Helical Bar plc report & accounts 2011

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Front cover and inside cover
200 Aldersgate Street, London EC1

Helical Bar is a property development and investment company. We create shareholder value through a wide variety of high margin activities with property investment at our core. The intention is that property investment should provide a stable income stream to cover overheads and interest costs. Our spread of activities gives us the flexibility to deploy capital rapidly across our business and focus on whatever opportunities offer the best returns at different points of the property cycle.

Financial highlights

	2011	2010
Group's share of net rental income[1]	**£17.8m**	£14.9m
Profit before tax, property write-downs and investments gains[2]	**£2.9m**	£9.7m
Final proposed dividend per share[3]	**3.15p**	0.25p
Diluted EPRA net asset value per share[4]	**253p**	272p

1 Group's share of net rental income includes the consolidated net rental income and the Group's share of net rental income of Joint Ventures

2 Pre-tax loss as adjusted for property write-downs and net gain on sale and revaluation of investment properties (see Results for the year section of the Financial Review on page 36)

3 For 2010 a second interim dividend of 2.75p was paid

4 Calculated in accordance with the best practice recommendations of EPRA.

performance indicators

Total Portfolio - Unleveraged Returns

	Annualised over 1 year %pa	3 years %pa	5 years %pa	10 years %pa	20 years %pa
Helical	2.7	1.4	5.5	11.5	14.9
IPD Benchmark	11.7	-0.9	0.7	6.7	8.2
Helical's percentile rank	96	24	4	4	0

Source: Investment Property Databank

"0" = top ranked fund

Note: excludes the surplus but includes writedowns arising from the directors' valuation of trading and development stock.

The Investment Property Databank ("IPD") produces a number of independent benchmarks which are regarded as the main indices of unleveraged commercial property returns. The IPD Benchmark referred to above is the IPD Universe of March Valued Funds.

Total Gross Shareholder Return

Total Returns		Performance measured over 1 year %pa	3 years %pa	5 years %pa	10 years %pa	15 years %pa	20 years %pa	25 years[5] %pa
Helical Bar plc	1	-19.3	-9.0	-6.0	9.0	14.3	15.2	21.4
UK Equity Market	2	8.7	5.4	3.7	4.7	6.8	8.6	9.5
Listed Real Estate Sector Index	3	12.6	-11.6	-10.4	3.1	6.0	5.4	6.4
Direct Property - Monthly data	4	10.7	-1.4	-0.2	6.6	8.4	8.1	8.9

1 Growth over 1 year, 3 years etc. to 31.03.11
2 Growth in FTSE All-Share Return Index over 1 year, 3 years etc. to 31.03.11
3 Growth in FTSE 350 Real Estate Super Return Index over 1 year, 3 years, 5 years and 10 years to 31.03.11
For data prior to 30 September 1999 FTSE All Share Real Estate Sector Index has been used
4 Growth in Total Return of IPD UK Monthly Index (All Property) over 1 year, 3 years etc to 31.03.11
5 Growth in Direct Property since inception (December 1986)

Source: Hewitt New Bridge Street/Thomson Reuters

Net Asset Values

	2011 p	2010 p	2009 p	2008 p	2007 p
Diluted EPRA net asset value per share	253	272	286	352	374

Group's share of investment properties

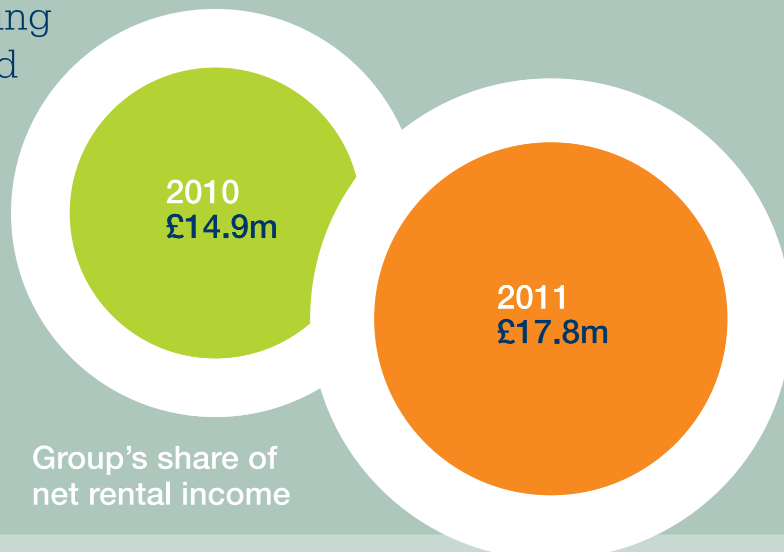
2009
£213.0m

2010
£235.2m

2011
£315.0m

chairman's statement

In the year to 31 March 2011 Helical has continued to transform its property holdings, realising cash from the sales of both non-income producing properties and assets with limited potential going forward, and reinvesting in growth assets which offer much promise for future years.



This rolling of the "drum" as we rotate out of the old and into the new has changed the shape of the Group's property portfolio and its prospects for the future, albeit at a cost of limited write-downs and losses. The last four years have been a difficult period for property companies but, by protecting our shareholders, with limited calls for new capital and only at net asset value per share or at a premium, we believe we have now set a solid platform for future growth.

Results

The profit before tax, property write-downs and investment gains reduced to £2.9m (2010: £9.7m). Development losses, before stock write-downs, totalled £1.7m (2010: profits of £8.7m). There were trading losses of £0.4m (2010: £nil) and a reduced contribution from the Group's share in the results of joint ventures of £2.9m (2010: £3.7m). However, write-downs of trading and development stock of £14.9m (2010: £10.0m), mainly resulting from a write-down of the Group's office developments in Glasgow and Crawley and reductions in the carrying value of land held for industrial and change of use potential, and an impairment of the group's available-for-sale investments of £1.8m (2010: £nil) are set against these profits. The Group's share of net rental income was £17.8m (2010: £14.9m). Net rental income, excluding that in joint ventures, remained steady at £14.2m (2010: £14.2m). Loss before tax was £6.3m (2010: profit £7.9m).

Administration costs reduced from £8.7m to £7.1m with a credit for share awards of £0.2m (2010: charge £1.2m). Net finance costs before capitalised interest reduced from £11.5m to £10.5m due to a lower average level of borrowings during the year and lower average interest rates. Capitalised interest increased to £4.2m from £3.2m. There was a profit on the mark to market valuation of the Group's financial instruments of £1.8m (2010: £1.2m). The Group made a loss on currency movements of £0.1m (2010: £1.1m) on its Polish operations.

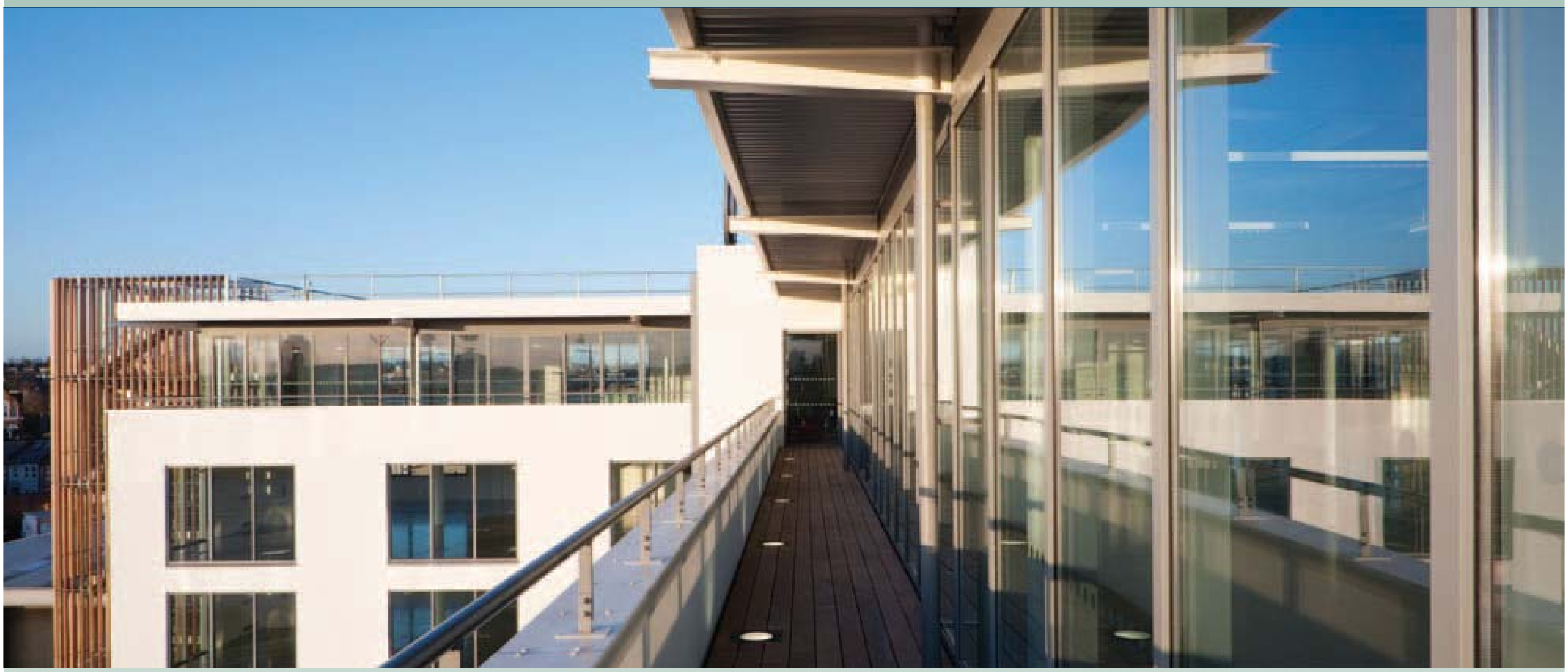
The investment portfolio rose 2.5% including sales and purchases (2010: 5%) or 1.7% on a like-for-like basis, reflected as a gain on revaluation of £2.7m (2010: £13.1m). A profit on sale of investment properties of £4.8m compares with a loss of £4.9m in the previous year.

Diluted loss per share was 3.6p (2010: earnings 9.1p) and diluted EPRA loss per share was 6.4p (2010: 0.1p).

The Group's diluted EPRA net asset value per share fell by 7% to 253p (2010: 272p). The directors' valuation of trading and development stock showed a surplus of £32m (2010: £33m).

The Board is recommending to shareholders an additional final dividend of 3.15p per share, payable, if approved, after the Annual General Meeting in July. Taken with the interim dividend paid in December 2010 of 1.75p (2009: 1.75p) it represents a total dividend of 4.90p (2010: 4.75p), an increase of 3.2% for the year.

