m) and net financing income was £0.6m (a cost of £0.3m in 2006).

The corporation tax charge of £1.3m (2006: £3.6m) has been offset by a deferred tax credit of £7.0m (2006: £2.4m). This deferred tax credit arises from a reduction in the tax rate applied to deferred tax assets and liabilities, from 30% to 28%, which will be effective from 1 April 2008, and the recognition of deferred tax assets arising from tax relief available to the Company on the future vesting of share awards (calculated at 30 September 2007 share price of 456.75p).

Diluted earnings per share were 13.4p (2006: 10.5p) and adjusted earnings per share were 9.7p (2006: 7.5p).

Basic net assets per share rose to 323p per share (31 March 2007: 311p) and the fully diluted net assets per share adjusted for the adding back of the deferred tax provision rose to 342p per share (31 March 2007: 334p).

In line with Helical's long held policy, there has been no interim revaluation of the investment portfolio as at 30 September 2007.

**Financing** Purchases of trading and development stock of £48m have contributed to an increase in net debt to £179m at 30 September 2007 (31 March £134m). Gearing has increased to 61% from 47% at 31 March 2007. As at yesterday's date the Company had £25m of cash on deposit, over £75m of undrawn facilities and £154m of uncharged property.

**Share price** The FTSE 350 Real Estate Sector is down 38% in the year to date and Helical shares have not been immune, falling 23% to 363p over the same period. For only the third time in our 22 years as a property company we now trade at a discount to our net asset value including stock surplus.

It is clear to us that the market is undergoing its biggest correction since the early 90s and a consensus is building that a 10–15% fall in capital values caused by a 75–100bp rise in yields is playing out. The latent potential within our portfolio that we expect to unlock over the next few years should comfortably exceed the potential diminution in value that would be caused by such a rise in yields.

**Outlook** Rising yields create a poor short-term outlook for commercial property values. However, it is when the market is at its most heated that mistakes are most easily made. We had felt that risk premiums were far too low in our market throughout 2006 and 2007 and are relieved to have maintained our discipline during this time. Helical has done many of its best deals in challenging markets and we are certainly more confident of being able to source interesting deals at sensible prices over the next couple of years than over the last two. We remain a relatively small, nimble company where future purchases will continue to have a marked impact on our performance.

**Giles Weaver**  
*Chairman*

28 November 2007

# Property Portfolio

A complete list of the Group's ongoing projects is noted below. Highlights during the half year to 30 September 2007 are as follows:

**Planning pipeline** We acquired sites for an aggregate of circa £35m at Exeter, Fieldgate Street, London E1, and Telford where we intend to submit planning applications respectively for retirement villages, student accommodation and open market housing.

- Our planning appeal was heard regarding our retirement village scheme in Great Alne, Warwickshire and we anticipate a decision in December.
- A planning application was made for 236 residential units at Whitstable on a former employment site.
- In addition, good progress was made across our change of use portfolio and we hope to be able to make some positive announcements during the second half.

**Developments** Planning consent has been gained for our largest industrial development, a 250,000 sq.ft. scheme for unit freehold sales in Southall, West London. Phase 1, comprising 165,000 sq.ft., has commenced construction with a very good level of interest from purchasers.

We have started construction of a 50,000 sq.ft. second phase of our business centre in Battersea, London SW8 having gained consent to double the size of our existing facility on part of the car park.

Enabling works are ongoing at Riverbank House, London EC4 where we are development managers for Pace Investments of a 320,000 sq.ft. office scheme pre-let to Man Group.

We have started the refurbishment of 35,000 sq.ft. of offices and 23,000 sq.ft. of leisure and retail at Clareville House, London SW1 where we are development managers for National Grid Pension Scheme.

We are shortly to commence the first 45 units of our retirement village scheme at Liphook, Hampshire.

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

Refurbishment of a 22,000 sq.ft. listed station building in Wolverhampton has commenced following the pre-letting to a major casino operator.

Finally, in Poland we have acquired a 21 hectare site at Opole where 41,000 sq.m. of out of town retail is proposed. This complements existing retail projects in Gliwice (64,000 sq.m.) and Wroclaw (10,000 sq.m.).

**Investments** Just under half our investment portfolio by value is held in London offices where we continue to experience strong occupational demand. With the final letting in our first phase of Battersea Studios in solicitors' hands and due to sign shortly, we will have full occupancy in our London holdings. These comprise 104 lettable units in 350,000 sq.ft. occupied by 77 tenants generating a reversionary rent roll of over £9.5m per annum, an average of just over £27 per sq.ft.

