Helical Bar Report & Accounts 2000

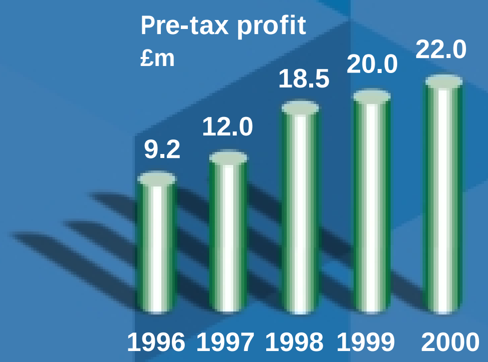
PUBLIC LIMITED COMPANY

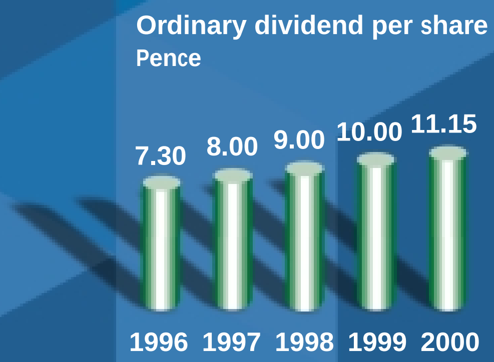
Helical Bar plc Contents

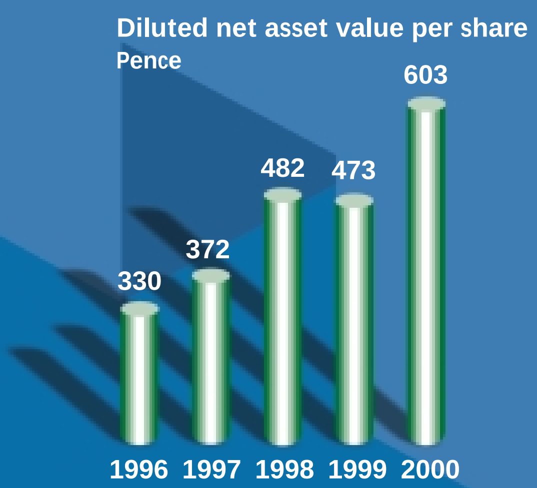
Office development at 200 Hammersmith Road, London W6

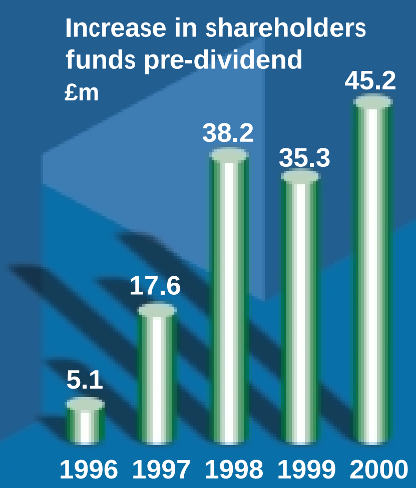
Helical Bar plc is a property development and investment company.

Our objective is to maximise growth in assets per share using a recurring stream of development and trading profits to build up the investment portfolio.









Note: Special dividends of 100.0p and 2.0p were declared in respect of the periods ended 31st March 1999 and 31st March 1997 respectively.

Review of the results

The year to 31 March 2000 has seen several challenges to the property industry such as the perceived threats to the old order from new and exciting hi-tech industries, the increasing burden government is laying on property investors via differentiated taxation and increased stamp duty, an additional planning regime in London and investors' growing dissatisfaction with quoted real estate companies. We adjust our strategies accordingly to anticipate changes so as to continue to provide the infrastructure in which new industries can prosper and grow while creating prime investments for our institutional partners.

We are pleased that the foresight of our development and investment teams has continued to bear fruit, and sites and investment properties purchased in recent years have contributed to another good year with record pre-tax profits and substantial property revaluations. This performance is particularly pleasing coming after the reduction in net assets of almost 20% by the payment of the 100p special dividend last year.

The main driving forces behind the current economic success of the country remain in London and the South East through the growth of the technology, media and telecommunications sector in the West End and Thames Valley and of financial and professional services in the City.

Profits before tax for the year to 31 March 2000 were £22.0m, an increase of 10% over the previous year. Gross profits from our development programme contributed £19.3m (1999: £21.6m) to pre-tax profits and were mainly the result of a number of lettings of offices. The investment portfolio contributed £23.7m of net rental income, a substantial increase on the previous year's £18.5m. Profits on sale of investment properties rose to £4.6m (1999: £0.4m) on net sales of £110.9m (1999: £15.4m).

Net interest payable rose to £16.3m (1999: £12.5m) reflecting the higher levels of gearing and base rates during the year. Administration costs rose to £9.7m (1999: £6.9m). After a 27% tax charge (1999: 19%), profits remained steady at £16.0m (1999: £16.1m). Retained profits, after dividends of £3.2m (1999: £33.6m) were £12.7m (1999: retained loss of £18.7m after payment of a special dividend of £28.9m).

Your Board is recommending a final dividend of 6.75p per share (1999: 6.00p) which, with the interim dividend of 4.40p (1999: 4.00p), makes a total of 11.15p (1999: 10.00p). This is an increase of 11% on the previous year. The total dividend of 11.15p per share is covered 5 times by profits after tax.

A revaluation surplus of £30.4m (1999: £19.9m) on the investment portfolio helped net asset value per share rise by 30% to 620p (1999: 478p) on an undiluted basis and by 27% to 603p (1999: 473p) on a diluted basis. This figure takes no credit for any surplus of value in the trading and development stock.

The out performance of the company in contrast to almost all other listed real estate companies has enabled it to reward shareholders through exceptional net asset value growth and substantial increases in dividends, together with special dividends.

We are pleased to welcome Antony Beevor as a non-executive member of the Board. Antony, a Managing Director of S G Hambros, is a Deputy Chairman of the Takeover Panel and a non-executive Director of Croda International plc.

We operate in an increasingly volatile world where a stop in the strong growth in the United States economy could impact unfavourably in the UK, particularly in London and the South East. Liquidity in these markets is not helped by ever-increasing transaction costs, particularly in any downturn.

Net assets have doubled over the last three years after adding back the 100p special dividend paid last year. We have made an encouraging start to the new financial year. We are maintaining the size of our development programme and continue to increase our investment portfolio, reinvesting the cash flows from completed developments.

John Southwell
Chairman
16 June 2000

Office development at 100 Wood Street, London EC1

Developments

It is our objective to provide a continuing flow of development profits from pre-let and speculative office, retail and industrial schemes in partnership with funding institutions. Whilst a small number of schemes are financed with bank funding and, therefore, remain on our balance sheet, the majority of our schemes are pre-sold or forward sold. This policy has a significant effect on our return on capital employed and has enabled us to create and sustain one of the largest development programmes in the country.

Development programme - anticipated end values

	Office £m	Retail £m	Industrial £m	Total £m
Completed programme				
Let and sold				
1993-2000	291	198	23	512
Current programme				
31 March 2001	280	30	-	310
31 March 2002	120	80	10	210
31 March 2003	120+	90+	-	210+
	520	200	10	730

Offices

At the end of the year the company completed its 150,000 sq.ft. development at 100 Wood Street, London EC2 forward funded with Despa, the German investment fund. Designed by Foster and Partners and completed in time to take advantage of the transitional rules on rates relief, the building immediately attracted attention from a number of potential tenants. In April we were able to announce that four floors comprising 56,500 sq.ft. had been let to The Chase Manhattan Bank. We are confident that the remaining space will be let this year and that we shall then be able to take the profits which this development will have generated.

Work continued on our 260,000 sq.ft. development at 25 Chiswell Street, London EC1, also funded with Despa. This development, pre-let to City solicitors Slaughter and May, is our largest office development to date and is due for completion by October 2000.

Our 35,000 sq.ft. development at 10 Mansion House Place, London EC4, funded with bank finance, was completed and sold during the year to British Arab Commercial Bank for their own occupation. A further 5,500 sq.ft. of space at 6 St Andrew Street, London EC4 was let to solicitors Speechly Bircham leaving one floor of 4,800 sq.ft. remaining This 45,000 sq.ft. development, forward sold to Shell Pension Fund, was completed in September 1999.

Our two buildings at Windsor Dials, Windsor (66,000 sq.ft.) were completed during the year. Funded by Strathclyde Pension Fund, the buildings were let to FM Global and The Galileo Company. Also completed during the year was No. 1 Farnham Road, Guildford, a 28,000 sq.ft. development funded with Stargas Nominees, the British Gas Pension Fund, and let on completion to MWB Business Exchange.

Blenheim House, Leeds, a 32,000 sq.ft. development completed in 1995, was sold to Britannia Invest Holland IIBV and our site at Welshback, Bristol was sold to Fuller Smith Turner plc for development as a hotel. These two properties were the last remaining from the early part of the current development cycle.

Looking forward, we have commenced work at our 60,000 sq.ft. development at One Plough Place, London EC4, funded with Henderson Investors. We have also commenced work on two buildings at the former West London Hospital in Hammersmith. No. 200 Hammersmith Road, comprising 65,000 sq.ft., has been forward sold to a limited partnership owned by Mercury Asset Management and HQ Global Offices and will be run as a serviced office facility. The second, The Saunders Building, will utilise the existing façade of the original hospital and comprises some 14,000 sq.ft.
Both buildings will be complete by November 2001.

We are shortly to start construction at our 140,000 sq.ft. development at The Meadows, Camberley funded with Scottish Widows as a joint venture with Morgan Grenfell Property Unit Trust. We have started a refurbishment of Rex House, 10 Regent Street, London SW1 which will be completed later this year.

Future office developments include The Waterfront Business Park, Fleet, where 70,000 sq.ft. of offices are to be built as an extension to the existing park as well as other deals in the pipeline. At Bunhill Row, London EC1, next to our development at 25 Chiswell Street, we are planning to build 100,000 sq.ft. of offices.

Office development at 25 Chiswell Street, London EC1

Office development at The Meadows, Camberley

Retail

Helical Retail, our joint venture with Oswin Developments, continues to be successful. In the six years since Jim Kelly and his team joined us, we have developed over 1m sq.ft. of retail space with an end value of almost £200m.

In the year Helical Retail has completed a number of developments whilst taking options, purchasing sites and negotiating positions to enable it to continue its programme.

In October it completed its 230,000 sq.ft. in-town redevelopment of Middlesbrough city centre, known as Captain Cook Square. This unique "New Orleans" style open shopping centre was funded by Norwich Union.