Silverthorne Road,
Battersea, London SW8



Financing

In the year to 31 March 2011, Helical repaid £45m of debt from the sale of properties including Fieldgate Street, Paignton, Watford, Crawley and industrial units at Southampton, Southall and Kidlington. Since the year end, the Group has repaid £10m of loans from the sale of 61 Southwark Street.

At 31 March 2011 the Group had net borrowings of £241.3m (2010: £228.8m) and gross property values of £532.2m (2010: £494.5m), with these property values and net borrowings including the Group's share of its joint venture properties and borrowings. The ratio of net borrowings to the value of the property portfolio (including directors' valuation of stock) was 45.3% (2010: 46.3%). Net debt to equity gearing at 31 March 2011 was 81% (2010: 84%).

At 31 March 2011, the Group had £75.3m (2010: £92.6m) of fixed rate borrowings with an average effective interest rate of 5.77% (2010: 6.43%) and an average maturity of 2.3 years (2010: 2.3 years) and £91m of interest rate caps at an average of 4.9% (2010: £34m at 6.00%). In addition, the Group has a £40m interest rate floor at 4.50% until 2013.

Placing

In December 2010, Helical issued 10,730,000 ordinary 1p shares at 270p per share, raising £28.0m net of costs. The Group was delighted that over 30 institutional investors participated in this Placing, including many new shareholders. The Placing was also supported by the Group's management with each director participating in a total management investment of over £1.1m.

Outlook

As outlined in our half year statement, Helical is now actively pursuing new investment and development opportunities. We are pleased with the number and quality of investment purchases, in particular our acquisition at Barts, London EC1, making full use of the proceeds from our recent placing. The number of sales achieved during the year, and subsequently, draw a line under the difficulties of the last four years and the Group can move forward confidently.

Giles Weaver
Chairman
15 June 2011

chief executive's statement

Property is a long term game. It always has been and always will be. In the early 90s it took Helical six years to recover fully from the bottom of the market in 1991 to strong growth in 1997. Then, having reached the point where income covered interest, overheads and dividends from investment buying in 1994-95, we set about rebuilding our development portfolio. Whilst doing so, we lagged our peer group but by 1997 we were a major participant in the City and one of the largest suppliers of out-of-town retail in the UK in 1997 and 1998. By 2001, we had trebled the size of the Company and by the end of 2004 had returned £156 million to our shareholders.

Clyde Shopping Centre, Clydebank

I now find us in a similar situation to that which faced us in 1996. By prudent use of our limited capital and making full use of the proceeds of our two small and accretive fund raisings, we have regained our ground so that once more our net rental income covers our interest, overhead and dividends. Once again we are preparing an extraordinary and diverse development programme.

I cannot promise to quite match our accelerated performance of the late 90s. I see no "driver" in our economy equal to the dot. com boom of those days but I am pleased to report that we have cleared the decks of our 'legacy' properties and can now concentrate on moving forward free of the shackles of the past.

We see ongoing value in the good secondary market where, for example, shopping centre equivalent yields at 7.75% are at a record premium to bond rates. Whilst interest rates remain low, we are enjoying the cash flow from our recent investment purchases.

Buying £125m of property at an average 8% yield plus whilst borrowing at an average 4.4% provides an historic differential. Experience suggests you buy, buy, buy in such unusual circumstances, but the key is choosing your targets carefully, having full regard to the difficulties being encountered by tenants and the pitfalls of ever shortening leases.

We will continue to buy good secondary shopping centres and industrial estates although we are witnessing more interest in these sectors and a gradual reduction in yields. Targeted assets are of institutional quality which could generally benefit from capital expenditure and value enhancing initiatives. Key to our acquisition strategy are affordable occupational costs for our tenants (low rents) and good tenant demand for space. Careful, disciplined stock picking remains our key focus and the value of detailed due diligence before bidding cannot be underestimated.

London has always been our major playground. We are making good progress on lettings at 200 Aldersgate (370,000 sq ft of offices) and our current development programme in the City comprises two schemes of circa 750,000 sq ft at Mitre Square and Barts which will be coming forward over the next few years. In West London, our residential/mixed use portfolio is looking promising. We are confident of gaining planning consent at Fulham Wharf (100,000 sq ft Sainsbury's store, 463 residential units) where we act for Sainsburys, and at our joint venture with Grainger at Hammersmith Town Hall (110,000 sq ft council offices, 40,000 sq ft retail, 320 residential units). After several years of negotiation with other land owners and the planning authorities, we are now able to move forward and apply for planning at our White City site of 10 acres with a mixed use scheme of up to two million sq ft held jointly with our partner, Aviva. We hope to be ready to start on site by the end of 2012.

In all these cases we see values moving positively forward. Our total equity invested in these six London schemes is less than £30m so we continue our well proven theme of maximising the return on our equity.

As the development market recovers, we are also now able to rekindle our retail projects under the Helical Retail banner, working with the supermarket chains to obtain planning on optioned schemes throughout the UK, and continue our town-centre development at Shirley, Birmingham anchored by an 80,000 sq ft Asda store.

Poland offers opportunity and will remain on our target list as we develop and complete our two out-of-town retail schemes (a 1.1 million sq ft programme) and we look to expand our involvement in this region with large scale warehouse/logistics developments, similarly on a pre-let/pre-sold basis with our partners, Thameling, who are ex-Prologis.

In December I referred to our 'retirement village' portfolio and that we were reviewing our options. As we finalise our successful scheme at Liphook (generating a total estimated profit of £13m, with £7m still to come), we will now look to start to develop out schemes this year at Horsham (154 units) and Exeter (159 units), with Great Alne in Warwickshire (132 units) to follow in 2012. All three have now received planning consent with similar £10m to £15m plus profit projections spread over three to five years. To recapture equity, we plan to sell our sites at Milton in Cambridge and part of Exeter, as well as a site for open market housing at Telford upon finalising planning later this year. A 40-acre residential site at Cawston (50% share) will follow in 2013/14. These sale receipts, subject to planning, are estimated to total £25m plus.

It has been a long and hard four years since the warning bells sounded in mid 2007. It has required patience and discipline, however, the slate is now clean and the platform established to enable us to return to our outperforming ways. A special thanks to our shareholders and to our banks for their support throughout.

Michael Slade
Chief Executive

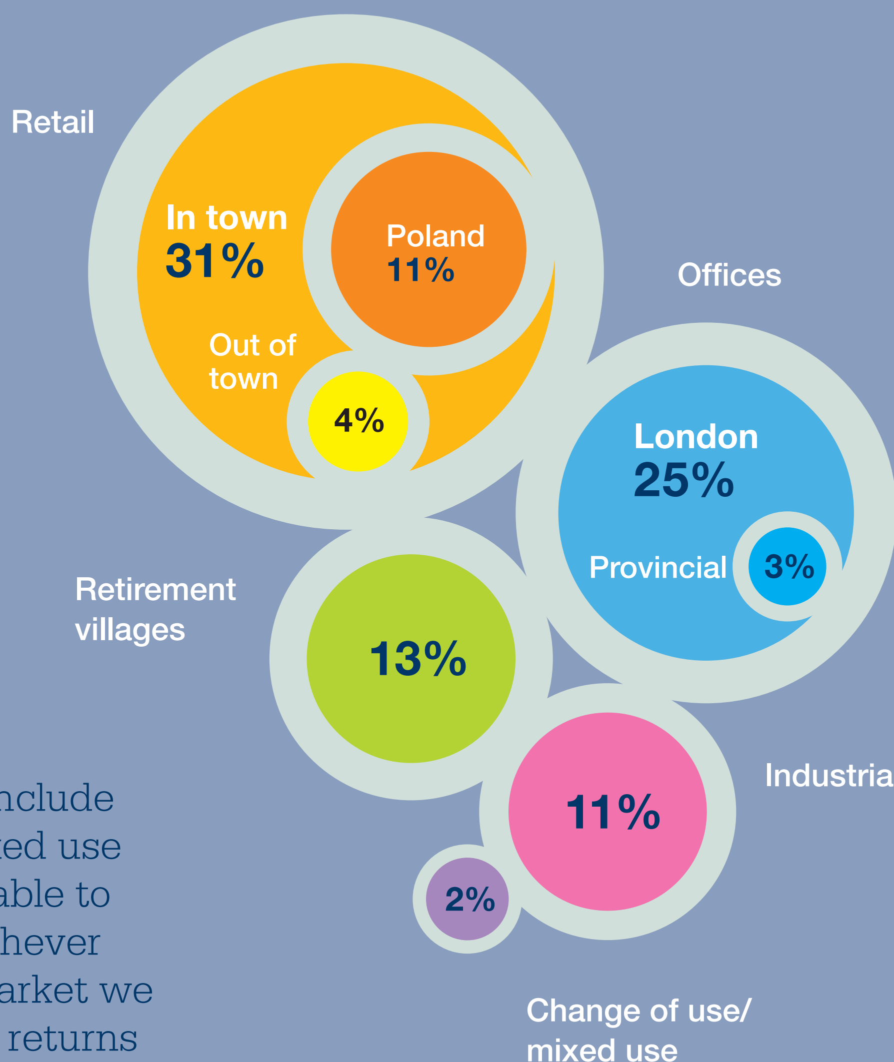
15 June 2011

200 Aldersgate Street
London EC1

business review

Helical Bar is a property development and investment company; our aim is to make excellent returns for our shareholders (which include the management team who own 16% of the company) through a wide variety of high margin activities.

Property portfolio - how we invest our capital



While our core areas include London office and mixed use development, we are able to deploy capital to whichever part of the property market we believe offers the best returns at different points in the cycle.

business review

Our Portfolio – how we invest our capital

	London Offices %	Provincial Offices %	In Town Retail %	Out of Town Retail %	Poland %	Industrial %	Change of Use %	Mixed Use %	Retirement Village %	Total %
Investment	23	2	29	3	–	9	–	–	1	67
Trading and development	2	1	2	1	11	2	1	1	12	33
Total	25	3	31	4	11	11	1	1	13	100

Note: excludes the surplus arising from the directors' valuation of trading and development stock.

The tables below describe how we allocate our resources between investment and development, and between the various sectors. The property portfolio tables on pages 26 to 31 explain which properties sit in each category and give more detail on these properties.

Investment

The investment portfolio, which is mainly let and income producing, has two main purposes:

1. To provide a steady income stream to cover overheads, dividends and interest
2. To produce above average capital growth over the cycle to contribute to growth in the Group's net asset value.

We seek to achieve these aims through careful, disciplined stock picking, generally of multi-let London offices, shopping centres, industrial estates and mixed portfolios. Our key aim is to be confident that there is sustainable demand from occupiers for all of our assets.

