

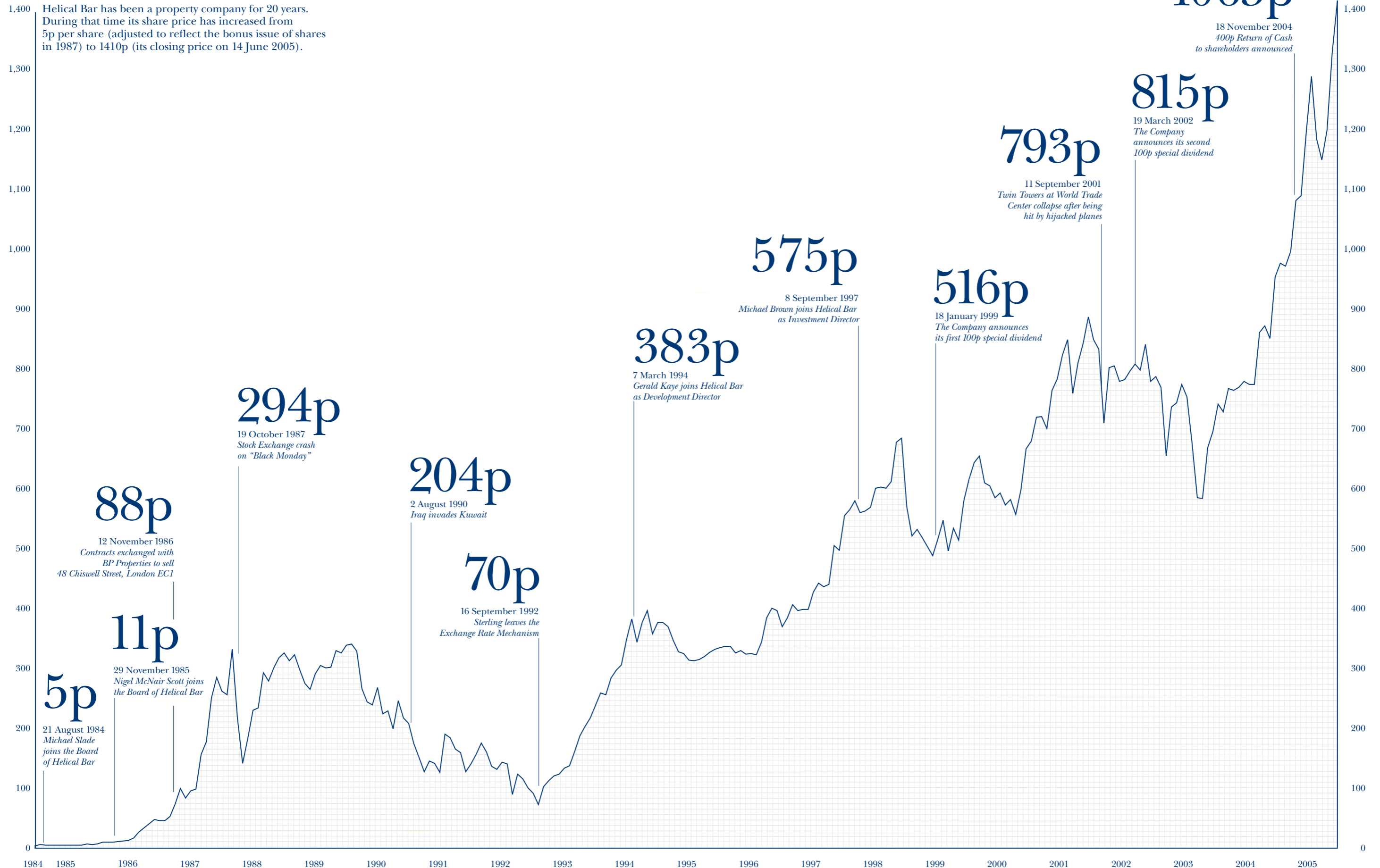
Helical Bar plc
Annual report & accounts 2005
20 years of successful performance



Helical Bar
plc

20 YEAR SHARE PRICE CHART

Helical Bar has been a property company for 20 years. During that time its share price has increased from 5p per share (adjusted to reflect the bonus issue of shares in 1987) to 1410p (its closing price on 14 June 2005).



Share price graph adjusted to take account of capital events (share splits etc.)
Source: Datastream

CORPORATE STATEMENT

Helical Bar 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.

FIVE YEAR SUMMARY

	Notes	31.03.05 £m	31.03.04 £m	31.03.03 £m	31.03.02 £m	31.03.01 £m
Rental income		22.4	25.3	29.3	31.4	28.6
Development profits		12.7	–	4.6	17.1	29.5
Adjusted profits before tax	1	18.9	11.7	16.7	20.3	25.1
Profit on sale of investment properties		16.0	2.0	2.1	2.5	0.7
Pre-tax profits		34.9	13.7	25.2	22.6	25.8
Return of cash/special dividend		97.2	–	–	28.4	–
Investment portfolio		271.1	334.9	342.5	439.9	453.6
Shareholders' funds	2	193.0	234.9	226.9	227.7	223.6
		Pence	Pence	Pence	Pence	Pence
Dividend per ordinary share		17.60	16.60	15.00	13.75	12.50
Diluted earnings per share		110.50	39.60	59.20	57.80	67.70
Adjusted diluted net asset value per share	3	1078	884	775	775	754
Adjusted diluted triple net asset value per share	4	992	804	704	664	651

Notes

1. Excludes profit on sale of investment properties and loss on sale of subsidiary.
2. Shareholders' funds have been restated for the impact of the adoption of UITF38 – Accounting for ESOP Trusts.
3. After adding back additional deferred taxation arising from the clawback of capital allowances on sale of investment properties.
4. Adjusted for contingent liabilities of deferred taxation on chargeable gains on investment properties and the market value of financial instruments but after adding back the deferred taxation referred to in 3 above.

Helical Bar plc 20 year timeline

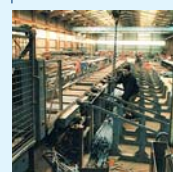


1984

On 21 August 1984 Michael Slade was appointed to the Board of Helical Bar. The adjusted share price of the Company was 5p per share.

1985

On 29 November 1985 Nigel McNair Scott was appointed to the Board of Helical Bar as non-executive director.



Helical's steel reinforcement business

PERFORMANCE MEASURES

The performance of Helical's property portfolio is measured by the Investment Property Databank ("IPD") and compared to the portfolios of funds within IPD. In order to evaluate its overall performance against other companies, Helical looks at total shareholder return ("TSR") and equity value added.

Investment Property Databank ("IPD") Helical has compared the ungeared performance of its total property portfolio against that of portfolios within the Investment Property Databank for the last 15 years.

IPD (monthly and quarterly valued funds) ungeared returns

Total returns %				
Annualised over	1 year	5 years	10 years	15 years
Helical	28.5	17.3	19.1	17.7
IPD benchmark	17.2	11.3	11.4	8.5
Percentile rank	0	1	0	0

"0" means the top ranked fund.

Helical has been in the top percentile or above over one, five, ten and 15 years. The returns on capital earned by Helical are generally higher than those measured by IPD due to the use of gearing.

The returns noted above take no account of the £13m surplus of trading and development stock above book value arising from the directors' valuation.

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.

	2005 pence	2004 pence	2003 pence	2002* pence	2001 pence
Increase in adjusted diluted net asset per share	194.00	109.00	0.00	21.00	175.00
Add: dividends	17.60	16.60	15.00	113.75	12.50
	211.60	125.60	15.00	134.75	187.50
Adjusted diluted net asset value per share at start of year	884	775	775	754	579
Shareholders' return	23.9%	16.2%	1.9%	17.9%	32.4%

*Dividends paid in 2002 includes a 100p per share special dividend.

Helical Bar plc 20 year timeline

1986

Michael Slade appointed Managing Director. Steel reinforcement business sold. Work commenced on Helical's first major development at 48 Chiswell Street, London EC1.

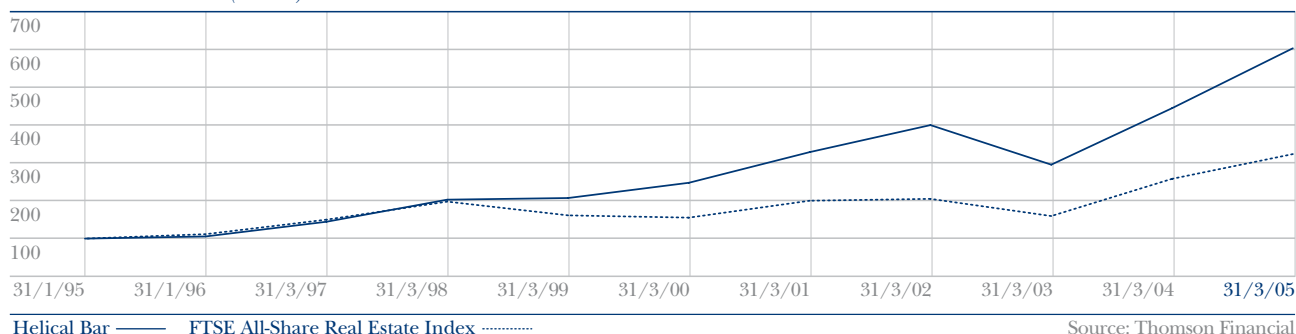
1987

Nigel McNair Scott appointed Finance Director. 25p shares sub-divided into 5p shares in 5 for 1 split. The Company raised £19m from the issue of 5.25% preference shares.



48 Chiswell Street,
London EC1

Total shareholder return (Value £)



Above:

TOTAL SHAREHOLDERS' RETURN

This graph looks at the value, by 31 March 2005, of £100 invested in Helical Bar on 31 January 1995 compared with the value of £100 invested in the FTSE All-Share Real Estate Index. The other points plotted are the values at intervening period-ends. Dividends received are re-invested in shares.

Total shareholder return measures the return to shareholders from share price movements and dividend income.

	1 year from 31 March 2004 % pa	3 years from 31 March 2002 % pa	5 years from 31 March 2000 % pa	10 years from 31 March 1995 % pa	15 years from 31 March 1990 % pa	19 years from 31 March 1986 % pa
Helical Bar plc	35.6	14.8	20.0	20.7	17.7	27.4
UK equity market	15.6	2.0	(1.7)	8.1	9.3	10.1
Listed real estate sector index	25.4	16.4	15.8	12.2	8.3	9.5
Direct property	18.0	13.7	11.5	11.4	9.1	—*

Source: New Bridge Street Consultants/Datastream. *Information not available.

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

Year ended 31 March	2005 £000's	2004 £000's	2003 £000's	2002 £000's	2001 £000's
Portfolio valuation movements	30,097	24,162	(13,434)	18,528	39,320
Net earnings before interest, tax and dividends	41,637	20,225	34,865	37,352	45,065
Less: negative goodwill	—	—	(6,362)	—	—
Total return from activities	71,734	44,387	15,069	55,880	84,385

Equity value added

Year ended 31 March		2005	2004	2003	2002	2001
Capital employed	£m	347	348	377	390	466
Return on capital	%	22.0	11.5	3.9	10.5	18.2
Weighted average cost of capital	%	6.7	7.0	6.1	6.3	5.9
Spread	%	15.4	4.5	(2.2)	4.2	12.3
Equity value added/(lost)	£m	53.4	15.6	(8.5)	19.6	52.9

1988

John Southwell appointed Chairman of the Company. Forward sale of 99 City Road to BP Properties. £43m of properties acquired from Rugby Securities, BP Pension Fund and MFI.

1989

Helical declared best performing property share of the 1980s. Syndicated loan facility of £100m arranged with Security Pacific National Bank.



99 City Road,
London EC1



Above:
COMMERCIAL ROAD,
BOURNEMOUTH

CHAIRMAN'S STATEMENT

I am delighted that the year to 31 March 2005, my last one as Chairman of Helical Bar plc, has been such a good one for the Company and its shareholders.

The Company made record profits in the year as the development pipeline returned to profitability. The continuation of the buoyant investment market enabled the Company to sell £140m of investment properties at prices 14% above March 2004 valuation and increase year end values on the remaining investment portfolio by 14.2%.

In November 2004 the Company announced that it intended returning cash to shareholders and subsequently paid out £97.2m (including costs). This Return of Cash has enhanced returns to shareholders with the adjusted net asset value per share at 31 March 2005 estimated to have been boosted by 3% or 28p per share, with further enhanced growth to come.

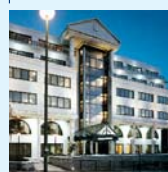
Results Profits after tax this year rose to £26.8m from £11.5m, mainly due to an exceptional £16m profit on sale of investment properties and substantially increased development profits of £12.7m (2004: nil). Diluted earnings per share as a result rose by 179% to 110.5p (2004: 39.6p). The revaluation surplus on the investment portfolio was £30m (2004: £24m). The Group's adjusted net asset value per share rose by 22% to 1078p (2004: 884p) and the adjusted triple net asset value (taking account of the contingent liabilities of deferred tax and the market value of financial instruments) rose by 23% to 992p per share (2004: 804p). These figures take no account of any surplus on the £96m of trading and development stock which are held in our books, in accordance with normal practice, at the lower of cost and net realisable value. The directors' valuation of trading and development stock shows a surplus of £13m, the majority of which is attributable to the Unwins portfolio.

For shareholders, the Company continued its share buy-back programme, purchasing 530,000 ordinary 5p shares for £4.5m at an average of 843p per share. These purchases took the total number of shares bought in since July 2003 to 3,435,951 ordinary shares,

Helical Bar plc 20 year timeline

1990

Helical entered the recession with no development or Central London office exposure protected by interest rate caps and a high level of liquidity.



*New Baltic House,
Cardiff*



Left:
40 BERKELEY SQUARE,
LONDON W1

approximately 11.5% of the Company's share capital, at a cost of £26.0m and an average cost of 756p per share. This average cost is a 30% discount to the adjusted net asset value per share at 31 March 2005.

The encouraging prospects for 2005/2006 enable the Board to recommend to shareholders a final dividend of 11p per share (2004: 10.0p), an increase of 10%. This proposed dividend, together with the interim dividend of 6.6p (2004: 6.6p) paid in December 2004 makes a total dividend of 17.6p per share (2004: 16.6p) in addition to the dividend paid as part of the Return of Cash. This is an increase of 6% on last year. The total dividend is covered over seven times by profits after tax.

Board I am delighted to welcome the appointment of Wilf Weeks to the Board of Helical Bar plc as a non-executive director. Wilf specialises in Government Relations and is currently Chairman of European Public Affairs at Weber Shandwick. With Government policy increasingly impacting on the property market through planning intervention and tax rises an experienced approach to local and central government bodies will become increasingly important.

