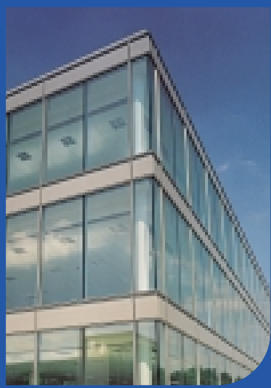
Helical Bar
Public Limited Company

Report and Accounts 2003



Helical Bar plc

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.

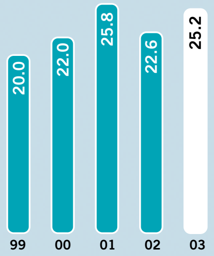
The Waterfront Business Park, Fleet

Contents

Front cover: The Heights, Weybridge

Financial Highlights

Pre-tax profit
£m



Ordinary dividend per share
Pence

Adjusted diluted net asset value per share
Pence

Special dividends of 100.0p were declared in respect of the periods ended 31 March 1999 and 31 March 2002.

Helical Bar plc – five year summary

	31.3.03 £000	31.3.02 £000	31.03.01 £000	31.03.00 £000	31.03.99 £000
Rental income	29,334	31,384	28,642	26,656	21,482
Development profits	4,630	17,072	29,507	19,345	21,601
Profits before taxation, sale of investment properties, loss on sale of subsidiary and negative goodwill	16,739	20,305	25,115	17,465	19,629
Profit on sale of investment properties	2,126	2,463	709	4,555	415
Pre-tax profits	25,227	22,573	25,824	22,020	20,044
Investment portfolio	342,484	439,911	453,607	419,570	332,457
Shareholders' funds	235,881	237,252	233,152	176,636	137,011
Dividend per ordinary share	15.00p	13.75p	12.50p	11.15p	10.00p
Special dividend per ordinary share	–	100.00p	–	–	100.00p
Diluted earnings per share	59.2p	57.8p	67.7p	68.9p	51.5p
Adjusted diluted net asset value per share	770p	769p	754p	581p	473p
Adjusted diluted triple net asset value	702p	663p	655p	516p	406p

Contact details

Address: 11-15 Farm Street, London W1J 5RS
Telephone: 020 7629 0113
Fax: 020 7408 1666
Website: www.helical.co.uk

Performance measures

In order to evaluate its overall performance against other small to mid-size capital companies, both here and abroad, Helical looks at equity value added, shareholder's return and total shareholder return as shown below. The total return from activities and the performance of the property portfolio as measured by the Investment Property Databank are noted on page 3.

Equity value added

Year ended 31 March		2003	2002	2001	2000	1999
Capital employed	£m	377	390	466	430	316
Return on capital	%	3.9	10.5	18.2	19.8	18.6
Weighted average cost of capital	%	6.1	6.3	5.9	6.0	6.2
Spread	%	(2.2)	4.2	12.3	13.8	12.4
Equity value added/(lost)	£m	(8.5)	19.6	52.9	43.7	32.2

Shareholders' return

Shareholders' return shows the increase in adjusted diluted net assets per share plus dividends paid and payable in respect of each year as a percentage of the adjusted diluted net assets per share at the start of each year.

	2003 pence	2002 pence	2001 pence	2000 pence	1999 pence
Increase/(decrease) in adjusted diluted net asset per share	1.00	15.00	173.00	108.00	(8.00)
Add: dividends	15.00	113.75	12.50	11.15	110.00
	16.00	128.75	185.50	119.15	102.00
Adjusted diluted net asset value per share at start of year	769	754	581	473	481
Shareholders' return	2.1%	17.1%	31.9%	25.2%	21.2%

Total shareholder return

Total shareholder return measures the return to shareholders from share price movements and dividend income. The returns were as follows:

Total shareholder return	1 year from 2002 % pa	3 years from 2000 % pa	5 years from 1998 % pa	10 years from 1993 % pa	15 years from 1988 % pa
Helical Bar plc	(26.0)	6.7	9.3	20.5	10.6
UK equity market	(29.8)	(15.4)	(6.6)	5.5	8.5
Listed real estate sector index	(22.2)	0.9	(4.2)	6.9	3.7
Direct property	10.6	9.0	10.6	11.5	9.8

Source: New Bridge Street Consultants

Total return from activities

Total return from activities shows the annual portfolio valuation movement plus net earnings before interest, tax and dividends and, for the year to 31 March 2003, negative goodwill.

	2003 £000	2002 £000	2001 £000	2000 £000	1999 £000
Portfolio valuation movements	(13,434)	18,528	39,320	30,404	19,176
Net earnings before interest, tax and dividends	34,865	37,352	45,065	38,368	32,559
Less: negative goodwill	(6,362)	–	–	–	–
Total return from activities	15,069	55,880	84,385	68,772	51,735

Investment Property Databank ("IPD")

Helical has compared its ungeared property performance against that of portfolios within the Investment Property Databank for the last thirteen years.

Despite this year's results Helical has still managed to outperform all other parties over 3, 5, 10 and 13 years. The returns on shareholder capital earned by Helical are generally higher than those measured by IPD due to the use of gearing.

IPD (monthly and quarterly valued funds) ungeared returns

Total returns % **In year to 31 March**	2003	2002	2001	2000	1999
Helical	6.0	15.6	23.2	23.6	20.1
IPD benchmark	9.9	7.0	9.9	15.1	10.9
Percentile rank	90	1	0	2	1

Total returns % **Annualised over**	3yrs	5yrs	10yrs	13yrs
Helical	14.7	17.5	18.2	17.2
IPD benchmark	8.7	10.4	11.4	7.5
Percentile rank	0	0	0	0

'0' means the top ranked fund

The year to 31 March 2003 continued the repositioning of the Company in preparation for the impact of the next economic cycle on the property development and investment sectors.

The office development programme narrowed as buildings were completed and only one new scheme started during the year. At the same time strategic positions were taken in several major projects which are expected to come to fruition in the second half of the decade. On the investment side the Company continued to degear, switching away from Central London offices towards the retail and industrial sectors. This process has continued since the year end with the £41m sale of Capital House, London NW1.

Results

The year to 31 March 2003 produced a good level of profits with pre-tax profits up 12 per cent to £25.2m. Diluted earnings per share rose to 59.2p per share (2002: 57.8p). Falling rental levels in Central London resulted in a revaluation deficit for the first time since January 1996. Despite this the Company's adjusted net asset value remained steady at 770p per share (2002: 769p) and the Company's adjusted triple net asset value, (taking account of the contingent liabilities of deferred tax and the market value of financial instruments) rose 6 per cent to 702p per share (2002: 663p).

The continued level of profits enables the Board to recommend to shareholders a final dividend of 9.00p per share (2002: 8.25p) an increase of 9%. This proposed dividend, together with the interim dividend of 6.00p (2002: 5.50p) paid in December 2002, makes a total dividend of 15.00p per share (2002: 13.75p). This is an increase of 9% on last year. The total dividend is covered over four times by profits after tax.

The future

At a time of cyclical downturn in the London office market we have sought to protect our long term growth record by scaling down our development activity and de-risking our investment portfolio. We have accepted more pedestrian short term returns because we believe our enhanced capacity to take advantage of any future market weakness will more than compensate in the future. The Company is, in many respects, at a turning point. The sale of over £190m of London and South East offices since January 2002 has significantly reduced the gearing of the Company, strengthening its balance sheet and preparing it to take advantage of the opportunities the start of the next cycle will bring. With gearing at its lowest level since it became a property company and high levels of unutilised cash resources, loan facilities and ungeared investment properties, the Company has the ability to make substantial investment in its chosen sectors. The development programme is de-risked with only one major scheme, at 40 Berkeley Square, London W1, under construction, whilst future schemes are being worked up. Opportunities will come; timing is everything.

John Southwell
Chairman

40 Berkeley Square, London W1

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 forward sold to institutional investors. 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.

The development process

The success of Helical's development programme is dependent upon finding good sites in attractive locations at the right time in the economic cycle which our partners, the institutions that buy the developments from us, are happy to fund. Typically, once a site is found and plans are drawn up for a scheme, the Company will enter into discussions with financial institutions that wish to purchase new developments. These institutions may be pension funds, insurance companies, unit trusts or investment funds. Once a funding contract is signed the development process can continue with the institution funding the acquisition of the site and the construction of the development. Helical makes its profit from completing the development within the budget provided by the funding agreement and finding tenants for the completed building as soon as possible.

In general, the earlier that acceptable terms can be agreed with a tenant, the greater the level of development profit available to the Company. If no tenant is found within a period of time established in the funding agreement, the Company's involvement in the development ceases.

This development process has two main characteristics which allow Helical to operate a larger development programme than would otherwise be the case. First, the Company's cash outlay is minimised being usually limited to legal fees, planning fees and option payments. This has a significant effect on our return on capital employed. Secondly, the Company's ability to walk away from a development at the end of the process if a tenant is not found without incurring ongoing expenditure reduces its exposure to significant development losses.

Year to 31 March 2003

Profits from the Company's development programme have fallen from £17.1m to £4.6m to reflect both the decreased level of development and the worsening office occupational market in our main sphere of activity being London and the Western Corridor. The Company finances the majority of its development programme with institutions thereby sharing the risk with these partners. With only one scheme currently on site the Company is concentrating for the future on acquiring key positions in several major schemes to enable a development pipeline to be built up ready for when the market improves.

3 Bunhill Row, London EC1

Offices

The office letting market remains in a state of lethargy with rental levels in London and the South-East falling as landlords compete for the few potential tenants that are around.

The focus of the Company over the last year has been to complete those schemes under construction, looking for tenants for this space and to prepare a small number of major new schemes for the future. During the year the Company has completed the office developments at 3 Bunhill Row London EC1, The Heights, Weybridge and The Waterfront Business Park, Fleet. Its only remaining office development under construction is at 40 Berkeley Square, London W1. The site at Bridge Wharf, Chertsey was sold during the year at cost with a share in any potential profits from a future sale of the site. Preparations continue in respect of new schemes at Mitre Square, London EC3, Wood Lane, White City and Amen Corner, Bracknell.

Completed office developments

Since the Company recommenced its development activity in 1993, its development team has completed new office developments with a value at completion of over £925m. During the year to 31 March 2003 the Company completed the following office developments:

3 Bunhill Row, London EC1

3 Bunhill Row is a 95,000 sq.ft. office development completed in January 2003. The building was pre-let to solicitors Linklaters with an option for them to hand back circa 30,000 sq.ft. to the Company: this option was not exercised so the whole building has been handed over to the tenant. Shortly after the pre-letting the development was forward sold for £63.5m, reflecting a yield of 6.65%, to a limited partnership formed by Matrix Securities on behalf of its investors. Under the terms of the sale the total sale proceeds were paid to Helical in advance of construction with an obligation to provide the limited partnership with a rental stream to the date the tenant starts to pay rent. Consequently, the Company's cash balances at the year end include a sum of £4.8m (2002: £28.3m) payable to third parties over the period until the tenant starts to pay rent.

The Heights, Weybridge

The Heights, Weybridge is a 22 acre office campus development of the highest quality comprising 337,000 sq.ft. of speculative space in five distinct buildings. The scheme, which is adjacent to the UK headquarters of Proctor & Gamble, was completed in April 2003

The Meadows, Camberley

and is forward funded with Prudential Portfolio Managers.

The Waterfront Business Park, Fleet
The office development at The Waterfront Business Park, Fleet comprises three buildings completed in October 2002, forward funded by Aberdeen Property Investors. The smallest building of 12,000 sq.ft. has been sold to Conair Group for its own occupation. The two remaining buildings comprising 17,400 sq.ft. and 26,700 sq.ft. are available to let.

The Meadows, Camberley
The Meadows, Camberley comprises four office buildings totalling 140,000 sq.ft. located by the Blackwater railway station, Camberley opposite the Meadows Retail Park. Completed in March 2002 and currently available to let, the development was funded by Scottish Widows.

Current office development programme

40 Berkeley Square, London W1
40 Berkeley Square is a prime office development of 75,000 sq.ft. on the west side of Berkeley Square. Comprising eight floors of high specification offices, the building is being redeveloped in a joint venture with owners Morley Fund Management. During the year the top three floors, comprising 20,000 sq.ft., were let to The Blackstone Group at a rent of £80 p.s.f. This development is due to be completed in Spring 2004.

Future office development programme

Former Dairy Crest Site, Wood Lane, White City
A former milk processing plant and distribution unit, this 10.3 acre site was purchased from Dairy Crest in conjunction with Morley Fund Management in October 2002. The site lies to the south of the A40(M) and is adjacent to the White City Underground station. The area is emerging as one of Central London’s most significant regeneration opportunities, with Chelsfield’s 1.3m sq.ft. retail and leisure scheme to the south and the BBC proposing a further 1.45m sq.ft. of broadcasting and production space opposite the site. A major mixed use development is planned and detailed

Friary Retail Park,
Stafford

discussions are taking place with the London Borough of Hammersmith and Fulham, the Greater London Authority and adjoining landowners.

Amen Corner, Bracknell
Helical has acquired a number of residential properties and options over adjoining land to the extent that ownership or control extends to approximately 24 acres of land at Amen Corner, Bracknell. The Company is working to bring forward this site for commercial / residential development.