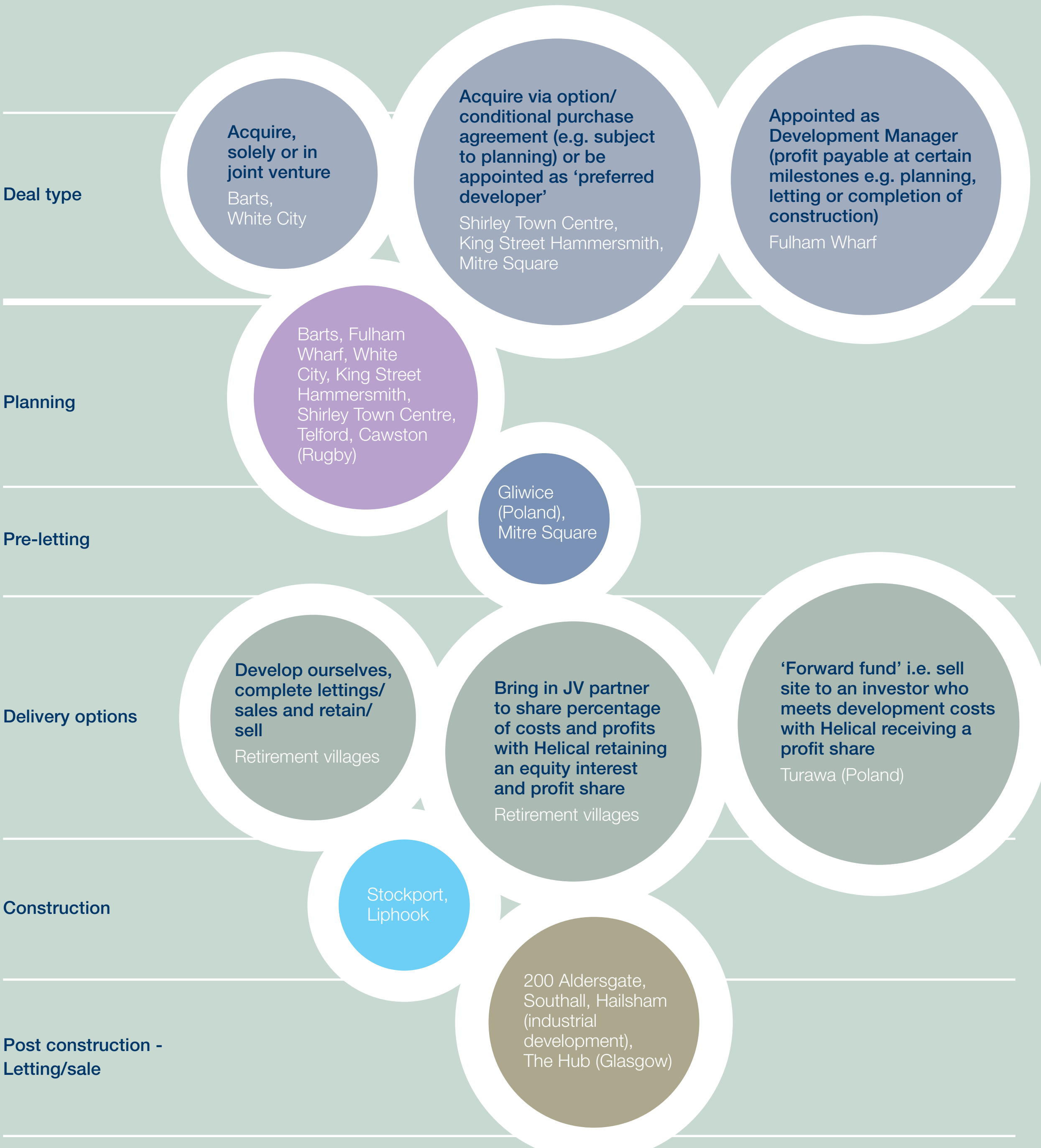
We frequently reposition our properties through significant refurbishment or extensions. We work closely with our tenants to maintain full occupancy and these relationships often lead to opportunities to increase value through re-gearing leases or moving tenants within a building as they expand or contract. Finally, at certain points in the cycle we may buy entirely vacant buildings (such as The Morgans, Cardiff or Shepherds Building, London W14) with a view to carrying out a major refurbishment, where we are confident that the occupational market is strong enough to allow the whole building to be let quickly.

	Value £m	Equity £m
London offices	108.9	44.2
Provincial offices	7.6	2.0
Industrial	42.1	19.7
In-town retail	137.7	57.2
Out-of-town retail	14.3	6.2
Retirement villages	4.4	0.7
Total	315.0	130.0

Note: Barts, London EC1 is held as an investment

Development

We employ a wide variety of approaches in our development activities. The principal aim is to maximise our share of profits leveraging our capital employed and managing the risks inherent in the development process given the size of our balance sheet. The table below explains how the process works and some of the different ways in which we are involved in our schemes.



business review

Trading & development

As highlighted at the half year, our primary concern over the last two years has been to recover equity from those assets with limited potential and, in particular, from those assets which are either non-income producing or where void costs exceed income. In today's market the only way to achieve sales of these assets is to be competitive on pricing and this has involved write-downs and sales below book value.

Since March 2009 we have sold circa £120m of trading and development stock of which £85m has been non-income producing, with £76m and £60m sold respectively in the year to 31 March 2011. This sales programme has generated significant cash surpluses, which we have re-deployed into new investment opportunities.

	Book Value £m	Fair Value £m	Surplus of Fair Value over Book Value £m	Equity (calculated from Fair Value) £m
London offices	12.5	14.5	2.0	14.5
Provincial offices	7.9	8.0	0.1	1.1
Industrial	9.5	9.5	–	9.5
In-town retail	9.6	9.8	0.2	8.3
Out-of-town retail	3.5	3.5	–	1.4
Retirement villages	59.6	73.6	14.0	35.2
Change of use	4.2	6.3	2.1	6.3
Mixed use	4.2	12.9	8.7	12.9
Poland	50.1	55.4	5.3	34.6
Total	161.1	193.5	32.4	123.8

Note: The tables above include the Group's share of investment, trading and development properties held in joint ventures.

Losses from the Group's development programme of £1.7m (2010: profits of £8.7m) were increased by provisions of £14.9m (2010: £10.0m) made against the carrying value of development stock. Of the total provisions, £10.2m were recognised at 30 September 2010. Although profits were generated at our successful retirement village scheme at Bramshott Place, Liphook, losses were made on the sales of Crawley and Fieldgate Street and our industrial developments at Oxford, Kidlington and Southampton as we greatly reduced our stock of non-income producing office and retail developments. These losses were increased by the overhead costs of our retail development joint ventures in the UK and Poland.

At both the half year and year end we assessed the carrying value of our remaining trading and development stock and this led to total write-downs of £14.9m, (of which £4.7m was in the second half of the year) primarily against office buildings in Crawley and Glasgow and our industrial developments.

Offices

The focus of the Group over the last year has been on those schemes recently completed or under construction, looking for tenants for the space, where vacant, and progressing a small number of major schemes for the future.

Mitre Square, London EC3

The Hub, Pacific Quay, Glasgow

200 Aldersgate Street, London EC1

Originally developed in the late 1980's, this 370,000 sq ft office building has remained vacant since Clifford Chance left for Canary Wharf in 2005. In 2010, we were appointed under an asset and development management agreement with the owners of the building. We have re-freshed and re-clad parts of the building, creating a "vertical village" for office users. These works were completed in November 2010 and the building is being marketed to potential tenants with an encouraging level of interest already being shown.