I would like to take this opportunity to thank all of Helical's staff, our professional advisors and our joint venture partners, all of whom work very hard for the Company.

This is my last Chairman's statement as I will be stepping down at the Annual General Meeting after 17 years in this position. I will continue as a non-executive director but would like to put on record my thanks to my fellow directors throughout this period for their support and advice. I would also like to wish Giles Weaver, my successor as Chairman, a long and successful period in office.

John Southwell
Chairman

15 June 2005

1991

Despite making a loss for the only time in its life as a property company, Helical held high yielding well let property enabling it to weather the storm.



*Temple Back,
Bristol*

PORTFOLIO BALANCE

	London offices	Retail in-town	Retail out-of-town	Industrial	Other	Total
Investment	28.3%	17.5%	14.5%	12.4%	0.1%	72.8%
Trading	0.6%	8.3%	1.2%	5.5%	0.9%	16.5%
Development	2.3%	5.3%	1.5%	0.0%	1.6%	10.7%
Total	31.2%	31.1%	17.2%	17.9%	2.6%	100.0%

CASH FLOW YIELDS (YIELDS EARNED BY HELICAL – EXCLUDE NOTIONAL PURCHASER'S COSTS)

	Initial	Reversionary	Equivalent
Investment	6.7%	8.0%	7.7%
Trading	5.0%	8.1%	7.8%
Development	0.2%	7.9%	7.5%
Total	5.7%	8.0%	7.7%

OPERATING REVIEW

Outlook The world appears to have an uncertain future with continuing concerns over crude oil prices, the global economy, the state of the High Street and the housing market. Inflationary pressures seem to be easing with the next move in interest rates currently expected to be downwards.

Commercial property has delivered excellent returns over the last two years, principally due to yield compression which has lowered the return investors are likely to earn in future years. Competition for investment stock remains fierce. Investors need to price bids based on unleveraged target returns of 7%-8% or less to stand any chance of acquiring property in the mainstream markets.

Despite these challenging conditions, we believe it is still possible to continue to achieve satisfactory returns but only through effecting change. This may be physical change via refurbishment or redevelopment or through obtaining more valuable planning consents or active tenant management. Our flexible acquisition strategy incorporates a willingness to tackle difficult or empty properties in all sectors together with a rapid response time (the 95 Unwins properties were acquired in 48 hours) and harnessing a myriad of local contacts and skills via strong joint venture relationships. This range of activities not only provides diversification of risk, but a much increased chance of sourcing deals at acceptable prices. Once yield shift has run its course and property returns decline from 2004's heady levels, we believe the potential for relative outperformance of this approach should increase.

Helical Bar plc 20 year timeline

1992

In another difficult year for the property industry, Helical reduced its gearing through selective sales and benefitted from falling interest rates.



*Lyons Tetley Extension,
Aycliffe Industrial Estate*



DEVELOPMENT PROGRAMME
Operating Review

On previous page and below:
ROPEMAKER PLACE,
LONDON EC2



Above:
THE HEIGHTS, WEYBRIDGE



DEVELOPMENT PROGRAMME

Helical's development objective is clear. The Group seeks to recreate the profit streams achieved from office and retail development over the last ten years by focusing on large Central London office schemes, major mixed-use developments and retail schemes. As in the last cycle it is anticipated that the retail schemes will contribute to development profits before the larger office and mixed-use schemes come on stream.

Completed office developments

40 Berkeley Square, London W1 40 Berkeley Square has been a tremendous success. Developed in a joint venture with existing owners Morley Fund Management, the scheme was completed in March 2004 with 20,000 sq.ft. pre-let to The Blackstone Group. Since completion, Blackstone have leased a further 12,000 sq.ft. and we have let 11,900 sq.ft. to Caxton Europe Asset Management and 21,310 sq.ft. to Multiplex Constructions (UK) Ltd. Only the ground floor remains available to let.

The Heights, Brooklands, Weybridge A high quality business park development of 337,000 sq.ft. in five separate buildings. Building 2 has been let to Kia Motors, 16,000 sq.ft., and Alliance Unichem, 23,600 sq.ft. Marketing efforts continue on the remaining space and the number of viewings has increased recently. The project was forward funded with Prudential Assurance Company, the terms of which limit our financial exposure.

Helical Bar plc 20 year timeline

1993

The Company raised £20m from the issue of convertible preference shares to invest in retail investment properties and to purchase development sites. Share price increased from 124p at 1 January 2003 to 307p at 31 December 2003.



*Retail investment
at Wymondham*



Left:
MITRE SQUARE,
LONDON EC3

DEVELOPMENT SCHEMES – COMPLETED DEVELOPMENTS AVAILABLE TO LET

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 Caxton Europe Asset Management Multiplex Constructions (UK) Ltd	32,000 11,900 21,310
Thames Valley					
The Heights, Weybridge	April 2003	337,000	Prudential Portfolio Managers	Kia Motors Alliance Unichem	16,000 23,600

DEVELOPMENT SCHEMES – CURRENT AND FUTURE PROGRAMME

Offices	Approximate start date	Size Sq.ft.
City		
Mitre Square, London EC3	2006	350,000
Ropemaker Place, London EC2	2006	500,000
Central London – mixed use		
Clareville House, London SW1	2006	60,000
Wood Lane, White City	2006+	43 acres
Thames Valley		
Amen Corner, Bracknell	2007	500,000

DEVELOPMENT SCHEMES – CURRENT AND FUTURE PROGRAMME

Offices	Approximate start date	Size Sq.ft.
Retail/mixed use		
Trinity Square, Nottingham	2005	235,000
Commercial Road, Bournemouth	2005	51,000
Bluebrick, Wolverhampton	2005	170,000
Hatters Retail Park, Luton	2005	105,000
Town Centre Shirley, Solihull	2006	160,000
Shrub Hill, Worcester	2005	35,000

1994

The Company expanded its development activities entering the retail market with the formation of Helical Retail Ltd. The investment portfolio was refinanced with over £120m of 7-10 year debt.



Cannon Park,
Coventry



Above:
FRIARY RETAIL PARK,
STAFFORD

Below:
CLAREVILLE HOUSE, LONDON SW1



DEVELOPMENT PROGRAMME

Continued

Future office development programme

Mitre Square, London EC3 A planning application for an office scheme of 350,000 sq.ft. is due to be determined by the City Planning Committee shortly. The proposed development is a joint venture with Ansbacher Property Development Ltd. Once planning has been granted the outstanding land acquisitions can be progressed and a pre-let campaign commenced.

Ropemaker Place, London EC2 We are acting as Development Manager for DB Real Estate and have received approval for a new building of approximately 500,000 sq.ft. Demolition of the existing building will be completed in August 2005.

Clareville House We are acting as Development Manager for Lattice Group Pension Scheme who own this mixed use building where we aim to provide 35,000 sq.ft. of offices, nightclub of 17,000 sq.ft., restaurant of 4,000 sq.ft. and retail 2,000 sq.ft. We will be carrying out an extensive refurbishment. We are currently negotiating a pre-let on the nightclub and seeking to obtain planning consent.

Wood Lane, White City On behalf of a number of landowners, of which Helical is one, we are promoting the regeneration of 43 acres of land at White City for a major mixed use development. The Office of Metropolitan Architecture run by the world renowned architect, Rem Koolhaas, has been appointed to carry out a masterplan for the site. We expect this masterplanning process to be completed by October 2005 at which point a planning application can follow. The scheme is likely to involve a high density mix of offices, residential, leisure and other ancillary uses.

Amen Corner, Bracknell Having acquired a number of properties and options over land at Amen Corner, Bracknell, Helical is promoting a gateway office development fronting the A329(M) through the Local Development Framework planning process. A small scale infill residential scheme is also being pursued.

Helical Bar plc 20 year timeline

1995

The Company had built up a development programme with a completed end value of over £240m. Warehouse schemes at Guildford and Theale and an office scheme in Leeds were completed. Office developments in Cardiff, Weybridge, Bristol and Camberley were all under construction.



Maxii Centre, Theale



Above:
WOOD LANE, WHITE CITY

Retail developments

Helical's retail development programme has expanded significantly in the last year. The joint ventures with Overton Developments and Oswin Developments have made good progress in respect of a number of promising opportunities.

Friary Retail Park, Stafford Friary Retail Park, Stafford was completed in December 2004. This is a 38,500 sq.ft. retail scheme which was pre-let to TK Maxx (20,000 sq.ft.), PC World (15,000 sq.ft.) and Choices Video (3,500 sq.ft.) and funded with Arlington Fund Managers representing Tyne and Wear Metropolitan Borough Council. A second phase involving a unit of 4,000 sq.ft., pre-let to Laura Ashley, has obtained planning consent and is due to start on site in August 2005. The unit is pre-sold to Arlington as an extension to the main funding deal.

Trinity Square, Nottingham Helical completed the site acquisition late last year and has since received detailed planning consent for this major £100m city centre project. The completed buildings which will adjoin the Victoria Centre (Nottingham's prime shopping pitch) will contain 190,000 sq.ft. of retail space, 700 student apartments and a multistorey car park with 470 spaces.

Demolition of the redundant buildings is well advanced, and it is anticipated the construction work will commence this summer. The development is expected to be completed in summer 2007. Major pre-lets have been signed up with Borders (26,000 sq.ft.), TK Maxx (58,000 sq.ft.) and Dixons (25,000 sq.ft.) providing a committed rent roll of £2.1m. Negotiations with a major UK fund to forward sell the completed investment are well advanced and are expected to be finalised early this summer.

Commercial Road, Bournemouth Eight of the 11 shops purchased in late 2003 were demolished over Christmas 2004 with construction commencing on site in February 2005. The new 51,000 sq.ft. scheme has been substantially pre-let to Hennes, Zara and Republic with one unit remaining to let (6,000 sq.ft.). The new development plus the retained investment block let to Dixons, Wallis and Carphone Warehouse have both been forward sold to a private Irish investor for just over £40m.

1996

Helical's development programme continued to grow with buildings completed in Cardiff, Bristol and Camberley. Retail schemes in Leicester and Newbury were underway.



*Kingsway,
Cardiff*

Right:
TRINITY SQUARE,
NOTTINGHAM



DEVELOPMENT PROGRAMME

Continued

Future retail development programme

Bluebrick, Wolverhampton The former low level station comprising a total of 11 acres was purchased in November 2003. The main nine acre site has been marketed as a major regeneration mixed use scheme and a planning application has now been submitted for a 20,000 sq.ft. car showroom, 81 bed hotel, 7,500 sq.ft. public house, five restaurants (23,000 sq.ft.) in the listed station buildings and 208 apartments. Consent is anticipated this summer with a view to starting on site to demolish the surplus buildings and put in a spine road to provide serviced sites to the occupiers in the autumn.

Reg Vardy have signed up to purchase the car showroom site which will trade as a Land Rover Dealership and discussions are in hand with operators for the Hotel and Public House. The apartments site will be sold following planning consent to a major house builder and the listed building conversion will be developed directly once occupiers have been secured.

Hatters Retail Park, Luton The eight acre site had been secured by way of conditional contracts and following receipt of planning consent for 80,000 sq.ft. of bulky goods retail warehousing and 25,000 sq.ft. of industrial units the contracts have now been triggered so the site will be bought in two tranches in summer 2005.

Marketing of the units is underway and active discussions are in hand with a number of mainstream retailers. It is envisaged that construction work will commence early in 2006.

Helical Bar plc 20 year timeline

1997

The development programme starts to produce results with profits made at Weybridge, Leicester, Slough and Peterlee. Helical switches its investment portfolio into Central London offices.



*Freeman's Park,
Leicester*

Below:
LIME TREE VILLAGE, RUGBY



Town Centre Scheme, Shirley, Solihull The scheme which comprises 160,000 sq.ft. of retail, anchored by a 75,000 sq.ft. foodstore, and some 250 apartments is being progressed through a 50:50 joint venture with Coltham Developments. A development agreement has been exchanged with Solihull Metropolitan Borough Council, who own the majority of the site, to promote the "Heart of Shirley" town centre scheme. Site assembly is underway and it is envisaged that a planning application will be submitted this summer with a view to start on site early in 2006.

Shrub Hill, Worcester A purchase contract has been entered into with First Bus subject to their relocation to a new site and once this has been achieved the site, which has planning consent for 35,000 sq.ft. of retail warehousing, can be progressed. In addition there is also a one acre site with planning consent for 45 canalside apartments.

Residential developments

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

Lime Tree Village, Dunchurch, Rugby This development involves the refurbishment of a Victorian country house and the construction of 153 bungalows, cottages and apartments for retirement. The first phase of 50 homes and the refurbishment of the house have been completed. Phase two of a further 50 homes is under construction. 57 of the units have been sold or reserved.

Bramshott Place, Liphook Planning negotiations continue for a retirement village development comprising 144 apartments, cottages and bungalows. Subject to planning, work is due to start in 2006.

Gerald Kaye
Development Director

1998

Helical's development pipeline continued with The Arena, Bracknell and 171 Bath Road, Slough completed during the year. Other developments in progress were at Windsor, Mansion House Place, London EC4 and 100 Wood Street, London EC2.



*The Arena,
Bracknell.*



INVESTMENT PORTFOLIO
Operating Review

Sainsbury's

Sainsbury's

Left:
C4.1 MILTON KEYNES



Above:
UNWINS PORTFOLIO
OF 95 OFF-LICENCES

INVESTMENT

The investment and trading portfolio had a good year with a valuation uplift of 14.2%, sales of investment properties at 13.6% over March 2004 valuation and trading profits of £8.4m (including Helical's share of joint venture profits). In all, this produced an unleveraged total return of 27.6% outperforming all 156 quarterly and monthly valued funds as measured by IPD for the year to 31 March 2005. All figures exclude the surplus arising from the valuation of trading and development stock referred to in the Chairman's statement.

INVESTMENT PORTFOLIO

	Valuation movement	ERV movement	Average unexpired term years
Offices	16.3%	10.8%	8.8
Industrial	9.3%	1.2%	8.6
Out-of-town retail	10.1%	5.9%	14.1
In-town retail	13.2%	6.8%	8.9
Total	14.2%	7.2%	9.6

VALUATION YIELDS

	Initial	Reversionary	Equivalent	True equivalent
Offices	7.6%	7.9%	7.8%	8.2%
Industrial	7.5%	8.4%	8.2%	8.6%
Out-of-town retail	5.6%	6.3%	6.2%	6.5%
In-town retail	4.1%	7.6%	7.0%	7.3%
Total	6.3%	7.6%	7.3%	7.7%

1999

The Company started the year by declaring its first 100p special dividend. Building work started on One Bunhill Row, London EC1, a 260,000 sq ft office development pre-let to Slaughter and May. Retail developments in Glasgow, Ilford and Middlesborough were completed.