At Glasgow, the 80,000 sq.ft. redevelopment of the George Hotel, pre-let to Virgin, Burtons and JD Sports and funded by Hermes was completed.

At Horns Road, Ilford, 44,000 sq.ft. of retail space was completed, pre-let to Toys R Us and Currys and pre-sold to Merseyside Superannuation Fund.

In Bolton a 5,400 sq.ft. retail unit was completed, sold to Legal and General and let to Sofa Workshop.

Currently, the retail team are completing the land assembly of a site in Bolton, next to the Bolton Gate Retail Park completed in 1998, for a 122,000 sq.ft. unit for B&Q pre-funded with HSBC. This retail unit, the largest B&Q in the UK, is due for completion in the summer of 2001. In Solihull, a 12,500 sq.ft. retail unit is to be built for Daewoo. This unit, funded by Nestlé Pension Fund, is also due for completion in summer 2001.

Looking forward, a 314,000 sq.ft. redevelopment of the city centre of Ipswich, the "Mint Quarter", is planned as a joint venture with NCP and plans for a 53,000 sq.ft. redevelopment of Accrington town centre are progressing.

A 10,000 sq.ft. second phase is planned alongside Captain Cook Square in Middlesbrough. Negotiations continue with potential tenants for the redevelopment of Dorchester town centre. Options have been obtained on sites in Canterbury, Wigan, Great Yarmouth and Cheltenham.

Retail development at Captain Cook Square, Middlesbrough

HELICAL RETAIL

Retail development at the George Hotel, Glasgow

Retail development at Horns Road, Ilford

Retail development at Bolton Gate Retail Park, Bolton

Investment portfolio

Our investment philosophy is based on four guiding principles. Rather than being single sector specialists, Helical elects to rotate between property types so that the portfolio remains orientated towards growth stock. Gearing is used on a tactical basis, being raised to accentuate performance when property returns are judged to materially outperform the cost of debt. The average number of properties remains small to facilitate fast repositioning of the portfolio and encouraging management focus on key assets. Finally, there is a preference for multi-let stock where value can be added through refurbishment and lease restructuring.

Over the last three years the office exposure has been raised from 52% to 70% and is now almost exclusively within the South East with the bias having moved west away from the City. The shopping sector component has been sold in light of increasing competition in the high street with retail exposure down to 7%, principally in two retail parks. All the major assets have been acquired from 1997 onwards with the exception of our main industrial properties at Aycliffe and Peterlee which provide useful cash flow to cross-subsidise sites held prior to institutional funding and refurbishment projects.

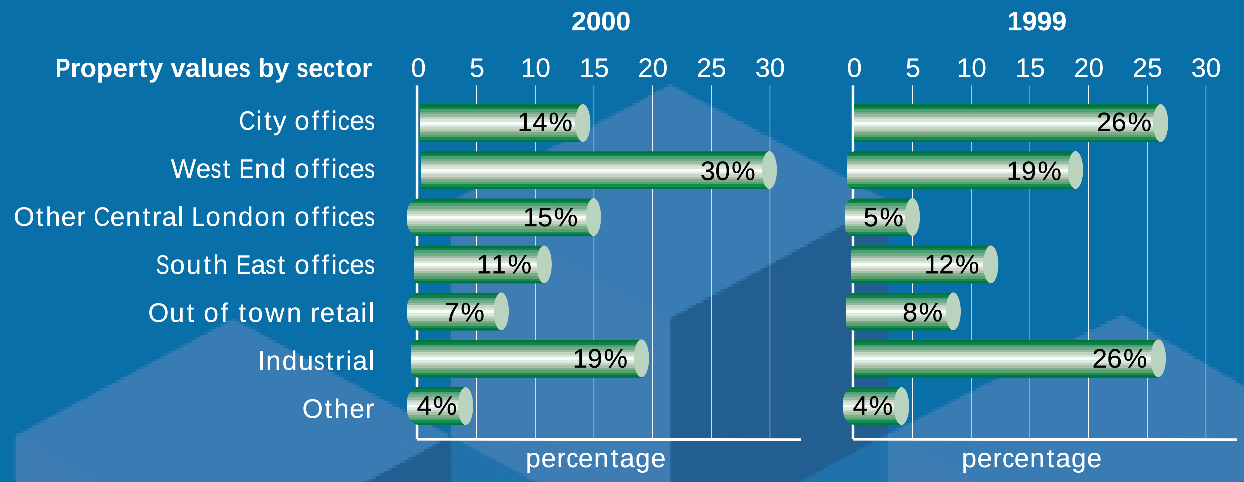
£236m of investment properties were held throughout the last financial year increasing in value by 9.1% and driven by an office performance showing 15.2% growth. £160m of purchases were made and valued at the year end at 9.5% above headline purchase prices but, given the high level of transaction costs due to successive rises in stamp duty, this reduced to 4.6% above gross purchase costs. Historically, Helical's purchases have been performance dilutive in their first year but the key driver of investment returns over the following two years. £111m of sales were made of which £38m were developments held as investments (Mansion House Place and St Andrew Street). The remainder were sold at 5.4% above March 1999 valuations with the principal transactions being at Aldermary House, EC4 (£2.5m surplus); Cannon Park Shopping Centre, Coventry (£0.7m surplus); Allders Warehouse, Croydon (£0.5m surplus); and The Pavilion, Thames Ditton (£0.5m surplus).

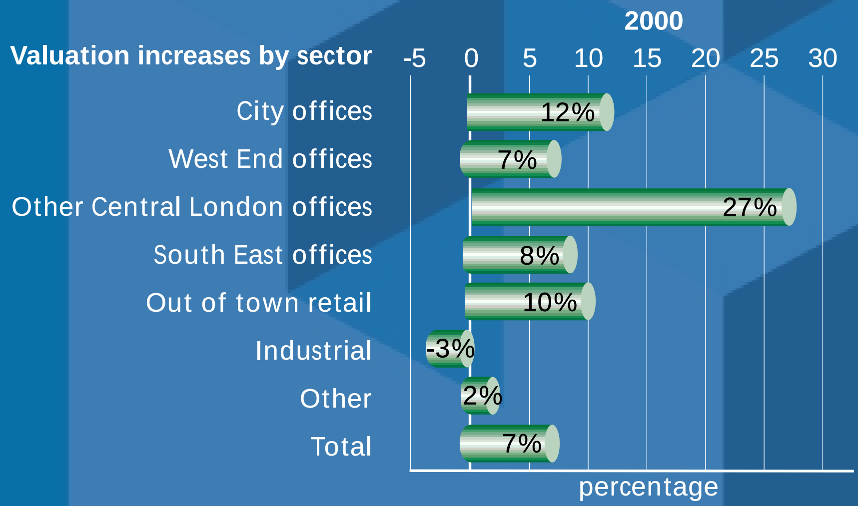
The schedule of investment properties on page 10 shows that the underlying performance has been driven principally by high levels of rental growth. Notwithstanding this, average passing rents of the office portfolio at £13 - £32 p.s.f. remain low by Central London standards. The portfolio is highly reversionary with the running yield of 7.1% anticipated to rise to 8.1% within a year and ultimately to 9.1% based on current rental values. These yields exclude £33.6m of vacant investment stock currently undergoing refurbishment.

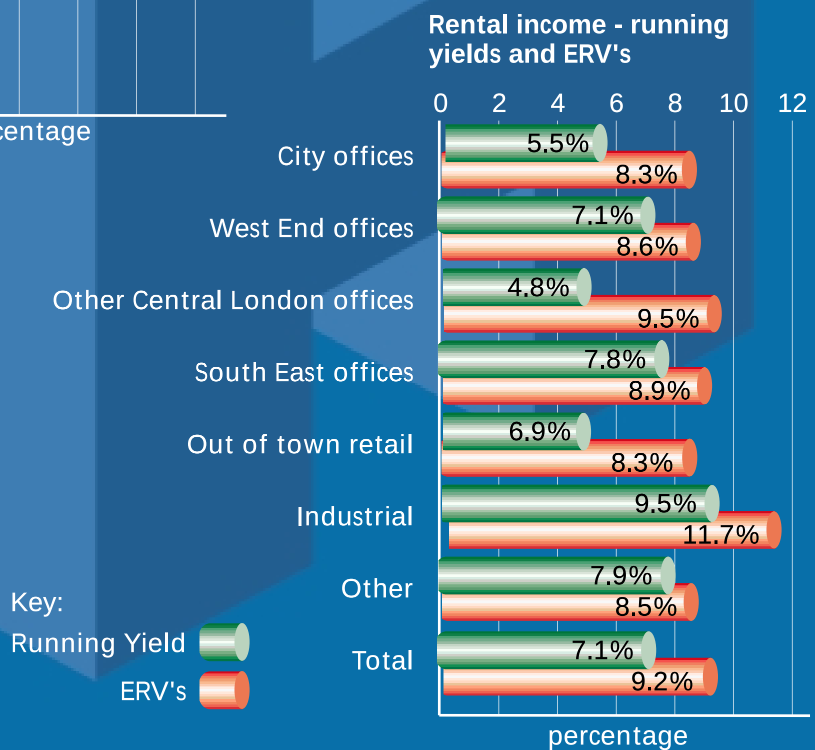
In the short term, whilst supply of accommodation remains tight in our favoured markets with demand strong and supply of new space restricted, further rental growth seems likely. However, we remain vigilant to any demand shocks, particularly those that could emanate from high levels of volatility being experienced by the financial markets.