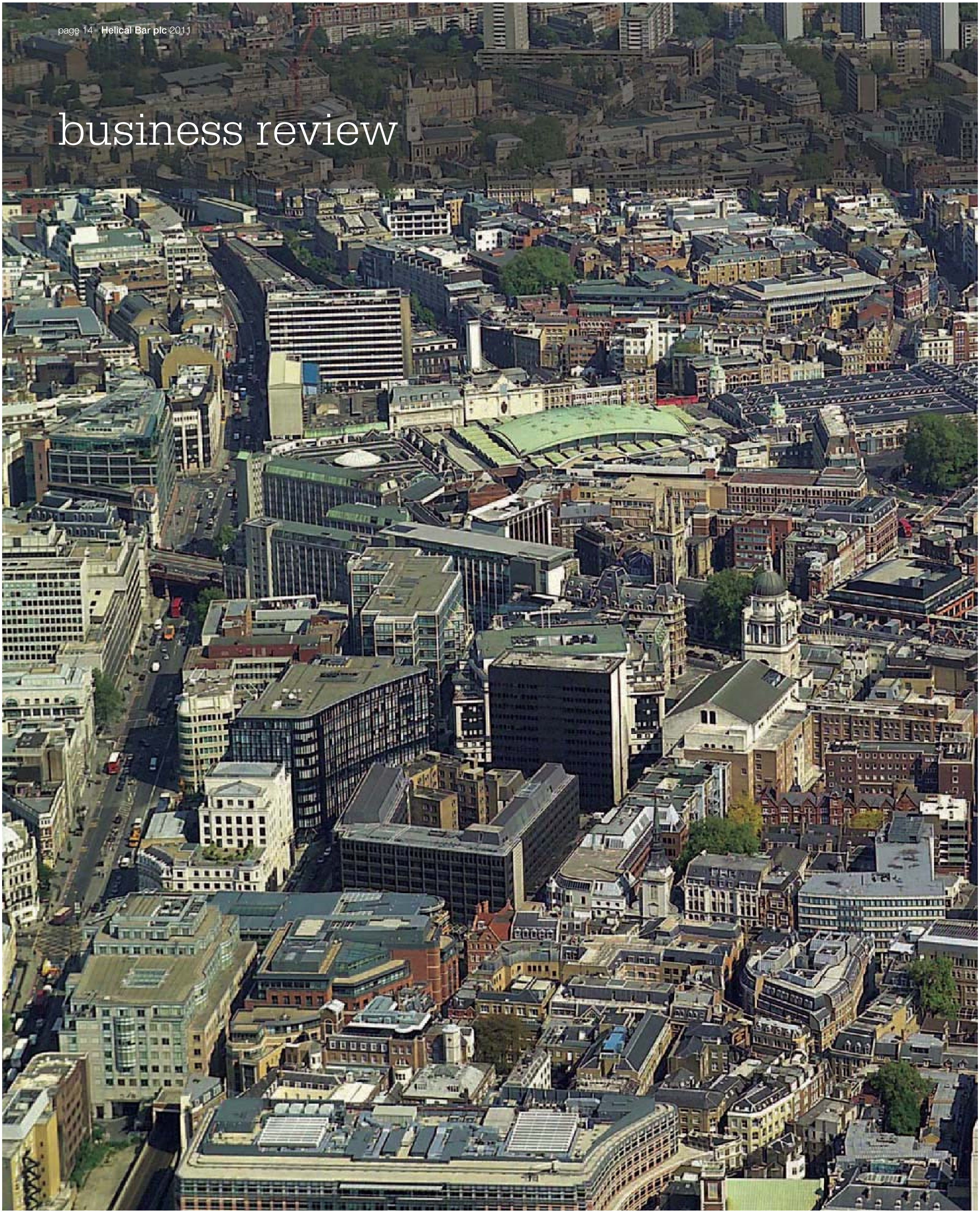
Mitre Square, London EC3

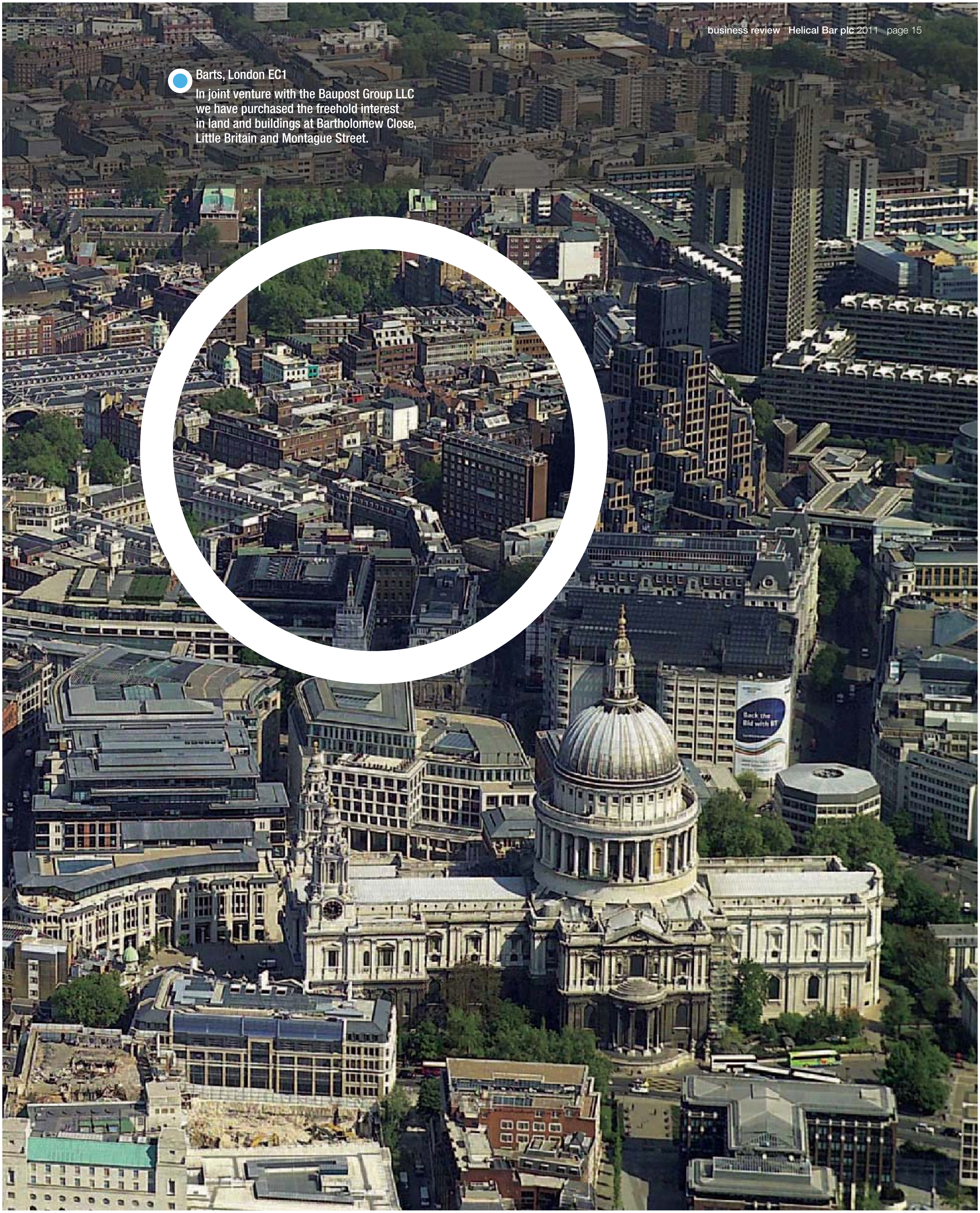
Legal agreements have been signed to acquire the site at Mitre Square, London EC3 from the City of London and Ansbacher. Planning permission has been granted for a new Grade A office development of 270,000 sq ft and we now have a deliverable scheme which we are able to start once a pre-let or funding partner is found.

The Hub, Pacific Quay, Glasgow

The Hub, Pacific Quay, Glasgow was completed in 2009. This 60,000 sq ft building offers flexible office space with an onsite cafe and events area. Located in the midst of a media hotbed with BBC Scotland and STV as neighbours, this scheme has been partly let to The Digital Design Studio, the commercial arm of Glasgow School of Art, Shed Media and other high-tech, media-orientated tenants. Letting has been slower over the last 12 months but we expect interest to pick up as the market improves.

business review



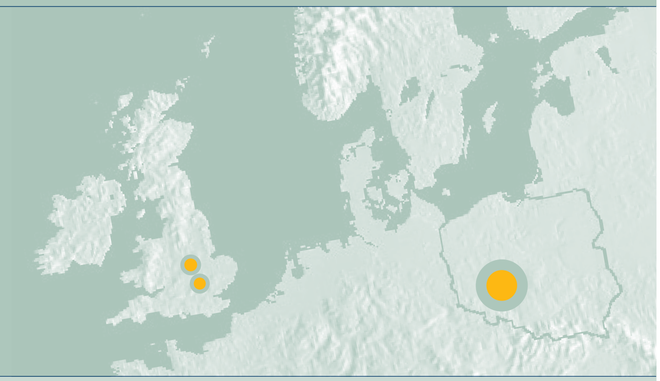


Barts, London EC1

In joint venture with the Baupost Group LLC we have purchased the freehold interest in land and buildings at Bartholomew Close, Little Britain and Montague Street.

business review

Retail



In Poland we have three schemes totalling over 117,600 sq m (1.2m sq ft):

Park Handlowy Mlyn, Wroclaw

Wroclaw is a large city in West Poland, some 100km from the German border and 470km south of Warsaw. This 9,600 sq m (103,000 sq ft) out of town retail development was completed in December 2008 and is fully let to a number of domestic and international retailers including T K Maxx, Media Expert, Makro, Deichmann, Smyk, Komfort and others.

Park Handlowy Turawa, Opole

Opole is located approximately 40km to the west of Wroclaw along the A4 motorway and is the administrative centre of the Opole province. This shopping centre and retail park is anchored by a Carrefour Hypermarket and a Praktiker DIY store and comprises approximately 41,000 sq m (440,000 sq ft) of retail space. The scheme has been forward funded and sold to Standard Life and was completed in March 2011. Negotiations continue with potential tenants to let the remaining space.

Europa Centralna, Gliwice

This scheme is being developed on land to the south of Gliwice at the intersection of the A4 and A1 motorways. This highly visible site has unparalleled accessibility and will be a major regional shopping destination. The retail park and shopping centre, comprising approximately 67,000 sq m (720,000 sq ft) of retail space, will incorporate three distinct parts, being a foodstore, DIY and household goods and fashion. The scheme has been 50% pre-let to Tesco, Castorama, H & M, Media Expert and others. Construction is due to commence by Q3 2011 with completion expected in Q3 2012.

In the UK we have two retail schemes:

Parkgate, Shirley, West Midlands

At Parkgate, Shirley we have revised our plans for the redevelopment of this site and have submitted a new planning application to Solihull Metropolitan Borough Council, the results of which we expect in Summer 2011. The development will, however, continue to include an 85,000 sq ft Asda supermarket, 64,000 sq ft of retail and circa 120 residential apartments and townhouses.

Leisure Plaza, Milton Keynes

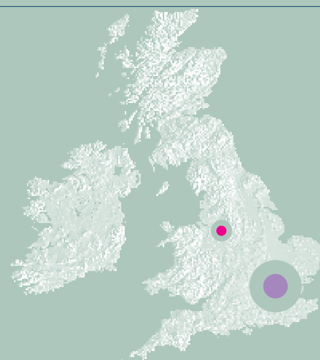
At Leisure Plaza, Milton Keynes, we have planning consent for a 165,000 sq ft retail store, 65,000 sq ft casino, 50,000 sq ft ice rink and 25,000 sq ft of other leisure. We are working with the various interested parties in this development to bring it forward with a view to starting construction later this year.

Park Handlowy Mlyn,
Wroclaw

business review

Mixed use

Industrial development



Fulham Wharf, London SW6

King Street, Hammersmith London W6

Tiviòt Way, Stockport

White City, London W12

Following the publication of the draft White City Opportunity Area Planning Framework for public consultation we are now seeking to progress with a planning application for the redevelopment of the 10 acre site which we hold with our partner Aviva. A full professional team is currently being appointed with a view to submitting in the Spring of 2012. The project will involve 1.5 – 2m sq ft of mixed use space with a residential bias.

Fulham Wharf, London SW6

At Fulham Wharf we have submitted, with landowner Sainsbury's, a planning application for a 100,000 sq ft new foodstore, together with 463 residential units at Sands End in Fulham. The proposal is to demolish the adjacent dilapidated buildings, construct a new store with housing above and turn the existing store into new housing, creating new public spaces and enhancing access to a Thames riverside walkway within the development. Helical will receive a fee once planning permission is secured together with a profit share.

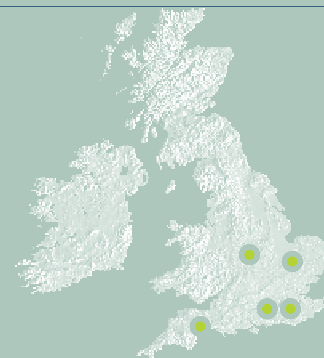
King Street, Hammersmith, London W6

We have a development agreement with the London Borough of Hammersmith & Fulham, in partnership with residential specialist Grainger plc, for the regeneration of the west end of King Street, Hammersmith. We submitted a planning application in November 2010 for new council offices, a foodstore and restaurants around a new public square, over 320 new homes and a new public footbridge across the Great West Road, which will re-connect Hammersmith Town Centre to the River Thames and Furnival Gardens.