One Bunhill Row, London EC1



Above:
NEXT UNIT,
WESTON-SUPER-MARE

Retail

In March 2005 we completed the £29m purchase of the 225,000 sq.ft. Morgan Department Store and Royal and Morgan Arcades in Cardiff. Planning consent has been obtained to convert the department store into three large retail units, the biggest of which has been pre-let to Sportsworld. Residential development is proposed for the upper floors. This holding is “unworked” having been in family ownership for 124 years and is in an improving pitch directly opposite Land Securities’ and Liberty’s proposed St David’s 2 Shopping Centre, to be anchored by John Lewis.

Progress continues at our shopping centre in Letchworth where we have created two larger units let to Bon Marche and Millets at £55 and £58 p.s.f. Zone A, 60% above rental values at the time of our 2003 purchase. A residential planning consent to convert an office building above the centre has been obtained and further applications made for a mall café and small retail extension.

OUT-OF-TOWN RETAIL

	Size (sq.ft.)	Average passing rent (p.s.f.)	Vacancy rate	Year acquired	Ownership interest
Weston Retail Park, Weston-super-Mare	140,000	£12	0%	1999	75%
Otford Road Retail Park, Sevenoaks	43,000	£14	0%	2003	75%
Homebase, St Austell	36,000	£8	0%	2002	75%
Focus, Ashford	32,000	£15	0%	2004	75%
Focus, Crowborough	27,000	£9	0%	2005	75%
Wickes, Worthing	26,000	£11	0%	2003	75%
	304,000	£11.75	0%		

TOWN CENTRE RETAIL

	Size (sq.ft.)	Average passing rent (p.s.f.)	Vacancy rate	Year acquired	Comments
Morgans Department Store, Cardiff	160,000	£17	60%	2005	
Morgan & Royal Arcades, Cardiff	65,000	£40ZA	3%	2005	
Garden Square, Letchworth	165,000	£40ZA	10%	2003	New lettings @ £55 p.s.f. ZA
WH Smiths, Chiswick	5,000	£85ZA	0%	2000	Residential site at rear
	395,000	£50ZA	29%		

Helical Bar plc 20 year timeline

2000

The year saw the major office developments at 100 Wood Street, London EC2 and One Bunhill Row, London EC1 completed. The investment portfolio reached over £400m.



100 Wood Street, London EC2



Left:
HOMEBASE,
WINTERHILL

Turning to retail warehouses, we have acquired an infill site at our Weston-super-Mare Park and obtained planning consent for a 27,000 sq.ft. unit pre-let to Wickes at £14.25 p.s.f., a 19% uplift over previous rental values. We also took a surrender of a 19,000 sq.ft. unit let to Magnet which was subsequently relet to Next. Retail warehouses of 32,000 sq.ft. in Ashford near Heathrow and 27,000 sq.ft. in Crowborough, East Sussex were acquired during the year. Both are highly reversionary.

Many of our more active retail assets are trading properties, held within our accounts at the lower of cost or value and where performance will only be crystallised on sale. These are listed in the Trading Properties table on page 21.

In joint venture with local developers Abbeygate, we have a number of ongoing projects in Milton Keynes.

- Construction is due to complete in June of an 80,000 sq.ft. retail warehouse at Winterhill pre-let to Homebase at £17.75 p.s.f. and funded with Arlington Investors for £24.5m.

- Our joint venture vehicle, Abbeygate Helical, has been selected by English Partnerships as the developer for the £100m C4.1 project in central Milton Keynes. A 110,000 sq.ft. Sainsbury supermarket and 400 residential units are planned with construction due to start later this year.
- Discussions with English Partnerships have also commenced to investigate the regeneration of the Leisure Plaza (acquired in 2003) to create a mixed use development encompassing retail, leisure and residential uses of a similar scale to C4.1.

Two further acquisitions have been made with Abbeygate. A 28,000 sq.ft. industrial property adjoining a retail park in Winterhill was acquired in November for medium term retail redevelopment. A 10,000 sq.ft. retail warehouse was acquired in January in central Sheffield where we are promoting a ten storey residential development.

2001

Helical maintained its excellent record as a fund within the Investment Property Databank with an ungeared total return of 23.5% in the year to 31 March 2001. This performance helped keep Helical as the top performer in the previous 10 years.



Watchmoor Park, Camberley

Right:
UPPER HIGH STREET, EPSOM



In January we acquired a site in Epsom with residential consent which we are now promoting with adjoining council land as an 80,000 sq.ft. supermarket development. A planning application has been submitted.

Just before the financial year end we acquired for £25.5m a portfolio of 95 off licences all in the South East of England and leased back to Unwins. With an average lot size of under £500,000 these properties are likely to prove attractive to private investors and will be traded on during the year at auction. The first auction sale in May 2005 of 26 of the larger units produced gross sales of over £16m.

Offices

During the first half of the financial year offices were sold at 5-10 Paris Gardens, London SE1 for £18.25m, a half share of 66 Prescott Street, London E1 for £14.35m, Westfields in High Wycombe for £5.5m and Southfields Road, Dunstable for £3.3m. We also contracted early in the year to sell the Interchange in Camden for £21.5m with completion deferred to March 2005. The total of £62.9m of office sales was marginally above March 2004 valuation and 37% over historic cost, all having been acquired over the previous five years.

LONDON OFFICES

	Size (sq.ft.)	Average passing rent (p.s.f.)	Vacancy rate	Year acquired	Comments
Rex House, SW1	80,000	£56	0%	2000	Leasehold expires 2035
Shepherds Building, W14	151,000	£19	3%	2000	90% interest
61 Southwark Street, SE1	66,000	£20	10%	1998	Rent reviews 2004 on 32,000 sq.ft.
Battersea Studios, SW8	58,000	£16	94%	2005	50% interest
	355,000	£27	18%		

Helical Bar plc 20 year timeline

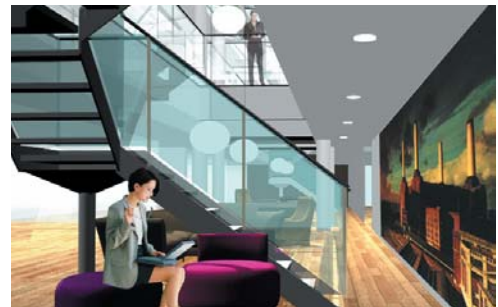
2002

A second special dividend of 100p per share was declared in March 2002. At a time of cyclical downturn in the London office market we sought to protect our long-term growth record by scaling down our development activity and de-risking our investment portfolio.



Cheapside House, London EC2, sold in 2002.

Below:
BATTERSEA STUDIOS, SW8



Our 151,000 sq.ft. office refurbishment at Shepherd's Bush is now 97% let to over 40 tenants, principally from the media sector, including Fox TV, National Geographic TV, Endemol and Mulberry. The leasing of the building generated a 22% valuation increase this year but much potential for further growth remains with the average rent passing at under £20 p.s.f.

At 61 Southwark Street, half the building by floor area has been subject to rent review during the year with an average rental increase of 66% driving a 21% valuation increase.

Rex House in Regent Street, which was refurbished and let in 2001, is being held for cash flow, rental recovery and marriage value potential. The property is leasehold with an unexpired term of just over 30 years.

In February we acquired for refurbishment 58,000 sq.ft. of vacant TV studios and offices in Battersea in a 50/50 joint venture. The project will follow the concept developed at Shepherd's Bush with multiple suites created around central social facilities including a café/bar.

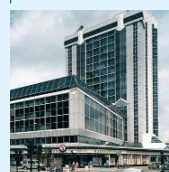
Industrial

After 17 years of ownership we sold in November our largest asset, our industrial holdings at Aycliffe and Peterlee, for £67.6m. This represented a 25% premium over our March 2004 valuation and nearly three times historic cost. Industrial units were also sold at Avonmouth for £8m (26% above valuation) and Sawston for £1.5m (39% above the 2003 purchase price).

As with the retail portfolio, many of our more active industrial properties are held as trading stock. These typically are refurbishments or redevelopments designed for owner occupier sales at premium prices.

2003

Asset management has been a key driver of investment returns with covenant enhancements, lease restructuring and lettings all contributing to revaluation surpluses.



*Capital House,
London NW1,
sold in 2003.*

Below:
DUNSTABLE



Schemes in progress or completed during the year in joint venture with Dencora are 127,000 sq.ft. in Harlow (100% sold), 46,000 sq.ft. Sawston, Cambridge (44% sold, 22% under offer) and 36,000 sq.ft. in Edenbridge (25% sold, 36% under offer) with a new project acquired in Newmarket (90,000 sq.ft.). We also completed 135,000 sq.ft. in Slough (52% sold or let) in joint venture with Chancerygate with whom we also acquired a new project in Oxford (56,000 sq.ft.).

At Dunstable we obtained a planning consent for 148 flats on a five acre industrial site which has been sold to Kingsoak for £8.2m (more than double 2002 purchase price). We also own industrial assets in Fleet (five acres) and Great Alne, Warwickshire (20 acres) where we have made planning applications and are hopeful of obtaining residential or retirement homes consents.

Michael Brown
Investment Director

INDUSTRIAL	Size (sq.ft.)	Average passing rent (p.s.f.)	Vacancy rate	Year acquired	Ownership interest
Hawtin Park, Blackwood	251,000	£2.85	7%	2003	
Sawston, Cambridge	218,000	£4.30	0%	2003	67%
Walton Summit, Preston	143,000	£4.10	0%	1990	
Standard Estate, N Woolwich	105,000	£9.00	29%	2002	60%
Golden Cross, Hailsham	102,000	£5.00	0%	2001	
Waterside, Fleet	54,000	£7.00	9%	1999	
	873,000	£4.66	6%		
OTHER					
Cardiff Royal Infirmary – vacant hospital on a peppercorn lease with redevelopment potential					

Helical Bar plc 20 year timeline

2004

London's most prime building, 40 Berkeley Square, London W1, was completed. Asset management drives a strong investment return.



The Interchange, Camden. Sold in 2004.



Left:
SLOUGH, BERKSHIRE

TRADING PROPERTIES			
Address	Description	Year acquired	% interest
Unwins Portfolio	95 off licences in South East England	2005	100%
Upper High Street, Epsom	Residential site with supermarket potential	2005	100%
Bus Depot, Milton Keynes	Ongoing development pre-let to Homebase (80,000 sq.ft.) funded with Arlington	2001	50%
Leisure Plaza, Milton Keynes	119,000 sq.ft. leisure scheme with potential for mixed use development	2003	50%
Mailcom, Milton Keynes	28,000 sq.ft. industrial unit with retail warehouse potential	2004	50%
Globus Office World, Sheffield	10,000 sq.ft. retail warehouse with residential potential	2005	50%
Great Alne, Maudslay Park	314,000 sq.ft. industrial estate on a 20 acre site with potential for a retirement home use	2004	100%
Mill Street, Slough	135,000 sq.ft. industrial in 14 units	2002	90%
Fircroft Way, Edenbridge	36,000 sq.ft. industrial estate refurbished for owner occupier sales	2004	50%
Watlington Road, Oxford	56,000 sq.ft. offices/industrial to be refurbished/redeveloped for owner occupier sales	2005	80%
Willie Snaith Road, Newmarket	Site for 80,000 sq.ft. trade counter/industrial/office development	2005	50%
2/6 Curtain Road, London EC2	7,000 sq.ft. office forming part of a 700,000 sq.ft. development site	2001	50%

2005

Helical announces record results after returning over £101m to shareholders in a 400p Return of Cash and share repurchases. Helical's share price reaches over 1400p.



*Shepherds Building
London, W14*

FINANCIAL REVIEW

Profits

Adjusted profits before tax, excluding exceptional items and loss on sale of subsidiary, increased to £18.9m (2004: £11.7m). Profits after tax and minority interest increased to £26.8m (2004: £11.2m).

Rental income

Net rental income for the year fell to £19.7m (2004: £23.0m) as the Group sold further investment and trading properties. During the year £124.2m of investment properties, yielding £10.4m of rental income were sold. £22.3m was used to add to the investment portfolio and £41.4m was used to purchase properties to be redeveloped or traded. Together these produce a passing rent of £3.2m. Rent reviews and new lettings, net of lease expiries and rent free periods, added rental income of £1.7m on the remaining portfolio.

Rental costs increased from £2.3m to £2.8m, mainly from letting fees on previously vacant space.

Trading and other profits

Trading profits of £5.8m were up on last year (2004: £1.0m) and arose from the sale of a number of small industrial units in Aycliffe & Peterlee, Harlow, Slough, Sawston and Edenbridge and a site in Dunstable.

Development profits

The development programme started to generate significant profits again with the office development at 40 Berkeley Square and the retail schemes at Stafford and Bournemouth being the main contributors.

Developments	2005 £000	2004 £000	2003 £000	2002 £000	2001 £000
Profits	12,664	38	4,630	17,072	29,507

Administrative expenses

Administrative expenses increased from £8.0m to £15.8m due to an increased level of performance related bonuses. Administrative expenses, before goodwill and executive bonuses, fell to £5.6m (2004: £6.0m).

Profit on sale of investment properties – exceptional items

During the year to 31 March 2005 the Group sold £124.2m (2004: £82.2m) of investment property on which it made £16.0m (2004: £2.0m) of profit over 31 March 2004 book value and sale costs. The properties sold included the industrial estates at Aycliffe & Peterlee and Avonbridge, offices in Southwark, Camden and High Wycombe and a Sainsbury's store in Wednesfield.

Net interest payable

Despite higher interest rates and a higher level of gearing in the second half of the year the cash surpluses arising from the sale of investment properties kept net interest payable to £6.8m (2004: £6.6m). Interest received increased from £1.1m to £1.9m as surplus cash from investment sales was placed on deposit prior to the Return of Cash. Interest of £2.3m (2004: £1.8m) was capitalised reflecting the much increased holding of non-income producing development sites.

Net interest payable	2005 £000	2004 £000	2003 £000	2002 £000	2001 £000
Interest payable on bank loans	8,330	7,548	9,543	14,804	19,514
Other interest payable	2,243	1,741	2,351	3,215	1,343
Finance arrangement costs	457	170	783	408	572
Interest capitalised	(2,296)	(1,817)	(795)	(1,006)	(1,597)
Interest receivable	(1,948)	(1,070)	(2,244)	(2,642)	(591)
	6,786	6,572	9,638	14,779	19,241

Taxation

The corporation tax charge for the year is less than the standard rate of 30% due to the use of capital allowances and tax losses. It is expected that the corporation tax charge in the year to 31 March 2006 will be less than the standard rate of 30% due to the same factors.