	Book Value £m	Passing net rents £m	Square footage 000's	Average rent £ per sq. ft.	Void Space 000's sq. ft.
Office	260.5	16.5	954	17.3	89
Out of town retail	35.8	2.3	333	6.9	-
Industrial	75.3	7.0	2,980	2.3	242
Other	19.8	1.4	186	7.5	-
Total income producing	391.4	27.2	4,408		
Investment properties in course of redevelopment	33.6	-	235		
Land and sites	16.6				
	441.6				

Investment property at CBXII, Milton Keynes


Property values by sector
2000
1999
0 5 10 15 20 25 30
City offices 14% 26%
West End offices 30% 19%
Other Central London offices 15% 5%
South East offices 11% 12%
Out of town retail 7% 8%
Industrial 19% 26%
Other 4% 4%
percentage


Valuation increases by sector
2000
-5 0 5 10 15 20 25 30
City offices 12%
West End offices 7%
Other Central London offices 27%
South East offices 8%
Out of town retail 10%
Industrial -3%
Other 2%
Total 7%
percentage


Rental income - running yields and ERV's
0 2 4 6 8 10 12
City offices 5.5% 8.3%
West End offices 7.1% 8.6%
Other Central London offices 4.8% 9.5%
South East offices 7.8% 8.9%
Out of town retail 6.9% 8.3%
Industrial 9.5% 11.7%
Other 7.9% 8.5%
Total 7.1% 9.2%
percentage
Key:
Running Yield
ERV's

Investment Portfolio - properties with value in excess of £10m

Address	Comments	Year Acquired	Growth Since Acquisition % p.a. Rental	Growth Since Acquisition % p.a. Capital	Current Average Passing Rent p.s.f.
City offices					
Cheapside House, Cheapside, London EC2	70,000 sq.ft. of multi-let offices refurbished in 1998 plus prime retail	1997	18.4%	16.0%	£28.00
West End offices					
60 Sloane Avenue, Brompton Cross, London SW3	75,000 sq.ft. flagship office building built in 1994 and mainly let to Leo Burnett plus 32,000 sq.ft. of retail and restaurant accommodation	1999	13.4%	8.9%	£31.50
Capital House, Marylebone Road, London NW1	90,000 sq.ft. of early 1990s multi-let offices plus 47,000 sq.ft. let to Marks & Spencer at £0.60 p.s.f. until December 2002	1998	14.4%	17.1%	£32.00
Rex House, 10 Regent Street, London SW1	60,000 sq.ft. of vacant offices in course of refurbishment	2000	-	-	-
141-143 Drury Lane, Covent Garden, London WC2	40,000 sq.ft. multi-let office building scheduled for refurbishment or residential conversion after 2002.	1998	14.1%	18.3%	£23.50
71 Kingsway, London WC2	30,000 sq.ft. office building subject to rolling refurbishment programme	1998	21.7%	21.2%	£20.00
Other Central London offices					
61 Southwark Street, London SE1	65,000 sq.ft. of multi-let offices subject to rolling refurbishment programme	1998	42.5%	45.6%	£13.00
4 & 5 Paris Gardens, London SE1	45,000 sq.ft. offices acquired vacant and simultaneously pre-let to Guardian IT subject to refurbishment	2000	-	16.0%	£24.50
The Interchange, Camden Lock, NW1	65,000 sq.ft. of loft offices let to World Television News	1999	25.0%	14.0%	£23.00
The Rotunda Complex, Oval Road, NW1	50,000 sq.ft. loft office village	1998	33.6%	28.5%	£16.00
Shepherd's Building, London W14	Vacant 140,000 sq.ft. in course of refurbishment to provide loft offices	2000	-	-	-
South East offices					
Waterfront Business Park, Fleet	40,000 sq.ft. of 1990s offices plus 50,000 sq.ft. of 1960s industrial capable of office redevelopment	2000	-	5.7%	£19.00
CBXII & Midsummer Court, Milton Keynes	Sold after financial year end	1998	17.3%	44.9%	-
Out of town retail					
Castle Retail Park, Nottingham	112,000 sq.ft. anchored by Homebase and PC World	1997	4.3%	4.0%	£10.00
Weston Retail Park, Weston Super Mare	140,000 sq.ft. anchored by Great Mills, Comet and Carpetright	1999	37.4%	25.2%	£6.50
Industrial					
Aycliffe & Peterlee, North-East England	1.9 million sq.ft. of industrial assets	1987	5.6%	12.2%	£2.50

Note: Where properties have been held for less than one year, the growth rate has not been annualised but it is the actual growth since purchase.

Investment property at 60 Sloane Avenue, London SW3

Profits

Gross profits for the year were £43.5m. These compare with gross profits for the year to 31 March 1999 of £39.0m and include net rental income after property overheads of £23.7m (1999: £18.5m) and trading profits of £0.4m (1999: £0.1m). Our development programme contributed £19.3m (1999: £21.6m).

Administrative expenses include a £0.6m (1999: nil) write off of goodwill following the sale of our investment property in Croydon and a £0.7m (1999: nil) write off of the deficit in the company's Employee Share Option Scheme resulting from the waiver of its right to receive dividends.

The surplus on book value on sale of investment properties was £4.6m (1999: £0.4m).

Interest paid on borrowings, net of interest received on cash balances, increased from £12.5m to £16.3m. This was after capitalisation of £2.7m of interest (1999: £2.1m).

Pre-tax profits rose by 10% from £20.0m to £22.0m. The higher tax charge of 27% (1999: 19%) includes a £1.5m provision for deferred tax on a property sold in the current year. After a decreased minority interest of £0.1m (1999: £1.2m), profits before dividends increased to £15.9m (1999: £15.0m). Earnings per share on a diluted basis rose from 50.7p to 53.7p per share.

Dividends

The Board is recommending to members at the Annual General Meeting on 19 July 2000 a final dividend of 6.75p per share (1999: 6.00p) to be paid on 21 July 2000 which, with the interim dividend of 4.40p, makes a total of 11.15p. This is an increase of 11.5% on the previous period's dividend of 10.00p. It is covered 5 times by profits after tax.

Net assets

The increase in value of investment properties of £30.4m (1999: £19.9m) and retained profits of £12.7m led to a rise in Helical's net assets to £184.9m (1999: £142.1m). Net assets per share of 620p compare with 478p in 1999. Diluted net assets per share rose from 473p to 603p and, after taking account of the value ascribed to financial instruments under FRS 13 and unprovided deferred tax, rose from 422p to 564p, a 34% increase.

Borrowings and financial risk

During the year Helical increased the levels of bank borrowings to fund the expansion of the investment portfolio. At 31 March 2000 its borrowings amounted to £260.1m (1999: £218.8m). The company seeks to manage financial risk by ensuring that there is sufficient financial liquidity to meet foreseeable needs and to invest surplus cash safely and profitably. At the year end Helical had over £120m of undrawn bank facilities and cash of £17.0m (1999: £44.3m).

One key financial risk to Helical is adverse movements in interest rates. It has insured against such interest rate movements through the use of a number of interest rate hedging instruments. Borrowings of £160m are capped until 2004 and £111m until 2006 at interest rates between 6.00% and 7.50%. A further £80m is capped until January 2001 at rates between 9.05% and 9.15%. Of current borrowings £105m is fixed at rates of between 5.22% and 9.05%. Using interest rate floors the company is able to benefit from the reduction of rates down to 4.73% and 4.83% on £160m until January 2006.

The success of the company's interest rate hedging can be seen from the valuation of financial assets and liabilities under FRS13. This values these financial instruments on a fair value basis, and at 31 March 2000 an adjustment would increase net assets by £2.4m (1999: decrease by £4.8m).

Executive directors

Managing Director
Michael Slade BSC (Est.Man) FRICS FSVA, Aged 53
Appointed Managing Director in 1986.

Finance Director
Nigel McNair Scott MA FCA FCT, Aged 54
Appointed Finance Director in 1987, Nigel McNair Scott is the non-executive Chairman of Avocet Mining PLC and a Director of Govett Strategic Investment Trust.

Development Director
Gerald Kaye BSC (Est.Man) FRICS, Aged 42
Appointed Development Director in 1994.

Investment Director
Michael Brown BSC (EST.MAN) ARICS, Aged 39
Appointed Investment Director in 1998.

* Member of Audit and Remuneration Committees
† Member of Nominations and Appointments Committee

Non-executive directors

Chairman
John Southwell MA (Senior non-executive), Aged 67*†
Appointed Chairman in 1987, John Southwell is a consultant with Credit Lyonnais Securities Europe (UK), Chairman of Lochain Patrick Holdings Ltd and Director of James Cropper PLC.

Ian Butler CBE MA FCA, Aged 75*†
Appointed non-executive Director in 1993, Ian Butler is a former Director of Cookson Group plc and a former member of the Cadbury Committee.

Giles Weaver FCA, Aged 54*†
Appointed non-executive Director in 1993, Giles Weaver is the Managing Director of Murray Johnstone Ltd, Director of James Finlay PLC and Charter European Trust PLC

Antony Beevor BA, Aged 60*†
Appointed non-executive Director on 11 April 2000, Antony Beevor is a Managing Director of S G Hambros, a Deputy Chairman of the Takeover Panel and a non-executive Director of Croda International plc

Company Secretary
Tim Murphy ACA
Aged 40
Appointed March 1994

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Olswang
Titmuss Sainer Dechert
Norton Rose

Bankers
Barclays Bank PLC
Credit Lyonnais
HypoVereinsbank Bank
National Westminster Bank Plc
The Royal Bank of Scotland plc
DePfa Bank AG

Auditors
Grant Thornton
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

The directors present their report and financial statements for the year ended 31 March 2000.

Principal activities

The principal activity of the company is that of a holding company and the principal activities of the subsidiaries are property investment, dealing and development. A full review of these activities and the group's future prospects are given in the Review of Operations on pages 4 to 11.

Trading results

The results for the year are set out on page 20. The profit on ordinary activities before taxation amounts to £22,020,000 (1999: £20,044,000).

Share capital

The detailed movements in share capital are set out in note 22 to these financial statements.

At 31 March 2000 there were 29,611,697 ordinary 5p shares in issue.

Dividends

A final dividend of 6.75p (1999: 6.00p) per share is recommended for approval at the Annual General Meeting on 19 July 2000. The total ordinary dividends of 11.15p (1999: 10.00p) per share amount to £3,223,000 (1999: £2,434,000 plus special dividend of £28,904,000).

Donations

Donations to charities amounted to £9,403 (1999: £6,110). A contribution of £10,000 (1999: £10,000) was made to the Conservative Party.

Creditor payment policy

The group's policy is to settle all agreed liabilities within the terms established with suppliers. At 31 March 2000 there were 21 days' (1999: 41 days) purchases outstanding in respect of the group's creditors.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

Substantial shareholdings

At 16 June 2000 the shareholders listed in Table A below had notified the company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of the company.

Directors and their interests

The directors who were in office during the year and their interests, all of which were beneficial, in the ordinary shares are listed in Table B below and note 22.

The Helical Bar Employees' Share Ownership Plan Trust, referred to in note 13 owned 708,000 ordinary shares at 31 March 2000 (1999: 708,000).

On 16 June 1999 and 7 April 2000, shares acquired by the Helical Bar Profit Sharing Scheme were allocated to directors and staff. The number of shares allocated to directors is disclosed in note 3.

Shares purchased by directors since 1 April 1999 are listed in Table C below.

There have been no other changes in the above directors' interests in the period from 31 March 2000 to 16 June 2000.

Table A - Substantial shareholdings

	No. of ordinary shares	%
Schroder Investment Management Ltd	3,219,953	10.87
T R Property Investment Trust	2,250,000	7.60
Fidelity Investments	1,672,546	5.65
Scudder Threadneedle	1,436,274	4.85
Hermes Investment Management	1,306,847	4.41
Jupiter Asset Management	1,155,960	3.90

The interests of Michael Slade (10.2%) are noted below.