Mitre Square, London EC3
The Company is working in partnership with Ansbacher Property Holdings who own part of the site. It is the intention to submit a planning application for circa 350,000 sq.ft. net internal area of offices shortly. A substantial pre-let will be sought before commencing on site.

Retail developments

During the year Helical's retail subsidiary, Helical Retail renewed its joint venture with Oswin Developments, run by Jonathan Cox, David Egan and Adrian Russell and entered into a new joint venture with Overton Developments run by Jim Kelly.

After a quiet period consolidating its position Helical Retail now has a number of retail schemes in various stages of development.

Market Square, Accrington
Market Square, Accrington is a new town centre development comprising 11 shops including stores for Wilkinsons, JJB and Poundland. The scheme has a floor area of 62,000 sq.ft. and an end value of £7.6m. Forward sold to private investor Bilsdale Properties Ltd the scheme is due to be completed in July 2003.

Friary Retail Park, Stafford
Friary Retail Park, Stafford is a retail scheme due to start on site in late 2003. The scheme has the benefit of open A1 consent for 38,500 sq.ft. and terms have been agreed for a pre-letting to PC World for a unit of 15,000 sq.ft. and Pizza Hut for a restaurant of 3,189 sq.ft.

Development schemes

Current programme Offices	Completion	Size Sq.ft.	Funding Institution	Tenants	Space Let Sq.ft.
West End					
40 Berkeley Square, London W1	March 2004	75,000	Morley	The Blackstone Group	20,000
Thames Valley					
The Meadows, Camberley	March 2002	140,000	Scottish Widows		
The Waterfront Business Park, Fleet	October 2002	56,000	Aberdeen Property Investors	One building sold to Conair	12,000
The Heights, Weybridge	April 2003	337,000	Prudential Portfolio Managers		
Retail					
Market Square, Accrington	July 2003	62,000	Bilsdale	Wilkinsons, JJB Sports, Poundland and others	50,000
Towy Retail Park, Carmarthen	January 2004	35,000	Private individuals	Currys, PC World	35,000
Friary Retail Park, Stafford	May 2004	38,500			

Discussions are under way with a number of other retailers for the remaining space.

Towy Retail Park, Carmarthen
Towy Retail Park, Carmarthen is a development of two stores totalling 35,000 sq.ft. for the Dixon Stores Group. Currys will occupy one unit of 20,000 sq.ft. and PC World the second unit of 15,000 sq.ft. Building work is due to commence in June 2003 with completion in January 2004.

The Mint Quarter, Ipswich
The Mint Quarter, Ipswich is an in-town retail development of approximately 295,000 sq.ft. in partnership with NCP. The scheme is currently being marketed with a view to securing an anchor tenant after which a planning application will be progressed. If an anchor tenant can be signed up by the end of 2003 the scheme could start in 2005 with a target opening date of pre-Christmas 2006.

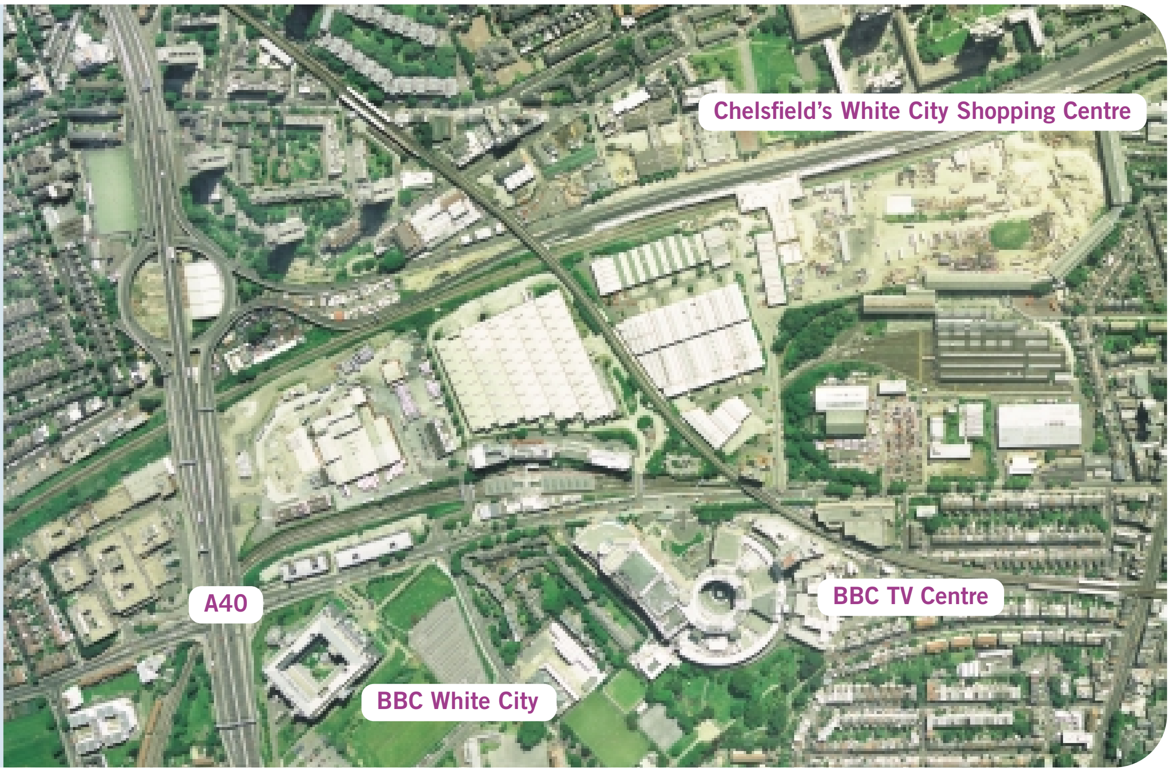
Trinity Square, Nottingham
Trinity Square is a retail led mixed-use development in the heart of the city centre shopping district adjoining the Victoria Centre. Comprising approximately 175,000 sq.ft. of retail space, 60,000 sq.ft. of leisure and restaurants, 500 residential units and 450 parking spaces it will be a dramatic landmark building constructed of glass and steel offering double height retail frontages. A full planning application will be submitted in June 2003 and construction is due to commence during March 2004 with an 18 month build programme in time for trading late 2005 and early 2006.

Residential developments

The Company has from time to time acquired sites and created value through obtaining planning consent for retirement villages.

Lime Tree Village, Dunchurch, Rugby
This development involves the refurbishment of a Victorian country house and the construction of 150 bungalows, cottages and apartments for retirement. Work has commenced on the site and is due to be completed by late 2004.

Former Dairy Crest site, Wood Lane, White City



Bramshott Place, Liphook, Hampshire
Planning negotiations continue for a retirement village development comprising 144 apartments, cottages and bungalows. Subject to planning, work is due to start in 2004/05.

Development schemes

Future programme

Offices	**Size Sq.ft.**	
City		
Mitre Square, London EC3	350,000	
West End		
Wood Lane, White City	Up to 1m	mixed use
Thames Valley		
Amen Corner, Bracknell	500,000	mixed use
Retail		
The Mint Quarter, Ipswich	295,000	
Trinity Square, Nottingham	235,000	

Gerald Kaye
Development Director

Our investment philosophy is based on four guiding principles. Helical actively manages its investment portfolio, rotating between sectors to maximise its exposure to growth stock. Gearing is used on a tactical basis, being raised to accentuate property performance when property returns are judged to materially outperform the cost of debt. The average number of properties held is kept small to facilitate fast repositioning of the portfolio and encourage management focus on key assets. Finally, there is a preference for multi-let stock where value can be added through refurbishment and lease restructuring.

Investment Portfolio – valuation statistics

		Valuation Yields			
	Capital value movements	Initial	Reversionary	Equivalent	True equivalent
Central London offices	-9.4%	8.1%	9.0%	8.6%	9.1%
South East offices	+6.4%	7.5%	8.0%	8.6%	9.1%
Industrial	+0.3%	8.4%	10.7%	10.3%	11.0%
Out of town retail	+11.6%	6.4%	7.5%	7.3%	7.6%
Town centre retail	-3.3%	7.0%	9.1%	8.4%	8.8%
Total portfolio	-4.1%	7.9%	9.2%	8.9%	9.4%

Sector weightings

	June 2003	June 2002	Change
West End	12%	36%	-24%
City	6%	15%	-9%
Other London	25%	20%	+5%
All Central London offices	43%	71%	-28%
South East offices	5%	5%	0%
Industrial	32%	18%	+14%
Out of town retail	13%	6%	+7%
Town centre retail	7%	0%	+7%

Otford Road Retail Park, Sevenoaks

Over recent years we have maintained a large exposure in Central London offices as the boom in rents has delivered exceptional returns. By the start of 2002 the cycle appeared to be turning – vacancy rates were beginning to rise and rental values starting to fall. Taking such warning signals to heart, we embarked on a sales programme and have raised £190m, cutting our capital invested in London and South East offices by more than half.

During the financial year we sold 60 Sloane Avenue, SW3 for £65.6m, Cheapside House, EC2 for £47.8m and 141/3 Drury Lane, WC2 for £13.3m. The combined initial yield on these sales was 6.7%. Further office sales in Basingstoke and Epsom, which were also subject to imminent lease expiries, raised an additional £7.3m. Since the financial year end we have sold Capital House, NW1 for £41m where the leases were subject to break clauses and lease expiries in 2004. The profit over historic cost on these transactions (all acquired 1997-1999) is well over £50m.

As a result of the sales only 6.3% of the net office income is now vulnerable to breaks or lease expiries over the next three years when occupational market conditions are likely to be weakest.

The net surplus of sales over valuation was £2.1m over the financial year. Over the last six years we have sold £464m of property representing turnover of 148% based on the current portfolio size. In every year we have exceeded valuations on sales.

Despite our sales programme, we were unable to insulate ourselves fully from the impact of the downturn in the office market. We are disappointed to report a valuation decline of 4.1% due to a write down of 9.4% on our London offices. Some comfort was provided by our retail warehouses up 11.6%, and our South East offices, which rose 6.4% due to restructuring the principal occupational lease at High Wycombe. A town centre retail decline of 3.3% was due to writing off the acquisition costs of the purchase of Garden Square, Letchworth made at the year end.

A major setback for the year was the loss of a 90,000 sq.ft. letting to Metronet at Shepherds Building which aborted after nearly a year of negotiations. Had the letting signed, the uplift in value on this property would have extinguished most of this year's valuation decline across the entire portfolio.

The current valuation yields of 7.9% initial, 9.2% reversionary and an equivalent yield of 8.9% allow for notional purchasers' costs of 5.75%. In practice, Helical earns a yield of 8.3%, anticipated to rise to 9.8% on assuming full occupancy at current rental values.

Wednesfield, West Midlands

Investment Portfolio

Address	Size (sq.ft.)	Average Passing Rent (p.s.f.)	Vacancy Rate	Year Acquired	% Ownership (where not 100%)
Central London Offices					
Rex House SW1	91,000	£57	0%	2000	
71 Kingsway WC2	30,000	£37	27%	1998	
5-10 Bury Street EC3	28,000	£34	14%	1997	
66 Prescot Street E1	110,000	£22	0%	2001	50%
61 Southwark Street SE1	65,000	£18	0%	1998	
4/5 Paris Gardens SE1	45,000	£25	0%	2000	
Interchange NW1	65,000	£32	0%	1999	90%
Rotunda Complex NW1	51,000	£22	10%	1998	
Shepherds Building W14	155,000	£25	65%	2000	
	640,000	£30	15%		
South East Offices					
Waterfront Business Park, Fleet	45,000	£22	0%	2000	
Westfields House, High Wycombe	27,000	£12	7%	2001	
	72,000	£19	2%		
Out of Town Retail					
Weston Retail Pk, Weston Super Mare	140,000	£8	0%	1999	75%
Sainsbury's Superstore, Wednesfield	69,000	£10	0%	2001	75%
1&2 Sprucefield Retail Pk, Lisburn	52,000	£15	0%	2001	50%
Otford Road Retail Pk, Sevenoaks	43,000	£14	0%	2003	75%
Homebase, St Austell	36,000	£8	0%	2002	75%
	340,000	£10	0%		

Garden Square,
Letchworth

Address	Size (sq.ft.)	Average Passing Rent (p.s.f.)	Vacancy Rate	Year Acquired	% Ownership (where not 100%)
Town Centre Retail					
Garden Square, Letchworth	165,000	£35ZA	10%	2003	
WH Smiths, Chiswick	5,000	£85ZA	0%	2000	
	170,000	£40ZA	9%		
Industrial					
Aycliffe Portfolio	1,570,000	£2.60	17%	1987	
Peterlee Portfolio	640,000	£2.50	25%	1987	
Hawtin Park, Blackwood	251,000	£2.85	0%	2003	
Sawston, Cambridge	235,000	£4.30	0%	2003	67%
Avonbridge, Avonmouth	234,000	£4.75	8%	1995	
Walton Summit, Preston	142,000	£3.75	0%	1990	
Standard Estate, Woolwich	105,000	£6.30	57%	2002	70%
Golden Cross, Hailsham	102,000	£5.00	0%	2001	
Waterfront Business Park, Fleet	45,000	£6.50	0%	2000	
	3,324,000	£3.10	16%		

All properties are freehold except Rex House (expires 2035), Avonbridge (expires 2071), Letchworth (expires 2187) and Blackwood (expires 3002).