The deferred tax credit for the year reflects a full provision for capital allowances claimed in previous years which is more than offset by a reduction in previous years' provisions where investment properties have been sold and there is no longer a potential for the clawback of the allowances claimed to date.

Dividends

The Board is recommending to shareholders at the Annual General Meeting on 20 July 2005 a final dividend of 11.0p per share (2004: 10.00p) to be paid on 22 July 2005 to shareholders on the register on 10 June 2005. This, with the interim dividend of 6.60p, makes a total of 17.60p. This is an increase of 6% on the previous year's dividend of 16.60p. This is covered over seven times by profits after tax.

Dividends	2005 pence	2004 pence	2003 pence	2002 pence	2001 pence
Interim	6.60	6.60	6.00	5.50	5.00
Final	11.00	10.00	9.00	8.25	7.50
Total ordinary dividend	17.60	16.60	15.00	13.75	12.50
Special dividend	–	–	–	100.00	–
	17.60	16.60	15.00	113.75	12.50

In the year to 31 March 2005 a 400p per share dividend was paid to shareholders holding 14,143,020 A shares as part of the Return of Cash on 23 December 2004.

Earnings per share

Earnings per share in the year to 31 March 2005 were 115.2p (2004: 40.9p) per share and on a diluted basis were 110.5p (2004: 39.6p) per share.

Earnings per share	2005 pence	2004 pence	2003 pence	2002 pence	2001 pence
Earnings per share	115.2	40.9	61.2	60.0	70.0
Diluted earnings per share	110.5	39.6	59.2	57.8	67.7

Investment portfolio

During the year investment properties with a book value of £124.2m were sold and partly replaced by £22.3m of new properties. In addition around £5.6m of capital expenditure was spent on refurbishing various office, industrial and retail buildings. At 31 March 2005 there was a revaluation surplus of £30.1m (2004: £24.2m) on the investment portfolio.

Investment portfolio	2005 £000	2004 £000	2003 £000	2002 £000	2001 £000
Cost or valuation at 1 April	334,932	342,484	439,911	453,607	419,570
Additions at cost	30,314	50,464	47,175	32,838	24,341
Disposals	(124,210)	(82,178)	(131,168)	(65,062)	(29,624)
Revaluation	30,097	24,162	(13,434)	18,528	39,320
Cost or valuation at 31 March	271,133	334,932	342,484	439,911	453,607

FINANCIAL REVIEW

continued

Net asset values

The net asset values of Helical Bar plc have been affected by three main factors – the performance of the Company, the payment of £97.2m in the Return of Cash and the adoption of UITF 38 – Accounting for ESOP Trusts.

In the year to 31 March 2005 the Company generated a retained profit, before payment of the A share dividend under the Return of Cash reorganisation, of £23.3m (2004: £7.0m). A revaluation surplus of £30.1m (2004: £24.2m) was recognised.

Payments under the Return of Cash proposals totalled £97.2m with a further £2.45m to be paid in July 2005. In addition the Company purchased 530,000 ordinary 5p shares for £4.5m.

The adoption of UITF 38 – Accounting for ESOP Trusts has resulted in a reduction in shareholders funds' at 31 March 2005 of £6.9m (2004: £10.1m).

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 Group's tax computations. The Group 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 industry practice. Adjusted diluted net assets per share of 1,078p compare to 884p in 2004. 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 Group has increased from 804p to 992p at 31 March 2005.

Net asset values per ordinary share	2005 pence	2004 pence	2003 pence	2002 pence	2001 pence
Diluted net asset value – 1	1,078	884	775	775	754
Diluted net asset value – 2	992	804	704	664	651

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 and adjusted for unprovided deferred tax, FRS13 value of financial instruments but adding back the provision of deferred tax on clawback of capital allowances.

Diluted net asset values per share for 2002 reflect a special dividend of 100p per share paid in April 2002.

Net asset values for the year to 31 March 2001 and subsequently have been restated to reflect the impact of the adoption of UITF 38 – Accounting for ESOP Trusts, regarding the disclosure of the investment in the Company's shares held by its Employee Share Ownership Plan Trust.

Borrowings and financial risk

The Group's ongoing reduction in its exposure to the Central London office market has continued the reduction in debt and, at 31 March 2005, net debt had fallen to £125.0m from £129.8m. The Group's net gearing increased to 66% from 55% at 31 March 2004.

Net debt and gearing	2005	2004	2003	2002	2001
Net debt	£125.0m	£129.8m	£140.9m	£152.4m	£232.8m
Gearing	66%	55%	62%	67%	104%

The Group seeks to manage financial risk by ensuring that there is sufficient financial liquidity to meet foreseeable needs and to invest surplus cash safely and profitably. At the year end, Helical had £51m of undrawn bank facilities and cash of £28.2m (2004: £18.3m). In addition it had £130m of uncharged property on which the Group could borrow funds.

As at 15 June 2005 Helical's average interest rate was 6.01%.

FRS13 requires disclosure of financial instruments on a fair value basis and at 31 March 2005 an adjustment to reflect this basis would reduce net assets, after tax relief, by £1.2m (2004: £2.0m) which, if provided for, would reduce diluted net assets by 6p per share (2004: 7p).

Shares purchased for cancellation

Using the authority granted at the 2003 AGM, the Company continued its share purchase programme and, in May and June 2004, purchased 530,000 ordinary 5p shares for cancellation at an average price of 843p per share and a total cost of £4.5m.

The total number of shares purchased since July 2003 is 3,435,951, approximately 11.5% of the share capital in issue prior to the start of the purchases, at a total cost of £26.0m and an average cost of 756p per share. This average cost is at a 30% discount to adjusted net asset value of 1,078p per share and a 24% discount to "triple net" asset value of 992p per share.

Return of Cash

On 18 November 2004 the Company announced that it intended returning £4.00 per existing ordinary share to shareholders in conjunction with a reorganisation of the Company's share capital. This Return of Cash was structured to give shareholders a choice between receiving it in the form of capital or income or, alternatively, to receive new ordinary shares in lieu of the entitlement to a cash payment.

The Return of Cash was approved by shareholders at an Extraordinary General Meeting held on 20 December 2004.

Shareholders holding 14,143,020 ordinary shares elected, or were deemed to have elected, for A shares which entitled the holders of these shares to a £4.00 dividend per share and, accordingly, on 23 December 2004 a total dividend of £56,572,080 was paid. Shareholders holding 10,586,829 ordinary shares elected to receive B shares. B shareholders were entitled to have those shares repurchased for £4.00 each, or to retain the B shares pending receipt of an offer to purchase the shares for £4.00 after 5 April 2005. The Company received notification that shareholders representing 9,974,125 B shares had accepted the repurchase offer. Accordingly, on 23 December 2004 and 5 January 2005 payments totalling £39,896,500 were made. It is anticipated that the remaining 612,074 B shares will be repurchased in July 2005. Shareholders holding 2,426,676 ordinary shares elected to receive C shares which entitled the holders of these shares to convert them into new ordinary shares at a conversion rate of one new share for every 3.2 C shares held. Accordingly, 758,336 new ordinary shares were issued at an effective 20% premium to the prevailing share price at the date the Return of Cash was announced.

International Financial Reporting Standards

International Financial Reporting Standards (IFRS) will first apply to the financial statements of Helical Bar plc for the year to 31 March 2006 and will be adopted when we report our interim results for the period to 30 September 2005. Our preparations for this are well advanced.

The main effects of IFRS for Helical Bar will be:

- recognition of investment property revaluation surpluses and deficits in the income statement and the associated deferred tax liability in the tax charge and balance sheet;
- mark to market valuation of financial instruments.
- dividends will be recognised effectively when paid, rather than when proposed.

Accounting Standards – Adoption of UITF38

The adoption of UITF38 – Accounting for ESOP Trusts in these financial statements has resulted in the cash paid to third parties to acquire shares in the Company held by the ESOP Trust being treated as a deduction from Shareholders' Funds and not as a fixed asset investment. A corresponding adjustment has been made to the balance sheet at 31 March 2004 and a number of comparative figures at that date and for previous years have been restated.

HELICAL BAR PLC AND SUBSIDIARY UNDERTAKINGS
FOR THE YEAR ENDED 31 MARCH 2005
Consolidated Profit and Loss Account

	Note	Year ended 31.3.05 £000	Year ended 31.3.04 £000
Turnover (including share of joint ventures' turnover)		105,808	55,984
Less: share of joint ventures' turnover		(4,647)	(1,418)
Turnover	2	101,161	54,566
Cost of sales		(62,807)	(29,916)
Gross profit	2	38,354	24,650
Administrative expenses	3	(15,768)	(8,037)
Operating profit		22,586	16,613
Share of operating profit in joint ventures		3,078	1,636
Profit on sale of investment properties	4	15,973	2,035
Loss on sale of subsidiary		–	(59)
Profit on ordinary activities before interest		41,637	20,225
Net interest payable and similar charges	5	(6,786)	(6,572)
Profit on ordinary activities before taxation		34,851	13,653
Tax on profit on ordinary activities	6	(8,037)	(2,199)
Profit on ordinary activities after taxation		26,814	11,454
Equity minority interests		(17)	(232)
Profit for the year		26,797	11,222
Dividends paid and proposed	7	(60,105)	(4,263)
Retained (loss)/profit for the year	22	(33,308)	6,959
By company	8	(36,824)	30,157
By subsidiaries		1,194	(23,569)
By joint ventures		2,322	371
Earnings per share	9	115.2p	40.9p
Diluted earnings per share	9	110.5p	39.6p

HELICAL BAR PLC AND SUBSIDIARY UNDERTAKINGS AT 31 MARCH 2005 *Balance Sheets*

	Note	Group 31.3.05 £000	As restated Group 31.3.04 £000	Company 31.3.05 £000	As restated Company 31.3.04 £000
Fixed assets					
Intangible assets	10	673	873	–	–
Tangible assets	11	271,673	335,435	540	503
Investments	12	–	–	15,300	8,337
Investment in joint ventures	12	2,195	719	–	–
– share of gross assets		6,469	17,684	–	–
– share of gross liabilities		(4,274)	(16,965)	–	–
		274,541	337,027	15,840	8,840
Current assets					
Stock	13	95,568	70,254	472	92
Debtors	14	36,560	25,573	75,374	162,839
Investments	15	123	263	–	–
Cash at bank and in hand	16	28,203	18,284	20,776	10,511
		160,454	114,374	96,622	173,442
Creditors: amounts falling due within one year	17	(104,441)	(78,662)	(9,898)	(5,016)
Net current assets		56,013	35,712	86,724	168,426
Total assets less current liabilities		330,554	372,739	102,564	177,266
Creditors: amounts falling due after more than one year	18	(132,043)	(131,779)	–	–
Provisions for liabilities and charges	20	(1,799)	(2,345)	(106)	(90)
		196,712	238,615	102,458	177,176
Capital and reserves					
Called-up share capital	21	3,621	1,357	3,621	1,357
Share premium account	22	39,110	35,900	39,110	35,900
Own shares held	22	(6,893)	(10,106)	(6,893)	(10,106)
Revaluation reserve	22	69,214	89,323	–	–
Capital redemption reserve	22	7,467	7,246	7,467	7,246
Other reserves	22	291	291	1,987	1,987
Profit and loss account	22	80,234	110,906	57,166	140,792
Shareholders' funds		193,044	234,917	102,458	177,176
Equity minority interests		3,668	3,698	–	–
		196,712	238,615	102,458	177,176
Shareholders' funds – equity		190,328	234,917	99,742	177,176
– non equity		2,716	–	2,716	–
		193,044	234,917	102,458	177,176

The financial statements were approved by the Board of Directors on 15 June 2005.

M.E. Slade
Director

N.G. McNair Scott
Director

The notes on pages 30 to 46 form part of these financial statements.

HELICAL BAR PLC AND SUBSIDIARY UNDERTAKINGS FOR THE YEAR ENDED 31 MARCH 2005

Statement of Total Recognised Gains and Losses

	Year ended 31.3.05 £000	Year ended 31.3.04 £000
Profit for the year after taxation	26,814	11,454
Minority interest	(17)	(232)
Revaluation of investment properties – subsidiaries	30,097	23,912
– joint ventures	192	–
Minority interest in revaluation surplus	(960)	(849)
Total recognised gains and losses in the year	56,126	34,285
Prior year adjustment – ESOP Trust shares	(10,106)	–
Total recognised gains and losses since last financial statements	46,020	34,285

Notes on Historical Cost Profits and Losses

	31.3.05 £000	31.3.04 £000
Reported profit on ordinary activities before taxation	34,851	13,653
Realisation of property revaluation gains of previous years	49,438	27,339
Historical cost profit on ordinary activities before taxation	84,289	40,992
Historical cost profit for the year retained	16,130	34,298

Reconciliation of Movements in Shareholders' Funds

	31.3.05 £000	As restated 31.3.04 £000
Profit for the year	26,797	11,222
Dividends paid and proposed	(60,105)	(4,263)
	(33,308)	6,959
Revaluation of investment property – subsidiaries	30,097	23,912
– joint ventures	192	–
Minority interest in revaluation surplus	(960)	(849)
Issue of shares	3,965	635
Purchase of own shares	(4,467)	(21,515)
Return of cash – B share repurchase	(39,896)	–
Expenses of Return of Cash	(709)	–
Employee Share Ownership Plan Trust	3,213	(1,095)
Net movement in shareholders' funds	(41,873)	8,047
Opening shareholders' funds	234,917	226,870
Prior year adjustment – ESOP Trust shares	(10,106)	–
Closing shareholders' funds	193,044	234,917

The notes on pages 30 to 46 form part of these financial statements.