In our industrial portfolio we have let the last three of our vacant units in North Woolwich achieving a £10 p.s.f. benchmark against previous rentals of £8.75 p.s.f. At Aldridge we also have full occupancy having let 135,000 sq.ft. on a ten year lease without break.

Our largest single investment is the former Morgan Department store in Cardiff where TK Maxx, Borders, Moss Bros and Rossiters are now all open and trading. The 56 residential units, all forward sold, will be completed in early 2008.

## Ongoing Projects

Mixed use Developments	Description	Helical share	Mixed use Developments	Description	Helical share
Morgan Department Store, Cardiff	160,000 sq.ft. retail – Borders, TK Maxx, Moss Bros. 56 flats, all sold. Completion early 2008.	100% I	Tiviot Way, Stockport	A planning application will be submitted in 2008 for 100,000 sq.ft. industrial, 49,000 sq.ft. trade counter, 20,000 sq.ft. self storage, 20,000 sq.ft. builders merchant and car showroom.	80% D
Trinity Square, Nottingham	180,000 sq.ft. retail – Borders, TK Maxx, Dixons 700 student units. Forward sold to Morley for over £100m. Completion 2008.	65% D	Parkgate, Shirley, Birmingham	200,000 sq.ft. retail – Asda (80,000 sq.ft. supermarket) 200 residential units. Construction to commence 2008.	50% D
C4.1, Milton Keynes	110,000 sq.ft. Sainsbury's (forward sold). 440 residential units (forward sold). 35,000 sq.ft. of retail and offices. Completion 2008.	50% D	Hagley Road West, Quinton, Birmingham	16,000 sq.ft. retail plus 15 residential units. Construction to commence 2008.	75% D
White City, London W12	Planning consent to be sought for 4.5 million sq.ft. of commercial and residential on 33 acres.	Consortium landowner and development manager D	Lily's Walk, High Wycombe	100,000 sq.ft. retail/leisure. 125 residential units. JV signed. Planning application to be submitted 2008.	80% D
Amen Corner, Bracknell	Land and options held for a gateway office/mixed use development off the A329M.	100% D	<b>Office Developments</b>	<b>Description</b>	<b>Helical share</b>
Bluebrick, Wolverhampton	11 acre site Individual land sales completed for 208 flats, 20,000 sq.ft. showroom, 88 bed hotel, 7,000 sq.ft. pub. A casino use is proposed for the remaining listed building.	75% D	Riverbank House, London EC4	320,000 sq.ft. pre-let to Man Group. Under construction.	Development management role D
Ropemaker Park, Hailsham	70,000 sq.ft. light industrial, 27,000 sq.ft. trade counter, 12,000 sq.ft. car showroom, 4,000 sq.ft. convenience store and 4,000 sq.ft. crèche. Construction started 2006.	50% D	Clareville House, London SW1	Refurbishment of 35,000 sq.ft. offices plus 23,000 sq.ft. of restaurant, nightclub and retail. Construction started.	Development management role D
Leisure Plaza, Milton Keynes	Planning consent gained for 165,000 sq.ft. retail store, 65,000 sq.ft. casino, 50,000 sq.ft. ice rink, plus a further 25,000 sq.ft. of leisure.	50% D	Battersea Studios, London SW8 (Phase 2)	50,000 sq.ft. of new office development. Completion late 2008.	75% D
			Mitre Square, London EC3	350,000 sq.ft. Site assembly ongoing.	50% D
			Forestgate, Crawley	Refurbishment of 24,000 sq.ft. completed. Scheme for two new buildings of 21,000 sq.ft. and 18,000 sq.ft.	75% D