Trading properties

Address	Description	Year Acquired	% Ownership
Bus Depot, Milton Keynes	Optioned site, pre-let to Homebase (80,000 sq.ft.) subject to planning.	2001	50%
Leisure Plaza, Milton Keynes	119,000 sq.ft. leisure scheme with potential for residential or supermarket use.	2003	50%
Mill Street, Slough	164,000 sq.ft. industrial estate to be refurbished and redeveloped this year in 13 units.	2002	90%
Barrows Road, Harlow	125,000 sq.ft. industrial estate in course of refurbishment and redevelopment for owner occupier sales.	2002	80%
Southfield Road, Dunstable	103,000 sq.ft. vacant industrial shed with residential potential plus a let 34,000 sq.ft. office.	2002	100%
Cardiff Royal Infirmary	Vacant hospital let on a peppercorn lease with residential potential.	1988	75%
2/6 Curtain Road, London EC2	7,000 sq.ft. office forming part of a 700,000 sq.ft. development site.	2001	50%
Computer Centre, Wythenshawe	111,000 sq.ft. vacant computer centre.	2002	50%

All properties are freehold except Wythenshawe (expires 2067).

Weighted average unexpired lease term on investment and trading properties

Offices	10.2
Industrial	7.9
Retail	12.4
Total	9.6

During the financial year we made seven material purchases – four industrial estates, two retail warehouses and a shopping centre amounting to £48m, with a further £10m industrial estate acquired after the year end. We continue to take a cautious view of market conditions and are only seeking to acquire properties where value can be added through change of use, lease restructurings and lettings, refurbishment and owner occupier sales.

Despite the downturn in the office market, we have managed to assemble a collection of properties with potential. These include:

- Industrial estates at Slough and Harlow with schemes ongoing or planned for owner occupier sales at premium prices.
- Properties in Fleet, Dunstable, Cardiff and Milton Keynes with latent value to be released via change of use to residential.
- Two pre-let developments and two lease restructurings of retail warehouses at Weston Super Mare, Milton Keynes and Sevenoaks.
- A shopping centre at Letchworth with terms agreed to change the anchor tenant and scope for infill development.

Over the coming year we would anticipate our office weighting to fall further. In the meantime, our current level of gearing which at 45% is the lowest at any time in Helical's history as a property company, places us in a strong position to capitalise on any market weakness.

Michael Brown
Investment Director

Mill Street, Slough

Standard Estate, Woolwich

Profits

Profits before tax, including exceptional items, increased by 12% to £25.2m (2002: £22.6m). Profits after tax and minority interest rose by 2% to £17.4m (2002: £17.1m).

Rental income

Gross rental income for the year fell to £29.3m (2002: £31.4m) reflecting the Company's decision to sell some of its main Central London office investments. During the year £131m of investment properties, yielding £8.8m of rental income were sold. £50m was used to add to the investment and trading portfolio with passing rent of £3.4m. Rent reviews and new lettings, net of lease expiries and rent free periods, added rental income of £3.6m on the remaining portfolio. These additions to the Company's rental stream did not compensate for the loss of rental income as the Company continued its drive to de-gear and reduce its exposure to the Central London office market.

Rental costs rose from £3.6m to £3.7m. Net rents, after deduction of these rental costs, fell to £25.6m from £27.8m.

Trading profits

Trading profits of £0.3m were up on last year (2002: £0.2m) and came from the sale of a small industrial unit in Slough purchased last year and a small office in Cardiff. The Company made £0.4m from short term dealing in the shares of listed property companies.

Development profits

Profits from the Group's funded development programme were substantially down on the previous year at £4.6m (2002: £17.1m). In the year to 31 March 2003 the Group recognised the remaining office development profit at 1 Bunhill Row, London EC1, 200 Hammersmith Road, London W6 and One Plough Place, London EC4. In addition it booked profits at its office development at 3 Bunhill Row, London EC1. This latter development provided the majority of the development profits in the year as City solicitors, Linklaters, committed themselves to the remaining floors in the building.

Developments	2003 £000	2002 £000	2001 £000	2000 £000	1999 £000
Profits	4,630	17,072	29,507	19,345	21,601

Administrative expenses

Administrative expenses, before an exceptional negative goodwill credit, fell by 41% from £10.9m to £6.4m due to the reduced level of performance related bonuses. Administrative expenses, before goodwill and executive bonuses fell by 3% from £6.1m to £5.9m.

The result for the year included the write back of negative goodwill of £6.4m as a consequence of the disposal of 60 Sloane Avenue, London SW3 by a subsidiary, Glenlake Limited. As was explained in last year's annual report and accounts this negative goodwill arose as a result of the restatement of the acquisition of Glenlake following the adoption of FRS19 by the Group and the recognition of a deferred tax asset in Glenlake as at the date of its acquisition. The tax losses giving rise to this deferred tax asset have been used during the period (against profits arising on the disposal of investment properties) and the deferred tax asset of £5.7m has therefore been written off as part of the tax charge for the period resulting in an increase in the deferred tax provision in the consolidated balance sheet. The net impact of the write back of negative goodwill and the increase in deferred tax is an increase in distributable profits of £0.7m.

Profit on sale of investment properties

During the year to 31 March 2003 the Group sold £134.7m of investment property on which it made £2.1m (2002: £2.5m) of profit over book value and sale costs. The properties sold included office investments at 60 Sloane Avenue, London SW3, Cheapside House, London EC2, 141-143 Drury Lane, London WC2, Dextra Court, Basingstoke and West Street Epsom. In addition a small industrial unit in Hailsham was sold.

Net interest payable

The Company has always sought to protect itself against adverse movements in interest rates through the use of interest rate caps and short to medium term fixed rates when rates are low rather than through the issue of expensive longer term debentures and other fixed rate borrowings. This policy has continued to bear fruit in the year under review where the application of prevailing low rates of interest to the reduced level of borrowings resulted in a reduction in interest payable to £11.9m (2002: £18.0m).

Interest receivable during the year on cash balances was £2.2m (2002: £2.6m). The Company tends to keep actual cash balances to the minimum to reduce the costs of borrowing but as with last year there was a higher than normal level of cash on deposit throughout the year due to the forward sale of 3 Bunhill Row. The proceeds received at the time of the pre-sale have now been expended on the construction of the offices resulting in much reduced cash balances at the year end.

Finance arrangement costs of £0.8m (2002: £0.4m) reflect a higher than normal write off of refinancing costs in respect of cancelled bank facilities. Interest has been capitalised in respect of the development sites at Amen Corner, Bracknell and Liphook but is much reduced from previous periods.

Net interest payable	**2003 £000**	**2002 £000**	**2001 £000**	**2000 £000**	**1999 £000**
Interest payable on bank loans	9,543	14,804	19,514	17,893	14,097
Other interest payable	2,351	3,215	1,343	2,350	1,760
Finance arrangement costs	783	408	572	365	256
Interest capitalised	(795)	(1,006)	(1,597)	(2,661)	(2,088)
Interest receivable	(2,244)	(2,642)	(591)	(1,563)	(1,510)
Loan termination costs	–	–	–	(36)	–
	9,638	14,779	19,241	16,348	12,515

Taxation

The corporation tax charge for the year is greater than the standard rate of 30% due to the sale of £134.7m of investment property. However, despite these sales and the release of revaluation gains of £34.0m, the use of tax losses and the impact of indexation has reduced the taxable element of these profits to £10.0m. The use of available tax losses is expected to mean that a corporation tax charge to the profit and loss account in the year to 31 March 2004 will not arise out of the sale of Capital House, London NW1.

The deferred tax charge for the year reflects the write off of the deferred tax asset referred to above and the additional provision required in respect of capital allowances claimed in the year. These charges have been offset by a reduction in the provision where we have sold investment property and no longer have the potential for a clawback of the allowances claimed to date.

Dividends

The Board is recommending to shareholders at the Annual General Meeting on 23 July 2003 a final dividend of 9.00p per share (2002: 8.25p) to be paid on 24 July 2003 which, with the interim dividend of 6.00p, makes a total of 15.00p. This is an increase of 9% on the previous year’s dividend of 13.75p. This is covered over four times by profits after tax.

Dividends	**2003 pence**	**2002 pence**	**2001 pence**	**2000 pence**	**1999 pence**
Interim	6.00	5.50	5.00	4.40	4.00
Final	9.00	8.25	7.50	6.75	6.00
	15.00	13.75	12.50	11.15	10.00
Special	–	100.00	–	–	100.00
	15.00	113.75	12.50	11.15	110.00

Including special dividends, the Company’s average dividend over the last five years was 52p or 8% on the current share price.

Earnings per share

Earnings per share in the year to 31 March 2003 were 61.2p (2002: 60.0p) per share and on a diluted basis were 59.2p (2002: 57.8p) per share.

Earnings per share	2003 pence	2002 pence	2001 pence	2000 pence	1999 pence
Earnings per share	61.2	60.0	70.0	55.0	66.7
Diluted earnings per share	59.2	57.8	67.7	53.7	50.7

Investment portfolio

During the year the investment portfolio changed significantly with sales of over £130m of Central London offices and the purchases of over £42m of retail and industrial units. In addition around £5m of capital expenditure was spent on refurbishing various office, industrial and retail buildings. At 31 March 2003 there was a revaluation deficit of £13.4m (2002: surplus £18.5m) on the investment portfolio.

Investment portfolio	2003 £000	2002 £000	2001 £000	2000 £000	1999 £000
Cost or valuation at 1 April	439,911	453,607	419,570	332,457	250,718
Additions at cost	47,175	32,838	24,341	163,029	76,920
Disposals	(131,168)	(65,062)	(29,624)	(106,320)	(14,357)
Revaluation	(13,434)	18,528	39,320	30,404	19,176
Cost or valuation at 31 March	342,484	439,911	453,607	419,570	332,457

Since the year end Capital House has been sold at its 31 March 2003 valuation of £41m.

Net asset values

The retained profits of £13.1m (2002: retained losses £15.3m) less the revaluation deficit of £13.4m (2002: surplus £18.5m) and movements in minority interest led to a reduction in net assets to £238.5m (2002: £239.1m after payment of £28.4m special dividend).

In calculating the net assets per share a provision has been made for the deferred tax which would become payable should all the capital allowances claimed to date be clawed back as a taxable adjustment in the Company's tax computations. The Company believes this clawback is unlikely and accordingly, has calculated the diluted net asset value assuming this not to be the case in line with current practice. Adjusted diluted net assets per share of 770p compare to 769p in 2002. After allowing for the unprovided deferred tax on revaluation surpluses and the value ascribed to financial instruments, the adjusted diluted triple net asset value of the Company has increased from 663p to 702p at 31 March 2003.

Net asset values per share	2003 pence	2002 pence	2001 pence	2000 pence	1999 pence
Diluted net asset value – 1	770	769	754	581	473
Diluted net asset value – 2	702	663	655	516	406

1 – net asset value diluted for share options, but adding back the provision of deferred tax on clawback of capital allowances.

2 – net asset value diluted for share options, unprovided deferred tax, FRS13 value of financial instruments but adding back the provision of deferred tax on clawback of capital allowances.

Borrowings and financial risk

The Company's ongoing reduction in its exposure to the Central London office market has continued the reduction in debt and, at 31 March 2003, net debt had fallen to £140.9m from £152.4m. The Company's net gearing fell to 59% from 64% at 31 March 2002. The sale of Capital House since the year end has further reduced net debt and gearing to £105.6m and 45% at 12 June 2003.

Net debt and gearing	**2003**	**2002**	**2001**	**2000**	**1999**
Net debt	£140.9m	£152.4m	£232.8m	£243.1m	£174.5m
Gearing	59%	64%	99%	131%	123%

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 £53m of undrawn bank facilities and cash of £16.1m (2002: £75.5m). In addition it had £115m of uncharged property on which the Company could borrow funds.

Helical insures against adverse movements in interest rates through the use of a number of interest rate hedging instruments. Borrowings of £49m are capped until 2004 and £111m until 2006 at interest rates between 6.00% and 7.50%. A further £80m is capped at 7.00% from January 2006 until September 2009. The Company has £18.5m of interest rate swaps at rates which vary from 5.0% to 5.8% and a fixed rate loan of £8.8m at 9.05% until 2009. The Company has interest rate floors at 4.73% on £80m until January 2006, at 4.83% on £80m from January 2004 to January 2006, and on £80m at 4.80% from January 2006 until September 2009.

As at 12 June 2003 Helical average interest rate was 5.6%.

FRS13 requires disclosure of financial instruments on a fair value basis and at 31 March 2003 an adjustment to reflect this basis would reduce net assets, after tax relief, by £5.1m (2002: £3.6m) which, if provided for, would reduce diluted net assets by 15p (2002: 6p).