HELICAL BAR PLC AND SUBSIDIARY UNDERTAKINGS
FOR THE YEAR ENDED 31 MARCH 2005
Consolidated Cash Flow Statement

	Note	Year ended 31.3.05 £000	Year ended 31.3.04 £000
Net cash inflow/(outflow) from operating activities	23	32,618	(11,082)
Dividends from joint ventures		846	1,415
Returns on investment and servicing of finance	24	(9,715)	(6,828)
Taxation		(42)	(6,469)
Capital expenditure and financial investment	24	76,171	19,002
(Acquisitions)/disposals		(124)	40,415
Equity dividends paid		(60,798)	(4,309)
Cash flow before management of liquid resources and financing		38,956	32,144
Management of liquid resources	25	9,347	132
Financing			
– issue of shares		3,965	635
– purchase of shares		(4,467)	(21,515)
– increase/(decrease) in debt	26	4,859	(9,060)
– refinancing costs		(220)	(57)
– return of cash B shares		(32,465)	–
– expenses of return of cash		(709)	–
		(29,037)	(29,997)
Increase in cash		19,266	2,279

Reconciliation of Net Cash Flow to Movement in Net Debt

	31.3.05 £000	31.3.04 £000
Increase in cash in the year	19,266	2,279
Cash inflow from management of liquid resources	(9,347)	(132)
Cash (inflow)/outflow from change in debt	(4,639)	9,117
Debt arrangement expenses	(457)	(170)
Movement in net debt in the year	4,823	11,094
Net debt 1 April 2004	(129,799)	(140,893)
Net debt 31 March 2005	(124,976)	(129,799)

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. Compliance with SSAP 19, Investment Properties requires a departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of this departure is given below.

The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous year except for the adoption of UITF38 Accounting for ESOP Trusts, the impact of which is shown in the accounting policy below.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March 2005. Profits or losses on intra group transactions are eliminated in full.

Turnover

Turnover represents rental income which is recognised evenly over the term of the lease to which it relates, 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. Profit recognised but not received is carried forward in trade debtors. 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% or length of lease if shorter
– 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 once the developments are let and over the period of construction of the building.

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. Deferred tax assets are recognised only when recovery of those assets is reasonably certain. No deferred tax liability is recognised in respect of the revaluation surplus on investment properties in accordance with FRS19.

Interest capitalised on development properties

Where recovery is reasonably certain 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 usually valued by an external valuer every year. In years where an external valuation is not commissioned eg where a property has recently been purchased or is undergoing a major refurbishment, a valuation is undertaken by a suitably qualified member of the Company's staff.

This policy represents a departure from the Companies Act 1985 which requires depreciation to be provided on all fixed assets. The effect of depreciation is already reflected in the valuation of investment properties and the amount attributable to depreciation cannot reasonably be separately identified or quantified by the valuers. Had the provisions of the Act been followed, net assets would not have been affected, but revenue profits would have been reduced and revaluation surpluses correspondingly increased. 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.

1. Principal accounting policies (continued)

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 Company has adopted UITF abstract 38 which changes the presentation of own shares held in an employee share ownership plan. The corresponding balance sheet amount is restated. Net cash paid to acquire shares is now deducted in arriving at shareholders' funds.

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 represent current asset investments that are disposable without disruption to the business, and are either readily convertible into cash at or close to their carrying amount, or are traded in an active market. Liquid resources include short term deposits that may be withdrawn at more than 24 hours notice.

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 Year ended 31.3.05 £000	Turnover Year ended 31.3.04 £000	Gross profit Year ended 31.3.05 £000	Gross profit Year ended 31.3.04 £000
The analysis of turnover and gross profit by function is as follows:				
Trading property sales	25,432	5,264	5,771	1,031
Rental income	22,437	25,283	19,684	22,980
Developments	52,917	23,418	12,664	38
Other income and provisions	375	601	235	601
	101,161	54,566	38,354	24,650
Central overheads			(15,768)	(8,037)
Interest payable less receivable			(6,786)	(6,572)
Share of joint venture company profits			3,078	1,636
Adjusted profit			18,878	11,677

Adjusted profit is profit before taxation, profit on sale of investment properties and loss on sale of subsidiary.

All sales were within the UK. All turnover is attributable to continuing operations. Joint ventures are excluded from turnover shown above.

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.

NOTES TO THE FINANCIAL STATEMENTS

continued

3. Administrative expenses

	Year ended 31.3.05 £000	Year ended 31.3.04 £000
Administration	15,768	8,037
Operating profit on ordinary activities is stated after:		
Staff costs during the year:		
– salaries and other remuneration	9,741	4,976
– social security costs	1,654	656
– other pension costs	76	125
	11,471	5,757
Depreciation and amortisation:		
– tangible fixed assets	190	213
– goodwill	81	65
Auditors' remuneration:		
– audit services	110	110
– non-audit services (working capital review and VAT advice)	47	16

Details of directors' remuneration are included in the Directors' Remuneration Report on pages 55 to 61.

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:

	31.3.05	31.3.04
Management and administration	22	25

4. Sale of investment properties

	31.3.05 £000	31.3.04 £000
Net proceeds from the sale of investment properties	140,183	84,213
Book value (note 11)	(124,210)	(82,178)
Profit on sale of investment properties	15,973	2,035

In calculating the profit on sale of investment properties in the year the uplift in value arising from the revaluation of the investment portfolio at 30 September 2004, for the purposes of the Interim Statement, has not been taken into account.

5. Net interest payable and similar charges

	31.3.05 £000	31.3.04 £000
Interest payable on bank loans and overdrafts	8,330	7,548
Finance arrangement costs	457	170
Other interest payable and similar charges	2,243	1,741
	11,030	9,459
Interest capitalised	(2,296)	(1,817)
	8,734	7,642
Interest receivable and similar income	(1,948)	(1,070)
	6,786	6,572

Interest payable on bank loans and overdrafts includes the Company's share of interest payable by joint ventures of £258,000 (2004: £746,000).

6. Taxation on profit on ordinary activities

	Year ended 31.3.05 £000	Year ended 31.3.04 £000
The tax charge is based on the profit for the year and represents:		
United Kingdom corporation tax at 30% (2004: 30%)		
– group corporation tax	6,100	2,084
– share of joint ventures corporation tax	570	372
– adjustment in respect of prior periods	1,913	(67)
Current tax charge	8,583	2,389
Deferred tax – origination of timing differences (note 20)	(546)	(361)
– share of joint ventures	–	171
Tax on profit on ordinary activities	8,037	2,199

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:

	31.3.05 £000	31.3.04 £000
Profit on ordinary activities before tax	34,851	13,653
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	10,455	4,096
Effect of:		
– Payments for use of tax losses	3,586	937
– Expenses not deductible for tax purposes	507	94
– Capital allowances for period in excess of depreciation	(1,889)	(1,925)
– Profit on sale of investment property in excess of chargeable gain	(4,792)	(611)
– Tax relief on share options	(1,476)	(845)
– Other timing differences	(291)	338
Current tax charge for period	6,100	2,084

7. Dividends

	31.3.05 £000	31.3.04 £000
Attributable to equity share capital		
Ordinary		
– interim paid 6.60p (2004: 6.60p) per share	1,702	1,739
– final proposed 11.00p (2004: 10.00p) per share	1,831	2,524
Total 17.60p (2004: 16.60p) per share	3,533	4,263
A Shares – Return of Cash		
– paid 23 December 2004	56,572	–
	60,105	4,263

The interim dividend of 6.60p was paid on 17 December 2004 to shareholders on the register on 26 November 2004.

The final dividend, if approved at the AGM on 20 July 2005, will be paid on 22 July 2005 to shareholders on the register on 10 June 2005.

NOTES TO THE FINANCIAL STATEMENTS

continued

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 profit for the year of the Company was £23,281,000 (2004: £34,420,000).

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 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 31.3.05 Weighted average no. of shares	Per share amount pence	Earnings £	Year ended 31.3.04 Weighted average no. of shares	Per share amount pence
Basic earnings per share	26,797,325	23,261,966	115.2	11,222,716	27,413,946	40.9
Dilutive effect of share options		994,805			897,915	
Diluted earnings per share	26,797,325	24,256,771	110.5	11,222,716	28,311,861	39.6

10. Intangible fixed assets

Group	Goodwill £000
Cost at 1 April 2004	1,634
Additions	124
Disposals	(243)
Cost at 31 March 2005	1,515
Amortisation at 1 April 2004	761
Provision for the year	81
Amortisation at 31 March 2005	842
Net book amount at 31 March 2005	673
Net book amount at 31 March 2004	873

Additions in the year relate to the acquisition of 50% of the shares in Prescott Street Investments Limited.

11. Tangible fixed assets

	Investment properties freehold £000	Investment properties leasehold £000	Short leasehold property & improvements £000	Vehicles & office equipment £000	Total £000
Group					
Cost or valuation at 1 April 2004	270,182	64,750	646	820	336,398
Additions at cost	29,324	990	–	232	30,546
Disposals	(117,853)	(6,357)	–	(199)	(124,409)
Revaluation	22,030	8,067	–	–	30,097
Cost or valuation at 31 March 2005	203,683	67,450	646	853	272,632
Depreciation at 1 April 2004	–	–	412	551	963
Provision for the year	–	–	46	144	190
Eliminated on disposals	–	–	–	(194)	(194)
Depreciation at 31 March 2005	–	–	458	501	959
Net book amount at 31 March 2005	203,683	67,450	188	352	271,673
Net book amount at 31 March 2004	270,182	64,750	234	269	335,435

Interest capitalised in respect of the development of investment properties is included in tangible fixed assets to the extent of £1,013,000 (2004: £1,013,000).

	Short leasehold property & improvements £000	Vehicles & office equipment £000	Total £000
Company			
Cost at 1 April 2004	646	820	1,466
Additions at cost	–	232	232
Disposals	–	(199)	(199)
Cost at 31 March 2005	646	853	1,499
Depreciation at 1 April 2004	412	551	963
Provision for the year	46	144	190
Eliminated on disposals	–	(194)	(194)
Depreciation at 31 March 2005	458	501	959
Net book amount at 31 March 2005	188	352	540
Net book amount at 31 March 2004	234	269	503

NOTES TO THE FINANCIAL STATEMENTS

continued

11. Tangible fixed assets (continued)

The investment properties have been valued on an open market basis at 31 March 2005 as follows:

	£000
Cushman & Wakefield Healey & Baker, International Real Estate Consultants	178,750
DTZ Debenham Tie Leung, International Property Advisors	19,280
Jones Lang LaSalle, International Real Estate Consultants	57,250
Drivers Jonas, Chartered Surveyors	11,000
Knight Frank, Chartered Surveyors	4,000
Directors' valuation	853
	271,133

The net surplus arising of £30,097,000 (2004: £24,162,000) has been transferred to the revaluation reserve.

The historical cost of investment property is £201,919,000 (2004: £244,319,000).

12. Fixed asset investments

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Shares in subsidiary undertakings at cost	–	–	15,300	8,337
	–	–	15,300	8,337

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
The movement in the year was as follows:				
At 1 April 2004	–	–	8,337	3,318
Acquired during year	–	–	1,303	5,019
Further investment in existing subsidiaries	–	–	5,660	–
At 31 March 2005	–	–	15,300	8,337

Interests in joint venture companies

At 31 March 2005 the Group and the Company had interests in the following joint venture companies:

	Country of incorporation	Class of share capital held	Proportion held Group	Proportion held Company	Nature of business
Abbeygate Helical (Leisure Plaza) Ltd	United Kingdom	Ordinary	50%	50%	Property development
Abbeygate Helical (Winterhill) Ltd	United Kingdom	Ordinary	50%	50%	Property development
Grosvenor Hill (Sprucefields) Ltd	United Kingdom	Ordinary	50%	50%	Property investment
Shirley Advance LLP	United Kingdom	n/a	50%	50%	Property development

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
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 (Edenbridge) Ltd	Trading	100%
Dencora (Harlow) Ltd	Trading	100%
Chancerygate (Albion) Ltd	Trading	100%
Chancerygate (Mill Street) Ltd	Trading	100%
HB Sawston No. 3 Ltd	Investment	100%
HB Dales Manor No 3. Ltd	Investment	100%
HB Cambs No. 3 Ltd	Investment	100%
Harbour Developments (Bracknell) Ltd	Development	100%
Helical Bar (Berkeley Square) Ltd	Development	100%
Helical Bar (CL) Investments Ltd*	Investment	100%
Helical Bar Developments (South East) Ltd	Development and trading	100%
Helical Bar (Hawtin Park No. 3) Ltd	Investment	100%
Helical Bar (Rex House) Ltd	Investment	100%
Helical Bar Services Ltd	Management Services	100%
Helical Bar Trustees Ltd	Trustee of Share Incentive Plan	100%
Helical Bar (Wales) Ltd*	Investment	100%
Helical Properties Ltd	Investment and trading	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 (Cardiff) Ltd	Investment	100%
Helical (CR) Ltd	Development and trading	100%
Helical (Crowborough) Ltd	Investment	100%

NOTES TO THE FINANCIAL STATEMENTS

continued

12. Fixed asset investments (continued)

Name of undertaking	Nature of business	Percentage of ordinary share capital held
Helical (Fleet) No. 2 Ltd*	Investment	100%
Helical (HIS) Ltd	Investment	100%
Helical (Letchworth) Ltd*	Investment	100%
Helical (Liphook) Ltd	Development (Jersey)	100%
Helical (Sevenoaks) Ltd	Investment	100%
Helical (St Austell) Ltd	Investment	100%
Helical (Wednesfield) Ltd	Investment	100%
Helical (Westfields) Ltd	Investment	100%
Helical (Worthing) Ltd	Investment	100%
Intercontinental Land and Development Co. Ltd*	Investment development and trading	100%
Networth Ltd*	Investment	100%
Maudslay Park Ltd	Development	100%
Prescot Street Investments Ltd	Investment	100%
56/76 CR (Holdings) Ltd	Development	100%
61 Southwark Street Ltd*	Investment	100%
Helical (Interchange) Ltd	Investment	100%
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. A full list of all subsidiaries is lodged with the Annual Return at Companies House.

*Ordinary capital is held by a subsidiary undertaking.

13. Stock

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Development sites	34,711	46,236	472	92
Properties held as trading stock	60,857	24,018	–	–
	95,568	70,254	472	92

The directors' valuation of trading and development stock shows a surplus of £13m above book value (2004: nil).

Interest capitalised in respect of the development of sites is included in stock to the extent of £2,185,000 (2004: £1,666,000).

Interest capitalised during the year in respect of development sites amounted to £2,296,000 (2004: £1,817,000).

14. Debtors

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Trade debtors	12,710	2,701	423	446
Amounts owed by joint venture undertakings	2,939	8,662	2,939	8,662
Amounts owed by subsidiary undertakings	–	–	69,183	151,348
Other debtors	8,918	3,890	1,232	2,212
Prepayments and accrued income	11,993	10,320	1,597	171
	36,560	25,573	75,374	162,839

Included in prepayments is £3.6m (2004: 5.6m) which relates to payments made by the Group to potentially reduce future capital gains tax liabilities. The quantum and timing of any savings is, however, uncertain. The prepayment is being written off as part of the Group's tax charge in proportion to the capital losses utilised during the year.

15. Current asset investments

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
UK listed investments at cost	123	263	–	–
	123	263	–	–

The market value of listed investments at 31.3.05 was £161,000 (2004: £265,000).