We have built 120 units totalling over 570,000 sq ft for onward sale to owner occupiers at two sites in Oxford, as well as at Southampton, Southall (West London) and Hailsham. We have sold 111 of these units (543,000 sq ft) including all of Southampton and the two Oxford sites, with just nine units remaining at Southall, of which three have been sold since the year end. In addition, we own a site in Stockport with planning permission for trade counters, industrial units and a builders' merchant, self storage and car showroom. Infrastructure works have recently completed at this site and parcels of land have been sold to Big Yellow and Infiniti (a car dealership).

Retirement villages

A retirement village is a private residential community in which active over-55s are able to live independently in retirement. Residents have typically down-sized from a larger family home into a cottage or apartment with no maintenance or security issues. With access to a central clubhouse containing a bar and restaurant facilities and health and fitness rooms and surrounded by maintained grounds, this retirement option is proving increasingly popular.



Bramshott Place,
Liphook, Hampshire

Bramshott Place, Liphook, Hampshire

The original Bramshott Place Village was an Elizabethan mansion built in 1580 by a local merchant. Whilst this was demolished in the mid 19th Century and replaced by Bramshott Grange, the original Grade II listed Tudor Gatehouse remains and has been fully restored. Bramshott Grange operated most recently as a hospital for the elderly but closed in 1987. The land and buildings remained derelict until Helical acquired them in 2001. Changing planning from its previously designated employment use to a retirement village took several years but was eventually achieved in 2006.

The development of 151 cottages and apartments, and the new clubhouse, started in late 2007 and has proceeded in phases as units are sold. Currently, we have sold 69 units with reservations on a further 20 units. Construction of the final phase of 55 units has started.

Cherry Tree Yard, Faygate, Horsham, West Sussex

Cherry Tree Yard, a 30 acre site, had operated as a sawmill with outside storage for many years. Now vacant, we were granted planning permission, at appeal, in May 2009 following a public inquiry where the Inspector allowed a development comprising a retirement village of 148 units, eight affordable housing units, a 50 bed residential care home and a central facilities clubhouse building. Demolition has been completed and enabling works will commence shortly with construction of the retirement village and clubhouse, to be built in phases, expected to commence in late 2011. Following changes the scheme is now for 154 retirement village units.

Maudsley Park, Great Alne, Warwickshire

This is a Green Belt site which has 320,000 sq ft of built footprint and benefits from Major Development Site planning policy. Measuring 82 acres this site received outline planning permission in April 2011 for a retirement village of 132 units plus 47 extra care units. Demolition and enabling works will commence in late 2011 with construction to follow in 2012.

St Loye's College, Exeter

This 19 acre site was acquired in 2007 from the St Loye's Foundation, a long established rehabilitation college in the city of Exeter. Resolution to grant planning permission was obtained in October 2009 for a retirement village of 206 units, a 50 bed residential care home, an affordable "extra-care" block of 50 units and a central facilities clubhouse building. Construction of the retirement village and clubhouse in phases is expected to commence during 2012.

Ely Road, Milton, Cambridge

This 21 acre site was acquired from EDF in 2006 and was previously used as a training centre and depot. Located within the Green Belt, planning permission has been obtained for a retirement village of 101 units and a central facilities clubhouse building.

Morgans Arcade, Cardiff
Inset: Clyde Shopping Centre, Clydebank

Idlewells, Sutton-in-Ashfield

The Guineas, Newmarket

Investment Portfolio

In recent years we have retained those assets identified as having potential for future growth, or which provided a strong cash flow to the business, having disposed of assets which had reached their maximum potential. The remaining portfolio provides a source of income to cover overheads and finance costs as well as the potential for future capital growth.

Acquisitions

Having made our first significant investment property acquisition for four and a half years in January 2010, acquiring Clyde Shopping Centre in Glasgow with joint venture partners, we bought a mainly industrial portfolio for £46.5m in June 2010 (£48.6m gross cost).

The portfolio comprised nine assets, of which six are multi-let industrial units, one is a single let industrial and two are offices (one located in Eastcheap in the City). Two of these assets were sub-sold for £15.8m pre-completion, leaving seven assets yielding 10.5% net. Four further assets have been sold since acquisition for a profit of £5.1m and there are valuation gains on the retained assets of £0.5m. One further asset is currently under offer for sale at its book value. The remaining portfolio yields 10% on cost.

In addition, in the year to 31 March 2011, we bought two shopping centres, in Newmarket and Sutton-in-Ashfield (with the contracts to purchase a further retail parade having just been exchanged) and an industrial estate in East Kilbride. Newmarket was acquired for a NIY of 8.0% from the Administrators acting for Lloyds Bank. The centre has been undermanaged for some time and potential asset management initiatives include letting vacant units and implementing the consented extension. Sutton-in-Ashfield was acquired for a NIY of 8.5% with scope to implement rent reviews and amalgamate units.

We also acquired an office property adjacent to our development site at White City, which forms a key part of the proposed development, for £9.6m, a yield of 7.25%.

Barts, London EC1

In joint venture with the Baupost Group LLC (Baupost 66.7%, Helical 33.3%) we have purchased for £55m the freehold interest in land and buildings at Bartholomew Close, Little Britain and Montague Street. The existing buildings comprise 387,000 sq ft. The current income from the NHS is circa £3.5m per annum which reflects an initial yield of 6.3%. A major mixed use development comprising over 450,000 sq ft of offices, residential and retail is proposed and it is intended to submit a planning application later this year. Vacant possession will be obtained from 2014 enabling redevelopment to commence.

Sales

Since last year we have completed sales at Eastcheap London EC3, Witham, Woking and Sawston (from the industrial portfolio) at circa 30% above acquisition cost, and at Crawley and Paignton at 2% above the 31 March 2010 valuation.

There was a valuation increase of 2.5% in the year to 31 March 2011 including capex, sales and purchases which compares to the IPD monthly index of 5.4% over the same period.

The breakdown of the investment portfolio is as follows:

	Portfolio weighting	Initial Yield	Reversionary Yield	Yield on letting voids	Equivalent Yield (AiA)
	%	%	%	%	%
Industrial	14	7.9	9.5	9.6	8.8
London Offices	31	6.3	8.1	7.7	7.7
South East offices	3	7.4	8.6	7.4	7.5
Retail	52	7.2	8.0	8.0	7.6
Total	100	7.0	8.2	8.1	7.8

business review

Shepherds Building, London W14

Silverthorne Road, London W8

We hold 51% of our investment portfolio (£160m, our share) in four assets:

The Morgans, Cardiff

A prime retail asset on the Hayes opposite St David's 2, let to White Stuff, Moss Bros, Schoon and TK Maxx. New lettings to Urban Outfitters, Joules and Dr Martens in the year have increased rental values from £135 psf to £171 psf. With current contracted rent of £3.1m versus ERV of £4.17m, we see many opportunities for asset management initiatives and further rental growth over the medium term.

Clydebank Shopping Centre, Clyde

In January 2010, we completed the acquisition of Clydebank Shopping Centre, North West of Glasgow for £68m (8.3% net yield) from AXA/CIS (£72.1m gross cost) in a joint venture with Prime Commercial Properties, with Helical taking a 60% equity stake. Value has increased 12.5% since acquisition. The current annual gross rent is £7.75m and there is a vacant ERV of £1.5m pa. There is considerable upside potential both by way of yield shift and letting vacant units. Net of head rents, rental income has moved from £5.8m at acquisition to £5.75m, but with £500,000 of net income contracted once rent frees expire, letting progress is positive.

Shepherds Building, London W14

151,000 sq ft refurbished office just south of Shepherds Bush Green and Westfield shopping centre. The building is let, mainly to media related tenants, on an average rent of £22.40 psf. A break clause was served in December on £331,000 of income, but by the time the tenant actually vacates at the end of May we will have let £305,000 of this and expect to get a further £65,000 from the remaining three studio units. These are the only vacancies in the building. Ongoing tenant demand is strong with recent lettings at £25 to £30 psf depending on size, giving good prospects for rental growth over the next three to five years.

Silverthorne Road, Battersea, London SW8

Acquired with vacant possession in 2005 we subsequently fully refurbished this office and TV studio complex to create a multi let TV production and media office hub of approximately 56,000 sq ft.

In 2007 we secured planning consent for a further 50,000 sq ft of raised floor, air conditioned office accommodation over 5 floors which was developed out during 2008 and concluded in early 2009. The site is currently 56% let by floor area.

New lettings of circa 15,000 sq ft in the last three months and the significant increase in viewings for larger requirements of 10,000 sq ft to 20,000 sq ft suggests that the low total occupational cost of circa £40psf is making the building increasingly attractive to those occupiers no longer able to afford more central locations.

Future Investment Acquisitions

The three tier market we have previously referred to continues and, if anything, the categorisation becomes more defined, namely:

1. Prime/trophy 'institutional' assets which have limited opportunities to add value, characterised by competitive bidding and, especially, by significant money flows from foreign investors. These are, generally, prime retail, South-East industrial and London.
2. Well located 'institutional' secondary assets, which would benefit from capex and value enhancing initiatives with good occupational demand.
3. Weak secondary / tertiary assets, which will in many cases show dramatic falls in rents, lack of occupational demand and increasing voids, a market which Helical is continuing to avoid.

The opportunity to buy assets with substantial surplus rental income over the cost of debt still exists, but demand is already getting stronger for properties fitting category 2 above. This is good news for our existing portfolio, but will mean that we are facing greater competition when bidding. We continue to seek multi-let properties, including good quality shopping centres, retail parks, industrial estates and inner-London offices, at yields of between 7.5% and 9.5% as well as portfolios offering opportunities for medium term trading profits (as with our recent industrial portfolio purchase).

Park Handlowy Turawa,
Opole

Careful, disciplined stock picking of active management opportunities which are temporarily below the institutional radar but out of reach of buyers who are unable to raise debt is our key focus. Whilst some of these opportunities will come from banks selling distressed assets, we believe they are more likely to come from over-geared private property companies and from institutions and larger REITs looking to rebalance their portfolios.