I – Investment  
D – Development  
T – Trading

## Ongoing Projects

Industrial Developments	Description	Helical share	Projects with change of use potential	Description	Helical share
Watlington Road, Cowley, Oxford	71,000 sq.ft. of industrials and offices of which 49,000 sq.ft. sold.	80% D	Maudslay Park, Great Alne	314,000 sq.ft. industrial estate on a 20 acre site with an outstanding planning appeal for 175 retirement home units.	90% D
Langford Lane, Kidlington	140,000 sq.ft. of industrial units for freehold sites. Phase 1 of 72,000 sq.ft. completed. Phase 2 of 12,000 sq.ft. pre-sold.	80% D	Waterside, Fleet	54,000 sq.ft. of industrial property on 5 acres with planning application for 207 residential units.	75% D
Scotts Road, Southall, West London	250,000 sq.ft. of industrial units for freehold sales. Construction of Phase 1 of 165,000 sq.ft. commenced 2007.	80% D	Vauxhall, London SW8	In partnership with National Grid UK Pension Fund we are seeking to gain an allocation for a large residential led mixed-use development on a Thames-side industrial estate.	Profit Share D
Millbrook Trading Estate, Southampton	Construction of 50,000 sq.ft. of industrial units, 65,000 sq.ft. of trade counters to commence in January 2008. 1 acre sold for self-storage. Phase 2 of 4 acres of industrial land.	80% D	Ely Road, Milton, Cambridge	32,000 sq.ft. of industrial on 20 acres. Planning application to be submitted in 2007 for 120 unit retirement village.	90% D
Retail Developments	Description	Helical share	Thanet Way, Whitstable	80,000 sq.ft. of industrial on 6 acres. Planning application submitted for 236 residential units.	90% D
Macon Way, Crewe	25,000 sq.ft. bulky goods scheme subject to planning consent.	50% D	Cherry Tree Yard, Faygate, Horsham	Former saw mill on 15 acres. Planning application to be submitted in 2007 for 175 retirement home units.	90% D
Gliwice, Poland	64,000 sq.m. out of town retail. Construction to commence 2008.	50% D	Winterhill, Milton Keynes	28,000 sq.ft. of warehouses and offices with retail warehouse or trade counter potential.	50% I
Wroclaw, Poland	10,000 sq.m. out of town retail. Construction due to commence 2008.	50% D	Arleston, Telford	19 acre greenfield site with residential potential.	90% D
Opole, Poland	21 hectare site acquired in Opole, Southern Poland. 41,000 sq.m. out of town retail.	50% D	St Loye's College, Exeter	18 acre site currently used as a college. Potential for retirement village use, planning application to be submitted for 195 units in 2008.	90% D
Retirement Village Developments	Description	Helical share	Fieldgate Street, London E1	Planning consent sought for 14,000 sq.ft. of retail and 350 student residential units.	67% D
Lime Tree Village, Rugby	154 bungalows, cottages and apartments being constructed in phases 122 sold to date.	33% D	Cardiff Royal Infirmary	Vacant hospital on a peppercorn lease with residential potential.	75% I
Bramshott Place, Liphook	Construction to commence in 2008 of 144 units.	90% D			

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## Income Producing Assets

Offices	Description	Helical share	Industrial	Description	Helical share
Rex House, Lower Regent Street, London SW1	80,000 sq.ft. office building refurbished in 2001. Short leasehold expiring 2035. Acquired vacant in 2000.	100% I	Hawtin Park, Blackwood	251,000 sq.ft. estate, part vacant. Acquired 2003.	100% I
Shepherd's Building, Shepherd's Bush, London W14	150,000 sq.ft. of studio offices refurbished in 2001 and let to over 50 tenants. Acquired vacant in 2000.	90% I	Fordham, Newmarket	70,000 sq.ft. of R&D space and offices on a 32 acre landscaped site let on a long lease. Acquired 2007.	53% I
61 Southwark Street, London SE1	66,000 sq.ft. of offices that have been subject to a rolling refurbishment and a new penthouse floor. Acquired 1998.	100% I	Westgate, Aldridge	208,000 sq.ft. Acquired 2006.	80% I
Battersea Studios, London SW8	55,000 sq.ft. of media style offices refurbished in 2006. Acquired vacant in 2005.	75% I	Dales Manor, Sawston, Cambridge	70,000 sq.ft. multi-let estate. Acquired 2003.	67% I/D
Amberley Court, Crawley	Partial refurbishment of 31,000 sq.ft. office campus.	90% I	Golden Cross, Hailsham	102,000 sq.ft. unit let on a long RPI lease. Acquired 2001.	100% I
<b>Retail – in town</b>	<b>Description</b>	<b>Helical share</b>	Standard Industrial Estate, North Woolwich	50,000 sq.ft. estate. Acquired 2002.	60% I
Morgan & Royal Arcades, Cardiff	56 units to be subject to intensive management on completion of the adjoining development at the David Morgan Department Store Acquired 2005.	100% I	Bushey Mill Lane, Watford	24,000 sq.ft. income producing with development potential. Acquired 2006.	80% D
1-5 Queens Walk, East Grinstead	37,000 sq.ft. of retail opposite a proposed new retail scheme. Acquired 2005.	87% I			
Glasgow Portfolio	Three unit shop investments and part of a multi-let office block, all in Glasgow City Centre Acquired 2005.	100% I/T			
<b>Retail – out of town</b>	<b>Description</b>	<b>Helical share</b>			
Oxford Road Retail Park, Sevenoaks	43,000 sq.ft. with open A1 consent let to Wickes, Currys and Carpetright. Acquired 2003.	75% I			
Stanwell Road, Ashford	32,000 sq.ft. Focus DIY store. Acquired 2004.	75% I			
215 Brixham Road, Paignton	24,000 sq.ft. Focus store with open A1 consent. Acquired 2005.	67% I			