16. Cash at bank and in hand

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Rent deposits and cash held at managing agents	2,612	2,575	–	–
Cash secured against debt and cash held at solicitors	2,368	1,121	–	–
Cash held to fund future development costs	364	1,517	–	–
Free cash	22,859	13,071	20,776	10,511
	28,203	18,284	20,776	10,511

17. Creditors: amounts falling due within one year

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Bank overdrafts and term loans	21,136	16,304	–	–
Trade creditors	32,149	32,246	146	528
Corporation tax	5,787	1,138	4,919	995
Social security costs and other taxation	1,574	115	1,465	–
Dividends payable	1,831	2,524	1,831	2,524
Other creditors	7,305	6,454	358	637
Accruals and deferred income	34,659	19,881	1,179	332
	104,441	78,662	9,898	5,016

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

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Bank loans repayable within:				
– one to two years	37,616	17,327	–	–
– two to five years	94,835	78,296	–	–
– after five years	–	36,801	–	–
	132,451	132,424	–	–
Deferred arrangement costs	(408)	(645)	–	–
	132,043	131,779	–	–

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 £237,942,000 (2004: £245,864,000). 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 £2,500,000 (2004: £8,984,000).

NOTES TO THE FINANCIAL STATEMENTS

continued

19. Financing and financial instruments

The policies for dealing with liquidity and interest rate risk are noted in the Financial Review on pages 22 to 25.

Short-term debtors and creditors

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

	Group 31.3.05 £000	Group 31.3.04 £000
Bank overdraft and loans – maturity		
Due after more than one year	132,043	131,779
Due within one year	21,136	16,304
	153,179	148,083

The Group has various undrawn committed borrowing facilities. The facilities available at 31.3.05 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.05 £000	Group 31.3.04 £000
Expiring in one year or less	30,578	30,000
Expiring in more than one year but not more than two years	–	–
Expiring in more than two years	20,625	6,661
	51,203	36,661

Interest rates

	%	Expiry	31.3.05 £000	%	Expiry	31.3.04 £000
Fixed rate borrowings:						
– fixed	9.050	Feb 2009	7,913	9.050	Feb. 2009	8,392
– swap rate plus bank margin	4.965	Mar 2007	5,925	4.965	Mar. 2007	5,925
– swap rate plus bank margin	5.846	Jun 2006	3,500	5.846	Jun. 2006	3,500
– swap rate plus bank margin	5.819	Sep 2007	3,460	5.721	Sep. 2007	3,460
– swap rate plus bank margin	5.901	Dec 2007	26,750	–	–	–
– swap rate plus bank margin	5.939	Sep 2009	17,500	–	–	–
– swap rate plus bank margin	6.329	Feb 2008	5,800	–	–	–
– swap rate plus bank margin	6.004	Oct 2008	3,100	–	–	–
– swap rate plus bank margin	–	–	–	5.656	Sep. 2005	9,040
Weighted average	6.311	May 2008	73,948	7.044	Apr. 2007	30,317
Floating rate borrowings			79,639			102,107
Total borrowings			153,587			132,424
Deferred arrangement costs			(408)			(645)
			153,179			131,779

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	80,000	7.500		Jan. 2006
– collar	31,000	4.730–6.500		Jan. 2006
– floor	49,000	4.730		Jan. 2006
Future:				
– cap	80,000	7.000	Jan. 2006	Sept. 2009
– floor	40,000	4.800	Jan. 2006	Sept. 2009

Gearing

	31.3.05 £000	31.3.04 £000
Total borrowings	153,179	148,083
Cash	(28,203)	(18,284)
Net borrowings	124,976	129,799

Net borrowings exclude the Company's share of borrowings in joint ventures of £2,483,000 (2004: £8,984,000).

	31.3.05 £000	Restated 31.3.04 £000
Net assets	190,328	234,917
Gearing	66%	55%

Fair value of financial assets and financial liabilities

	31.3.05 Book Value £000	31.3.05 Fair Value £000	31.3.04 Book Value £000	31.3.04 Fair Value £000
Borrowings	153,587	154,283	148,728	149,639
Interest rate swaps	–	192	–	123
Other financial instruments	–	768	–	1,848
	153,587	155,243	148,728	151,610

The fair value of financial assets and financial liabilities represents the mark to market valuations at 31 March 2005 and 31 March 2004. 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 6p (2004: 7p).

NOTES TO THE FINANCIAL STATEMENTS

continued

20. Provision for liabilities and charges – deferred taxation

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

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Accelerated capital allowances	2,105	2,744	124	105
Other timing differences	–	–	–	–
	2,105	2,744	124	105
Less – discount	(306)	(399)	(18)	(15)
Discounted provision for deferred tax	1,799	2,345	106	90

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.

The Group has available to it for use against future profits a capital allowances pool of £21m which has not been recognised as a deferred tax asset due to uncertainty over the use and timing of the utilisation of these allowances. In addition, the Group anticipates that by utilising various other losses that may become available it may be able to reduce future tax charges to below the standard rate of tax.

Amounts unprovided are:

	Group 31.3.05 £000	Group 31.3.04 £000	Company 31.3.05 £000	Company 31.3.04 £000
Unrealised capital gains	14,684	20,509	–	–
	14,684	20,509	–	–

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 80p (2004: 70p).

21. Share capital

	31.3.05 £000	31.3.04 £000
Authorised	39,577	39,577
	39,577	39,577

The authorised share capital of the Company is £39,576,626.60 divided into ordinary shares of 5p each, 5.25p convertible cumulative redeemable preference shares 2012 of 70p each, deferred shares of 1/2p each, “A” shares of 1/2p each, “B” shares of 1/2p each and “C” shares of 1/2p each.

	31.3.05 £000	31.3.04 £000
Allotted, called up and fully paid		
Attributable to equity interests:		
– 18,101,164 (2004: 27,147,903) ordinary shares of 5p each	905	1,357
Attributable to non-equity interests:		
– 617,704 non-cumulative preference shares of 1/2p each (“B” shares)	2,451	–
– 212,145,300 deferred shares of 1/2p each	265	–
	3,621	1,357

21. Share capital (continued)

At 1 April 2004 there were 27,147,903 ordinary 5p shares in issue. During the period to 20 December 2004, the date the Return of Cash was approved by shareholders, 530,000 ordinary 5p shares were purchased for cancellation and 538,622 shares were issued on the exercise of share options. At 20 December 2004 there were 27,156,525 ordinary 5p shares in issue. As part of the Return of Cash the ordinary 5p shares were consolidated, with five new ordinary 5p shares being issued for every eight existing ordinary 5p shares. 16,972,828 new ordinary 5p shares were issued. As part of the Return of Cash shareholders were able to elect to receive "A", "B" or "C" shares. The "A" shareholders were entitled to receive a 400p dividend and 14,143,020 shareholders elected for this option. On payment of this dividend each "A" share was converted into 15 deferred shares of 1/3p each. The "B" shareholders were entitled to have their shares repurchased or to retain the "B" shares. Shareholders representing 9,974,125 "B" shares elected to have their shares repurchased. The remaining 612,074 "B" shares will be repurchased in July 2005. The "C" shares were convertible at the rate of one new ordinary 5p share for every 3.2 "C" shares. Shareholders holding 2,426,676 shares elected to receive "C" shares and, accordingly, 758,336 new ordinary 5p shares were issued. Since the Return of Cash 370,000 ordinary 5p shares have been issued on the exercise of share options. At 15 June 2005 there were 18,101,164 ordinary 5p shares in issue with a nominal value of £905,058.

Share options

At 31 March 2005 options over 1,504,323 (2004: 2,412,945) new ordinary shares in the Company and 1,296,939 (2004: 1,361,939) purchased shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the year no new options were granted. Options over 908,622 new shares and 65,000 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				
<i>Subscription options</i>				
Options granted:				
– 11 July 1997	412.5	10,000	11 Jul. 2002	10 Jul. 2007
<i>Purchase options</i>				
Options granted:				
– 27 November 1997	452.5	61,000	27 Nov. 2001	26 Nov. 2007
– 10 July 1998	565.0	400,000	10 Jul. 2002	9 Jul. 2008
Helical Bar 1999 Share Option Scheme				
<i>Subscription options</i>				
Options granted:				
– 8 March 1999	442.5	1,347,768	8 Mar. 2004	7 Mar. 2009
– 8 January 2001	780.0	30,000	8 Jan. 2006	7 Jan. 2011
– 21 November 2002	707.5	59,862	21 Nov. 2007	20 Nov. 2012
<i>Purchase options</i>				
Options granted:				
– 8 March 1999	442.5	43,000	8 Mar. 2004	7 Mar. 2009
– 18 December 2000	750.0	529,000	18 Dec. 2005	17 Dec. 2010
– 8 January 2001	780.0	34,102	8 Jan. 2006	7 Jan. 2011
– 15 November 2001	766.5	229,837	15 Nov. 2006	14 Nov. 2011
Helical Bar 1999 Approved Share Option Scheme				
<i>Subscription options</i>				
Options granted:				
– 8 March 1999	442.5	52,453	8 Mar. 2002	7 Mar. 2009
– 21 November 2002	707.5	4,240	21 Nov. 2005	20 Nov. 2012
		2,801,262		

NOTES TO THE FINANCIAL STATEMENTS

continued

22. Share premium and reserves

	Non-distributable share premium account £000	Non-distributable capital redemption reserve £000	Own shares held £000	Non-distributable other reserves £000	Non-distributable revaluation reserve £000	Distributable profit and loss account £000
Group						
At 1 April 2004	35,900	7,246	(10,106)	291	89,323	110,906
Retained loss	-	-	-	-	-	(33,308)
Issue of shares	3,210	-	-	-	-	-
Shares purchased for cancellation	-	221	-	-	-	(46,802)
Revaluation of investment property						
– subsidiaries	-	-	-	-	30,097	-
– joint ventures	-	-	-	-	192	-
Minority interest in revaluation of investment property	-	-	-	-	(960)	-
Realised on disposals	-	-	-	-	(49,438)	49,438
Acquired during year	-	-	(3,776)	-	-	-
Provisions released	-	-	(442)	-	-	-
Adjustment arising from Return of Cash	-	-	7,431	-	-	-
At 31 March 2005	39,110	7,467	(6,893)	291	69,214	80,234
Company						
At 1 April 2004	35,900	7,246	(10,106)	1,987	-	140,792
Retained loss	-	-	-	-	-	(36,824)
Issue of shares	3,210	-	-	-	-	-
Shares purchased for cancellation	-	221	-	-	-	(46,802)
Acquired during year	-	-	(3,776)	-	-	-
Provisions released	-	-	(442)	-	-	-
Adjustment arising from Return of Cash	-	-	7,431	-	-	-
At 31 March 2005	39,110	7,467	(6,893)	1,987	-	57,166

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

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

At 31 March 2005 the Trust held 1,139,116 (2004: 1,361,939) ordinary shares in Helical Bar plc. On 1 April 2005 the Trust purchased a further 40,500 ordinary shares in the Company and at 15 June 2005 held 1,179,616 ordinary shares in Helical Bar plc.

At 31 March 2005 options over 1,296,939 (2004: 1,361,939) ordinary shares in Helical Bar plc had been granted through the Trust. At 31 March 2005 awards over 509,952 (2004: nil) ordinary shares in Helical Bar plc had been made under the terms of the Performance Share Plan.

Under the terms of the Return of Cash the Trust received £7,431,000 from the Company and used this sum to reduce the amount due by the Trust to the Company.

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

	Year ended 31.3.05 £000	Year ended 31.3.04 £000
Group		
Operating profit	22,586	16,613
Depreciation of fixed assets	190	213
Release of provision against investments	–	(133)
Profit on sale of fixed assets	(43)	(9)
Amortisation of goodwill	81	65
Increase in debtors	(14,375)	(580)
Increase in creditors	45,545	74
Increase in stock	(21,366)	(27,325)
Net cash flow from operating activities	32,618	(11,082)

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

	31.3.05 £000	31.3.04 £000
Group		
Return on investments and servicing of finance		
Interest received	1,942	1,839
Interest paid	(10,408)	(8,667)
Minority interest dividends paid	(1,249)	–
	(9,715)	(6,828)
Capital expenditure and financial investment		
Purchase of property	(57,872)	(22,906)
Sale of property	138,305	43,213
Purchase of tangible fixed assets	(231)	(141)
Sale of tangible fixed assets	47	48
Purchase of investments	(4,078)	(1,212)
	76,171	19,002

25. Management of liquid resources

	31.3.05 £000	31.3.04 £000
Decrease in short-term deposits	9,347	132
	9,347	132

NOTES TO THE FINANCIAL STATEMENTS

continued

26. Analysis of net debt

	At 31.3.04 £000	Cash flow £000	Other non cash changes £000	At 31.3.05 £000
Cash at bank and in hand	18,284	19,266	(9,347)	28,203
Debt due within one year	(16,304)	(4,832)	–	(21,136)
Debt due after more than one year	(132,424)	(27)	–	(132,451)
Less: arrangement expenses	645	220	(457)	408
	(148,083)	(4,639)	(457)	(153,179)
Total	(129,799)	14,627	(9,804)	(124,976)

27. Contingent liabilities

The Company has entered into cross guarantees in respect of the banking facilities of its subsidiaries. The Company also entered into interest rate floors on £80m at 4.73% from July 1999 to January 2006 and on a further £40m 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 2005 (2004: nil).

28. Net assets per share

	31.3.05 £000	Number* of shares 000s	31.3.05 pence per share	Change since 31.3.04 %
Net asset value	190,328	16,962	1,122	22.5
Add: potential exercise of options	6,925	1,504		
Diluted net asset value	197,253	18,466	1,068	22.0
Adjustment for:				
– capital allowances provided for but unlikely to be clawed back	1,799			
Adjusted diluted net asset value	199,052	18,466	1,078	21.9
Adjustment for:				
– potential capital gains not provided for	(14,684)			
– mark to market value of interest rate hedging agreements	(1,160)			
Adjusted diluted triple net asset value	183,209	18,466	992	23.4

*The shares held by the Company's ESOP Trust are excluded from this calculation following the adoption of UITF 38 – Accounting for ESOP Trusts.

If account is taken of the unrealised surplus on the development and trading stock of £13.0m, based on directors' valuation, an increase in the adjusted diluted net asset value of 70p to 1,148p, and an increase in the adjusted diluted triple net asset value of 49p (after tax) to 1,041p, would arise.

29. Capital commitments – Group and Company

At 31 March 2005 nil (2004: nil).

30. Related party transactions

At 31 March 2005 and 31 March 2004 the following amounts were due from the Group's joint ventures.