Nigel McNair Scott
Finance Director

Consolidated Profit and Loss Account

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2003

	Note	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Turnover (including share of joint ventures' turnover)		**136,758**	137,618
Less: share of joint ventures' turnover		**(1,566)**	(986)
Turnover	2	**135,192**	136,632
Cost of sales		**(103,968)**	(91,646)
Gross profit	2	**31,224**	44,986
Administrative expenses			
– administration	3	**(6,391)**	(10,888)
– negative goodwill	3/10	**6,362**	–
Operating profit		**31,195**	34,098
Share of operating profit in joint ventures		**1,544**	986
Profit on sale of investment properties	4	**2,126**	2,463
Loss on sale of subsidiary		**–**	(195)
Profit on ordinary activities before interest		**34,865**	37,352
Net interest payable and similar charges	5	**(9,638)**	(14,779)
Profit on ordinary activities before taxation		**25,227**	22,573
Tax on profit on ordinary activities	6	**(7,660)**	(5,353)
Profit on ordinary activities after taxation		**17,567**	17,220
Equity minority interests		**(160)**	(164)
Profit for the year		**17,407**	17,056
Dividends paid and proposed	7	**(4,275)**	(32,328)
Retained profit/(loss) for the year	22	**13,132**	(15,272)
By company	8	**43,234**	(4,857)
By subsidiaries		**(30,432)**	(10,457)
By joint ventures		**330**	42
Earnings per share	9	**61.2p**	60.0p
Diluted earnings per share	9	**59.2p**	57.8p

The notes on pages 26 to 42 form part of these financial statements.

Balance Sheets

Helical Bar plc and subsidiary undertakings at 31 March 2003

		Group		Company	
	Note	**31.3.03 £000**	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Fixed assets					
Intangible assets	10	**912**	(6,240)	**–**	–
Tangible assets	11	**343,098**	440,685	**614**	774
Investments	12	**9,011**	9,599	**12,329**	12,163
Investment in joint ventures		**1,762**	1,937	**–**	–
– share of gross assets		**23,244**	23,184	**–**	–
– share of gross liabilities		**(21,482)**	(21,247)	**–**	–
		354,783	445,981	**12,943**	12,937
Current assets					
Stock	13	**41,112**	29,585	**–**	141
Debtors	14	**25,793**	21,289	**183,032**	118,674
Investments	15	**13**	1	**–**	–
Cash at bank and in hand	16	**16,137**	75,514	**345**	39,021
		83,055	126,389	**183,377**	157,836
Creditors: amounts falling due within one year	17	**(85,643)**	(107,936)	**(18,246)**	(35,946)
Net current (liabilities)/assets		**(2,588)**	18,453	**165,131**	121,890
Total assets less current liabilities		**352,195**	464,434	**178,074**	134,827
Creditors: amounts falling due after more than one year	18	**(110,992)**	(224,597)	**–**	–
Provisions for liabilities and charges	20	**(2,706)**	(728)	**(69)**	(56)
		238,497	239,109	**178,005**	134,771
Capital and reserves					
Called-up share capital	21	**1,496**	1,496	**1,496**	1,496
Share premium account	22	**35,271**	35,271	**35,271**	35,271
Revaluation reserve	22	**93,599**	142,100	**–**	–
Capital redemption reserve	22	**7,101**	7,101	**7,101**	7,101
Other reserves	22	**291**	291	**1,987**	1,987
Profit and loss account	22	**98,123**	50,993	**132,150**	88,916
Equity shareholders' funds		**235,881**	237,252	**178,005**	134,771
Equity minority interests		**2,616**	1,857	**–**	–
		238,497	239,109	**178,005**	134,771

The financial statements were approved by the Board of Directors on 12 June 2003.

M.E. Slade
Director

N.G. McNair Scott
Director

The notes on pages 26 to 42 form part of these financial statements.

Statement of Total Recognised Gains and Losses

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2003

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Statement of total recognised gains and losses		
Profit for the year after taxation	**17,567**	17,220
Minority interest	**(160)**	(164)
Revaluation of investment properties – subsidiaries	**(13,434)**	18,792
– joint ventures	**(470)**	1,477
Minority interest in revaluation surplus	**(599)**	(905)
Total recognised gains and losses	**2,904**	36,420
Prior year adjustment – negative goodwill	**–**	(6,892)
– deferred tax	**–**	(187)
Total recognised gains and losses since last financial statements	**2,904**	29,341

	31.3.03 £000	31.3.02 £000
Notes on historical cost profits and losses		
Reported profit on ordinary activities before taxation	**25,227**	22,573
Realisation of property revaluation gains of previous years	**33,998**	5,606
Historical cost profit on ordinary activities before taxation	**59,225**	28,179
Historical cost profit/(loss) for the year retained	**47,130**	(9,666)

	31.3.03 £000	31.3.02 £000
Reconciliation of movements in shareholders' funds		
Profit for the year	**17,407**	17,056
Dividends paid and proposed	**(4,275)**	(32,328)
	13,132	(15,272)
Revaluation of investment property – subsidiaries	**(13,434)**	19,110
– joint ventures	**(470)**	1,477
Revaluation deficit realised on sale of subsidiary	**–**	(318)
Minority interest in revaluation surplus	**(599)**	(905)
Issue of shares	**–**	8
Net movement in shareholders' funds	**(1,371)**	4,100
Opening shareholders' funds	**237,252**	233,152
Closing shareholders' funds	**235,881**	237,252

The notes on pages 26 to 42 form part of these financial statements.

Consolidated Cash Flow Statement

Helical Bar plc and subsidiary undertakings for the year ended 31 March 2003

	Note	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Net cash (outflow)/inflow from operating activities	23	**(27,133)**	65,634
Returns on investment and servicing of finance	24	**(9,910)**	(16,062)
Taxation	24	**(3,945)**	(4,967)
Capital expenditure and financial investment	24	**86,588**	40,068
Acquisitions		**(841)**	(178)
Equity dividends paid		**(32,470)**	(3,694)
Cash flow before management of liquid resources and financing		**12,289**	80,801
Management of liquid resources	25	**28,634**	(20,285)
Financing			
– issue of shares		**–**	8
– decrease in debt	26	**(71,594)**	(37,046)
– refinancing costs		**(57)**	(96)
(Decrease)/increase in cash		**(30,728)**	23,382

Reconciliation of net cash flow to movement in net debt

	31.3.03 £000	31.3.02 £000
(Decrease)/increase in cash in the year	**(30,728)**	23,382
Cash (inflow)/outflow from management of liquid resources	**(28,634)**	20,285
Cash outflow from change in debt	**71,651**	37,142
Debt arrangement expenses	**(783)**	(408)
Movement in net debt in the year	**11,506**	80,401
Net debt 1 April 2002	**(152,399)**	(232,800)
Net debt 31 March 2003	**(140,893)**	(152,399)

The notes on pages 26 to 42 form part of these financial statements.

Notes to the Financial Statements

1. Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention, as modified by the revaluation of investment properties.

The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous year.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March 2003. Profits or losses on intra group transactions are eliminated in full.

Turnover

Turnover represents rental income, the proceeds from the sale of trading properties and developments and proceeds from the sale of listed investments. 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 economic 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

In accordance with FRS19 the Group makes full provision for timing differences which are primarily in respect of capital allowances on plant and machinery and industrial buildings allowances, both types of allowances derived from assets acquired with, or subsequently purchased for, the Group's investment property portfolio. Deferred tax assets and liabilities provided for under FRS19 are discounted to reflect the time value of money between the balance sheet date and the dates that it is estimated that the underlying timing differences will reverse. Following the sale of a property, any deferred tax provisions not required will be released to the profit and loss account.

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; and,
- the date of completion of the development.

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 and 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 – Accounting for Investment Properties, 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.

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.

Financing costs

The Group uses derivative financial instruments to manage exposure to fluctuations in interest rates. Financial assets 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. The useful economic life is estimated to be 15 years.

Employees share ownership plan trust (the "Trust")

Shares in Helical Bar plc owned by the Trust are stated at cost less provision for any permanent diminution in value. Any deficit arising in the future between the original cost of the shares and their net realisable value will be funded by the Company.

Joint venture companies

The Group's share of the profits or losses and other recognised gains or losses of the joint ventures are included in the Group profit and loss account and statement of total recognised gains and losses, respectively. Where the accounting periods covered by audited financial statements are not coterminous with those of the Group, the share of profits or losses of the joint ventures has been arrived at from the last audited financial statements available and unaudited management accounts to the Group's balance sheet date.

The Group balance sheet includes the investment in the joint ventures and the Group's share of net assets and the goodwill arising on the acquisition of the interest in so far as it has not already been amortised.

The Company balance sheet shows the investment in the joint ventures at cost less amounts written off.

Liquid resources

Liquid resources are managed by the Group by investing as short-term cash deposits at prevailing deposit rates whilst ensuring appropriate access to such funds to meet foreseeable needs.

2. Turnover and gross profit on ordinary activities before taxation

	Turnover		Gross profit	
	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000	**Year Ended 31.3.03 £000**	Year Ended 31.3.02 £000
The analysis of turnover and gross profit by function is as follows:				
Trading property sales	**2,588**	2,282	**349**	154
Rental income	**29,334**	31,384	**25,619**	27,827
Developments	**91,412**	102,803	**4,630**	17,072
Other income and provisions	**11,858**	163	**626**	(67)
Gross profit			**31,224**	44,986
Central overheads			**(6,391)**	(10,888)
Interest payable less receivable			**(9,638)**	(14,779)
Share of joint venture company profits			**1,544**	986
Profit before taxation, profit on sale of investment properties, loss on sale of subsidiary and negative goodwill			**16,739**	20,305

All sales were within the UK. All turnover is attributable to continuing operations.
An analysis of property assets can be found in note 11 and the directors do not consider a further analysis of net assets to be appropriate.

3. Administrative expenses

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Administration	**6,391**	10,888
Negative goodwill	**(6,362)**	–
Total administrative expenses	**29**	10,888
Operating profit on ordinary activities is stated after:		
Staff costs during the year:		
– salaries and other remuneration	**3,426**	7,590
– social security costs	**323**	604
– other pension costs	**104**	100
	3,853	8,294
Depreciation and amortisation		
– tangible fixed assets	**230**	267
– goodwill	**51**	52
Auditors' remuneration:		
– audit services	**108**	106
– non-audit services	**18**	58

Details of directors' remuneration are included in the Directors' Remuneration Report on pages 52 to 56.
With the exception of the pension contributions referred to in the Directors' Remuneration Report, other pension costs relate to payments to individual pension plans.

The average number of employees of the Group during the year was:

	31.3.03	31.3.02
Management and administration	**25**	25

4. Sale of investment properties

	31.3.03 £000	31.3.02 £000
Net proceeds from the sale of investment properties	**133,294**	67,525
Book value (note 11)	**(131,168)**	(65,062)
Profit on sale of investment properties	**2,126**	2,463

5. Net interest payable and similar charges

	31.3.03 £000	31.3.02 £000
Interest payable on bank loans and overdrafts	**9,543**	14,804
Finance arrangement costs	**783**	408
Other interest payable and similar charges	**2,351**	3,215
Interest capitalised	**(795)**	(1,006)
Interest receivable and similar income	**(2,244)**	(2,642)
	9,638	14,779

Interest payable on bank loans and overdrafts includes the Company's share of interest payable by joint ventures of £935,000 (2002: £708,000).

6. Taxation on profit on ordinary activities

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
The tax charge is based on the profit for the year and represents:		
– United Kingdom corporation tax at 30% (2002: 30%)	**8,337**	4,811
– Adjustments in respect of prior periods	**(2,847)**	1
Current tax charge	**5,490**	4,812
Deferred tax – origination of timing differences (note 20)	**2,170**	541
Tax on profit on ordinary activities	**7,660**	5,353

The deferred tax charge includes the Company's share of deferred tax provision of joint ventures of £192,000 (2002: nil).

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

	31.3.03 £000	31.3.02 £000
Profit on ordinary activities before tax	**25,227**	22,573
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	**7,568**	6,772
Effect of:		
– Payments for use of tax losses	**3,112**	911
– Expenses not deductible for tax purposes	**86**	102
– Capital allowances for period in excess of depreciation	**(2,586)**	(2,947)
– Chargeable gain in excess of profit on sale of investment property	**264**	787
– Capitalised interest	**–**	(109)
– Other timing differences	**(107)**	(100)
– Utilisation of losses	**–**	(605)
Current tax charge for period	**8,337**	4,811

7. Dividends

	31.3.03 £000	31.3.02 £000
Attributable to equity share capital		
Ordinary		
– interim paid 6.00p (2002: 5.50p) per share	**1,705**	1,563
– final proposed 9.00p (2002: 8.25p) per share	**2,570**	2,345
Total 15.00p (2002: 13.75p) per share	**4,275**	3,908
– special payable nil (2002: 100.00p) per share	**–**	28,420
	4,275	32,328

The interim dividend of 6.00p was paid on 19 December 2002 to shareholders on the register on 29 November 2002. The final dividend, if approved at the AGM on 23 July 2003, will be paid on 24 July 2003 to shareholders on the register on 13 June 2003.

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 financial profit for the year of the Company was £47,509,000 (2002: £27,471,000).

9. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Shares held by the ESOP, which has waived its entitlement to receive dividends, are treated as cancelled for the purposes of this calculation.