Table B - Directors' interests

	Ordinary 5p shares 31.03.00	01.04.99
J. P. Southwell	33,870	33,870
M. E. Slade	3,012,604	3,011,147
N. G. McNair Scott	624,284	622,827
I. G. Butler	12,987	12,987
C.G.H. Weaver	18,000	18,000
G. A. Kaye	230,514	186,057
P. M. Brown	117,584	57,127
Total directors' interests	4,049,843	3,942,015
Percentage of issued share capital	13.7%	13.3%

Table C - Directors' share purchases

	Ordinary 5p shares G. A. Kaye	P. M. Brown
15 September 1999	-	25,000
3 March 2000	25,000	25,000
21 March 2000	16,000	9,000
30 March 2000	2,000	-
7 June 2000	14,167	10,833
8 June 2000	27,200	20,800

Report on remuneration

The membership of the remuneration committee is as follows:

John Southwell (Chairman)

Ian Butler

Giles Weaver

Anthony Beevor
(appointed 11 April 2000)

None of the committee has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-directorships nor any day-to-day involvement in running the business. The committee consults the Managing Director and Finance Director about its proposals and has access to professional advice from inside and outside the company.

Policy on executive directors' remuneration

Executive remuneration packages are designed to attract, motivate and retain directors of the calibre necessary to maintain the group's position as a market leader and to reward them for enhancing shareholder value and return. The performance measurement of the executive directors and the determination of their annual remuneration package is undertaken by the committee which consists solely of non-executive directors.

There are three main elements of their remuneration package:

i. basic annual salary and benefits in kind;

ii. annual bonus payments;

iii. share option incentives.

Basic annual salary and benefits in kind

Basic annual salaries for executive directors are reviewed having regard to individual performance and market practice. Executive directors' basic salaries were last reviewed in September 1999. Benefits in kind provided to executive directors include the provision of a company car and health insurance.

Bonus schemes

In June 1997 the committee reached agreement with the executive directors to establish a new bonus scheme following the cessation of the old scheme. This new scheme operated from 1 April 1997 and will continue until 31 March 2002. A bonus will be payable under this scheme only if there is an increase in the net asset value of the company and that increase is greater than that achieved by the upper quartile of the Investment Property Databank Index for capital growth of all properties, an ungeared benchmark. If achieved the bonus is payable in cash and is calculated in bands, the amount of bonus increasing with the level of outperformance. Among other constraints, the committee may restrict the bonus if payment would affect the financial or trading position of the group. The executive directors in this bonus scheme for the period were Michael Slade, Nigel McNair Scott, Gerald Kaye and Michael Brown. Additional bonuses were awarded by the committee in recognition of the performances of the development director, Gerald Kaye and the investment director, Michael Brown.

Share options

The company operated three share option schemes during the year.

The Senior Executive 1988 Share Option Scheme ceased to be able to grant options over new shares on 7 June 1998. The scheme can grant options, until 7 June 2001, in respect of shares held by the Helical Bar Employees Share Ownership Plan Trust. Share options granted in respect of this scheme are included in note 22.

The Helical Bar 1999 Share Option Scheme received shareholder approval on 16 February 1999. Under this scheme the aggregate market value of shares issued or issuable to an individual under this and other option schemes may not exceed eight times his annual earnings. Share options granted in respect of this scheme are included in note 22.

The Helical Bar 1999 Approved Share Option Scheme also received shareholder approval on 16 February 1999 and Inland Revenue approval in March 1999. Under this scheme options up to a maximum value of £30,000 per individual may be granted and options granted to directors in respect of this scheme are included in note 22.

The performance criteria of the two 1999 schemes requires total shareholder return over a set period to exceed a certain percentile of the aggregate performance of companies in the Property Sector Index of the FTSE All Share Index. For the approved scheme the relevant period is three years and the 50th percentile. For the unapproved scheme the relevant period is five years and 75th percentile.

The Committee considers that these share options, coupled with the associated performance measures, will continue to provide the most effective method of longer term incentivisation for the key executives of the company.

Helical Bar profit sharing scheme

The Helical Bar Profit Sharing Scheme is open to all employees and has operated since 1997. Under the terms of the scheme the Trustees purchase shares in the company and allocate them to all employees in accordance with the rules of the scheme. Allocations of shares were made to all directors and employees on 16 June 1999 and 7 April 2000.

Service contracts

The service contracts of each of the executive directors noted in table B have a one year notice period.

Pension contributions

The company makes annual contributions into a Small Self Administered Pension Scheme on behalf of Michael Slade and Nigel McNair Scott.

Re-election

Michael Slade and Nigel McNair Scott are due to retire by rotation and offer themselves for re-election. Anthony Beevor, who was appointed on 11 April 2000, seeks formal re-election for the first time.

Non executive directors

The remuneration of the non-executive directors is determined by the Board within the limits set out in the Articles of Association and was last increased in April 2000. Non-executive directors do not participate in any of the company's share option schemes. Non-executive directors do not have a contract of service.

Details of directors' remuneration-share options

This report should be read in conjunction with notes 3 and 22 to the financial statements which also form part of this report. Full details of all elements of the remuneration package of each director are given in note 3 to the financial statements. Details of directors' share interests and share options are given in note 22 to the financial statements.

On behalf of the Board

J. P. Southwell
Chairman
16 June 2000

Corporate governance

The company is committed to applying the highest principles of corporate governance commensurate with its size.

The company has complied throughout the year with the Code provisions set out in Section 1 of the Combined Code. In complying with Code provision D.2.1 on internal control, the company has adopted the transitional approach of reporting on internal financial control allowed by the Stock Exchange in its letter of 27 September 1999.

Application of principles

The company has applied the principles of good governance contained in the Combined Code appended to the Listing Rules of the Financial Services Authority.

Directors

The company supports the concept of an effective board leading and controlling the company. The Board is responsible for approving company policy and strategy. It meets three monthly and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the directors are free to seek any further information they consider necessary. All directors have access to advice from the company secretary and independent professionals at the company's expense. Training is available for new directors and other directors as necessary.

The Board consists of four executive directors who hold the key operational positions in the company and four non-executive directors, who bring a breadth of experience and knowledge, of whom all are independent of management and any business or other relationship which could interfere with the exercise of their independent judgement. This provides a balance whereby the Board's decision making cannot be dominated by an individual or small group. The Chairman of the Board is John Southwell and the company's business is run by Michael Slade, the Managing Director. The Board has named John Southwell as the senior independent non-executive director. The Board members are described on page 13.

All directors are subject to re-election every three years and, on appointment, at the first AGM after appointment. The Nominations and Appointments Committee meets as required to select and recommend to the Board suitable candidates for both executive and non-executive appointments to the Board. It comprises John Southwell, Chairman of the Board (Chairman), and the three other non-executive directors, Ian Butler, Giles Weaver and Antony Beevor.

Directors' remuneration

The company recognises that directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice. The policy of the company is to provide sufficient levels of remuneration to attract, retain and motivate executive directors.The Remuneration Committee, which carries out the policy on behalf of the Board, comprises John Southwell (Chairman), Ian Butler, Giles Weaver and Antony Beevor, all of whom are independent non-executive directors.
It meets at least twice a year. As well as considering conditions in the group as a whole, the Committee takes into account the position of the company relative to other companies and is aware of what these companies are paying, though comparisons are treated with caution to avoid an upward ratchet in remuneration. The Committee consults the Managing Director and has access to independent professional advice.

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

The remuneration of non-executive directors is determined by a sub-committee of the Board comprising the Managing Director and the Finance Director.

The Board's report on remuneration is on pages 15 and 16. It sets out the company's policy in detail and gives full details of all elements in the remuneration package of each individual director.

Relations with shareholders

The company values the views of its shareholders and recognises their interest in the company's strategy and performance, Board membership and quality of management. It therefore holds regular meetings with its institutional shareholders to discuss objectives.

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

Accountability and audit

The Board represents a balanced and understandable assessment of the company's position and prospects in all interim and price-sensitive reports and reports to regulators as well as in the information required to be presented by statutory requirements. The Audit Committee comprises Ian Butler, Giles Weaver and Antony Beevor, all of whom are independent non-executive directors, and John Southwell, who is Chairman of the Board and a non-executive director. The terms of reference of the Committee include keeping under review the scope and results of the external audit and its cost effectiveness. The Committee reviews the independence and objectivity of the external auditors.

This includes reviewing the nature and extent of non audit services supplied by the external auditors to the company, seeking to balance objectivity and value for money. The responsibilities of the directors as regards the accounts are described below, and that of the auditors on page 19. A statement on going concern is also below.

Internal control

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the company's assets. The company has adopted the transitional approach permitted by the Stock Exchange in its letter to listed companies of 27 September 1999 for accounting periods ending prior to 23 December 2000 in respect of the application of Code principle D.2. The Board has reviewed its risk management and identified areas where procedures need to be changed or installed. The company has in place the procedures necessary to implement the guidance, "Internal Control: Guidance for Directors on the Combined Code". The Board will undertake a full risk and control assessment before reporting on the year ending 31 March 2001. The Board keeps under review whether an internal audit function would add value to the company.

The directors are responsible for the group's system of internal financial control. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The key features of the group's system of internal financial control are as follows:

- clearly defined organisational responsibilities and limits of authority;
- financial controls and review procedures;
- financial information systems including cash flow, profit and capital expenditure forecasts and;
- an Audit Committee which meets with the Auditors at least twice a year and deals with any significant internal financial control matter.

Going concern

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

Year 2000 compliance

The company experienced no problems arising out of Year 2000 compliance issues and has received no indication of problems arising at any of its developments or investment properties nor has it received notification of any problems at its major customers, suppliers or trading partners.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent and;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Annual General Meeting

The Annual General Meeting of the company will be held on 19 July 2000 at 11.30 a.m. at The Westbury, Conduit Street at New Bond Street, London W1A 4UH. There are 4 resolutions concerning special business. The first converts the authorised but unissued convertible cumulative redeemable preference shares into ordinary shares. The second gives your Board the authority for a further five years to allot 9,870,560 shares (one third of the existing issued share capital as at the date hereof). The third gives your Board the power for a further year to issue shares pursuant to a rights issue and a modest number (approximately 5 per cent of the existing issued share capital as at the date hereof) for cash other than to existing shareholders. The fourth extends, for a further year, the authority given at the Annual General Meeting last year for the company to buy in, for cancellation, its ordinary share capital and increases that authority to 14.95 per cent. There have been no instances of the company purchasing its own shares since the last Annual General Meeting.