Quotient

In January 2007 we acquired a research facility near Newmarket in a joint venture with the majority shareholder of Quotient Biosciences Group Ltd which occupies the buildings. As part of the transaction, we acquired a minority stake in Quotient, a private biosciences company. Previously held at a value of £13.3m (cost £1.8m), we have now written down our investment to £nil to reflect concerns over trading conditions and its financial position.

portfolio statistics

Investment portfolio

Valuation movements

Sector	Valuation increase/ (decrease) %	Weighting %
London offices	6.7	31
Provincial offices	1.6	3
Total offices	5.9	34
In town retail	2.1	47
Out of town retail	1.9	5
Total retail	2.1	52
Industrial	(3.8)	14
Total	2.5	100

Note: Including sales, purchases and capex

Valuation yields

Sector	Initial %	On letting voids %	On rack rental value %	Equivalent %	True equivalent %
Offices	6.4	7.6	8.2	7.9	8.2
Retail	7.2	8.0	8.0	7.6	7.5
Industrial	7.9	9.6	9.5	8.8	9.3
All	7.0	8.1	8.2	7.8	8.2

Capital values, vacancy rates and lease terms

Sector	Capital value psf £	Vacancy rate %	Average unexpired lease term Years
All offices	230	18	4.7
London offices	257	15	2.2
Retail	144	7	11.1
Industrial	42	11	4.1
Total	120	10	8.4

Lease expiries and tenant break options in:

	2011	2012	2013	2014	2015
Percentage of rent roll	14.8%	6.7%	8.8%	6.8%	5.9%
Number of leases	112	73	50	44	41
Average rent per lease	£37,200	£26,400	£49,400	£43,400	£40,200

Lease expiries and tenant breaks in year

	Year to 31 March 2011 £	%
Leases renewed	1,445,300	
Options not exercised	164,200	
Tenants holding over	699,600	
	2,309,100	69
Rents lost at break/expiry	1,039,000	31
Rents at risk	3,348,100	100

Contracted rent changes in the year

	Rent £	Change £
Rent lost at break/expiry	(1,039,000)	(1,039,000)
Rent lost through administration	(145,300)	(145,300)
Leases renewed	1,445,300	251,400
Fixed uplifts	1,249,500	194,800
New lettings	1,531,200	1,531,200
		793,100

Investment Portfolio – changes in rental value

	March 2010 – March 2011 %	March 2010- September 2010 %	September 2010 - March 2011 %
Industrial	-5.4	-5.6	0.2
Out of town retail	2.4	-0.3	2.7
In town retail	2.7	-0.6	3.3
Total retail	2.6	-0.6	3.2
Provincial offices	–	–	–
London offices	1.6	-2.2	3.9
Total offices	1.4	-1.9	3.4
Total	1.3	-1.6	2.9

Development and trading portfolio[1, 2]

Project type	Book cost £m	Write down £m	Written down book cost £m	Directors' valuation £m	Surplus over book cost £m
Change of use	17	–	17	28	11
Industrial development for freehold sales	13	(3)	10	10	–
Retirement village development	62	(2)	60	74	14
Office development	14	(5)	9	11	2
Retail development (Helical Poland)	50	–	50	55	5
Others – mainly mixed development	2	–	2	2	–
Total	158	(10)	148	180	32

(Excluding Group's share of trading and development properties held in joint ventures)

Notes:

1. Total writedowns in the year were £15m of which £5m were in respect of assets sold by 31 March 2011.
2. Basis of valuation – the Directors' valuation of the properties is based on current site values.

property portfolio

Income producing assets

OFFICES

Address	Region	Tenure	Acquired	Area Sq. ft. (NIA)
Shepherds Building, Shepherds Bush, London W14	London	Freehold	2000	151,000
61 Southwark Street, London SE1	London	Freehold	1998	67,000
200 Great Dover Street, London SE1	London	Leasehold	2008	36,000
80 Silverthorne Road, Battersea, London SW8	London	Freehold	2005	56,000
82 Silverthorne Road, Battersea, London SW8	London	Freehold	2008	51,000
Fordham, Newmarket	South East	Freehold	2007	70,000
Barts, London EC1	London	Freehold	2011	387,000
				818,000

RETAIL - SHOPPING CENTRE

Address	Region	Tenure	Acquired	Area Sq. ft. (NIA)
The Guineas, Newmarket	South East	Leasehold	2011	111,000
Idlewells Shopping Centre, Sutton-in-Ashfield	Midlands	Freehold	2011	185,000
Clyde Shopping Centre, Clydebank	Scotland	Leasehold	2010	627,000
				923,000

RETAIL - IN TOWN

Address	Region	Tenure	Acquired	Area Sq. ft. (NIA)
Morgan Department Store, Cardiff	Wales	Freehold	2005	246,000
1 - 5 Queens Walk, East Grinstead	South East	Freehold	2005	37,000
				283,000

RETAIL - OUT OF TOWN

Address	Region	Tenure	Acquired	Area Sq. ft. (NIA)
Otford Road Retail Park, Sevenoaks	South East	Freehold	2003	42,000
Stanwell Road, Ashford	South East	Leasehold	2004	32,000
				74,000

INDUSTRIAL

Address	Region	Tenure	Acquired	Area Sq. ft. (NIA)
Standard Industrial Estate, North Woolwich E16	London	Freehold	2002	50,000
Westgate, Aldridge	Midlands	Freehold	2006	184,000
Waterfront Business Park, Fleet, Hampshire	South East	Freehold	2000	45,000
Dales Manor Business Park, Sawston, Cambridge	South East	Freehold	2003	62,000
Hawtin Park, Blackwood	Wales	Freehold	2003	249,000
Winterhill Industrial Estate, Milton Keynes	Midlands	Freehold	2004	24,000
Merlin Business Park, Manchester	North	Leasehold	2010	62,000
Crownhill Business Centre, Milton Keynes	Midlands	Leasehold	2010	108,000
Motherwell Food Park, Bellshill	Scotland	Leasehold	2010	79,000
Golden Cross, Hailsham	South East	Freehold	2001	102,000
East Kilbride	Scotland	Feuhold	2011	153,000
				1,118,000

Helical interest	Description	Average passing rent	Vacancy rate
100%	Media style offices refurbished in 2001	£22.42	0%
100%	Refurbished with added penthouse suite	£21.03	11%
100%	Re-development/refurbishment potential	£19.95	0%
75%	Media style offices refurbished in 2006	£13.98	12%
75%	Media style offices built in 2008	£20.48	90%
53%	R & D space and offices on 32 acres	£15.37	0%
33%	Offices let to NHS, subject to future development	£8.81	0%

Helical interest	Description	Average passing rent	Vacancy rate
100%	Multi-let shopping centre	£35-£75	13%
100%	Multi-let regional shopping centre	£35-£60	1%
60%	Multi-let regional shopping centre	£35-£80	7%

Helical interest	Description	Average passing rent	Vacancy rate
100%	Refurbished store let as prime retail units + arcades	£13.14	14%
89%	Retail units 95% let to Sainsbury's	£12.00	6%

Helical interest	Description	Average passing rent	Vacancy rate
75%	Retail park let to Wickes, Currys & Carpetright	£17.37	0%
75%	Solus unit let to Focus DIY store	£17.76	0%

Helical interest	Description	Average passing rent	Vacancy rate
60%	Multi-let industrial estate	£8.18	5%
90%	Single-let refurbished industrial unit	£2.93	0%
100%	Multi-let industrial estate	£6.11	21%
67%	Multi-let industrial estate	£7.28	0%
100%	Offices and industrial units	£2.70	16%
50%	Offices and industrial units	£5.28	0%
100%	Single let industrial unit	£5.50	0%
100%	Multi-let industrial estate	£5.28	0%
100%	Multi-let industrial estate	£5.10	18%
100%	Industrial units	£4.26	76%
100%	Multi-let industrial estate	£3.92	14%

property portfolio

Development programme

OFFICES

Address	Region	Area Sq. ft.	Helical interest
200 Aldersgate Street, London EC1	London	370,000	Dev. Man.
Mitre Square, London EC3	London	270,000	100%
The Hub, Pacific Quay, Glasgow	Scotland	60,000	100%
		700,000	

INDUSTRIAL

Address	Region	Area Sq. ft.	Helical interest
Scotts Road, Southall, West London	London	18,000	100%
Tiviot Way, Stockport	North West	189,000	100%
Ropemaker Park, Hailsham	South East	70,000	90%
		277,000	

RETAIL - POLAND

Address	Region	Area Sq. ft.	Helical interest
Wroclaw	Poland	103,000	50%
Opole	Poland	440,000	50%
Europa Centralna, Gliwice	Poland	720,000	50%
		1,263,000	

RETAIL - OUT OF TOWN

Address	Region	Area Sq. ft.	Helical interest
Leisure Plaza, Milton Keynes	Midlands	305,000	50%
		305,000	

RETAIL - IN TOWN

Address	Region	Area Sq. ft.	Helical interest
Parkgate, Shirley, West Midlands	Midlands	149,000	50%
C4.1, Milton Keynes	Midlands	33,000	50%
Bluebrick, Wolverhampton	Midlands	27,000	50%
		209,000	

CHANGE OF USE POTENTIAL

Address	Region	Helical interest
Cawston, Rugby	Midlands	100%
Arleston, Telford	Midlands	100%

Fund/owner	Type of development
Deutsche Pfandbriefbank	Refurbishment completed in Oct 2010
	New office building
Helical	New office building completed 2009

Description	Type of development
Industrial units	New build
Industrial, trade counter etc	New build
Industrial and food store/rest	New build

Fund/owner	Description	Type of development
Helical	Completed development, fully let	New build
Standard Life	Completed	New build
Helical	To commence 2011	New build

Description
Consent for 165,000 sq ft retail store, 65,000 sq ft casino, 75,000 sq ft other leisure

Description
85,000 sq ft Asda, 64,000 sq ft retail, 120 residential units
Remaining retail and office units
Refurbished railway station with permission for casino use

Description
32 acre greenfield site with residential potential
19 acre greenfield site with residential potential

property portfolio

Bramshott Place,
Liphook, Hampshire

Development programme

RETIREMENT VILLAGES

Address	Region	Units	Helical interest	Description
Bramshott Place, Liphook, Hampshire	South East	151	100%	69 units sold, 20 under offer
St Loye's College, Exeter	South West	159	100%	Cleared site with detailed consent for a retirement village
Maudsley Park, Great Alne	Midlands	132	100%	320,000 sq ft industrial estate on a 82 acre site with resolution to grant outline consent for a retirement village
Ely Road, Milton, Cambridge	South East	101	100%	Site with detailed consent for a retirement village
Cherry Tree Yard, Faygate, Horsham	South East	154	100%	Cleared site with detailed consent for retirement village
		697		

King Street, Hammersmith, London

MIXED USE DEVELOPMENTS Address	Region	Helical interest	
White City, London W12	London	Consortium	Consortium interest in a 1.5m – 2m sq ft commercial and residential scheme
King Street, Hammersmith, London	London	50%	Planning application submitted for new council offices, food store, restaurants and 320 residential units
Fulham Wharf, London SW6	London	Dev. Man.	100,000 sq ft foodstore and 463 residential units

performance & risk

A property company's share price should reflect growth in net assets per share. Our Group's main objective is to maximise growth in assets from increases in investment portfolio values and from retained earnings from other property related activities.