	At 31.3.05 £000	At 31.3.04 £000
Abbeygate Helical (Leisure Plaza) Ltd	352	4,331
Abbeygate Helical (Winterhill) Ltd	238	263
Grosvenor Hill (Sprucefield) Ltd	(4)	(4)
Shirley Advance LLP	2,353	–

The amounts due from the Group's joint ventures represent interest free loans which are repayable once the underlying property has been sold.

TEN YEAR REVIEW

	31.3.05 £000	31.3.04 £000	31.3.03 £000	31.3.02 £000	31.3.01 £000	31.3.00 £000	31.3.99 £000	31.3.98 £000	31.1.97 £000	31.1.96 £000
Turnover	101,161	<i>54,566</i>	<i>135,192</i>	<i>136,632</i>	<i>165,259</i>	<i>149,922</i>	<i>121,244</i>	<i>214,416</i>	<i>100,529</i>	<i>65,948</i>
Net rental income	19,684	22,980	25,619	27,827	25,532	23,652	18,475	18,598	18,759	16,271
Development profits	12,664	38	4,630	17,072	29,507	19,345	21,601	16,686	9,152	5,242
Trading profits	5,771	1,031	349	154	920	372	72	4,363	2,359	1,358
Other income	235	601	626	(67)	342	113	(1,144)	(872)	(986)	(1,174)
Gross profit	38,354	<i>24,650</i>	<i>31,224</i>	<i>44,986</i>	<i>56,301</i>	<i>43,482</i>	<i>39,004</i>	<i>38,775</i>	<i>29,284</i>	<i>21,697</i>
Administrative expenses	(15,768)	(8,037)	(6,391)	(10,888)	(12,031)	(9,669)	(6,860)	(6,904)	(5,566)	(3,130)
Share of operating profit of joint ventures	3,078	1,636	1,544	986	86	-	-	-	-	-
Profit on sale of investment properties	15,973	2,035	2,126	2,463	709	4,555	415	838	(558)	304
Loss on sale of subsidiary	-	(59)	-	(195)	-	-	-	-	-	-
Negative goodwill	-	-	6,362	-	-	-	-	-	-	-
Net interest payable	(6,786)	(6,572)	(9,638)	(14,779)	(19,241)	(16,348)	(12,515)	(14,215)	(11,127)	(9,671)
Profit before taxation	34,851	<i>13,653</i>	<i>25,227</i>	<i>22,573</i>	<i>25,824</i>	<i>22,020</i>	<i>20,044</i>	<i>18,494</i>	<i>12,033</i>	<i>9,200</i>
Taxation	(8,037)	(2,199)	(7,660)	(5,353)	(5,471)	(6,032)	(3,899)	(3,884)	(3,001)	(1,308)
Profit after taxation	26,814	<i>11,454</i>	<i>17,567</i>	<i>17,220</i>	<i>20,353</i>	<i>15,988</i>	<i>16,145</i>	<i>14,610</i>	<i>9,032</i>	<i>7,892</i>
Minority interest	(17)	(232)	(160)	(164)	(126)	(77)	(1,175)	(2,322)	(918)	(270)
Ordinary dividends	(3,533)	(4,263)	(4,275)	(3,908)	(3,570)	(3,223)	(2,434)	(1,552)	(1,333)	(1,189)
"A" share/special dividends	(56,572)	-	-	(28,420)	-	-	(28,904)	-	(333)	-
Preference share dividends	-	-	-	-	-	-	(2,293)	(2,751)	(2,884)	(2,767)
(Loss)/profit retained	(33,308)	<i>6,959</i>	<i>13,132</i>	<i>(15,272)</i>	<i>16,657</i>	<i>12,688</i>	<i>(18,661)</i>	<i>7,985</i>	<i>3,564</i>	<i>3,666</i>
Investment portfolio	271,133	334,932	342,484	439,911	453,607	419,570	332,457	250,718	201,570	180,765
Shareholders' funds	193,044	234,917	226,870	227,653	223,606	171,770	132,652	132,289	101,080	92,662
Dividend per ordinary share	17.60p	16.60p	15.00p	13.75p	12.50p	11.15p	10.0p	9.0p	8.0p	7.3p
Special dividend per ordinary share	-	-	-	100.0p	-	-	100.0p	-	2.0p	-
Diluted earnings per ordinary share	110.5p	39.6p	59.2p	57.8p	67.7p	68.9p	51.5p	40.3p	28.3p	26.6p
Adjusted diluted net assets per share	1,078p	884p	775p	775p	754p	579p	470p	480p	372p	330p

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.

The financial statements for the year to 31 March 1998 and subsequently have been restated for the adoption of UITF38 – Accounting for ESOP Trusts.

THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

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

The Board of Helical Bar plc comprises four executive directors and four 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 58.

Finance Director

Nigel McNair Scott, MA FCA FCT, joined the Board as non-executive director in 1985 and was subsequently appointed Finance Director in 1987. A former director of Johnson Matthey plc and Govett Strategic Investment Trust plc he is Chairman of Avocet Mining Plc. Aged 59.

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 47.

Investment Director

Michael Brown, BSc (Est Man) MRICS, 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 44.

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 Chairman of the Audit, Remuneration and Nominations and Appointments Committees. A former director of Laing & Cruickshank, Corporate Finance, he is Chairman of Lochain Patrick Holdings Ltd. Aged 72.

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 a director of Aberdeen Asset Management plc, James Finlay Ltd, Isotron plc as well as being Chairman or director of a number of investment companies. Aged 59.

Antony Beevor, BA, was appointed to the Board as non-executive director in 2000. He is the Senior Independent Director and a member of the Audit, Remuneration and Nominations and Appointments Committees. He is a Deputy Chairman of the Takeover Panel and the Chairman of Croda International Plc. Aged 65.

Wilf Weeks, was appointed to the Board as non-executive director on 14 April 2005. He was appointed to the Audit, Remuneration and Nominations and Appointments Committee on 1 June 2005. He is the Chairman of European Public Affairs at Weber Shandwick and has specialised in Government Relations throughout his career. Aged 57.

Company Secretary

Tim Murphy, ACA, was appointed Company Secretary in 1994. Aged 45.

Senior management

Matthew Bonning-Snook joined the Company as a development executive in 1995. Aged 37.

Jack Pitman joined the Company as an investment executive in 2001. Aged 36.

John Inwood joined the Company as a management executive in 1995. Aged 39.

DIRECTORS' REPORT

The directors' present their report and financial statements for the year ended 31 March 2005.

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 25.

Trading results

The results for the year are set out on page 26. The profit on ordinary activities before taxation amounts to £34,851,000 (2004: £13,653,000).

Share capital

The detailed movements in share capital are set out in note 21 to these financial statements. At 31 March 2005 and 15 June 2005 there were 18,101,164 ordinary 5p shares and 612,704 redeemable non-equity shares in issue.

Dividends

A final dividend of 11.00p (2004: 10.00p) per share is recommended for approval at the Annual General Meeting on 20 July 2005. The total ordinary dividend of 17.60p (2004: 16.60p) per share amounts to £3,533,000 (2004: £4,263,000). On 23 December 2004 the Company paid £97.2m (including costs) to shareholders (of which £56.6m comprised of a 400p dividend paid to A shareholders) as part of the Return of Cash approved at an Extraordinary General Meeting held on 20 December 2004.

Charitable donations

Donations to charities amounted to £14,010 (2004: £21,364). No contributions 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 2005 there were 61 days' (2004: 50 days') purchases outstanding in respect of the Company's creditors.

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP, and the directors extended the audit appointment to Grant Thornton UK LLP with effect from 1 July 2004 in accordance with Section 26(5) of the Companies Act 1989. Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

Substantial shareholdings

At 27 May 2005 the shareholders listed in Table A on page 50 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 55 to 61.

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 50.

Shares purchased on behalf of directors under the terms of the Share Incentive Plan are disclosed in the Directors' Remuneration Report on pages 55 to 61.

There have been no changes in the directors' interests in the period from 31 March 2005 to 15 June 2005.

Corporate governance

The Company's application of the principles of corporate governance is noted in the Corporate Governance Report on pages 51 to 54.

Directors' responsibilities for the financial statements

Company law in the UK 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, compliance with the listing rules, preparation of the Directors' Report and other information in the Annual Report and Accounts, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

continued

Annual General Meeting

The Annual General Meeting of the Company will be held on 20 July 2005 at 11.30 a.m. at The Westbury, Bond Street, London W1S 2YF.

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

Table A – Substantial shareholdings

	Number of ordinary shares	%
Michael Slade	2,548,939	14.1
Helical Bar Share Ownership Plan Trust	1,179,616	6.5
Schroder Investment Management	748,678	4.1
Threadneedle Asset Management Ltd	744,472	4.1
Legal & General	614,788	3.4

Table B – Directors' interests

	Ordinary 5p shares 31 March 2005	Ordinary 5p shares 31 March 2004
John Southwell	22,968	34,750
Michael Slade	2,548,939	3,016,739
Nigel McNair Scott	401,264	628,418
Giles Weaver	19,250	18,000
Antony Beevor	923	1,477
Gerald Kaye	195,070	311,004
Michael Brown	180,912	288,352
Total directors' interests	3,369,326	4,298,740
Issued share capital	18,101,164	26,687,903
Percentage of issued share capital	18.6	16.1

By Order of the Board

T.J. Murphy
Secretary
15 June 2005

CORPORATE GOVERNANCE REPORT

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

The Board is accountable to the Company's shareholders for good corporate governance. This report and the Directors' Remuneration Report describe how the Company complies with the provisions of the Combined Code (2003) (the "Code").

Compliance

The Company has complied throughout the year with the Code provisions set out in Section 1 of the Combined Code (2003) except in relation to the following areas.

Code Provisions

A1.3ii), A6.1, A7.2iii):- A system for appraising the performance of all Board members will be introduced in the current year.

Application of the principles

The Board consists of four executive directors who hold the key operational positions in the Company and, since 14 April 2005, four 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.

Chairman and Chief Executive

The Chairman of the Board during the year was John Southwell and he will continue in this role until he relinquishes his Chairmanship at the Company's AGM on 20 July 2005. He will remain a director of the Company. At the AGM Giles Weaver will, if re-appointed as a director, be appointed Chairman. The Company's business is run by Michael Slade, the Managing Director.

Board balance and independence

The senior independent director is Antony Beevor. 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 in prior years has acted as a consultant to one of the Company's brokers. In addition, Giles Weaver has been a non-executive director for more than nine years. In our view the breadth of experience of these two directors and their detachment from the day-to-day issues within the Company provided during the year, with the third non-executive director Antony Beevor, a sufficiently strong and experienced balance with the executive members of the Board. This balance has been strengthened with the appointment of Wilf Weeks as a non-executive director on 14 April 2005. 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 all non-executive directors are independent and for the purposes of this report are referred to below as independent directors.

The Board of Directors

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

The members of the Board, and the roles of each director are given in the biographical details of the directors on page 48.

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

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

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

Meetings	Mr. J.P. Southwell	Mr. M.E. Slade	Mr. N.G. McNair Scott	Mr. G.A. Kaye	Mr. P.M. Brown	Mr. C.G.H. Weaver	Mr. A.R. Beevor
Full Board	5	5	5	5	5	5	5
Audit Committee	2	n/a	n/a	n/a	n/a	2	2
Remuneration Committee	4	n/a	n/a	n/a	n/a	4	4
Nominations and Appointments Committee	1	n/a	n/a	n/a	n/a	1	1

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

CORPORATE GOVERNANCE REPORT

continued

Schedule of matters reserved for the Board:

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

Nominations and Appointments Committee

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

The membership of the Committee is as follows:

John Southwell (Chairman)
 Giles Weaver
 Antony Beevor
 Wilf Weeks (appointed 1 June 2005)

Directors – appointments to the Board

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

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

The work of the Nomination Committee in the year

The Committee met once during the period, and once since the end of the period and all members of the Committee were in attendance at each meeting. During these meetings, the Committee considered the membership of each sub-committee of the Board and resolved to implement changes to these sub-committees following the appointment of Giles Weaver as Chairman after the AGM on 20 July 2005.

Directors – information and professional development

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

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

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

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

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

Directors – performance evaluation

The Board is to initiate a system of formal evaluation of its own performance and that of its Committees and individual directors in the current financial period.

The Chairman will be responsible for the annual evaluation process, and will act on its outcome. Each director will submit a self-appraisal to the Chairman in respect of their individual performance, in respect of the performance of the main Board, and in respect of each Board Committee of which they are a member. The self-appraisal will be discussed by the Chairman with the director.

The non-executive directors, led by the senior non-executive director, are responsible for performance evaluation of the Chairman, taking into account views of executive directors.

Directors re-election

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

- Giles Weaver is due to retire by rotation and offers himself for re-election.
- Wilf Weeks, appointed on the 14 April 2005, seeks formal re-election for the first time.
- John Southwell, being over the age of 70, also offers himself for re-election.

All three directors are non-executive directors and do not have fixed terms of contract.

Biographical details of the directors are given on page 48.

Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and quality of management. It therefore holds regular meetings with, and presentations to, its institutional shareholders to discuss its objectives. The 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 The Company receives regular reports from sector analysts and its investor relations advisors on how it is viewed by its shareholders.

Accountability and audit

Financial reporting

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

Going concern

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

Audit Committee and auditors

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

The membership of the Committee is as follows:

John Southwell (Chairman)
Giles Weaver
Antony Beevor
Wilf Weeks (appointed 1 June 2005)

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

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

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

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

The Committee met twice during the year and both meetings were attended by all members of the Audit Committee. The Audit Committee meets the external auditors twice annually to discuss matters arising from the annual audit.

Internal control

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

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. These key risks include net gearing and interest rate exposure, control over cash and other liquid assets and security of ownership of key assets. 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 January 2005. 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 risk assessment, interest rate risks, taxation, and matters reserved for Board approval. 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, 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.

In view of the relatively small size of the Company it does not consider that an Internal Audit function would provide any significant additional assistance in maintaining a system of internal controls.

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 shareholder approval.

Information not subject to audit

Remuneration Committee

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

The Remuneration Committee ("Committee") has responsibility for making recommendations to the Board to determine the Company's 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 four times. All meetings of the Committee were attended by all its members.

The membership of the Committee is as follows:

John Southwell (Chairman)
Giles Weaver
Antony Beevor
Wilf Weeks (appointed 1 June 2005)

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 and the introduction of a Performance Share Plan.

Policy on executive directors' remuneration

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

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

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

- i basic annual salary, pension contributions and benefits-in-kind;
- ii annual bonus payments;
- iii long-term incentives (the "Incentive Plan");
- 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 2005.