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# Independent Review Report to the Members of Helical Bar plc

**Introduction** We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 which comprises Group Income Statement, Statement of Recognised Income and Expense, Group Balance Sheet, Group Cash Flow Statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in APB Statements of Standards for Reporting Accountants “International Standard on Review Engagements (UK and Ireland) 2410”. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusion we have formed.

**Directors’ responsibilities** The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting,” as adopted by the European Union.

**Our responsibility** Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

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

**Conclusion** Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

**Grant Thornton UK LLP**  
*Chartered Accountants*

London

28 November 2007

# Unaudited Condensed Consolidated Income Statement

## For the half year to 30 September 2007

	Notes	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
Revenue	3	32,326	51,644	123,176
Net rental income	4	7,917	6,748	14,771
Trading profits		3	4,634	2,094
Development profits		4,339	1,681	13,587
Share of results of joint ventures		388	3,280	6,196
Other operating income		164	737	766
Gross profit before (loss)/gain on investment properties		12,811	17,080	37,414
(Loss)/gain on sale and revaluation of investment properties	5	(28)	644	40,637
Gross profit		12,783	17,724	78,051
Administrative expenses		(6,067)	(6,010)	(17,544)
Operating profit		6,716	11,714	60,507
Finance costs	6	(1,141)	(1,784)	(2,710)
Finance income		1,814	1,124	1,335
Change in fair value of derivative financial instruments		(78)	395	956
Profit before tax		7,311	11,449	60,088
Tax	7	5,692	(1,227)	(8,000)
Profit after tax		13,003	10,222	52,088
– attributable to minority interests		–	342	300
– attributable to equity shareholders		13,003	9,880	51,788
Profit for the period		13,003	10,222	52,088
Earnings per 1p share	8			
Basic		14.3p	11.1p	58.0p
Diluted		13.4p	10.5p	53.7p

# Unaudited Condensed Consolidated Balance Sheet

## At 30 September 2007

	Notes	At 30.9.07 £000	At 30.9.06 £000	At 31.3.07 £000
<b>Non-current assets</b>				
Investment properties	9	323,175	290,401	316,025
Owner occupied property, plant and equipment		1,546	438	351
Investment in joint ventures		6,577	3,575	6,188
Goodwill		30	68	30
		331,328	294,482	322,594
<b>Current assets</b>				
Land, developments and trading properties	10	163,857	115,489	110,815
Available-for-sale investments	11	6,816	72	912
Derivative financial instruments		267	-	345
Trade and other receivables	12	40,485	38,893	70,526
Cash and cash equivalents	13	6,019	4,535	3,389
		217,444	158,989	185,987
<b>Total assets</b>		548,772	453,471	508,581
<b>Current liabilities</b>				
Trade payables and other payables	14	(50,570)	(57,008)	(64,203)
Current tax liabilities		(5,811)	(6,255)	(3,909)
Borrowings	15	(47,497)	(23,273)	(31,560)
		(103,878)	(86,536)	(99,672)
<b>Non-current liabilities</b>				
Borrowings	15	(137,507)	(113,370)	(105,847)
Derivative financial instruments		-	(216)	-
Deferred tax provision	7	(14,212)	(16,644)	(20,697)
Obligations under finance leases		(178)	(180)	(179)
		(151,897)	(130,410)	(126,723)
<b>Total liabilities</b>		(255,775)	(216,946)	(226,395)
<b>Net assets</b>		292,997	236,525	282,186
<b>Equity</b>				
Called-up share capital	16/19	1,223	1,216	1,222
Share premium account	19	42,520	42,520	42,520
Revaluation reserve	19	82,089	63,326	79,664
Capital redemption reserve	19	7,478	7,478	7,478
Other reserves	19	291	291	291
Retained earnings	19	163,389	130,154	157,006
Own shares held	19	(3,993)	(8,802)	(5,995)
<b>Equity attributable to equity holders of the parent</b>		292,997	236,183	282,186
Minority interests		-	342	-
<b>Total equity</b>		292,997	236,525	282,186
<b>Net assets per share</b>				
Basic	20	323p	265p	311p
Diluted	20	318p	260p	307p
Adjusted diluted	20	342p	283p	334p