Key performance indicators and benchmarks

We incentivise management to outperform the Group's competitors by setting the right levels for performance indicators against which rewards are measured. We also design our remuneration packages to align management's interests with shareholders' aspirations. Key to this is the monitoring and reporting against identifiable performance targets and benchmarks. For a number of years we have reported on these, the most important of which are:

Investment Property Databank

The Investment Property Databank ("IPD") produces a number of independent benchmarks of property returns which are regarded as the main industry indices. IPD has compared the ungeared performance of Helical's total property portfolio against that of portfolios within IPD for the last 20 years. The Group's annual performance target is to exceed the top quartile of the IPD database. Helical's ungeared performance for the year to 31 March 2011 was 2.7% (2010: 8.5%) compared to the IPD median benchmark of 11.7% (2010: 17.4%) and upper quartile benchmark of 12.1% (2010: 21.5%).

As referred to in the Chairman's Statement, the year to 31 March 2011 was a period during which the Group continued to transform its property holdings and this has had an impact on performance in the year. However, over three, five and ten years the Group's property portfolio continued to outperform the IPD benchmark.

IPD (all monthly and quarterly valued funds)

Ungeared returns

	31.3.11 %	31.3.10 %	31.3.09 %
Helical	2.7	8.5	(6.3)
IPD upper quartile	12.1	21.5	(21.9)
Percentile rank	96	90	1

To 31 March 2011	3 years	5 years	10 years
Helical	1.4	5.5	11.5
IPD benchmark	(0.9)	0.7	6.7
Percentile rank	24	4	4

The returns on shareholder 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 £32m (2010: £33m) surplus of trading and development stock above book value arising from the directors' valuation.

Total Shareholder Return

Total Shareholder Return ("TSR") measures the return to shareholders from share price movements and dividend income and is used to compare returns between companies listed on the London Stock Exchange. Helical's TSR for the year to 31 March 2011 was -19.3% (2010: 20.2%) compared to the median of the listed real estate sector of 12.6% (2010: 56.7%).

However, over three, five, ten, fifteen, twenty and twenty-five years Helical's TSR has outperformed the Listed Real Estate Sector Index as shown on page 2 of this Report and Accounts.

Net asset value

Net asset value per share represents the share of net assets attributable to each ordinary share. Whilst the basic and diluted net asset per share calculations provide a guide to performance the property industry prefers to use an adjusted diluted net asset per share. The adjustments necessary to arrive at this figure are shown in note 34 to these accounts.

Management is incentivised to exceed 15% p.a. growth in net asset value per share.

The adjusted diluted net asset value per share, excluding trading stock surplus, at 31 March 2011 was 225p (2010: 241p).

Including the surplus on valuation of trading and development stock, the diluted EPRA net asset value per share at 31 March 2011 was 253p (2010: 272p). Diluted EPRA triple net asset value per share was 246p (2010: 259p).

Other key performance indicators include:

- a surplus of net rental income over finance costs, overheads and dividends
- staff retention and average length of service
- inclusion in the FTSE4 Good Index

Risk management summary

How we manage our risks

Risk is an integral part of any company's business activities and Helical's ability to identify, assess, monitor and manage each risk to which it is exposed is fundamental to its financial stability, current and future financial performance and reputation.

Strategic risks

Risk	Impact	Action taken to mitigate
Reputation	Inability to raise new share capital	Management in regular communication with all shareholders and with major institutional shareholders in face to face meetings.
	Deal flow dries up	Maintain high profile in the market. Continue close contact with all major deal flow sources. Ensure depth of management.
Long term underperformance of real estate sector	Share price falls	Pursue outperformance within sector compared with peers.
Regulatory changes eg SDLT, abolition of Empty Property rates relief	Transactional and holding costs increase	Lobby Government and industry representatives to mitigate.
Retention of key senior employees	Inability to access and exploit deal flow	Remuneration packages that retain and motivate.

Operational risks

Risk	Impact	Action taken to mitigate
People related issues	Low morale	Key management ably assisted by a loyal group of long-standing employees whose remuneration is designed to retain staff with full participation in the Company's Share Incentive Plan.
Computer software/hardware failure	Loss of transactional history	External IT consultancy used, backed up by technical support from a number of hardware and software suppliers.
Breaches of authorisation levels	Inappropriate use of Company resources	All significant transactions approved at appropriate level.

Market risks

Risk	Impact	Action taken to mitigate
Inappropriate balance between investment and development and between sectors	Returns lower than market	Selecting the most appropriate level of exposure to each sector is fundamental to the long term success of the company.

Liquidity risks

Risk	Impact	Action taken to mitigate
Inadequate financial resources	Unable to meet liabilities as they fall due Unable to undertake investment decisions arising from the Company's assessment of the market	Company finances its operations from the cash flow generated by its property portfolio, bank borrowings, third party financing and from the capital markets through share issues. The guiding principle is to ensure that funding is obtained from diverse providers with a range of maturities backed up by interest rate protection, where appropriate. Financing and interest rate protection is discussed further in note 28 on pages 83 and 84.

Credit risks

Risk	Impact	Action taken to mitigate
Counterparty financial failure	Loss arising from failed tenants, lenders, suppliers etc	The financial assessment of tenants, contractors and potential partners is part of the daily routine of the Company.

Risk governance

The responsibility for the governance of the Group's risk profile lies with the Board of Directors of Helical. The Board is responsible for setting the Group's risk strategy by assessing risks, determining its willingness to accept those risks and ensuring that the risks are monitored and that the Group is aware of and, if appropriate, reacts to changes in those risks. The Board is also responsible for allocating responsibility for risk within the Group's management structure.

Risk register

The Group maintains a risk assessment register which enables the Board to focus on perceived specific key risks, assessing their magnitude and the probability of negative outcomes. This risk register is reviewed regularly and strategies are adopted to minimise and eliminate the risks identified.

Strategic risks

Strategic risks are those risks that may adversely affect the Group's financial performance by following an inappropriate strategy or by the failure to execute an appropriate strategy. Strategic risks arise over a long time frame where there are fundamental differences between the business environment in which the Group operates and the environment assumed on the establishment of that strategy.

The Group's reputation is a key component of its ability to achieve its strategic goals and success in meeting these goals depends not only on the effective management of risks but also on the maintenance of its reputation among stakeholders i.e. employees, investors, regulators, business partners, financial institutions and the public.

Measuring the impact of the Group's reputation is not a science and, in the view of the Group, may best be measured by the willingness of stakeholders to continue to deal with Helical. During the last year there have been no signs that we are not seeing all the opportunities to deal in property that it would expect and recent transactions suggest that we continue to be a Group that others want to deal with. Internally, risks to the Group's reputation are mitigated by the application of an internal Code of Conduct and "whistle blowing" procedures which are reviewed annually.

The other main strategic risks identified by the Group include:

- long-term under-performance of the real estate sector compared to alternative forms of investment e.g. equities, gilts;
- regulatory changes which significantly impact on the attractiveness of real estate as an investment compared to alternative forms of investment, or on the attractiveness of investing in real estate through a listed group; and,
- retention of key senior employees.

The principal strategic risks noted above, and the underlying drivers of such risks, are monitored by management and discussed regularly in the Business Plan presented by the Group's Finance Director to the full Board each year.

In addition the Group receives regular updates on the impact of economic scenarios on the real estate sector as well as subscribing to a number of economic journals in order that senior employees are kept up-to-date.

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 Group, should only be decided by the Board of Directors as a whole.

The Board monitors the financial performance of the Group at regular Board meetings where comparisons against budgets and forecasts are made together with a review of key performance indicators.

The remuneration packages of senior directors and employees are seen as the key to their retention and motivation. These remuneration packages are designed to provide a basic level of salary at or below the median of the Group's peer group but with cash bonuses and share awards at the top end of the peer group rewarding outperformance compared to that peer group.

The most recent annual review of the strategic risks faced by the Group indicate that the business of Helical is appropriate to the business environment in which it competes.

Operational risks

Operational risks are those that the Group may suffer a loss from inadequate internal processes, systems, resources, incorrect decision-making or through external events.

Losses from operational risk can arise from:

- people-related issues such as inadequate resources, skills or departure of key personnel;
- software or hardware failure, inadequate IT security, failure of back-up facilities;
- incorrect or inappropriate use of valuation models, inappropriate gearing levels, breaches of authorisation levels;
- fraud from internal or external sources;
- external events leading to a loss of a major provider of services e.g. contractor failure.

The Group's approach is not to eliminate operational risk, but rather to identify the areas in which it might arise and to contain it within acceptable limits through the application of effective controls. Ultimately, the management of operational risk is dependent upon the application of sound management judgement. The close involvement of the executive directors in the day-to-day running of the business is critical to that judgement.

The Group has not suffered any material losses arising from exposure to operational risks in the year under review.

Market risks

Market risks arise from the possibility that the Group may suffer reduced income or a loss resulting from fluctuations in the values of, or income from, its real estate portfolio.

Market risk is a key component of the Group's long-term strategy with exposure to the various real estate sectors fluctuating as perceptions of the future performance of each of those sectors change. Net asset value growth, a key performance indicator, is dependent upon an ability to move easily between sectors at the appropriate time.

The Group's directors constantly analyse fluctuations in market movements using evidence gathered from a variety of public and personal sources, using this analysis to determine the future direction of real estate investment.

Selecting the most appropriate level of exposure to each sector is fundamental to the success of the Group. Measuring that success is undertaken by comparing the Group's portfolio returns over short-, medium- and long-term periods with those as reported by Investment Property Databank ("IPD"), the source of the main real estate sector indices.

In the year under review, the Group's real estate portfolio underperformed compared to the majority of property funds in the IPD index. However, over the medium- and long-term, the Group's performance compares favourably with the rest of the sector as reported by IPD on pages 2 and 32.

Liquidity risks

Liquidity risks arise from having insufficient financial resources to enable the Group to meet its obligations as they fall due, or can only secure them at an excessive cost. Liquidity risks also arise where the Group has insufficient resources to enable investment decisions, arising from its assessment of market risks, to be executed.

The Group finances its operations from the cash flow generated by its operations, bank borrowings, both secured and unsecured and over short-, medium- and long-term periods, and from the capital markets through share issues.

The management of cash and debt is monitored daily with medium-term cash flows prepared weekly and long-term cash flows discussed regularly in management meetings and presented to the Board at each quarterly Board meeting.

The Group's overall approach is to provide sufficient liquidity to be able to meet, from cash resources and available facilities, the expected requirements of the business. The guiding principle is to ensure that funding is obtained from diverse providers with a range of maturities, backed up by interest rate protection where appropriate. This is to ensure that a stable flow of financing is available and to provide protection in the event of market disruption.

The Group's cash resources, bank borrowings, interest rate protection and gearing are noted on pages 78 to 84.