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

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

	Earnings £	Year Ended 31.3.03 Weighted average no. of shares	Per share amount pence	Earnings £	Year Ended 31.3.02 Weighted average no. of shares	Per share amount pence
Basic earnings per share	**17,407,000**	**28,421,537**	**61.2**	17,056,000	28,419,782	60.0
Dilutive effect of share options		**964,200**			1,090,450	
Diluted earnings per share	**17,407,000**	**29,385,737**	**59.2**	17,056,000	29,510,232	57.8

10. Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Total £000
Cost at 1 April 2002	767	(6,238)	**(5,471)**
Additions	841	–	**841**
Disposals	–	6,238	**6,238**
Cost at 31 March 2003	1,608	–	**1,608**
Amortisation at 1 April 2002	645	124	**769**
Provision for the year	51	–	**51**
Eliminated on disposals	–	(124)	**(124)**
Amortisation at 31 March 2003	696	–	**696**
Net book amount at 31 March 2003	912	–	**912**
Net book amount at 31 March 2002	122	(6,362)	**(6,240)**

Additions in the year include the acquisition of the minority 25% shareholding in Helical Retail Limited which is now a 100% subsidiary of Helical Bar plc.

Negative goodwill was recognised, at 31 March 2002, as a consequence of the adoption of FRS19 and represented the excess of the value of the assets of Glenlake Limited over the consideration paid for those assets in June 1999. The assets included a sum of £6,362,000 (net of acquisition costs) representing the fair value of tax losses acquired with Glenlake Limited.

The non-monetary assets of Glenlake Limited were disposed of during the year and, consequently, the negative goodwill has been written off.

11. Tangible fixed assets

	Investment Properties		Short leasehold property & improvements	Vehicles & office equipment	**Total**
	Freehold £000	Leasehold £000	£000	£000	**£000**
Group					
Cost or valuation at 1 April 2002	397,061	42,850	646	968	**441,525**
Additions at cost	23,929	23,246	–	152	**47,327**
Disposals	(131,168)	–	–	(256)	**(131,424)**
Revaluation	(10,138)	(3,296)	–	–	**(13,434)**
Cost or valuation at 31 March 2003	279,684	62,800	646	864	**343,994**
Depreciation at 1 April 2002	–	–	319	521	**840**
Provision for the year	–	–	47	183	**230**
Eliminated on disposals	–	–	–	(174)	**(174)**
Depreciation at 31 March 2003	–	–	366	530	**896**
Net book amount at 31 March 2003	279,684	62,800	280	334	**343,098**
Net book amount at 31 March 2002	397,061	42,850	327	447	**440,685**

Interest capitalised in respect of the development of investment properties is included in tangible fixed assets to the extent of £1,013,000 (2002: £2,244,000).

Interest capitalised during the year in respect of investment properties in the course of development was £nil (2002: £365,000).

	Short leasehold property & improvements £000	Vehicles & office equipment £000	**Total £000**
Company			
Cost at 1 April 2002	646	968	**1,614**
Additions at cost	–	152	**152**
Disposals	–	(256)	**(256)**
Cost at 31 March 2003	646	864	**1,510**
Depreciation at 1 April 2002	319	521	**840**
Provision for the year	47	183	**230**
Eliminated on disposals	–	(174)	**(174)**
Depreciation at 31 March 2003	366	530	**896**
Net book amount at 31 March 2003	280	334	**614**
Net book amount at 31 March 2002	327	447	**774**

11. Tangible fixed assets continued

The investment properties have been valued on an open market basis at 31 March 2003 as follows:

	£000
Cushman & Wakefield Healey & Baker, International Real Estate Consultants	**258,585**
Allsop & Co, Chartered Surveyors	**35,000**
DTZ Debenham Tie Leung, International Property Advisors	**21,000**
Jones Lang LaSalle, International Real Estate Consultants	**16,000**
Drivers Jonas, Chartered Surveyors	**8,400**
Knight Frank, Chartered Surveyors	**3,060**
Directors' valuation	**439**
	342,484

The net deficit arising of £13,434,000 (2002: surplus £18,528,000) has been transferred to the revaluation reserve.
The historical cost of investment property is £249,441,000 (2002: £299,435,000).

12. Fixed asset investments

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Employees' Share Ownership Plan Trust – own shares	**9,011**	9,599	**9,011**	9,599
Shares in subsidiary undertakings at cost	**–**	–	**3,318**	2,564
	9,011	9,599	**12,329**	12,163

	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
The movement in the year was as follows:				
At 1 April 2002	**9,599**	9,546	**12,163**	11,837
Acquired during year	**–**	–	**846**	273
Disposed of during year	**(588)**	–	**(680)**	–
Provisions released	**–**	53	**–**	53
At 31 March 2003	**9,011**	9,599	**12,329**	12,163

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 2003 the Trust held 1,361,939 (2002: 1,491,939) ordinary shares in Helical Bar plc over which options had been granted.
At 31 March 2003 the Trust held nil (2002: nil) ordinary shares over which no options had been granted.

Interests in joint venture companies

At 31 March 2003 the Group and the Company had interests in the following joint venture companies:

	Country of incorporation	Class of share capital held	Proportion held Group	Proportion held Company	Nature of business
Prescot Street Investments Ltd	United Kingdom	Ordinary	50%	50%	Property investment
Grosvenor Hill (Sprucefields) Ltd	United Kingdom	Ordinary	50%	50%	Property investment

12. Fixed asset 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
61 Southwark Street Ltd*	Investment	100%
Aycliffe and Peterlee Development Company Ltd	Development and trading	100%
Aycliffe and Peterlee Investment Company Ltd*	Investment	100%
Baylight Developments Ltd	Investment	100%
Dencora (Docklands) Ltd	Investment	100%
Dencora (Dunstable) Ltd	Trading	100%
Dencora (Harlow) Ltd	Trading	100%
Chancerygate (Albion) Ltd	Trading	100%
Chancerygate (Mill Street) Ltd	Trading	100%
Glenlake Ltd*	Investment	100%
Harbour Developments (Bracknell) Ltd	Development	100%
Helical Bar (Berkeley Square) Ltd	Development	100%
Helical Bar (Bunhill Row) Ltd	Development	100%
Helical Bar (Chiswell Street) Ltd*	Development	100%
Helical Bar (CL) Investments Ltd*	Investment	100%
Helical Bar Developments (South East) Ltd	Development and trading	100%
Helical Bar (Hawtin Park) Ltd	Investment	100%
Helical Bar (Rex House) Ltd	Investment	100%
Helical Bar Services Ltd	Management Services	100%
Helical Bar Trustees Ltd	Trustee of Profit Sharing Scheme	100%
Helical Bar (Wales) Ltd*	Trading	100%
Helical Bar (White City) Ltd	Development	100%
Helical Properties Ltd	Investment and trading	100%
Helical Properties (Basingstoke) Ltd*	Investment	100%
Helical Properties Investment Ltd	Investment	100%
Helical Properties Retail Ltd	Investment	100%
Helical Retail Ltd	Development and trading	100%
Helical Retail (RBS) Ltd*	Development and trading	100%
Helical (CR) Ltd	Development and trading	100%
Helical (Fleet) Ltd	Investment	100%
Helical (HIS) Ltd	Investment	100%
Helical (Letchworth) Ltd	Investment	100%
Helical (Liphook) Ltd	Development (Jersey)	100%
Helical (SA) Ltd	Investment	100%
Helical (Sevenoaks) Ltd	Investment	100%
Helical (St Austell) Ltd	Investment	100%
Helical (Wednesfield) Ltd	Investment	100%
Helical (Westfields) Ltd	Investment	100%
Intercontinental Land and Development Co. Ltd*	Investment development and trading	100%
Networth Ltd*	Investment	100%
Helical (Interchange) Ltd	Investment	90%
Helical Properties (WSM) Ltd*	Investment	75%

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

*Ordinary capital is held by a subsidiary undertaking.

13. Stock

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Development sites	**20,593**	15,464	**–**	141
Properties held as trading stock	**20,519**	14,121	**–**	–
	41,112	29,585	**–**	141

Interest capitalised in respect of the development of sites is included in stock to the extent of £1,141,000 (2002: £633,000). Interest capitalised during the year in respect of development sites amounted to £795,000 (2002: £641,000).

14. Debtors

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Trade debtors	**4,412**	5,155	**1,193**	–
Amounts owed by joint venture undertakings	**6,552**	6,487	**6,552**	6,487
Amounts owed by subsidiary undertakings	**–**	–	**173,570**	111,892
Other debtors	**2,995**	151	**466**	85
Prepayments and accrued income	**11,834**	9,496	**1,251**	210
	25,793	21,289	**183,032**	118,674

15. Current asset investments

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
UK listed investments at cost	**13**	1	**–**	–
	13	1	**–**	–

The market value of listed investments at 31.3.03 was £13,000 (2002: £1,000).

16. Cash at bank and in hand

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Rent deposits and cash secured against debt repayable within one year	**2,142**	3,247	**–**	–
Cash held to fund future development costs	**5,087**	28,300	**–**	–
Free cash	**8,908**	43,967	**345**	39,021
	16,137	75,514	**345**	39,021

17. Creditors: amounts falling due within one year

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Bank overdrafts and term loans	**46,038**	3,316	**12,027**	–
Trade creditors	**6,217**	11,021	**201**	568
Corporation tax	**5,598**	4,053	**2,847**	3,961
Social security costs and other taxation	**1,152**	207	**–**	–
Dividends payable	**2,570**	30,765	**2,570**	30,765
Other creditors	**4,685**	4,820	**162**	112
Accruals and deferred income	**19,383**	53,754	**439**	540
	85,643	107,936	**18,246**	35,946

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

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Bank loans repayable within:				
– 1 – 2 years	**15,105**	3,438	**–**	–
– 2 – 5 years	**81,925**	124,261	**–**	–
– after 5 years	**14,720**	98,382	**–**	–
	111,750	226,081	**–**	–
Deferred arrangement costs	**(758)**	(1,484)	**–**	–
	110,992	224,597	**–**	–

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 £284,109,000 (2002: £378,416,000). These will be repayable when the underlying properties are sold. Bank overdrafts and term loans exclude the Groups' share of borrowings in joint venture companies of £14,355,000 (2002: £14,520,000).

19. Financing and financial instruments

The policies for dealing with liquidity and interest rate risk are noted in the Financial Review on pages 18 to 21.

Short-term debtors and creditors

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

	Group 31.3.03 £000	Group 31.3.02 £000
Bank overdraft and loans – maturity		
Due after more than one year	**110,992**	224,597
Due within one year	**46,038**	3,316
	157,030	227,913

The Group has various undrawn committed borrowing facilities. The facilities available at 31.3.03 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.03 £000	Group 31.3.02 £000
Expiring in one year or less	**9,500**	10,000
Expiring in more than one year but not more than two years	**10,000**	10,000
Expiring in more than two years	**33,560**	86,233
	53,060	106,233

Interest rates

	%	Expiry	31.3.03 £000	%	Expiry	31.3.02 £000
Fixed rate borrowings						
– fixed	**9.050**	**Feb. 2009**	**8,830**	9.050	Feb. 2009	9,231
– swap rate plus bank margin	**5.656**	**Sep. 2005**	**9,040**	–	–	–
– swap rate plus bank margin	**4.965**	**Mar. 2007**	**5,925**	6.890	Oct. 2002	50,000
– swap rate plus bank margin	**5.846**	**Jun. 2006**	**3,500**	6.450	July 2002	49,000
Weighted average	**7.140**	**Apr. 2007**	**27,295**	8.090	Mar. 2003	108,231
Floating rate borrowings			**130,493**			121,166
Total borrowings			**157,788**			229,397
Deferred arrangement costs			**(758)**			(1,484)
			157,030			227,913

Floating rate borrowings bear interest at rates based on LIBOR.

19. 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 %	Start	Expiry
Current				
– cap	49,000	6.000-6.100		July 2004
– cap	80,000	7.500		Jan. 2006
– collar	31,000	4.730-6.500		Jan. 2006
– floor	49,000	4.730		Jan. 2006
Future				
– floor	80,000	4.830	Jan. 2004	Jan. 2006
– collar	80,000	4.800-7.000	Jan. 2006	Sept. 2009

Gearing

	31.3.03 £000	31.3.02 £000
Total borrowings	**157,030**	227,913
Cash	**(16,137)**	(75,514)
Net borrowings	**140,893**	152,399
Net assets	**238,497**	239,109
Gearing	**59%**	64%

If the payment of the special dividend on 26 April 2002 were to be taken into account, the Group's gearing level at 31 March 2002 would have been 76%.

Fair value of financial assets and financial liabilities

	31.3.03		31.3.02	
	Book Value £000	**Fair Value £000**	Book Value £000	Fair Value £000
Borrowings	**157,788**	**159,127**	229,383	230,256
Interest rate swaps	**–**	**555**	–	1,242
Other financial instruments	**(223)**	**5,185**	(223)	565
	157,565	**164,867**	229,160	232,063

The fair value of financial assets and financial liabilities represents the mark to market valuations at 31 March 2003 and 31 March 2002. The adjustment to net assets from a recognition of these values, net of tax relief, would be to reduce diluted net asset value per share by 15p (2002: 6p).