# Unaudited Condensed Consolidated Cash Flow Statement For the half year to 30 September 2007

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
<b>Cash flows from operating activities</b>			
Profit before tax	7,311	11,449	60,088
Depreciation	100	88	180
Loss/(gain) on investment properties	28	(644)	(40,637)
Other non-cash items	(186)	(3,413)	(6,294)
<b>Cash flows from operations before changes in working capital</b>	<b>7,253</b>	<b>7,480</b>	<b>13,337</b>
Change in trade and other receivables	31,477	(4,670)	(36,317)
Change in land, developments and trading properties	(50,453)	(27,521)	(19,705)
Change in trade and other payables	(11,348)	6,537	14,828
<b>Cash used in operations</b>	<b>(23,071)</b>	<b>(18,174)</b>	<b>(27,857)</b>
Finance costs	(4,708)	(3,492)	(8,035)
Finance income	503	730	574
Minority interest dividends paid	–	–	(300)
Dividends from joint ventures	–	–	303
Tax paid	(85)	(199)	(2,602)
	(4,290)	(2,961)	(10,060)
<b>Cash flows from operating activities</b>	<b>(27,361)</b>	<b>(21,135)</b>	<b>(37,917)</b>
<b>Cash flows from investing activities</b>			
Purchase of investment property	(9,262)	(10,062)	(27,772)
Sale of investment property	2,972	15,124	53,446
Purchase of shares by ESOP	(3,424)	(1,663)	(5,084)
Purchase of investments	(8,064)	(3,264)	(4,164)
Sale of investments	3,986	3,828	3,909
Sale of plant and equipment	40	13	7
Purchase of plant and equipment	(1,336)	(45)	(48)
<b>Cash flows from financing activities</b>	<b>(15,088)</b>	<b>3,931</b>	<b>20,294</b>
Issue of shares	–	37	43
Borrowings drawn down	52,541	29,448	46,206
Borrowings repaid	(4,926)	(15,564)	(31,616)
Equity dividends paid	(2,468)	(2,174)	(3,615)
Refinancing costs	(68)	(143)	(141)
	45,079	11,604	10,877
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,630</b>	<b>(5,600)</b>	<b>(6,746)</b>
Cash and cash equivalents at start of period	3,389	10,135	10,135
<b>Cash and cash equivalents at period end</b>	<b>6,019</b>	<b>4,535</b>	<b>3,389</b>

## Unaudited Condensed Consolidated Statement of Recognised Income and Expense For the half year to 30 September 2007

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
Profit for the period	13,003	10,222	52,088
Fair value movements			
– available-for-sale investments	1,772	6	(24)
– associated deferred tax	(557)	–	–
<b>Total recognised income and expense for period</b>	<b>14,218</b>	<b>10,228</b>	<b>52,064</b>
– attributable to equity shareholders	14,218	9,886	51,764
– attributable to minority interest	–	342	300
	14,218	10,228	52,064

# Unaudited Notes to the Half Year Report

## 1. Financial information

The financial information contained in this statement does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The full accounts for the year ended 31 March 2007, which were prepared under International Financial Reporting Standards and which received an unqualified report from the Auditors, and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985, have been filed with the Registrar of Companies.

The interim statement has been prepared in accordance with IAS34 Interim Financial Reporting. The principal accounting policies have remained unchanged from the prior financial period to 31 March 2007.

The interim statement was approved by the Board on 28 November 2007 and is being sent to shareholders and will be available from the Company's registered office at 11-15 Farm Street, London W1J 5RS and on the Company's website at [www.helical.co.uk](http://www.helical.co.uk)

## 2. Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, this condensed set of financial statements has been prepared in accordance with IAS34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors of Helical Bar plc are listed in the Group's 2007 Annual Report and Financial Statements, with the exception of the following changes in the period:

- Matthew Bonning-Snook – appointed 1 August 2007
- Jack Pitman – appointed 1 August 2007

A list of current directors is maintained at 11-15 Farm Street, London W1J 5RS and at [www.helical.co.uk](http://www.helical.co.uk).