By Order of the Board
T. J. Murphy
Secretary
16 June 2000

To the members of Helical Bar plc

We have audited the financial statements on pages 20 to 41 which have been prepared under the accounting policies set out on pages 24 & 25.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 18, the financial statements. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law on the Listing Rules regarding directors' remuneration and transactions with the group is not disclosed.

We review whether the statement on page 18 reflects the company's compliance with those provisions of the Combined Code specified for our review by the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31 March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Registered Auditors
Chartered Accountants
London
16 June 2000

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2000

	Note	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Turnover	2	149,922	121,244
Cost of sales		(106,440)	(82,240)
Gross profit	2	43,482	39,004
Administrative expenses	3	(9,669)	(6,860)
Operating profit		33,813	32,144
Profit on sale of investment properties	4	4,555	415
Profit on ordinary activities before interest		38,368	32,559
Net interest payable and similar charges	5	(16,348)	(12,515)
Profit on ordinary activities before taxation		22,020	20,044
Taxation on profit on ordinary activities	6	(6,032)	(3,899)
Profit on ordinary activities after taxation		15,988	16,145
Equity minority interests		(77)	(1,175)
Profit for the year		15,911	14,970
Dividends paid and proposed including non-equity	7	(3,223)	(33,631)
Retained profit/(loss) for the year	23	12,688	(18,661)
By company	8	1,829	(10,302)
By subsidiaries		10,859	(8,359)
Earnings per share	9	55.0p	66.7p
Diluted earnings per share	9	53.7p	50.7p

The notes on pages 24 to 41 form part of these financial statements.

Helical Bar plc and subsidiary undertakings as at 31 March 2000

	Note	Group 31 March 2000 £000	Group 31 March 1999 £000	Company 31 March 2000 £000	Company 31 March 1999 £000
Fixed assets					
Intangible assets	10	683	576	-	-
Tangible assets	12	420,354	333,372	770	896
Investments	13	3,656	4,359	5,908	6,545
		424,693	338,307	6,678	7,441
Current assets					
Fixed assets for resale		525	525	-	-
Stock and long term contracts	14	22,020	35,054	48	31
Debtors	15	54,786	40,148	104,393	121,491
Investments	16	5,236	-	2,088	-
Cash at bank and in hand	17	16,991	44,310	9,076	31,297
		99,558	120,037	115,605	152,819
Creditors: amounts falling due within one year	18	(80,515)	(128,662)	(8,033)	(47,896)
Net current assets/(liabilities)		19,043	(8,625)	107,572	104,923
Total assets less current liabilities		443,736	329,682	114,250	112,364
Creditors: amounts falling due after more than one year	19	(257,384)	(187,576)	(19,935)	(19,858)
Provisions for liabilities and charges	21	(1,500)	-	-	-
		184,852	142,106	94,315	92,506
Capital and reserves					
Called-up share capital	22	1,481	1,495	1,481	1,495
Share premium account	23	34,502	34,508	34,502	34,508
Revaluation reserve	23	95,701	78,948	-	-
Capital redemption reserve	23	7,101	7,081	7,101	7,081
Other reserves	23	291	291	1,987	1,987
Profit and loss account	23	44,452	19,201	49,244	47,435
Shareholders' funds		183,528	141,524	94,315	92,506
Equity minority interests		1,324	582	-	-
		184,852	142,106	94,315	92,506
Shareholders' funds					
Equity shareholders' funds		183,528	141,510	94,315	92,492
Non-equity shareholders' funds		-	14	-	14
		183,528	141,524	94,315	92,506

The financial statements were approved by the Board of Directors on 16 June 2000.
M. E. Slade, N. G. McNair Scott – Directors

The notes on pages 24 to 41 form part of these financial statements.

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2000

	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Statement of total recognised gains and losses		
Profit for the year after taxation	15,988	16,145
Minority interest	(77)	(1,175)
Surplus on revaluation of investment properties	30,404	19,850
Minority interest in revaluation surplus	(1,068)	-
Total recognised gains and losses relating to the year	45,247	34,820

	2000 £000	1999 £000
Notes on historical cost profits and losses		
Reported profit on ordinary activities before taxation	22,020	20,044
Realisation of property revaluation gains of previous years	12,583	3,193
Historical cost profit on ordinary activities before taxation	34,603	23,237
Historical cost profit/(loss) for the year retained	25,271	(15,468)

	2000 £000	1999 £000
Reconciliation of movements in shareholders' funds		
Profit for the year	15,911	14,970
Dividends paid and proposed including non-equity	(3,223)	(33,631)
	12,688	(18,661)
Revaluation of investment property	30,404	19,850
Minority interest in revaluation surplus	(1,068)	-
(Redemption)/issue of shares	(20)	1,513
Expenses of share issue	-	(160)
Net addition to shareholders' funds	42,004	2,542
Opening shareholders' funds	141,524	138,982
Closing shareholders' funds	183,528	141,524

The notes on pages 24 to 41 form part of these financial statements.

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2000

	Note	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Net cash inflow from operating activities	24	45,569	27,969
Returns on investments and servicing of finance	25	(19,486)	(18,161)
Taxation	25	(4,560)	(3,650)
Capital expenditure and financial investment	25	(4,886)	(60,398)
Acquisitions	11	(9,028)	-
Equity dividends paid		(31,910)	(1,648)
Cash flow before management of liquid resources and financing		(24,301)	(55,888)
Management of liquid resources		30,347	10,110
Financing			
(Redemption)/issue of shares		(20)	1,352
Increase in debt	26	(3,086)	33,324
Increase/(decrease) in cash		2,940	(11,102)

Reconciliation of net cash flow to movement in net debt

	2000 £000	1999 £000
Increase/(decrease) in cash in the year	2,940	(11,102)
Cash inflow from management of liquid resources	(30,347)	(10,110)
Cash inflow from change in debt	3,086	(33,324)
Debt arrangement expenses	(365)	(256)
Liability acquired with subsidiary	(43,910)	-
Movement in net debt in the year	(68,596)	(54,792)
Net debt 1 April 1999	(174,489)	(119,697)
Net debt 31 March 2000	(243,085)	(174,489)

The notes on pages 24 to 41 form part of these financial statements.

1. Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards. The accounting policies have remained unchanged since the previous year, except for the adoption of FRS15.

Basis of consolidation

The group financial statements consolidate those of the company and its subsidiary undertakings drawn up to 31 March 2000. Profits or losses on intra group transactions are eliminated in full.

Turnover

Turnover represents rental income and the proceeds from the sale of trading properties and developments. For funded developments, turnover comprises the increase in the valuation of work during the year and profit recognised on each development. Income from the sale of trading properties is included in the profit and loss account when in the opinion of the directors a binding contract of sale exists.

Depreciation

Depreciation is calculated to write down the cost to residual value of all fixed assets, excluding investment properties, by equal annual instalments over their expected useful lives.
The annual rates generally applicable are:

- short leasehold property	length of lease
- leasehold improvements	10%
- vehicles & office equipment	25%

Developments

The attributable profit on developments is recognised once their outcome can be assessed with reasonable certainty. In the case of developments funded by institutions this profit is recognised on the letting of the developments.

Stock

Stock is stated at the lower of cost and net realisable value.
Long-term contract balances included in stock are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to apply when the timing differences reverse, and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Interest capitalised on development properties

Interest costs incurred on development properties are capitalised until the earliest of:
- the date when the development becomes fully let;
- the date when the income exceeds outgoings;
- the date of completion of the development.

This accounting policy has been changed to adopt the requirements of FRS15. This change has had no material effect on the group.

Investments

Current asset investments are included at the lower of cost and net realisable value. Other investments are included at cost less amounts written off.

Investment property

Completed investment properties are included in the balance sheet at their open market values. Any surplus arising is credited to the revaluation reserve, any temporary deficits are netted off against the remaining balance on the reserve. Permanent diminutions in value below original cost are reflected through the profit and loss account. In accordance with the Statement of Standard Accounting Practice No. 19, freehold investment properties and leasehold investment properties where the unexpired term is over twenty years are not depreciated but are valued by an external valuer at least every three years. In years where an external valuation is not commissioned, a valuation is undertaken by a suitably qualified member of the company's staff.

1. Accounting policies (continued)

This policy represents a departure from statutory accounting principles which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors affecting annual valuation and its effect cannot be quantified.

Financing costs

The group uses derivative financial instruments to manage exposure to fluctuations in interest rates. Financial assets and liabilities are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate.

The costs of arranging finance for the group, including financial instruments entered into to protect against the effects of interest rate movements, are written off to the profit and loss account over the terms of, and in proportion to, the associated finance.

Goodwill

Goodwill arising on acquisition is treated as an intangible asset and the cost written off in equal instalments over its useful economic life, currently estimated to be fifteen years.

Employees share ownership plan trust (the "Trust")

Shares in Helical Bar plc owned by the Trust are stated at the lower of cost and net income from the expected exercise of options over the shares. Any deficit arising between the original cost of the shares and their net realisable value will be funded by the company.

2. Turnover and gross profit on ordinary activities before taxation

The analysis of turnover and gross profit by function is as follows:

	Turnover		Gross profit	
	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Trading property sales	3,890	95	372	72
Rental income	26,656	21,482	23,652	18,475
Developments	116,243	96,622	19,345	21,601
Other income and provisions	3,133	3,045	113	(1,144)
Gross profit			43,482	39,004
Central overheads			(9,669)	(6,860)
Interest payable less receivable			(16,348)	(12,515)
Profit before taxation and profit on sale of investment properties			17,465	19,629

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

An analysis of property assets can be found in notes 12 and 14 and the directors do not consider a further analysis of net assets to be appropriate.

3. Administrative expenses

	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Operating profit on ordinary activities is stated after:		
Staff costs	6,280	5,008
Depreciation and amortisation		
- tangible fixed assets	226	221
- goodwill	612	41
- deferred loan arrangement expenses	365	256
Deficit in ESOP	703	-
Auditors' remuneration:		
- audit services	76	61
- non-audit services	53	82
Staff costs during the year:		
- salaries	5,009	4,132
- social security costs	857	501
- other pension costs	414	375
	6,280	5,008

With the exception of the pension contributions referred to overleaf, other pension costs relate to payments to individual pension plans.