20. Provision for liabilities and charges – deferred taxation

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

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Accelerated capital allowances	**3,124**	5,822	**81**	69
Other timing differences	**42**	754	**–**	–
	3,166	6,576	**81**	69
Less: – tax losses carried forward	**–**	(5,684)	**–**	–
– discount	**(460)**	(164)	**(12)**	(13)
Discounted provision for deferred tax	**2,706**	728	**69**	56

The Group has applied the provisions of FRS19 Deferred Tax, which requires that deferred tax be recognised as a liability or asset if the transactions or events that give the Group an obligation to pay more or less tax in the future have occurred by the balance sheet date. In accordance with FRS19, the Group makes full provision for timing differences which are primarily in respect of capital allowances on plant and machinery, industrial buildings allowances and tax losses.

Amounts unprovided are:

	Group		Company	
	31.3.03 £000	31.3.02 £000	**31.3.03 £000**	31.3.02 £000
Unrealised capital gains	**17,144**	32,102	**–**	–
	17,144	32,102	**–**	–

No provision has been made for taxation which would accrue if the investment properties were sold at their revalued amounts. The adjustment to net assets resulting from a recognition of these amounts would be to reduce diluted net asset value per share by 53p (2002: 99p).

21. Share capital

	31.3.03 £000	31.3.02 £000
Authorised		
– 688,954,752 (2002: 688,954,752) ordinary shares of 5p each	**34,448**	34,448
	34,448	34,448
Allotted, called up and fully paid		
Attributable to equity interests:		
– 29,913,476 (2002: 29,913,476) ordinary shares of 5p each	**1,496**	1,496
	1,496	1,496

Share options

At 31 March 2003 options over 2,553,323 (2002: 2,489,221) new ordinary shares in the Company and 1,361,939 (2002: 1,491,939) purchased shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the year options over 64,102 new ordinary shares were granted and options over 130,000 purchased shares were exercised.

	Exercise price per share pence	Number of shares	Date from which exercisable	Expiry date of options
Senior Executive 1988 Share Option Scheme				
Subscription options				
Options granted:				
– 11 July 1997	412.5	365,000	11 July 2002	10 July 2007
– 29 September 1997	467.5	100,000	29 September 2002	28 September 2007
– 27 November 1997	452.5	394,000	27 November 2002	26 November 2007
Purchase options				
Options granted:				
– 27 November 1997	452.5	76,000	27 November 2001	26 November 2007
– 10 July 1998	565.0	400,000	10 July 2002	9 July 2008
Helical Bar 1999 Share Option Scheme				
Subscription options				
Options granted:				
– 8 March 1999	442.5	1,547,768	8 March 2004	7 March 2009
– 8 January 2001	780.0	30,000	8 January 2006	7 January 2011
– 21 November 2002	707.5	59,862	21 November 2007	20 November 2012
Purchase options				
Options granted:				
– 8 March 1999	442.5	93,000	8 March 2004	7 March 2009
– 18 December 2000	750.0	529,000	18 December 2005	17 December 2010
– 8 January 2001	780.0	34,102	8 January 2006	7 January 2011
– 15 November 2001	766.5	229,837	15 November 2006	14 November 2011
Helical Bar 1999 Approved Share Option Scheme				
Subscription options				
Options granted:				
– 8 March 1999	442.5	52,453	8 March 2002	7 March 2009
– 21 November 2002	707.5	4,240	21 November 2005	20 November 2012
		3,915,262		

22. 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 2002	35,271	7,101	291	142,100	50,993
Profit retained	–	–	–	–	13,132
Revaluation of investment property – subsidiaries	–	–	–	(13,434)	–
– joint ventures	–	–	–	(470)	–
Minority interest in revaluation of investment property	–	–	–	(599)	–
Realised on disposals	–	–	–	(33,998)	33,998
At 31 March 2003	35,271	7,101	291	93,599	98,123
Company					
At 1 April 2002	35,271	7,101	1,987	–	88,916
Profit retained	–	–	–	–	43,234
At 31 March 2003	35,271	7,101	1,987	–	132,150

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

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Operating profit	**31,195**	34,098
Depreciation of fixed assets	**230**	267
Release of provision	**–**	(53)
Loss on sale of fixed assets	**38**	7
Amortisation of goodwill	**51**	52
Negative goodwill	**(6,362)**	–
Dividends from joint ventures	**150**	179
(Increase)/decrease in debtors	**(3,704)**	10,429
(Decrease)/increase in creditors	**(37,999)**	22,212
Increase in stock	**(10,732)**	(1,557)
Net cash (outflow)/inflow from operating activities	**(27,133)**	65,634

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

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Return on investments and servicing of finance		
Interest received	**1,416**	2,632
Interest paid	**(11,289)**	(18,567)
Minority interest dividends paid	**(37)**	(127)
	(9,910)	(16,062)
Taxation		
Tax received	**–**	106
Tax paid	**(3,945)**	(5,073)
	(3,945)	(4,967)
Capital expenditure and financial investment		
Purchase of property	**(47,175)**	(30,816)
Sale of property	**133,295**	70,535
Purchase of tangible fixed assets	**(152)**	(76)
Sale of tangible fixed assets	**44**	525
Purchase of investments	**–**	(100)
Sale of investments	**576**	–
	86,588	40,068

25. Management of liquid resources

	31.3.03 £000	31.3.02 £000
Decrease/(increase) in short-term deposits	**28,634**	(20,285)
	28,634	(20,285)

26. Analysis of net debt

	At 31.3.02 £000	Cash Flow £000	Other non cash changes £000	At 31.3.03 £000
Cash at bank and in hand	75,514	(59,377)	–	**16,137**
Bank overdraft	(15)	15	–	**–**
	75,499	(59,362)	–	**16,137**
Debt due within one year	(3,301)	(42,737)	–	**(46,038)**
Debt due after more than one year	(226,081)	114,331	–	**(111,750)**
Less: arrangement expenses	1,484	57	(783)	**758**
	(227,898)	71,651	(783)	**(157,030)**
Total	(152,399)	12,289	(783)	**(140,893)**

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 £80m at 4.83% from January 2004 to January 2006, on £80m at 4.73% from July 1999 to January 2006 and on a further £80m at 4.80% from January 2006 to September 2009.

Other than these contingent liabilities and the deferred tax referred to in note 20 there were no contingent liabilities at 31 March 2003 (2002: nil).

28. Net assets per share

	31.3.03 £000	Number of shares 000s	31.3.03 pence per share	Change since 31.3.02 +/(-) %
Net asset value	235,881	29,913	789	(0.5)
Add: potential exercise of options	11,525	2,554		
Diluted net asset value	247,406	32,467	762	(0.5)
Adjustment for:				
– capital allowances provided for but unlikely to be clawed back	2,706		8	
Adjusted diluted net asset value	250,112	32,467	770	0.1
Adjustment for:				
– potential capital gains not provided for	(17,144)		(53)	
– mark to market value of interest rate hedging agreements	(5,111)		(15)	
Adjusted diluted triple net asset value	227,857	32,467	702	5.9

29. Capital commitments

At 31 March 2003 nil (2002: nil).

30. Related party transactions

At 31 March 2003 there is an amount due from Prescot Street Investments Ltd of £4,692,000 (2002: £4,721,000) and an amount due from Grosvenor Hill (Sprucefields) Ltd of £1,510,000 (2002: £1,517,000).

Ten Year Review

	31.3.03 £000	31.3.02 £000	31.3.01 £000	31.3.00 £000	31.3.99 £000	31.3.98 £000	31.3.97* £000	31.1.96 £000	31.1.95 £000	31.1.94 £000
Turnover	**135,192**	136,632	165,259	149,922	121,244	214,416	100,529	65,948	50,521	24,982
Rental income	**29,334**	31,384	28,642	26,656	21,482	22,009	22,374	19,186	16,294	12,118
Gross profit	**31,224**	44,986	56,301	43,482	39,004	38,775	29,284	21,697	16,475	12,713
Profit before taxation	**25,227**	22,573	25,824	22,020	20,044	18,494	12,033	9,200	8,187	6,578
Profit after taxation	**17,567**	17,220	20,353	20,501	16,392	14,436	9,032	7,892	7,655	6,049
Ordinary dividends	**4,275**	32,328	3,570	3,223	31,338	1,552	1,666	1,189	1,058	944
Profit/(loss) retained	**13,132**	(15,272)	16,657	17,201	(18,414)	7,811	3,564	3,666	3,785	3,451
Dividend per ordinary share	**15.00p**	13.75p	12.50p	11.15p	10.0p	9.0p	8.0p	7.3p	6.5p	5.8p
Special dividend per ordinary share	**–**	100.0p	–	–	100.0p	–	2.0p	–	–	–
Diluted earnings per ordinary share	**59.2**	57.8p	67.7p	68.9p	51.5p	40.3p	28.3p	26.6p	26.3p	24.3p
Investment portfolio	**342,484**	439,911	453,607	419,570	332,457	250,718	201,570	180,765	156,579	118,690
Shareholders' funds	**235,881**	237,252	233,152	176,636	137,011	134,223	101,080	92,662	91,429	83,747
Adjusted diluted net assets per share	**770p**	769p	754p	582p	473p	481p	372p	330p	326p	299p

*The financial statements to 31 March 1997 were for a 14 month accounting period.

The financial statements for the year to 31 March 1998 and subsequently have been restated to reflect the impact of the adoption of FRS19 on Deferred Tax.

Governance and Corporate Social Responsibility

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

This report sets out the governance and corporate social responsibilities of the Board and the systems and structures in place to ensure that the Company meets its obligations to shareholders and other stakeholders.

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

Board of directors and other officers

Executive directors

Managing director
Michael Slade, BSc (Est. Man) FRICS FSVA, joined the Board as executive director in 1984 and was appointed Managing Director in 1986. Aged 56.

Finance director
Nigel McNair Scott, MA FCA FCT, joined the Board as non-executive director in 1985 and was appointed Finance Director in 1986. A former director of Johnson Matthey plc, he is Chairman of Avocet Mining Plc and a Director of Govett Strategic Trust. Aged 57.

Development director
Gerald Kaye, BSc (Est. Man) FRICS, was appointed to the Board as Executive Director in 1994 and is responsible for the Company's development activities. He is a former director of London & Edinburgh Trust Plc. Aged 45.

Investment director
Michael Brown, BSc (Est. Man), was appointed to the Board as Executive Director in 1998 and is responsible for the Company's property investment activities. He is a former director of Threadneedle Property Fund Managers. Aged 42.

Non-executive directors

Chairman
John Southwell, MA, joined the Board of Helical Bar plc as non-executive director in 1986 and was appointed non-executive Chairman in 1988. He is the Chairman of the Audit, Remuneration and Nominations and Appointments Committees. A former director of Laing & Cruickshank, Corporate Finance, he currently acts as a consultant to Credit Lyonnais Securities Europe (UK). He is Chairman of Lochain Patrick Holdings Ltd and director of James Cropper PLC. Aged 70.

Giles Weaver, FCA, was appointed to the Board as non-executive director in 1993. He is a member of the Audit, Remuneration and Nominations and Appointments Committees. A recent Chairman of Murray Johnstone Ltd, he is Chairman of Murray Emerging Growth & Income Trust plc and Charter Pan European Trust plc and a director of Aberdeen Asset Managers plc, Gartmore Capital Strategy Fund Limited, James Finlay Ltd and Atrium Underwriting Plc. Aged 57.

Antony Beevor, BA, was appointed to the Board as non-executive director in 2000. He is the senior independent non-executive director and a member of the Audit, Remuneration and Nominations and Appointments Committees. He is a deputy Chairman of the Takeover Panel, the Chairman of Croda International Plc and the Chairman of Nestor Healthcare Group plc. Aged 63.

Company secretary

Tim Murphy, ACA, was appointed Company Secretary in 1994. Aged 43.

Senior management

Matthew Bonning-Snook joined the Company as a development executive in 1995. Aged 35.
Michael Butcher joined the Company as a construction executive in 1985. Aged 59.
Jack Pitman joined the Company as an investment executive in 2001. Aged 34.
John Inwood joined the Company as a management executive in 1985. Aged 37.

Directors' Report

The directors' present their report and financial statements for the year ended 31 March 2003.

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 on pages 4 to 21.

Trading results

The results for the year are set out on page 22. The profit on ordinary activities before taxation amounts to £25,227,000 (2002: £22,573,000).

Share capital

At 31 March 2003 there were 29,913,476 ordinary 5p shares in issue.

Dividends

A final dividend of 9.00p (2002: 8.25p) per share is recommended for approval at the Annual General Meeting on 23 July 2003. The total ordinary dividend of 15.00p (2002: 113.75p, including 100.00p special dividend) per share amounts to £4,275,000 (2002: £32,328,000).

Donations

Donations to charities amounted to £13,936 (2002: £3,685). No contributions (2002: £10,000 to Conservative Party) were made to any political party.

Creditor payment policy

The Company's policy is to settle all agreed liabilities within the terms established with suppliers. At 31 March 2003 there were 20 days' (2002: 26 days') purchases outstanding in respect of the Company's creditors.

Auditors

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

Substantial shareholdings

At 2 June 2003 the shareholders listed in Table A on page 46 had notified the Company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of the Company.

Directors' remuneration

Details of directors' remuneration, share options, service contracts and pension contributions are noted in the Directors' Remuneration Report on pages 52 to 56.