On behalf of the Board

**Nigel McNair Scott**

Finance Director

28 November 2007

## 3. Revenue

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
Rental income	9,434	8,102	18,044
Trading property sales	–	20,378	12,355
Developments	18,793	19,164	88,685
Other income	4,099	4,000	4,092
	<b>32,326</b>	<b>51,644</b>	<b>123,176</b>

## 4. Net rental income

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
Gross rental income	9,434	8,102	18,044
Rents payable	(21)	(54)	(137)
Other property outgoings	(1,496)	(1,300)	(3,136)
Net rental income	<b>7,917</b>	<b>6,748</b>	<b>14,771</b>

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

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
Net proceeds from the sale of investment properties	3,302	15,124	53,446
Book value (note 9)	(3,330)	(14,475)	(45,638)
Lease incentive and letting costs adjustment	–	(5)	(351)
(Loss)/gain on sale of investment properties	(28)	644	7,457
Revaluation gains on investment properties	–	–	33,180
(Loss)/gain on sale and revaluation of investment properties	(28)	644	40,637

## 6. Finance costs

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
Interest payable on bank loans and overdrafts	4,953	3,730	8,437
Other interest payable and similar charges	(55)	120	228
Finance arrangement costs	51	59	114
Interest capitalised	(3,808)	(2,125)	(6,069)
Finance costs	1,141	1,784	2,710

## 7. Taxation on profit on ordinary activities

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
The tax charge is based on the profit for the period and represents:			
United Kingdom corporation tax at 30% (2006: 30%)			
– Group corporation tax	1,985	3,588	6,449
– adjustment in respect of prior periods	(635)	–	(141)
Current tax charge	1,350	3,588	6,308
Deferred tax – revaluation surpluses	(2,947)	(2,306)	2,628
– capital allowances	(89)	66	(7)
– other temporary differences	(4,006)	(121)	(929)
Deferred tax	(7,042)	(2,361)	1,692
Tax on profit on ordinary activities	(5,692)	1,227	8,000

## Deferred tax provision

	At 30.9.07 £000	At 31.3.07 £000
Capital gains	20,608	23,555
Capital allowances	2,079	2,168
Other temporary differences		
– income statement	(9,032)	(5,026)
– equity reserves	557	–
Deferred tax provision	14,212	20,697



## 7. Taxation on profit on ordinary activities (continued)

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 £2.1m would be released and further capital allowances of £11.4m would be available to reduce future tax liabilities. The provision in respect of capital gains has been reduced by indexation.

The deferred tax asset in respect of other temporary differences (income statement) arises from the recognition of tax relief available to the Company on the future vesting of share awards, calculated at the 30 September 2007 share price of 456.75p (31 March 2007: 429.25p) per share.

## 8. Earnings per 1p share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Shares held by 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 earnings per share are calculated in accordance with IAS33 and the best practice recommendations of the European Public Real Estate Association ("EPRA").

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

	Half year to 30.9.07 000s	Half year to 30.9.06 000s
Ordinary shares in issue	95,719	94,372
Weighting adjustment	(5,094)	(5,075)
Weighted average ordinary shares in issue for calculation of basic earnings per share	90,625	89,297
Dilutive effect of share awards	6,608	4,368
Weighted average ordinary shares in issue for calculation of diluted earnings per share	97,233	93,665
Earnings used for calculation of basic and diluted earnings per share	13,003	9,880
Basic earnings per share	14.3p	11.1p
Diluted earnings per share	13.4p	10.5p
Earnings used for calculation of basic and diluted earnings per share	13,003	9,880
Loss/(gain) on sale and revaluation of investment properties	28	(644)
Fair value movement on derivative financial instruments	78	-
Deferred tax in respect of investment properties	(3,037)	(2,240)
Tax on profit on disposal of investment properties	(635)	-
Earnings used for calculation of diluted EPRA earnings per share	9,437	6,996
Diluted EPRA earnings per share	9.7p	7.5p

## 9. Investment properties

	Valuation £000	Cost £000
Fair value at 1 April 2007	316,025	213,501
Additions at cost	10,482	10,482
Disposals	(3,330)	(2,809)
Amortisation of finance lease	(2)	–
As at 30 September 2007	323,175	221,174

All properties are stated at market value as at 31 March 2007, as adjusted for additions and disposals in the half year to 30 September 2007. Interest capitalised in respect of investment properties at 30 September 2007 amounted to £3,724,445 (31 March 2007: £2,505,000). Interest capitalised during the period in respect of investment properties was £1,218,996.