	2000	1999
The average number of employees of the group during the year was:		
- management and administration	24	26

Remuneration in respect of directors was as follows:

	Salary/ Fees £000	Benefits in kind £000	Bonus £000	2000 Total £000	1999 Total £000	Pensions 2000 Total £000	Pensions 1999 Total £000
Chairman							
J. P. Southwell	40	13	-	53	56	-	-
Non-Executive Directors							
I. G. Butler	17	-	-	17	19	-	-
C.G.H. Weaver	17	-	-	17	19	-	-
(paid to a third party)							
Executive Directors							
M. E. Slade	463	24	1,000	1,487	2,757	2	2
N. G. McNair Scott	169	16	-	185	366	367	330
G. A. Kaye	202	17	1,517	1,736	1,211	-	-
P. M. Brown	169	17	983	1,169	828	-	-
	1,077	87	3,500	4,664	5,256	369	332

3. Administrative expenses (continued)

The pension contributions were paid into a Small Self Administered Scheme and include £333,000 (1999 : £300,000) bonus paid as contributions in respect of Nigel McNair Scott. The assets of this money purchase scheme are administered by trustees in a fund independent from the assets of the group.

Gerald Kaye was the highest paid director during the year with a total remuneration, excluding pension contributions, of £1,736,000 (1999: Michael Slade, £2,757,000 including profit on exercise of share options of £1,436,000).

On 11 June 1999 the Helical Bar Profit Sharing Scheme purchased 18,545 ordinary shares in the company. On 16 June 1999 under the rules of the Scheme 18,715 shares were allocated to directors and employees of the company. On 30 March 2000 the Scheme purchased 20,000 ordinary shares in the company. On 7 April 2000, under the rules of the Scheme 19,295 shares were allocated to directors and employees of the company.

The shares allocated to the directors of the company were as follows:

	On 16 June 1999		On 7 April 2000	
	No. of shares	Price	No. of shares	Price
M. E. Slade	1,457	549.0p	1,415	565.0p
N. G. McNair Scott	1,457	549.0p	1,415	565.0p
G. A. Kaye	1,457	549.0p	1,415	565.0p
P. M. Brown	1,457	549.0p	1,415	565.0p

4. Sale of investment properties

	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Net proceeds from sale of investment properties	110,875	15,446
Book costs	(106,320)	(14,357)
Provision for permanent diminution in value	-	(674)
Profit on sale of investment properties	4,555	415

5. Net interest payable and similar charges

	2000 £000	1999 £000
On bank loans and overdrafts	17,893	14,097
Finance arrangement costs	365	256
Other interest and similar charges	2,350	1,760
Interest capitalised	(2,661)	(2,088)
Loan termination costs	(36)	-
Interest receivable and similar income	(1,563)	(1,510)
	16,348	12,515

6. Taxation on profit on ordinary activities

	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
The tax charge represents:		
- UK corporation tax at 30% (1999 31%)	4,595	3,899
- deferred taxation (note 21)	1,500	-
	6,095	3,899
Adjustments in respect of prior years:		
- UK corporation tax	(63)	-
	6,032	3,899

The effective tax charge for the year was reduced from 30% through the availability of capital allowances of approximately £8.9m (1999 £5.4m).

7. Dividends

	2000 £000	1999 £000
Attributable to equity share capital		
Ordinary		
- interim paid 4.40p (1999 4.00p) per share	1,272	700
- final proposed 6.75p (1999 6.00p) per share	1,951	1,734
Total ordinary dividends 11.15p (1999 10.00p) per share	3,223	2,434
Special ordinary dividend payable nil (1999 100.00p) per share	-	28,904
Total ordinary dividends	3,223	31,338
Attributable to non-equity share capital		
5.25p convertible cumulative redeemable preference shares 2012 of 70p each	-	
- dividends paid		2,293
	3,223	33,631

8. Parent company

The company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in the financial statements. The group profit after tax for the year includes a profit of £5,052,000 (1999 £23,329,000) which is dealt with in the financial statements of the parent company.

9. Earnings per share

Earnings per share is based on the profit after tax, minority interest and preference dividends of £15,911,000 (1999: £12,677,000) and a weighted average of 28,903,697 (1999: 19,014,376) ordinary shares of 5p each in issue during the year. The weighted average of ordinary shares for the year to 31 March 2000 is the number of ordinary shares in issue of 29,611,697 less the 708,000 shares held by the ESOP, which has waived its entitlement to receive dividends. For the year to 31 March 1999, the weighted average is the number of ordinary shares in issue of 17,593,637 at the start of the year less 350,000 shares held by the ESOP at 1 April 1998 plus 370,356 shares issued during the year following the exercise of share options and 1,400,383 shares issued following the conversion of preference shares.

Fully diluted earnings per share are based on 29,653,861 (1999: 29,552,075) ordinary shares of 5p, which includes 750,164 (1999: 409,869) ordinary shares representing the weighted average of share options.

10. Intangible fixed assets - goodwill

	Group £000
Cost at 1 April 1999	617
Additions	719
Cost at 31 March 2000	1,336
Depreciation at 1 April 1999	41
Provision for the year	612
Depreciation at 31 March 2000	653
Net book amount at 31 March 2000	683
Net book amount at 31 March 1999	576

11. Purchase of Glenlake Limited

The company purchased 100% of the issued share capital of Glenlake Limited on 4 June 1999 and the acquisition method of accounting has been adopted. The loss after taxation of Glenlake Limited for the period from 1 January 1999, the beginning of the subsidiary's financial period, to the date of aquisition, was £2,659,000. The loss after taxation for the year ended 31st December 1998 was £126,000.

The analysis of net assets acquired is as follows:

	£000
Fixed assets - investment property	52,000
Investment	1
Debtors	692
Cash	3,527
Creditors	(474)
Loans	(43,910)
Net Assets	11,836
Goodwill arising	719
Consideration in cash	12,555
Less: Cash acquired with subsidiary	(3,527)
	9,028

12. Tangible fixed assets

	Investment Properties Freehold £000	Investment Properties Leasehold £000	Investment Properties In course of development Freehold £000	Investment Properties In course of development Leasehold £000	Short leasehold property & improvements £000	Vehicles & office equipment £000	Total £000
Group							
Cost or valuation at 1 April 1999	239,992	43,050	49,415	-	646	945	334,048
Additions at cost	116,990	619	33,158	12,262	-	111	163,140
Transfers	22,886	-	(22,886)	-	-	-	-
Disposals	(30,401)	(37,495)	(38,424)	-	-	(43)	(106,363)
Revaluation	30,334	(14)	(604)	688	-	-	30,404
Cost or valuation at 31 March 2000	379,801	6,160	20,659	12,950	646	1,013	421,229
Depreciation at 1 April 1999	-	-	-	-	178	498	676
Provision for the year	-	-	-	-	47	179	226
Eliminated on disposals	-	-	-	-	-	(27)	(27)
Depreciation at 31 March 2000	-	-	-	-	225	650	875
Net book amount at 31 March 2000	379,801	6,160	20,659	12,950	421	363	420,354
Net book amount at 31 March 1999	239,992	43,050	49,415	-	468	447	333,372
Company							
Cost at 1 April 1999	-	-	-	-	646	922	1,568
Additions at cost	-	-	-	-	-	111	111
Disposals	-	-	-	-	-	(43)	(43)
Cost at 31 March 2000	-	-	-	-	646	990	1,636
Depreciation at 1 April 1999	-	-	-	-	178	494	672
Provision for the year	-	-	-	-	47	174	221
Eliminated on disposals	-	-	-	-	-	(27)	(27)
Depreciation at 31 March 2000	-	-	-	-	225	641	866
Net book amount at 31 March 2000	-	-	-	-	421	349	770
Net book amount at 31 March 1999	-	-	-	-	468	428	896

Interest capitalised in respect of the development of investment properties is included in tangible fixed assets to the extent of £1,735,000 (1999: £3,504,000)

Interest capitalised during the year in respect of investment properties in the course of development was £1,603,000 (1999: £1,458,000)

12. Tangible fixed assets (continued)

The investment properties have been valued on an open market basis at 31 March 2000 as follows:

	£000
Healey & Baker, International Real Estate Consultants	210,700
Jones Lang LaSalle, International Real Estate Consultants	56,000
Allsop & Co, Chartered Surveyors	33,150
Knight Frank, Chartered Surveyors	22,350
DTZ Debenham Tie Leung, International Property Advisors	16,750
King Sturge & Co. Chartered Surveyors	14,320
Directors' valuation	66,300
	419,570

The net surplus arising of £30,404,000 (1999 £19,850,000) has been transferred to the revaluation reserve.
The historical cost of investment property is £322,807,000 (1999 £258,188,000).

13. Investments

	Group		Company	
	31 March 2000 £000	31 March 1999 £000	31 March 2000 £000	31 March 1999 £000
Shares in subsidiary undertakings at cost	-	-	2,252	2,186
Employees' Share Ownership Plan Trust - own shares	3,656	4,359	3,656	4,359
	3,656	4,359	5,908	6,545
The movement in the year was as follows:				
At 1 April 1999	4,359	1,934	6,545	4,119
Acquired during year	-	2,425	66	2,426
Deficit in ESOP written off	(703)	-	(703)	-
At 31 March 2000	3,656	4,359	5,908	6,545

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.

At 31 March 2000 the Trust held 699,000 (1999 699,000) ordinary shares in Helical Bar plc over which options had been granted. At 31 March 2000 the Trust held 9,000 (1999 9,000) ordinary shares over which no options had been granted.

13. Investments (continued)

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

Name of undertaking	Nature of business	Percentage of ordinary share capital held
Aycliffe and Peterlee Development Company Limited	Development and trading	100%
Aycliffe and Peterlee Investment Company Limited*	Investment	100%
Helical Bar (CL) Investment Company Limited*	Investment	100%
Helical Bar Developments (South East) Limited	Development and trading	100%
Helical Bar (Wales) Limited*	Development and trading	100%
Helical Properties Limited	Investment development and trading	100%
Helical Properties Investment Limited	Investment	100%
Intercontinental Land and Development Co. Limited*	Investment development and trading	100%
Helical Bar Developments Limited*	Development	100%
Helical Bar (City Developments) Limited*	Development	100%
Helical Bar Trustees Limited	Trustee of Profit Sharing Scheme	100%
CPP Investments Limited*	Investment	100%
Helical Bar (Wood Street) Limited	Development	100%
61 Southwark Street Limited*	Investment	100%
Helical Bar (Oxford) Limited	Trading	100%
Helical Properties Retail Limited	Investment	100%
Helical Bar (CL) Limited*	Investment	100%
Helical Bar (Chiswell Street) Limited*	Development	100%
Baylight Developments Limited	Investment	100%
Helical Bar (City Investments) Limited*	Investment	100%
Networth Limited*	Trading	100%
56 Cheapside Limited	Trading	100%
Helical Investment Holdings Limited	Share dealing	100%
Helical Bar (Mansion House Place) Limited	Investment	100%
Helical (Strand) Limited	Investment	100%
Helical Properties (Basingstoke) Limited*	Investment	100%
CBX II Limited*	Investment	100%
Glenlake Limited*	Investment	100%
Helical (SA) Limited	Investment	100%
Helical Bar (Rex House) Limited	Investment	100%
Helical (Fleet) Limited	Investment	100%
48 Gracechurch Street Limited	Investment	100%
Helical (TE) Limited	Investment	100%
Helical (Interchange) Limited	Investment	90%
Helical Retail Limited	Development and trading	75%
Helical Retail (RBS) Limited*	Development and trading	75%
Helical Properties (WSM) Limited*	Investment	75%

All principal subsidiary undertakings operate in the United Kingdom and are incorporated and registered in England and Wales.