Directors and their interests

The directors who were in office during the year and their interests, all of which were beneficial, in the ordinary shares of the Company are listed in Table B on page 46.

Shares purchased on behalf of directors' under the terms of the Share Incentive Plan are disclosed in the Directors' Remuneration Report on pages 52 to 56. There have been no changes in the directors' interests, other than as shown in the Directors' Remuneration Report, in the period from 31 March 2003 to 12 June 2003.

Re-election of directors

Messrs M.E. Slade, N.G. McNair Scott and A.R. Beevor are due to retire by rotation and offer themselves for re-election. Mr J.P. Southwell, having reached the age of 70, also offers himself for re-election.

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.

Corporate governance

The Company's application of the principles of corporate governance is noted in the Corporate Governance Report on pages 47 to 49.

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;
- 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 23 July 2003 at 11.30am at The Westbury, Conduit Street at New Bond Street, London W1A 4UH. The notice of meeting is set out on pages 58 to 59 below. There are three resolutions concerning special business. The first gives the Board the authority, for a further five years, to allot 9,971,158 shares (one third of the existing issued share capital as at the date hereof). The second gives the Board the power for a further five years to issue shares pursuant to a rights issue and a modest number (approximately five per cent of the existing issued share capital as at the date hereof) for cash other than to existing shareholders. The third extends, for a further year, the authority given at the Annual General Meeting last year for the Company to buy in, for cancellation, 14.99 per cent of its ordinary share capital. 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
12 June 2003

Table A – Substantial shareholdings

	No of Ordinary shares	%
Michael Slade	3,016,408	10.1
Schroder Investment Management	1,783,563	6.0
Threadneedle Asset Management	1,747,200	5.8
Fidelity Investments	1,621,729	5.4
Helical Bar Share Ownership Plan Trust	1,361,939	4.6
M & G Investment Management	1,070,956	3.6
Hermes	1,033,687	3.5
Legal & General	1,021,296	3.4
T R Property Investment Trust	972,000	3.2
ISIS Asset Management	965,622	3.2

Table B – Directors interests

	Ordinary 5p shares 31.03.03	31.03.02
John Southwell	34,750	34,750
Michael Slade	3,016,408	3,014,938
Nigel McNair Scott	628,087	626,617
Giles Weaver	18,000	18,000
Antony Beevor	1,477	1,477
Gerald Kaye	310,673	309,215
Michael Brown	188,021	186,551
Total directors' interests	4,197,416	4,191,548
Percentage of issued share capital	14.0	14.0

Corporate Governance Report

Since the publication of the Company's last report and accounts we have seen the publication of the "Review of the role and effectiveness of non-executive directors" (the "Higgs Report") and the "Audit Committees Combined Code Guidance" (the "Smith Report"). The recommendations of these two reports have yet to be incorporated into a revised Combined Code.

The Company is committed to applying the highest principles of corporate governance. The Board is accountable to the Company's shareholders for good corporate governance. This report and the Directors' Remuneration Report describe how the Company complies with the provisions of the Combined Code.

Compliance

The Company has complied throughout the year with the Code provisions set out in Section 1 of the Combined Code except in respect of provision A 2.1. Provision A 2.1 states that a non-executive director other than the Chairman should be the senior independent non-executive director. During the year the Chairman of the Company, John Southwell, has acted as senior independent non-executive director. This situation has been reviewed and on 4 June 2003 Antony Beevor was appointed senior independent non-executive director.

Application of the principles

The Board of directors

The Board consists of four executive directors who hold the key operational positions in the Company and three non-executive directors, who bring a breadth of experience and knowledge to their roles. 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. All of the Company's non-executive directors act independently of management. John Southwell, however, has been a Board member for more than nine years and is a consultant to one of the Company's brokers. In addition Giles Weaver has been a non-executive director for more than nine years. It is noted that some shareholder advisory bodies such as PIRC (Pensions Investment Research Consultants) and NAPF (National Association of Pension Funds) take the view that independence of action is likely to be lost the longer the director serves on the Board. The arbitrary period of nine years has been put forward by these two bodies as a time by which independence may be deemed to be compromised. In our view the breadth of experience of these two directors and their detachment from the day to day issues within the company provide, with the third non-executive director Antony Beevor, a sufficiently strong and experienced balance with the executive members of the Board. This breadth of experience allied to the management information provided by the Company enable the non-executive Board members to assess and advise the full Board on the major risks faced by the Company. In view of this we continue to believe that shareholders should regard all our non-executive directors as independent.

Board meetings

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving company policy and strategy. In addition to ad hoc meetings arranged to discuss particular transactions and events and the AGM, the full Board met five times during the year under review. All Board members attended each of the meetings with the exception of the February 2003 meeting when Michael Slade was absent overseas.

The Board has a schedule of matters specifically reserved to it for decision which is reviewed annually. 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.

Nominations and Appointments Committee

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, and the two other non-executive directors, Giles Weaver and Antony Beevor. The Committee did not meet during the year under review. All directors are subject to re-election every three years and, on appointment, at the first AGM after appointment. All directors over 70 face annual re-election.

Relations with shareholders

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

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

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

Accountability and audit

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

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

In accordance with the guidance of the Turnbull Committee on Internal Control, an ongoing process has been established for identifying, evaluating and managing risks faced by the Company. This process has been in place from the start of the financial year under review to the date of approval of these financial statements. As part of this process the Board has identified key risks faced by the Company. The risks have been prioritised and a strategy has been set out to deal with them. The Board papers produced for each Board meeting include reports by each of the executive directors together with management accounts, profit and cash flow forecasts. The annual business development plan was presented to the Board in February 2003. This document discusses the commercial environment in which the Company operates, undertakes a SWOT analysis on the Company and sets short, medium and long-term targets for the business. The Board papers also include regular updates on corporate governance matters and during the year under review has received reports on internal financial control, risk assessment, interest rate risks, taxation, matters reserved for Board approval and the Higgs Report. In addition, since the year end, the Board has received a copy of a report on the internal financial controls and systems of the Company prepared for the Audit Committee by Grant Thornton, and the Smith Report. In between Board meetings the non-executive directors receive copies of the minutes of weekly management meetings between the executive Board members and senior management at which the property portfolio, financial and other matters are discussed and minutes of meetings with the Company's major joint venture partners. Non-executive directors also receive copies of analysts reports on the company. The directors are free to seek any further information they consider necessary.

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

- clearly defined organisational responsibilities and limits of authority. The day-to-day involvement of the executive directors in the running of the business ensures that these responsibilities and limits are adhered to;
- financial controls and review procedures. Internal financial controls are reviewed annually by the Board;
- financial information systems including cash flow, profit and capital expenditure forecasts. The Board receive regular and comprehensive reports on the day-to-day running of the business;
- an Audit Committee which meets with the auditors and deals with any significant internal control matter. In the year under review the Committee met with the Auditors on two occasions and received a paper on the internal financial controls of the Company.

Audit Committee

The Audit Committee comprises John Southwell, Giles Weaver and Antony Beevor, all independent non-executive directors. Since the last report and accounts we have seen the publication of the Smith Report which seeks to offer guidance on the Combined Code to Audit Committees.

The recommendations of the Smith Report include a requirement to review the company's internal financial control system and risk management systems. In the year under review, Grant Thornton, the Company's auditors, were asked to conduct a systems review of the internal financial controls operating within the finance department at the Company. In April 2003, Grant Thornton reported to the Audit Committee on the key findings of their review. These key findings were:

- the control environment over financial controls is robust;
- the general environment, size and culture of the organisation means that reliance for the operation of controls is placed on a few key individuals;
- a high level of autonomy is given to directors and senior management; and,
- the volume of management information generated and provided to the non-executives directors is significant. Grant Thornton did not review the quality of this information.

Ethical concerns

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

Report of the Independent Auditors to the Members of Helical Bar plc

We have audited the financial statements of Helical Bar plc for the year ended 31 March 2003 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and notes 1 to 30. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the directors' remuneration report that is described as having been audited.

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

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the annual report, the directors' remuneration report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements and the part of the directors' remuneration report to be audited in accordance with the relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985. 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 regarding directors' remuneration and transactions with the group is not disclosed.

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

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises the directors' report, the unaudited part of the directors' remuneration report, the chairman's statement, the development programme, investment portfolio, financial review and the corporate governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion
We conducted our audit in accordance with 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 and the part of the directors' remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 March 2003 and of the group's profit for the year then ended; and
- the financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Registered Auditors
Chartered Accountants
London
12 June 2003

Directors' Remuneration Report

Directors' remuneration

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

Remuneration Committee

The Remuneration Committee ("Committee") has responsibility for making recommendations to the Board to determine the Company's general policy on salary, bonuses, pensions and other remuneration issues for individual directors. It carries out the policy on behalf of the Board and in the year under review the Committee met twice.

The membership of the Committee is as follows:

John Southwell (Chairman)
Giles Weaver
Antony Beevor

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

Policy on executive directors' remuneration

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

The remuneration packages of individual directors are structured so that the performance-related elements form a significant proportion of the total and are designed to align their interests with those of the shareholders. Share 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.

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

i basic annual salary, pension contributions and benefits in kind
ii annual bonus payments
iii long-term incentives
iv share incentives

Basic annual salary, pension contributions and benefits in kind

Basic annual salaries for executive directors are reviewed having regard to individual performance and market practice and were last reviewed in April 2003.

The remuneration packages of the executive directors include a payment of 20% of basic salary as pension entitlement. The Company uses this entitlement to make annual contributions into a Small Self Administered Pension Scheme on behalf of Michael Slade and Nigel McNair Scott. The remaining entitlements of each of the executive directors are paid as additional salary to each director.

Benefits in kind provided to directors' include the provision of a company car or car allowance and health insurance.

Annual bonus payments

The Committee establishes the objectives which must be met for annual cash bonuses to be paid. Performance-related cash bonuses, which recognise the relative success of the different parts of the business, may be paid to the executive directors responsible for their parts. In the year under review a cash bonus was paid to Gerald Kaye, development director.

Long-term incentive plan

The Company operates a long-term Incentive Plan designed to align the long-term motivations of the senior management team with the interests of shareholders and to link their remuneration to the performance of the Company's property portfolio. The Incentive Plan operates over a five year period from 1 April 2001 and awards will vest annually subject to the achievement of challenging performance targets. Awards will vest 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. Awards are calculated in bands with the amount of the award increasing with the level of outperformance. Among other constraints, the Committee could restrict the awards if payment would affect the financial or trading position of the Company. The targets will be compared with the ungeared and geared performance of the Company's property portfolio. Awards will only vest if the Company's performance, geared and ungeared, is in the top quartile. For disclosure purposes the vesting value of awards is included in remuneration.

For the year under review the performance criteria were not met and no awards vested.

Service contracts

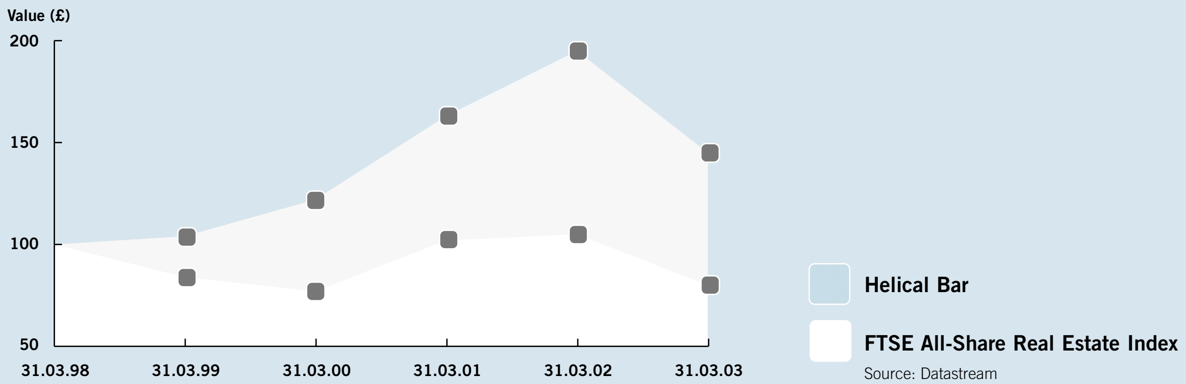
The service contracts of Michael Slade, Nigel McNair Scott and Gerald Kaye operate from 1 July 1997 and of Michael Brown from 8 September 1997. Each service contract provides for a one year notice period. On termination of employment each director is entitled to a payment in lieu of notice of a sum including basic salary and other contractual entitlements or the monetary equivalent.

Non-executive directors

Non-executive directors are appointed for a three year term until re-appointment by shareholders at the Company's AGM. The remuneration of the non-executive directors is determined by the Board and was last increased in April 2003. Non-executive directors do not participate in any of the Company's share option schemes. The Chairman, John Southwell, is provided with a company car.

Total shareholder return

The performance criteria of the Company's 1999 share option schemes, referred to on pages 54 and 55 below, require the Company to exceed certain set targets of total shareholder return. The total shareholder return for a holding in the Company's shares in the five years to 31 March 2003 is shown in the graph below.