## 10. Land, developments and trading properties

	At 30.9.07 £000	At 31.3.07 £000
Development sites	162,203	109,165
Properties held as trading stock	1,654	1,650
	163,857	110,815

The directors' valuation of trading and development stock showed a surplus of £36m above book value at 31 March 2007.

Interest capitalised in respect of the development of sites is included in stock to the extent of £8,302,375 (31 March 2007: £4,523,000). Interest capitalised during the period in respect of development sites amounted to £2,589,032.

## 11. Available-for-sale investments

	At 30.9.07 £000	At 31.3.07 £000
UK listed investments at fair value	2,804	–
UK unlisted investments at fair value	4,000	900
UK treasury stock at fair value	12	12
	6,816	912

## 12. Trade and other receivables

	At 30.9.07 £000	At 31.3.07 £000
Trade receivables	13,105	50,850
Other receivables	12,112	6,575
Prepayments and accrued income	15,268	13,101
	40,485	70,526

### 13. Cash and cash equivalents

	At 30.9.07 £000	At 31.3.07 £000
Rent deposits and cash held at managing agents	3,068	1,852
Cash secured against debt and cash held at solicitors	162	1,045
Cash deposits	2,789	492
	6,019	3,389

### 14. Trade payables and other payables

	At 30.9.07 £000	At 31.3.07 £000
Trade creditors	8,990	9,841
Other payables	9,045	8,552
Accruals and deferred income	32,535	45,810
	50,570	64,203

### 15. Borrowings

	At 30.9.07 £000	At 31.3.07 £000
Bank overdraft and loans – maturity		
Due within one year	47,497	31,560
Due after more than one year	137,507	105,847
	185,004	137,407

### Gearing

	At 30.9.07 £000	At 31.3.07 £000
Total borrowings	185,004	137,407
Cash	(6,019)	(3,389)
Net borrowings	178,985	134,018

Net borrowings exclude the Group's share of borrowings in joint ventures of £18,785,000 (31 March 2007: £12,583,000).

	At 30.9.07 £000	At 31.3.07 £000
Net assets	292,997	282,186
Gearing	61%	47%

## 16. Share capital

	At 30.9.07 £000	At 31.3.07 £000
Authorised	39,577	39,577
	39,577	39,577

The authorised share capital of the Company is £39,576,626.60 divided into ordinary shares of 1p each and deferred shares of ¼p each

	At 30.9.07 £000	At 31.3.07 £000
Allotted, called up and fully paid		
– 95,732,457 ordinary shares of 1p each	958	957
– 212,145,300 deferred shares of ¼p each	265	265
	1,223	1,222

As at 1 April 2007 the Company had 95,719,432 ordinary 1p shares in issue. On 28 September 2007 options over 13,025 new ordinary 1p shares were exercised increasing the issued share capital of the Company to 95,732,457 ordinary 1p shares.

**Share options** At 30 September 2007 unexercised options over 1,939,965 (31 March 2007: 1,956,070) new ordinary 1p shares in the Company and 2,629,695 (31 March 2007: 3,964,695) purchased ordinary 1p shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the period no new options were granted.

## 17. Dividends

	Half year to 30.9.07 £000	Half year to 30.9.06 £000	Year to 31.3.07 £000
Attributable to equity share capital			
Ordinary – interim paid 1.60p per share	–	–	1,441
– prior period final paid 2.75p (2006: 2.45p) per share	2,468	2,174	2,174
	2,468	2,174	3,615

The interim dividend of 1.75p (30 September 2006: 1.60p per share) was approved by the board on 28 November 2007 and will be paid on 21 December 2007 to shareholders on the register on 7 December 2007. This interim dividend, amounting to £1,586,502, has not been included as a liability as at 30 September 2007.

## 18. Own shares held

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

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

At 30 September 2007 the Trust held 5,075,226 (31 March 2007: 5,174,701) ordinary shares in Helical Bar plc.