*Ordinary capital is held by a subsidiary undertaking.

14. Stock

	Group 31 March 2000 £000	Group 31 March 1999 £000	Company 31 March 2000 £000	Company 31 March 1999 £000
Development sites	16,621	27,715	48	31
Properties held as trading stock	5,399	7,339	-	-
	22,020	35,054	48	31

Interest capitalised in respect of the development of sites is included in stock to the extent of £572,000 (1999: £1,276,000). Interest capitalised during the year in respect of development sites amounted to £1,058,000 (1999: £1,808,000).

15. Debtors

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Trade debtors	25,805	9,158	1,527	220
Taxation	964	1,171	496	501
Amounts owed by subsidiary undertakings	-	-	100,650	120,354
Other debtors	1,253	1,126	202	78
Prepayments and accrued income	26,764	28,693	1,518	338
	54,786	40,148	104,393	121,491

Included in group prepayments and accrued income is an amount of £2,460,000 (1999 £5,099,000) due after more than one year.

16. Current asset investments

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
UK Listed investments at cost	5,236	-	2,088	-
	5,236	-	2,088	-

The market value of listed investments at 31 March 2000 was £5,019,000.

17. Cash at bank and in hand

	Group 31 March 2000 £000	Group 31 March 1999 £000	Company 31 March 2000 £000	Company 31 March 1999 £000
Cash secured against debt repayable within one year	4,761	5,464	505	-
Free cash	12,230	38,846	8,571	31,297
	16,991	44,310	9,076	31,297

18. Creditors: amounts falling due within one year

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Bank overdrafts and term loans	2,692	31,223	-	10,650
Trade creditors	42,887	32,748	134	139
Taxation	4,233	5,600	1,213	2,906
Social security costs and other taxation	594	84	442	61
Dividends payable	1,951	30,638	2,055	30,638
Other creditors	1,894	1,005	-	-
Accruals and deferred income	26,264	27,364	4,189	3,502
	80,515	128,662	8,033	47,896

19. Creditors: amounts falling due after more than one year

	Group 2000 £000	Group 1999 £000	Company 2000 £000	Company 1999 £000
Bank loans repayable within:				
- 1-2 years	30,397	2,035	20,000	-
- 2-5 years	53,548	34,275	-	20,000
- after 5 years	175,807	152,746	-	-
	259,752	189,056	20,000	20,000
Deferred arrangement costs	(2,368)	(1,480)	(65)	(142)
	257,384	187,576	19,935	19,858

Bank overdrafts and term loans in creditors falling due within one year and after one year are secured against properties held in the normal course of business by subsidiary undertakings to the value of £402,026,000 (1999 £347,533,000). These will be repayable when the underlying properties are sold.

20. Financing and financial instruments

Short term debtors and creditors

Short term debtors and creditors have been excluded from all the following disclosures.

	Group 31 March 2000 £000	Group 31 March 1999 £000
Bank overdraft and loans - maturity		
After 5 years	175,807	152,746
From 2-5 years	53,548	34,275
From 1-2 years	30,397	2,035
	259,752	189,056
Deferred arrangement costs	(2,368)	(1,480)
Due after more than one year	257,384	187,576
Due within one year	2,692	31,223
	260,076	218,799

The group has various undrawn committed borrowing facilities. The facilities available at 31 March 2000 in respect of which all conditions precedent had been met were as follows:

	2000 £000	1999 £000
Expiring in one year or less	50,000	33,403
Expiring in more than one year but not more than two years	-	14,025
Expiring in more than two years	74,398	6,646
	124,398	54,074

Interest rates

	2000 %	2000 Expiry	2000 £000	1999 %	1999 Expiry	1999 £000
Fixed rate borrowings						
- fixed	-	-	-	11.419	Nov. 2013	8,500
- fixed	9.050	Feb. 2009	9,933	9.050	Feb. 2009	10,239
- fixed	8.625	Sept. 2001	20,000	8.625	Sept. 2001	20,000
- swaps	8.335	June 2000	14,200	8.335	June 2000	14,200
- swaps	-	-	-	7.228	July 1999	74,500
- swaps	5.220/5.450	July 2002	49,000	-	-	-
- swaps	6.600	June 2001	11,625	-	-	-
Weighted average	6.809	July 2002	104,758	8.000	Oct. 2001	127,439
Floating rate borrowings			157,686			90,320
Total borrowings			262,444			217,759
Deferred arrangement costs			(2,368)			(1,480)
Provision for loan redemption charge			-			2,520
			260,076			218,799

Floating rate borrowings bear interest at rates based on LIBOR.

20. Financing and financial instruments (continued)

Hedging

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

Instrument	Value £000	Rate %	Commencement	Expiry
Current				
- cap	50,000	9.050	-	Jan. 2001
- cap	30,000	9.150	-	Jan. 2001
- cap	49,000	6.000-6.500	-	July 2004
- collar	31,000	4.730-6.500	-	Jan. 2006
- floor	49,000	4.730	-	Jan. 2006
Forward				
- collar	80,000	4.830-7.500	Jan. 2001	Jan. 2006

Gearing	31 March 2000 £000	31 March 1999 £000
Total borrowings	260,076	218,799
Cash	(16,991)	(44,310)
Net borrowings	243,085	174,489
Net assets	184,852	142,106
Gearing	131%	123%

Fair value of financial assets and financial liabilities

	2000		1999	
	Book Value £m	Fair Value £m	Book Value £m	Fair Value £m
Borrowings	262,444	263,668	220,279	222,526
Interest rate swaps	-	(1,551)	-	1,305
Other financial instruments	(223)	(2,299)	(203)	995
	262,221	259,818	220,076	224,826

The fair value of financial assets and financial liabilities represents the mark to market valuations at 31 March 1999 and 31 March 2000. The adjustment to net assets from a recognition of these values would be to increase net asset value per share by 7p (1999: reduce by 15p).

21. Deferred taxation

	Group		Company	
	31 March 2000 £000	31 March 1999 £000	31 March 2000 £000	31 March 1999 £000
Amounts provided for:				
- unrealised capital gains	1,500	-	-	-
	1,500	-	-	-
Amounts unprovided are:				
- unrealised capital gains	21,548	15,456	-	-
- accelerated capital allowances	1,210	1,560	-	-
- other timing differences	163	1,406	31	33
- tax losses	(7,812)	(6,797)	-	-
	15,109	11,625	31	33

The amounts unprovided represent contingent liabilities at the balance sheet date and are calculated using a tax rate of 30%. Amounts provided for represent the anticipated corporation tax payable on properties sold since the year end for which revaluation surpluses have been recognised.
No provision has been made for taxation which would accrue if the remaining investment properties were disposed of at their revalued amounts. The amounts unprovided are shown above under unrealised capital gains. The adjustment to net assets resulting from a recognition of these amounts would be to reduce net asset value per share by 46p (1999 36p).

22. Share capital

	2000 £000	1999 £000
Authorised		
- 45,000,000 (1999: 34,000,000) ordinary shares of 5p each	2,250	1,700
- 45,996,768 (1999: 45,996,768) 5.25p convertible cumulative redeemable preference shares 2012 of 70p each	32,198	32,198
	34,448	33,898
Allotted, called up and fully paid at 31 March 2000		
Attributable to equity interests:		
- 29,611,697 (1999: 29,611,697) ordinary shares of 5p each	1,481	1,481
Attributable to non equity interests:		
- nil (1999: 20,088) 5.25p convertible cumulative redeemable preference shares 2012 of 70p each	-	14
	1,481	1,495

On 12 April 1999 20,088 preference shares were redeemed.

22. Share capital (continued)

Share Options

At 31 March 2000 options over 3,460,000 (1999 3,460,000) ordinary shares in the company had been granted to directors and employees under the company's share option schemes. During the year no options were exercised and no new options were granted.

	Exercise price per share p	Number of shares
Senior Executive 1988 Share Option Scheme		
Subscription options		
Option period ending:		
- 9 March 2004	273.0	100,000
- 20 October 2004	252.0	200,000
- 10 July 2007	412.5	365,000
- 28 September 2007	467.5	100,000
- 26 November 2007	452.5	394,000
Purchase options		
Option period ending:		
- 26 November 2004	452.5	206,000
- 9 July 2005	565.0	400,000
Helical Bar 1999 Share Option Scheme		
Subscription options		
Option period ending		
- 7 March 2009	442.5	1,547,768
Purchase options		
Option period ending		
- 7 March 2009	442.5	93,000
Helical Bar 1999 Approved Share Option Scheme		
Subscription options		
Option period ending		
- 7 March 2009	442.5	54,232
		3,460,000

22. Share capital (continued)

The directors' interests in these Share Options Schemes during the year were as follows:

	Type	At Start and end of year	Exercise price	Date from which exercisable	Expiry date
M E Slade					
Senior Executive 1988 Share Option Scheme	Purchase	6,000	452.5p	26.11.01	26.11.04
Senior Executive 1988 Share Option Scheme	Purchase	400,000	565.0p	10.07.02	09.07.05
Senior Executive 1988 Share Option Scheme	Subscription	394,000	452.5p	26.11.02	26.11.07
Helical Bar 1999 Share Option Scheme	Subscription	493,221	442.5p	08.03.04	07.03.09
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	442.5p	08.03.02	07.03.09
		1,300,000			
N G McNair Scott					
Senior Executive 1988 Share Option Scheme	Purchase	50,000	452.5p	26.11.01	26.11.04
Helical Bar 1999 Share Option Scheme	Purchase	43,000	442.5p	08.03.03	07.03.06
Senior Executive 1988 Share Option Scheme	Subscription	250,000	412.5p	10.07.02	10.07.07
Helical Bar 1999 Share Option Scheme	Subscription	235,221	442.5p	08.03.04	07.03.09
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	442.5p	08.03.02	07.03.09
		585,000			
G A Kaye					
Senior Executive 1988 Share Option Scheme	Subscription	100,000	273.0p	10.03.99	09.03.04
Senior Executive 1988 Share Option Scheme	Subscription	200,000	252.0p	21.10.99	20.10.04
Helical Bar 1999 Share Option Scheme	Purchase	50,000	442.5p	08.03.03	07.03.06
Helical Bar 1999 Share Option Scheme	Subscription	393,221	442.5p	08.03.04	07.03.09
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	442.5p	08.03.02	07.03.09
		750,000			
P M Brown					
Senior Executive 1988 Share Option Scheme	Purchase	100,000	452.5p	26.11.01	26.11.04
Senior Executive 1988 Share Option Scheme	Subscription	100,000	467.5p	29.09.02	28.09.07
Helical Bar 1999 Share Option Scheme	Subscription	293,221	442.5p	08.03.04	07.03.09
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	442.5p	08.03.02	07.03.09
		500,000			

There have been no changes in the above directors interests in the period to 16 June 2000.