This graph looks at the value, by 31 March 2003, of £100 invested in Helical on 31 March 1998 compared with the value of £100 invested in the FTSE All-Share Real Estate Index.

Information subject to audit: Remuneration of Directors

Remuneration in respect of the directors was as follows:

	Salary/ Fees £000	Benefits in kind £000	Cash bonuses £000	Incentive plan £000	Gain on exercise of share options	**2003 Total £000**	2002 Total £000	Pensions **2003 Total £000**	Pensions 2002 Total £000
Chairman									
John Southwell	45	13	–	–	–	**58**	60	**–**	–
Non-executive directors									
Giles Weaver	25	–	–	–	–	**25**	25	**–**	–
Antony Beevor	25	–	–	–	–	**25**	25	**–**	–
Executive directors									
Michael Slade	478	32	–	–	–	**510**	1,906	**2**	2
Nigel McNair Scott	175	26	–	–	–	**201**	664	**35**	35
Gerald Kaye	210	28	474	–	–	**712**	2,299	**–**	–
Michael Brown	175	35	–	–	393	**603**	1,672	**–**	–
	1,133	134	474	–	393	**2,134**	6,651	**37**	37

The pension contributions were paid into a Small Self Administered Scheme. 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 of £712,000 (2002: Gerald Kaye £2,299,000).

In order to compensate share option holders for the payment of the 100p special dividend in April 2002, the Company pays a cash bonus of 100p per share on the date option holders exercise their options. The gain on exercise of share options of Michael Brown includes a £100,000 cash bonus arising out of the exercise on 28 January 2003 of an option over 100,000 shares.

Special dividend

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

The Company is currently unable to increase the number of shares under option in sufficient quantity to satisfy the requirement to compensate option holders for the special dividend of 100p paid in April 2002. An adjustment to the exercise price of the existing options would result in an increased national insurance cost to the Company. Accordingly, the Board has considered alternative ways of compensating option holders and, as a result, the Company will compensate holders of options at the time the special dividend was declared, on the dates they exercise their options by 100p per share, equivalent to the special dividend. In the year under review compensation of £130,000 was paid following the exercise of options over 130,000 shares.

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 ("subscription shares") and shares held by the Helical Bar Share Ownership Plan Trust ("purchase shares") in June 2001. Share options granted in respect of this scheme are included in note 21. Under this scheme options only vest if the increase in the net asset value per share is greater than that achieved by the upper quartile of the Investment Property Databank index for capital growth of all funds over a five year period.

The Helical Bar 1999 Share Option Scheme operates in respect of the grant of share options which exceed the Inland Revenue limit of £30,000. Under this scheme the aggregate market value of shares issued or issuable to an individual under this and other option schemes may not exceed eight times his annual earnings. Share options granted in respect of this scheme are included in note 21.

The Helical Bar 1999 Approved Share Option Scheme is an Inland Revenue approved scheme. Under the terms of this scheme options up to a maximum value of £30,000 per individual may be granted. Share options granted in respect of this scheme are included in note 21.

The performance criteria of the two 1999 schemes require total shareholder return over a set period to exceed a certain percentile of the aggregate performance of companies in the Real Estate Sector Index of the FTSE All Share Index. For the approved scheme the relevant period is three years and the 50th percentile. For the unapproved scheme the relevant period is five years and 25th percentile.

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

	Type	At Start of year	Options exercised in year	At end of year	Exercise price	Date from which exercisable	Expiry date	Gross value of options at 31 March 2003
Michael Slade								
Senior Executive 1988 Share Option Scheme	Purchase	6,000	–	6,000	452.5p	27.11.01	26.11.07	7,200
Senior Executive 1988 Share Option Scheme	Purchase	400,000	–	400,000	565.0p	10.07.02	09.07.08	30,000
Senior Executive 1988 Share Option Scheme	Subscription	394,000	–	394,000	452.5p	27.11.02	26.11.07	472,800
Helical Bar 1999 Share Option Scheme	Subscription	493,221	–	493,221	442.5p	08.03.04	07.03.09	641,187
Helical Bar 1999 Share Option Scheme	Purchase	148,000	–	148,000	750.0p	18.12.05	17.12.10	–
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	–	6,779	442.5p	08.03.02	07.03.09	8,813
		1,448,000	–	1,448,000				1,160,000
Nigel McNair Scott								
Senior Executive 1988 Share Option Scheme	Purchase	50,000	–	50,000	452.5p	27.11.01	26.11.07	60,000
Helical Bar 1999 Share Option Scheme	Purchase	43,000	–	43,000	442.5p	08.03.04	07.03.09	55,900
Senior Executive 1988 Share Option Scheme	Subscription	250,000	–	250,000	412.5p	11.07.02	10.07.07	400,000
Helical Bar 1999 Share Option Scheme	Subscription	235,221	–	235,221	442.5p	08.03.04	07.03.09	305,787
Helical Bar 1999 Share Option Scheme	Purchase	72,000	–	72,000	750.0p	18.12.05	17.12.10	–
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	–	6,779	442.5p	08.03.02	07.03.09	8,813
		657,000	–	657,000				830,500
Gerald Kaye								
Helical Bar 1999 Share Option Scheme	Purchase	50,000	–	50,000	442.5p	08.03.04	07.03.09	65,000
Helical Bar 1999 Share Option Scheme	Subscription	393,221	–	393,221	442.5p	08.03.04	07.03.09	511,187
Helical Bar 1999 Share Option Scheme	Purchase	127,000	–	127,000	750.0p	18.12.05	17.12.10	–
Helical Bar 1999 Share Option Scheme	Purchase	129,419	–	129,419	766.5p	15.11.06	14.11.11	–
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	–	6,779	442.5p	08.03.02	07.03.09	8,813
		706,419	–	706,419				585,000
Michael Brown								
Senior Executive 1988 Share Option Scheme	Purchase	100,000	(100,000)	–	452.5p	27.11.01	26.11.04	–
Senior Executive 1988 Share Option Scheme	Subscription	100,000	–	100,000	467.5p	29.09.02	28.09.07	105,000
Helical Bar 1999 Share Option Scheme	Subscription	293,221	–	293,221	442.5p	08.03.04	07.03.09	381,187
Helical Bar 1999 Share Option Scheme	Purchase	106,000	–	106,000	750.0p	18.12.05	17.12.10	–
Helical Bar 1999 Share Option Scheme	Purchase	100,418	–	100,418	766.5p	15.11.06	14.11.11	–
Helical Bar Approved 1999 Share Option Scheme	Subscription	6,779	–	6,779	442.5p	08.03.02	07.03.09	8,813
		706,418	(100,000)	606,418				495,000

On 28 January 2003 Michael Brown exercised a purchase option over 100,000 shares at 452.5p per share. The shares acquired were sold on the same day for 747.5p per share providing a net gain of £293,000.

The market price of the ordinary shares at 31 March 2003 was 572.5p (2002: 790.0p). This market price varied between 567.5p and 837.0p during the year.

Helical Bar 2002 Approved Share Incentive Plan

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

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

	26.09.02 at 645p	03.12.02 at 732p	27.03.03 at 578p	10.06.03 at 632.5p
Michael Slade	465	150	204	651
Nigel McNair Scott	465	150	204	651
Gerald Kaye	465	150	192	651
Michael Brown	465	150	204	651

Shares held by the Trustees of the Plan at 31 March 2003 were 18,425 (2002: nil).

Helical Bar Profit Sharing Scheme

The Helical Bar Profit Sharing Scheme ("Scheme") has operated since 1997 but was replaced by the Helical Bar 2002 Share Incentive Plan during the year. No shares were allocated to employees of the Company during the year.

Shares held by the Scheme at 31 March 2003 were 63,626 (2002: 72,166).

Corporate Social Responsibility

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

The criteria established by EIRIS encompass corporate governance, environment, human rights, stakeholder issues, employee issues and customers and suppliers. The Company's corporate governance policies are noted on pages 47 to 49 above and on the environment below. The Company has no business activities in any countries which have unacceptable human rights records. The Company's relationship with its key stakeholders, its shareholders is noted on pages 47 to 48 above.

Employees

Helical Bar plc is committed to non-discrimination in all its forms and supports the training and development of all its employees. The Company actively encourages participation in the ownership of the business through the operation of a Share Incentive Plan authorised by shareholders at the 2002 AGM. This Plan replaced the Profit Sharing Scheme which had operated since 1997. All employees are eligible to benefit from Company contributions into personal pension plans or into the Company's Stakeholder Pension Plan.

Health and safety

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

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

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

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

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

All employees are offered private medical insurance as well as long-term disability cover.

Community involvement

Helical Bar plc has for many years joined in efforts to raise money for charitable causes. Alternating each year the Company organises a mass entry under the Helical banner into the London Marathon and the London to Brighton Bike Ride raising money for the British Heart Foundation and other charities. The Company's employees raised £3,464 for Comic Relief earlier this year. The Company also makes charitable donations in its own right and in the year under review the donations amounted to £13,936.

Environmental policy and objectives

Helical Bar plc is a property development and investment company. Our activities comprise the development of commercial and industrial property and the management of a portfolio of offices, retail and industrial properties in the UK.

We recognise our responsibility to reduce any adverse environmental impacts arising from our business activities and will try to improve the environment wherever possible.

Working within the existing regulatory framework and complying with environmental legislation that applies to our activities, we seek to continuously improve our environmental performance by moving beyond compliance, wherever practicable, and achieving good environmental standards in both our developed and managed buildings.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Helical Bar plc will be held at The Westbury, Conduit Street at New Bond Street, London W1A 4UA on Wednesday, 23 July 2003 at 11.30 a.m. for the transaction of the following business:

Ordinary Business

1 To receive and consider the financial statements of the Company for the year ended 31 March 2003 together with the reports of the directors and the auditors thereon.

2 To receive and approve the Directors' Remuneration Report for the year ended 31 March 2003.

3 To declare a final dividend of 9.00 pence per ordinary share, as recommended by the directors of the Company.

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

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

6 To re-elect Mr A.R. Beevor, who retires by rotation, as a director of the Company.

7 To re-elect Mr J.P. Southwell, who having reached the age of 70, offers himself for re-election as a director of the Company.

8 To re-appoint Grant Thornton as auditors until the conclusion of the next general meeting of the Company at which accounts are laid and to authorise the directors to fix their remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolution 9 will be proposed as an ordinary resolution and resolutions 10 and 11 will be proposed as special resolutions:

9 That, in substitution for all unused existing authorities, 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) up to an aggregate nominal amount of £498,558 provided that this authority shall expire on 22 July 2008 save that the Company may before such 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 any such offer or agreement as if the authority conferred hereby had not expired.

10 That, subject to the passing of resolution 9, the directors be and hereby empowered, pursuant to Section 95 of the Companies Act 1985, to allot equity securities (as defined in Section 94 of that Act) for cash pursuant to the authority conferred by resolution 9 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 in connection with a rights issue in favour of ordinary 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 the respective number of ordinary shares held by them but subject always to such exclusions or other arrangements in respect of overseas shareholders and in respect of fractional entitlements as the directors 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 £74,783;

and shall expire on 22 July 2008 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.

11 That the Company is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163 of the Companies Act 1985) on the London Stock Exchange of ordinary shares of 5p each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the directors may from time to time determine, provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased is 4,484,033;

(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 London Stock Exchange's Daily Official List for the 5 business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;

(c) the minimum price which shall be paid for an Ordinary Share is 1p (exclusive of expenses, if any);

(d) the authority hereby conferred shall be in lieu of any existing authority conferred by ordinary or special 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 on 30 September 2004, 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 as if this authority had not expired.

By order of the Board

T J Murphy
Secretary

Registered office:
11/15 Farm Street
London W1X 8NP

Registered No: 156663

24 June 2003

Notes:

(a) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.

(b) To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) must be deposited at Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude a member from attending and voting in person.

(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 (Saturdays and public holidays excepted) from the date of this notice until the date of the meeting and will be available for inspection at the place of the meeting 15 minutes prior to and during the meeting.

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

(e) Entitlement to attend and vote at the meeting will be determined by reference to the register of members of the Company at midnight on 21 July 2003.

Financial Calendar

Year ended 31 March 2003

Annual General Meeting to be held	23 July 2003
Final ordinary dividend payable	24 July 2003

Half year ending 30 September 2003

Results and interim ordinary dividend announced	November 2003
Interim ordinary dividend payable	December 2003

Year ending 31 March 2004

Results and final dividend announced	June 2004
Final ordinary dividend payable	July 2004

Advisors

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Joint stockbrokers
Cazenove & Co
12 Tokenhouse Yard
London EC2R 7AN

Credit Lyonnais
Securities Europe (UK)
Broadwalk House
5 Appold Street
London EC2A 2DA

Merchant bankers
Lazard Bros & Co Ltd
21 Moorfields
London EC2P 2HT

Solicitors
Ashurst Morris Crisp
Clifford Chance
Dechert
Lawrence Graham
Mishcon de Reya
Norton Rose
Olswang

Bankers
Barclays Bank plc
Credit Lyonnais
HVB Real Estate
National Westminster Bank plc
The Royal Bank of Scotland plc
Aareal Bank AG

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

Helical Bar plc

Registered office
11-15 Farm Street
London W1J 5RS

Tel: 020 7629 0113
www.helical.co.uk