At 30 September 2007 options over 2,629,695 (31 March 2007: 3,964,695) ordinary shares in Helical Bar plc had been granted through the Trust. At 30 September 2007 awards over 7,085,825 (31 March 2007: 5,960,575) ordinary shares in Helical Bar plc had been made under the terms of the Performance Share Plan.

## 18. Statement of changes in equity

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Total £000
At 31 March 2006	1,209	42,490	64,820	7,478	291	120,948	(7,139)	230,097
Total recognised income	–	–	–	–	–	52,064	–	52,064
Dividends paid	–	–	–	–	–	(3,615)	–	(3,615)
Revaluation surplus	–	–	30,552	–	–	(30,552)	–	–
Realised on disposals	–	–	(15,708)	–	–	15,708	–	–
Minority interest	–	–	–	–	–	(300)	–	(300)
Issue of shares	13	30	–	–	–	–	–	43
Purchase of shares	–	–	–	–	–	–	(5,155)	(5,155)
Share options exercised	–	–	–	–	–	–	71	71
Performance share plan	–	–	–	–	–	8,981	–	8,981
Own shares held	–	–	–	–	–	(6,228)	6,228	–
At 1 April 2007	1,222	42,520	79,664	7,478	291	157,006	(5,995)	282,186
Total recognised income	–	–	–	–	–	14,218	–	14,218
Dividends paid	–	–	–	–	–	(2,468)	–	(2,468)
Revaluation surplus	–	–	2,947	–	–	(2,947)	–	–
Realised on disposals	–	–	(522)	–	–	522	–	–
Issue of shares	1	–	–	–	–	–	–	1
Purchase of shares	–	–	–	–	–	–	(3,424)	(3,424)
Performance share plan	–	–	–	–	–	2,484	–	2,484
Own shares held	–	–	–	–	–	(5,426)	5,426	–
At 30 September 2007	1,223	42,520	82,089	7,478	291	163,389	(3,993)	292,997

The adjustment to retained earnings of £2,484,000 adds back the share-based payments charge, in accordance with IFRS2 Share-Based Payments.

## 20. Net assets per share

	30.9.07 £000	Number of shares 000s	30.9.07 pence per share
Net asset value	292,997	95,732	
Less: own shares held by ESOP	–	(5,075)	
deferred shares	(265)		
Basic net asset value	292,732	90,657	323
Add: unexercised share options	1,988	1,940	
Diluted net asset value	294,720	92,597	318
Adjustment for			
– fair value of financial instruments	(267)		
– deferred tax on capital allowances	2,079		
– deferred tax on capital gains	20,607		
Adjusted diluted net asset value	317,139	92,597	342
Adjustment for			
– fair value of trading and development properties	36,480		
Diluted EPRA net asset value	353,619	92,597	382
Adjustment for			
– fair value of financial instruments	267		
– deferred tax on capital allowances	(2,079)		
– deferred tax on capital gains	(20,608)		
Diluted EPRA NNAV	331,199	92,597	358

The adjustment for the fair value of trading and development properties represents the surplus as at 31 March 2007.

	31.3.07 £000	Number of shares 000s	31.3.07 pence per share
Net asset value	282,186	95,719	
Less: own shares held by ESOP	–	(5,174)	
deferred shares	(265)		
Basic net asset value	281,921	90,545	311
Add: unexercised share options	2,002	1,956	
Diluted net asset value	283,923	92,501	307
Adjustment for			
– fair value of financial instruments	(345)		
– deferred tax on capital allowances	2,168		
– deferred tax on capital gains	23,555		
Adjusted diluted net asset value	309,301	92,501	334
Adjustment for			
– fair value of trading and development properties	36,480		
Diluted EPRA net asset value	345,781	92,501	374
Adjustment for			
– fair value of financial instruments	345		
– deferred tax on capital allowances	(2,168)		
– deferred tax on capital gains	(23,555)		
Diluted EPRA NNAV	320,403	92,501	346

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

## 21. Related party transactions

At 30 September 2007 and 31 March 2007 the following amounts were due from the Group's joint ventures.

	At 30.9.07 £000	At 31.3.07 £000
Abbeygate Helical (Leisure Plaza) Ltd	1,081	889
Abbeygate Helical (Winterhill) Ltd	(590)	(864)
Abbeygate Helical (C4.1) LLP	(636)	(636)
Grosvenor Hill (Sprucefield) Ltd	(17)	(17)
Shirley Advance LLP	5,219	4,112
The Asset Factor Ltd	733	551

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