The market price of the ordinary shares at 31 March 2000 was 569.0p (1999: 485.0p). This market price varied between 485.0p and 641.0p during the year.

23. Share premium and reserves

	Non-distributable			Distributable	
	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Revaluation reserve £000	Profit & loss account £000
Group					
At 1 April 1999	34,508	7,081	291	78,948	19,201
Profit retained	-	-	-	-	12,688
Revaluation of investment property	-	-	-	30,404	-
Minority interest in revaluation of investment property	-	-	-	(1,068)	-
Realised on disposals	-	-	-	(12,583)	12,583
Redemption of preference shares	(6)	20	-	-	(20)
At 31 March 2000	34,502	7,101	291	95,701	44,452
Company					
At 1 April 1999	34,508	7,081	1,987	-	47,435
Profit retained	-	-	-	-	1,829
Redemption of preference shares	(6)	20	-	-	(20)
At 31 March 2000	34,502	7,101	1,987	-	49,244

24. Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Operating profit	33,813	32,144
Depreciation of fixed assets	226	221
Writedown of fixed assets	-	500
Deficit in ESOP	703	-
(Profit)/Loss on sale of fixed assets	(7)	10
Write down of goodwill	612	41
(Increase)/decrease in debtors	(12,819)	599
Increase in creditors	7,346	2,708
Decrease/(increase) in stocks	15,695	(8,254)
Net cash inflow from operating activities	45,569	27,969

25. Analysis of cash flows for headings netted in the cash flow statement

	Year ended 31 March 2000 £000	Year ended 31 March 1999 £000
Return on investments and servicing of finance		
Interest received	1,564	1,510
Interest paid	(20,702)	(15,482)
Non-equity dividends paid	(348)	(4,189)
	(19,486)	(18,161)
Taxation		
Tax received	266	-
Tax paid	(4,826)	(3,650)
	(4,560)	(3,650)
Capital expenditure and financial investment		
Purchase of property	(109,104)	(73,172)
Sale of property	109,541	15,446
Purchase of tangible fixed assets	(111)	(293)
Sale of tangible fixed assets	23	46
Purchase of investments	(5,235)	(2,425)
	(4,886)	(60,398)

26. Analysis of net debt

	At 1 April 1999 £000	Cash Flow £000	Acquisition £000	Other non cash changes £000	At 31 March 2000 £000
Cash at bank and in hand	44,310	3,028	-	(30,347)	16,991
Bank overdraft	(69)	(88)	-	-	(157)
	44,241	2,940	-	(30,347)	16,834
Debt due within one year	(31,154)	28,619	-	-	(2,535)
Debt due after more than one year	(189,056)	(26,786)	(43,910)	-	(259,752)
less: arrangement expenses	1,480	1,253	-	(365)	2,368
	(218,730)	3,086	(43,910)	(365)	(259,919)
Total	(174,489)	6,026	(43,910)	(30,712)	(243,085)

27. Contingent liabilities

The company has entered into cross guarantees in respect of the banking facilities of its subsidiaries. The company has also entered into interest rate floors on £80 million at 4.83% from January 2001 to January 2006, and on a further £80 million at 4.73% from July 1999 to January 2006.

Other than these contingent liabilities and the deferred tax referred to in note 21 there were no contingent liabilities at 31 March 2000 (1999 nil).

28. Capital commitments

At 31 March 2000 there were no capital commitments (1999 nil).

	31.3.00 £000	31.3.99 £000	31.3.98 £000	31.1.97 £000	31.1.96 £000	31.1.95 £000	31.1.94 £000	31.1.93 £000	31.1.92 £000	31.1.91 £000
Turnover	149,922	121,244	214,416	100,529	65,948	50,521	24,982	24,816	31,091	74,757
Rental income	26,656	21,482	22,009	22,374	19,186	16,294	12,118	13,810	16,547	18,871
Gross profit	43,482	39,004	38,775	29,284	21,697	16,475	12,713	16,895	11,627	25,264
Profit/(loss) before taxation	22,020	20,044	18,494	12,033	9,200	8,187	6,578	5,882	(7,557)	2,878
Profit/(loss) after taxation	15,988	16,145	14,610	9,032	7,892	7,655	6,049	5,632	(6,288)	2,556
Ordinary dividends	3,223	31,338	1,552	1,666	1,189	1,058	944	783	655	1,636
Profit/(loss) retained	12,688	(18,661)	7,985	3,564	3,666	3,785	3,451	3,951	(7,718)	(339)
Dividend per ordinary share	11.15p	10.0p	9.0p	8.0p	7.3p	6.5p	5.8p	4.8p	4.0p	10.0p
Special dividend per ordinary share	-	100.0p	-	2.0p	-	-	-	-	-	-
Diluted earnings per ordinary share	53.7p	50.7p	40.9p	28.3p	26.6p	26.3p	24.3p	29.0p	(43.2p)	7.9p
Investment portfolio	419,570	332,457	250,718	201,570	180,765	156,579	118,690	120,048	88,650	158,980
Shareholders' funds	183,528	141,524	138,982	105,664	92,662	91,429	83,747	46,180	45,634	53,622
Diluted net assets per share	603p	473p	482p	372p	330p	326p	299p	224p	220p	258p

Notice is hereby given that the eightieth Annual General Meeting of the company will be held at The Westbury, Conduit Street at New Bond Street, London W1A 4UH on Wednesday 19 July 2000 at 11.30 a.m. for the following purposes

As ordinary business

1. To receive and consider the directors' report and the financial statements for the year ended 31 March 2000.

2. To declare a final dividend of 6.75p per ordinary share of 5p.

3. To re-elect Mr M E Slade, who retires by rotation, as a director of the company.

4. To re-elect Mr N G McNair Scott, who retires by rotation, as a director of the company.

5. To re-elect Mr A R Beevor, who was appointed on 11 April 2000, as a director of the company.

6. To re-appoint Grant Thornton as auditors to the company and to authorise the directors to fix their remuneration.

As special business

To consider and, if thought fit, to pass the following resolutions of which resolutions 7, 9 and 10 will be proposed as special resolutions and resolution 8 will be proposed as an ordinary resolution:

7. That:

a) each of the Convertible Cumulative Redeemable Preference Shares 2012 of 70p in the capital of the company be and they are hereby sub-divided and converted into 14 Ordinary Shares of 5p each;

b) Article 3 of the company's Articles of Association be and it is hereby deleted and replaced by the following:

"3. The authorised share capital of the company is £34,447,737 divided into 688,954,752 ordinary shares of 5p each (hereinafter referred to as "Ordinary Shares")."

8. That the directors be and they are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985, to exercise all powers of the company to allot relevant securities (as defined in Section 80 of that Act) of an aggregate nominal amount of £493,528 provided that this authority shall expire on 18 July 2005 save that the company may before said expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

9. That the directors be and are hereby empowered, pursuant to Section 95 of the Companies Act 1985, to allot equity securities for cash (as defined in Section 94 of that Act) pursuant to the authority conferred by Resolution 8 above as if Section 89 of that Act did not apply to any such allotment provided that this power shall be limited to:

a) the allotment of equity securities for cash in connection with a rights issue in favour of shareholders on the register of members at such record date or dates as the directors may determine for the purposes of the issue where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to their respective entitlements at such record date or dates so determined provided that the directors may make such arrangements in respect of overseas shareholders and in respect of fractional entitlements as they consider necessary or expedient; and

b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities for cash up to an aggregate maximum nominal amount of £74,029; and shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution, or on 30 September 2001, if earlier, save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

10. That the company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of ordinary shares of 5p each in the capital of the company ('ordinary shares') provided that:

a) the maximum number of ordinary shares hereby authorised to be purchased is 4,427,000;

b) the maximum price which may be paid for an ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from The Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the ordinary share is purchased;

c) the minimum price which may be paid for an ordinary share is 1p;

d) the authority hereby conferred shall be in lieu of any existing authority conferred by ordinary resolution to purchase ordinary shares (but without prejudice to any purchase of ordinary shares previously made pursuant to such authority);

e) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution, or 30 September 2001, whichever is the earlier, unless such authority is renewed prior to such time; and

f) the company may make a contract to purchase the ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract.

By order of the Board

T J Murphy
Secretary

26 June 2000

Registered Office
11/15 Farm Street
London W1X 8NP

Registered No. 156663

Notes

a) Holders of Ordinary Shares are entitled to attend and vote on all the resolutions proposed at the Annual General Meeting.

b) Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. Any such proxy need not be a member of the company. If you are unable to attend the Annual General Meeting please complete and return the form of proxy so as to reach IRG plc, Proxy Department, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to reach there not later than 48 hours before the time appointed for holding the meeting.

c) Copies of the directors' contracts of service will be available at the registered office of the company during normal business hours on any weekday (Saturday and public holidays excluded) from the date of this notice until the date of the meeting and will then be available for inspection at the place of the meeting 15 minutes prior to and during the meeting.

d) The register of directors' shareholdings and transactions will be available for reference at the commencement of and during the continuance of the meeting.

e) Completion of the form of proxy will not preclude a person from attending and voting in person.

f) Entitlement to attend and vote at the meeting will be determined by reference to the Register of Members of the company at midnight on 17 July 2000.

Helical Bar plc Financial Calendar

Year ended 31 March 2000

Annual General Meeting to be held	19 July 2000
Final ordinary dividend payable	21 July 2000

Half year ending 30 September 2000

Results and interim ordinary dividend announced	November 2000
Interim ordinary dividend payable	December 2000

Year ending 31 March 2001

Results and final dividend announced	June 2001
Final ordinary dividend payable	July 2001

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