The remuneration packages of each executive director include a payment of 20% of basic salary as pension entitlement. Each director takes this entitlement as additional salary.

Benefits-in-kind provided to executive directors include the provision of a company car 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. The maximum amount payable in each year is £1,000,000 to each of the Development and Investment Directors. In the year under review maximum cash bonuses were payable to Gerald Kaye, Development Director, and Michael Brown, Investment Director.

Incentive plan

The Company operates an Incentive Plan designed to align the motivations of the senior management team with the interests of shareholders and to link their remuneration to the performance of the Company's property portfolio. The 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.

The performance targets are as follows:

- an increase in net assets;
- the percentage increase in the total return on property assets of the Company for the performance period being greater than the percentage increase achieved by the portfolio ranked nearest to three-quarters up the performance table, (taken in ascending order of return) (the "Upper Quartile") of the portfolios of all quarterly valued funds measured by the Investment Property Databank at the beginning of the relevant performance period and compounded monthly during the performance period (the "IPD Total Return Benchmark"); and

DIRECTORS' REMUNERATION REPORT

continued

– the percentage increase in net asset value per share for the performance period being greater than the percentage increase achieved by the Upper Quartile of the portfolios of all quarterly valued funds measured by the Investment Property Databank at the beginning of the relevant performance period and compounded monthly during the performance period (the “IPD Capital Growth Benchmark”).

The total amount of the awards payable in any one year shall be determined by:

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

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

Amount of Difference	Per cent. of base net asset value payable
Less than 1%	0.01
1% to less than 2%	0.02
And thereafter for every additional 1%	An increment of 0.01

Among other constraints, the Committee could restrict the awards if payment would affect the financial or trading position of the Company. Under the terms of the Plan the maximum amount payable will be £4,000,000 pa in aggregate with an individual employee's participation limited to £2,000,000 pa, providing that performance targets are met in full. There is a further limit that payments under the Plan in any one year may not exceed 20% of the Group's pre-award and pre-tax profit. For disclosure purposes the vesting value of awards is included in remuneration. In the year under review the maximum 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 basic salary and other contractual entitlements ie provision of car and health insurance.

Non-executive directors

Non-executive directors are subject to re-appointment by shareholders at the Company's AGM at least every three years.

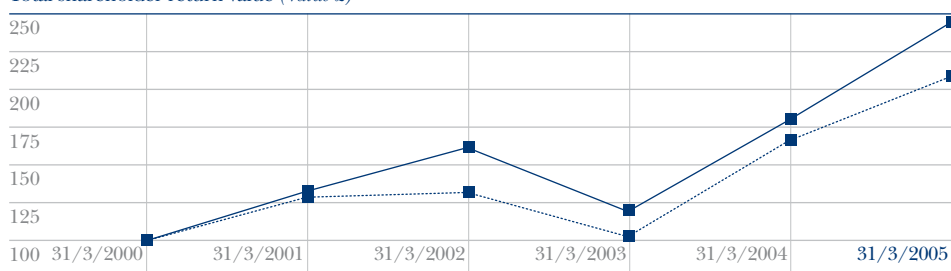
The remuneration of the non-executive directors is determined by the Board and was last increased in April 2003.

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 57 to 59 below, require the Company to exceed certain targets of total shareholder return. The total shareholder return for a holding in the Company's shares in the five years to 31 March 2005 is shown in the graph below.

Total shareholder return value (*Value £*)



Helical Bar — FTSE All-Share Real Estate Index Source: Thomson Financial

This graph looks at the value, by 31 March 2005, of £100 invested in Helical Bar on 31 March 2000 compared with the value of £100 invested in the FTSE All-Share Real Estate Index. The other points plotted are the values at intervening financial year-ends.

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	Gain on exercise of share options £000	Incentive plan £000	2005 Total £000	2004 Total £000	Pensions 2005 Total £000	Pensions 2004 Total £000
Chairman									
John Southwell	50	15	–	–	–	65	64	–	–
Non-executive directors									
Giles Weaver	28	–	–	–	–	28	28	–	–
Antony Beevor	28	–	–	–	–	28	28	–	–
Wilf Weeks (appointed 14/4/05)	–	–	–	–	–	–	–	–	–
Executive directors									
Michael Slade	480	34	–	1,541	2,000	4,055	1,517	–	2
Nigel McNair Scott	240	11	–	1,619	666	2,536	371	–	40
Gerald Kaye	240	30	1,000	1,407	667	3,344	418	–	–
Michael Brown	240	30	1,000	1,817	667	3,754	1,425	–	–
	1,306	120	2,000	6,384	4,000	13,810	3,851	–	42

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.

Michael Slade was the highest paid director during the year with a total remuneration of £4,055,000 (including gain on exercise of share options) (2004: Michael Slade £1,517,000).

In order to compensate option holders for the payment of the 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 the directors includes cash bonuses of £854,000 arising out of the exercise of options during the year. The cost of these cash bonuses is included in administrative expenses.

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. All the performance criteria of the options granted under the terms of this scheme have been met and option holders are, therefore, able to exercise their options at any date prior to their expiry.

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.

DIRECTORS' REMUNERATION REPORT*continued*

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	Profit on exercise of options at 31 March 2005
Michael Slade								
Senior Executive 1988 Share Option Scheme	Purchase	6,000	–	6,000	452.5p	27.11.01	26.11.07	42,000
Senior Executive 1988 Share Option Scheme	Purchase	400,000	–	400,000	565.0p	10.07.02	09.07.08	2,350,000
Senior Executive 1988 Share Option Scheme	Subscription	253,622	(253,622)	–	452.5p	27.11.02	26.11.07	–
Helical Bar 1999 Share Option Scheme	Subscription	493,221	–	493,221	442.5p	08.03.04	07.03.09	3,501,869
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	48,131
		1,307,622	(253,622)	1,054,000				5,942,000
Nigel McNair Scott								
Senior Executive 1988 Share Option Scheme	Purchase	50,000	–	50,000	452.5p	27.11.01	26.11.07	350,000
Helical Bar 1999 Share Option Scheme	Purchase	43,000	–	43,000	442.5p	08.03.04	07.03.09	305,300
Senior Executive 1988 Share Option Scheme	Subscription	250,000	(250,000)	–	412.5p	11.07.02	10.07.07	–
Helical Bar 1999 Share Option Scheme	Subscription	235,221	–	235,221	442.5p	08.03.04	07.03.09	1,670,069
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	48,131
		657,000	(250,000)	407,000				2,373,500
Gerald Kaye								
Helical Bar 1999 Share Option Scheme	Purchase	50,000	(50,000)	–	442.5p	08.03.04	07.03.09	–
Helical Bar 1999 Share Option Scheme	Subscription	393,221	(100,000)	293,221	442.5p	08.03.04	07.03.09	2,081,869
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	48,131
		706,419	(150,000)	556,419				2,130,000

*Performance conditions not satisfied as at 31 March 2005.

	Type	At start of year	Options exercised in year	At end of year	Exercise price	Date from which exercisable	Expiry date	Profit on exercise of options at 31 March 2005
Michael Brown								
Senior Executive 1988 Share Option Scheme	Subscription	100,000	(100,000)	–	467.5p	29.09.02	28.09.07	–
Helical Bar 1999 Share Option Scheme	Subscription	293,221	(100,000)	193,221	442.5p	08.03.04	07.03.09	1,371,869
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	48,131
		606,418	(200,000)	406,418				1,419,000

*Performance conditions not satisfied as at 31 March 2005.

The following share options were exercised during the year by directors:

Director	Date of exercise	Type of option	Number of shares	Exercise price	Sale price	Gain
Michael Slade	18.08.04	Subscription	253,622	452.5p	960.0p	1,287,132
Nigel McNair Scott	18.08.04	Subscription	250,000	412.5p	960.0p	1,368,750
Gerald Kaye	24.01.05	Purchase	50,000	442.5p	1,271.0p	414,250
Gerald Kaye	01.02.05	Subscription	100,000	442.5p	1,285.0p	842,500
Michael Brown	17.02.05	Subscription	100,000	467.5p	1,242.5p	775,000
Michael Brown	01.02.05	Subscription	100,000	442.5p	1,285.0p	842,500

The market price of the ordinary shares at 31 March 2005 was 1,152.50p (2004: 842.5p). This market price varied between 830.0p and 1,307.50p during the year.

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 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 £973,622 was paid following the exercise of options over 973,622 shares.

DIRECTORS' REMUNERATION REPORT

continued

Performance Share Plan

At the Annual General Meeting on 28 July 2004 the Company received approval for the adoption of a Performance Share Plan ("PSP").

General

The operation of the PSP will be supervised by the Remuneration Committee.

The PSP will be capable of delivering shares to an executive after a period of, generally, not less than three years, subject to meeting pre-specified performance targets.

Eligibility

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

Grant of awards

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

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

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

Limit on individual participation

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

Exercise of awards

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

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

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

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

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

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

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

(b) Total property return v IPD property funds condition

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

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

Alignment with shareholders' interests

The Remuneration Committee has analysed the potential gains that may be made by executives (directors and those below Board level) through the PSP and other incentive arrangements currently in place. It has concluded that the share of the increase in the value of the Company (measured as the increase in the net asset value plus cash returned as dividends to shareholders) that could accrue to all executives through the Company's long and short-term incentive and bonus plans at the point at which the maximum awards vest might be of the order of 20%. At this point, in absolute terms, the Company will have increased its triple net asset value by at least 15% per annum with the Company's relative performance placing it in the top quartile of IPD, over the three year period. Share awards will be cancelled where the gross return falls below the IPD median and where the growth in triple net asset value is below 7.5% per annum over the three year period.

Relationship to the Company's share option schemes

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

Awards made to directors under the terms of the PSP were as follows:

Director	Date of award	Shares awarded
Michael Slade	18.08.04	150,000
Nigel McNair Scott	18.08.04	75,000
Gerald Kaye	18.08.04	75,000
Michael Brown	18.08.04	75,000

Helical Bar 2002 Approved Share Incentive Plan

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

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

	1 July 2004 at 932.5p	5 January 2005 at 1,200p
Michael Slade	571	336
Nigel McNair Scott	571	167
Gerald Kaye	571	167
Michael Brown	571	167

Shares held by the Trustees of the Plan at 31 March 2005 were 32,817 (2004: 34,883).

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 2002. No shares were allocated to employees of the Company during the year.

Shares held by the Scheme at 31 March 2005 were nil (2004: 54,971).

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 2005 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, the notes on historical cost profits and losses, the reconciliation of movements in shareholders funds 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 nine 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 only 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 2005 and of the results of the Group 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 UK LLP

Registered Auditors

Chartered Accountants

London

15 June 2005

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 page 51 above and on the environment on page 64. The Company has no business activities in any countries which have unacceptable human rights records. The Company's relationship with its key stakeholders, its shareholders, is noted on page 53 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.

Statement of General Health and Safety Policy

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

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

Helical Bar recognises its legal responsibility for health and safety. The 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 information and necessary ongoing training to employees in respect of risks to health and safety, which may arise out of their activities or at their workplace.

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

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

Community involvement

Helical Bar plc has for many years joined in efforts to raise money for charitable causes. Alternating each year the Company organises an 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 Managing Director Mr Michael Slade, has recently taken over as President of the Land Aid Charitable Trust, a charity established in 1985 to focus the fund-raising efforts of the property industry. Land Aid's mission is to support the homeless and vulnerable by raising funds to help provide accommodation, assist in refurbishment projects and give financial assistance where needed. The Company also makes charitable donations in its own right and in the year under review the donations amounted to £14,010 (2004: £21,364).

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.

CORPORATE SOCIAL RESPONSIBILITY

continued

Environmental policy and objectives

Helical remains committed to implementing environmental good practice throughout its business activities. The Company's commitment to this aspect of performance is crystallised in the environmental policy and objectives which are listed at www.helical.co.uk. In 2004 for the first time, the Company set itself a number of specific goals to be achieved during the year.

The 2004 targets encompassed Helical's range of activities in building design and construction, property management and its own occupation of offices. In summary, out of a total of 19 environmental targets, 12 were fully achieved (100%), three were partially achieved (25% – 50%) and four remained unprogressed (0%) by the year end.

Specific achievements during the past financial year include:

Building design and construction:

- The Company has reviewed the standard list of prohibited materials used for both refurbishment and construction works and has incorporated this within standard design specifications.
- The RIBA Environmental Checklist for Developers has been incorporated as a standard procedure in the Environmental Governance Manual to be used for all development projects.
- Also in 2004 the Company reviewed the biodiversity initiatives undertaken at the Waterfront Business Park and introduced a one page summary of the valuable lessons learned into the Environmental Manual for reference on future developments.

Property management:

- Helical has liaised with its managing agents to develop a central record of directly purchased energy and water for those multi-let offices in the portfolio where the Company retains an element of managerial control. The Company's longer term aim is to identify the "high consumption" properties where opportunities might exist to introduce efficiencies. This would eventually enable it to set improvement targets in relation to both energy and water consumption.
- During 2004 Helical introduced a cardboard separation and recycling programme at one of its multi-let offices, with a view to extending the programme to other offices in the portfolio.
- Cycle route maps are now displayed in the reception of three of the Company's multi-let office buildings to encourage tenants to consider cycling to work.

Property occupation:

- In its own offices, all of Helical's white paper waste is now recycled, and energy and water consumption is being recorded with a view to setting performance improvement targets in the future.

In 2005, the Company wishes to build upon the progress made to date by establishing a new set of environmental targets. These will once again be reported upon in the 2006 Annual Report & Accounts and in more detail on the website.

Helical is pleased to remain listed in the FTSE4Good Indices. This is even more pleasing in view of the recent tightening of the Index requirements in areas of environmental performance and supply chain labour standards.

Helical continues to actively communicate with its managing agents, development consultants, and advisors all of whom play an important role in the implementation of the Environmental Monitoring System.

FINANCIAL CALENDAR

Year ended 31 March 2005

Annual General Meeting to be held 20 July 2005

Final ordinary dividend payable 22 July 2005

Half year ending 30 September 2005

Results and interim ordinary dividend announced November 2005

Interim ordinary dividend payable December 2005

Year ending 31 March 2006

Results and final dividend announced June 2006

Final ordinary dividend payable July 2006

ADVISORS

Registrars

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

Bankers

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

Stockbrokers

JP Morgan Cazenove
20 Moorgate
London EC2R 6DA

Auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

Merchant bankers

Lazard
50 Stratton Street
London W1J 8LL

Solicitors

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



Helical Bar plc
11-15 Farm Street, London W1J 5RS
Tel: 020 7629 0113, Fax: 020 7408 1666
www.helical.co.uk