Credit risks

Credit risk is the possibility that the Group may suffer a loss from the failure of its tenants, borrowers, suppliers or other counterparties to meet their financial obligations to the Group, including their failure to meet them in a timely manner. It includes the risks that the Group may suffer a loss as a result of guarantees to third parties. Credit risk in order to earn a return is not a central feature of the Group's business activities, rather it is a consequence of those activities.

The Group is exposed to credit risk in respect of the financial stability of the tenants and potential tenants in its real estate portfolio. It is also exposed to credit risk where cash flows from the sales of real estate, whether investment or trading properties or funded developments, are deferred. The potential failure of major suppliers such as contractors or sub-contractors also exposes the Group to credit risk. Guarantees to third parties, such as banks, where the Group is in joint venture with partners expose the Group to risks that those partners are unable to fulfil their obligations.

The financial assessment of tenants, potential tenants, contractors and potential partners are part of the daily routine of the Group. The assessment of these third parties is undertaken by the finance department in discussion with the executive responsible for the real estate decision.

In the year under review bad debts constituted less than 2% of gross rental income.

financial review

Consolidated income statement

Results for the year

The profit before tax, property write-downs, investment property gains and impairment of investments reduced to £2.9m (2010: £9.7m). Investment property gains comprised a revaluation surplus of £2.7m (2010: £13.1m) and a gain on the sale of investment properties of £4.8m (2010: loss of £4.9m). Offset against these profits were property write-downs of trading and development stock of £14.9m (2010: £10.0m), mainly resulting from a write-down of the Group's office developments in Glasgow and Crawley and reductions in the carrying value of land held for industrial and change of use potential, and an impairment of available-for-sale investments of £1.8m (2010: £nil). Loss before tax was £6.3m (2010: profit of £7.9m).

Development losses, before stock write-downs, totalled £1.7m (2010: profits of £8.7m). There were trading losses of £0.4m (2010: £nil) and there was a reduced contribution from the Group's share in the results of joint ventures of £2.9m (2010: £3.7m). Net rental income, excluding that in joint ventures, remained steady at £14.2m (2010: £14.2m).

Net rental income

The Group's share of net rental income increased to £17.8m (2010: £14.9m) including its share of net rental income of joint ventures. Excluding joint ventures, net rental income remained at £14.2m. Rental costs decreased to £4.4m (2010: £4.7m). Tenant bad debts remain low at less than 2% of gross rental income.

Development profits

Development profit from the scheme in Liphook was offset by stock write-downs of £14.9m (2010: £10.0m) and below book value sales at Crawley and Southampton to give a development loss for the year of £16.6m (2010: £1.3m).

Trading losses

Trading losses for the year were £0.4m (2010: £nil).

Share of results of joint ventures

During the year the Group's share of results from joint venture partners was £2.9m (2010: £3.7m) mainly due to the Group's share of net income and the revaluation surplus from its investment in the Clyde Shopping Centre.

Gain on sale and revaluation of investment properties

During the year the Group sold investment properties with book values of £27.9m (2010: £40.4m) on which it made a £4.8m gain (2010: loss of £4.9m). The properties sold included Eastcheap, Sawston Trade Park, Witham and Woking (which were bought in the year as part of the Focus portfolio), and Paignton. The revaluation surplus for the year was £2.7m (2010: £13.1m).

Administrative expenses

Administrative expenses decreased to £7.0m (2010: £8.7m) primarily driven by a reduction in the cost of share awards. Administrative expenses, before share based payments credit increased to £7.3m (2010: £6.7m).

Finance costs, finance income and derivative financial instruments

Interest payable on bank loans, before capitalised interest, decreased from £11.0m to £9.7m due to a fall of average interest rates and a small reduction in the level of borrowings. Capitalised interest increased to £4.2m from £3.2m. Finance income earned on cash deposits decreased to £0.7m (2010: £1.0m).

Net finance costs	**2011 £000**	2010 £000	2009 £000
Interest payable on bank loans	**9,690**	10,956	15,890
Other interest payable	**675**	696	362
Finance arrangement costs	**806**	872	321
Interest capitalised	**(4,179)**	(3,196)	(6,855)
Finance costs	**6,992**	9,328	9,718
Interest receivable	**(652)**	(1,039)	(2,082)

Derivative financial instruments have been valued on a mark to market basis and a credit of £1.8m (2010: £1.2m) has been recognised in the Income Statement.

Foreign exchange losses and gains

A foreign exchange loss of £0.1m (2010: £1.1m) has been recognised in respect of the Group's retail developments in Poland.

Taxation

The deferred tax asset is principally derived from tax losses which the Group believe will be utilised against profits in the foreseeable future.

Dividends

The Board is recommending to shareholders at the Annual General Meeting on 26 July 2011 a final dividend of 3.15p per share to be paid on 28 July 2011 to shareholders on the register on 1 July 2011. This final dividend, amounting to £3,213,000 has not been included as a liability at 31 March 2011, in accordance with IFRS.

During the year the Group paid the 2010 final dividend of 0.25p per share and an interim dividend for 2011 of 1.75p per share.

Dividends	**2011 pence**	2010 pence	2009 pence
First interim	**1.75**	1.75	1.75
Second interim	**–**	2.75	–
Prior period final	**0.25**	2.75	2.75
Total	**2.00**	7.25	4.50

(Loss)/earnings per share

Loss per share in the year to 31 March 2011 was 3.6p (2010: earnings per share of 9.1p) per share and on a diluted basis was 3.6p (2010: earnings of 9.1p) per share. Diluted EPRA loss per share increased to 6.4p (2010: 0.1p) per share.

(Loss)/earnings per share	**2011 pence**	2010 pence	2009 pence
(Loss)/earnings per share	**(3.6)**	9.1	(56.6)
Diluted (loss)/earnings per share	**(3.6)**	9.1	(56.6)
Diluted EPRA (loss)/earnings per share	**(6.4)**	(0.1)	9.0

(Loss)/earnings per share calculations are based on the weighted average number of shares held in the year. This is a different basis to the net asset value per share calculations which are based on the number of shares at 31 March 2011.

In accordance with IAS 33 on Earnings per Share, no weighting adjustment has been made for share awards in existence during the years to 31 March 2011 and 31 March 2009 as losses were made during those years. Accordingly, the basic and diluted loss per share for these years are the same.

Consolidated balance sheet

Investment portfolio

During the year investment properties with a book value of £27.9m were sold. New properties of £74.6m were acquired (including the Focus portfolio, East Kilbride and two shopping centres in Sutton-in-Ashfield and Newmarket). The purchase of Barts is included in these accounts as an investment in joint ventures. In addition, around £3.2m of capital expenditure was spent on refurbishing various office, industrial and retail buildings. At 31 March 2011 there was a revaluation surplus, net of joint venture share, of £2.7m (2010: £13.1m) on the investment portfolio.

Investment portfolio	**2011 £000**	2010 £000	2009 £000
Cost or valuation at 1 April	**219,901**	241,287	306,778
Additions at cost	**77,864**	4,192	16,011
Transferred from land, trading and development properties	**–**	–	1,514
Disposals	**(27,902)**	(40,438)	(9,005)
Profit share partners’ share of revaluation	**(657)**	1,756	(6,006)
Revaluation	**2,670**	13,104	(68,005)
Cost or valuation at 31 March	**271,876**	219,901	241,287

Net asset values

After removing the effect of the Placing in the year, equity shareholders' funds, on which the net asset value per share is calculated, have decreased by £15.2m. This has led to a 7% decrease in adjusted diluted net assets per share to 225p (2010: 241p). Taking into account the directors' valuation of trading and development stock of £32m (2010: £33m), the diluted EPRA net assets per share decreased by 7% to 253p (2010: 272p).

Net asset values per ordinary share	**2011 pence**	2010 pence	2009 pence
Diluted	**218**	228	226
Adjusted diluted	**225**	241	242
Diluted EPRA	**253**	272	286
Diluted EPRA triple net asset value	**246**	259	269

The net asset value per share calculations are included in Note 34 of this statement.

Borrowings and financial risk

Net debt has increased from £203.0m to £206.1m. Taken with an increase in net assets of £12.8m, the Group's net gearing has fallen from 84% to 81%.

The fair value of the Group's investment, trading and development portfolio at 31 March 2011 was £451.9m (2010: £435.4m). With net borrowings of £206.1m (2010: £203.0m) the ratio of net borrowings to the value of the property portfolio was 45.6% (2010: 46.6%).

At 31 March 2011 the Group had £75.4m (2010: £92.6m) of fixed rate borrowings with an average effective interest rate of 5.77% (2010: 6.43%) and an average length of 2.3 years (2010: 2.3 years), and £91m of interest rate caps at an average of 4.9% (2010: £34m at 6.00%). In addition, the Group had a £40m interest rate floor at 4.50% until 2013.

Net debt and gearing	**2011**	2010	2009
Net debt	**£206.1m**	£203.0m	£224.7m
Gearing	**81%**	84%	95%

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. As at 15 June 2011 the Group has over £95m of cash and agreed, unutilised, bank facilities as well as £59m (2010: £32m) of uncharged property on which it could borrow funds. Helical's average interest rate is 4.35%.

Going concern

The directors have reviewed the current and projected financial position of the Group making reasonable assumptions about future trading performance.

The key areas of sensitivity are:

- timing and value of property sales
- availability of loan finance and related cash flows
- future property valuation and its impact on covenants and potential loan repayment
- committed future expenditure
- future rental income and potential bad debt
- repayment timing and value of trade receivables

The forecast cashflows have been sensitised to eliminate those cash inflows which are less certain and to take account of a potential further deterioration of property valuations. From their review the directors believe that the Group has adequate resources to continue to be operational as a going concern for the foreseeable future.

Placing

On 8 December 2010 the Company placed 10,730,000 ordinary 1p shares (the "Placing Shares") at a price of 270 pence per share, raising net proceeds of £28.0m. These Placing shares represented 9.9% of the Company's issued ordinary share capital prior to the Placing and were admitted to trading on 13 December 2010. The shares rank pari passu with existing ordinary shares.

Nigel McNair Scott
Finance Director
15 June 2011

corporate responsibility

Introduction

Helical recognises that our business activities impact on the environment and the wider communities in which we operate. As our business involves working with joint ventures partners and outsourcing partners, our direct impacts as a business are relatively small. However, we are aware of the influence we can exert through the implementation of responsible environmental and social practices via our partners, contractors and suppliers.

An endorsement of Helical's commitment to managing environment and social impacts is our continued listing in the FTSE4Good Index. The FTSE4Good Index measures the performance of companies that meet globally recognised corporate responsibility standards and facilitates investment in those companies. Maintaining listed status on this Index remains a key priority for Helical, and informs our evolving approach to Corporate Responsibility.

Managing Corporate Responsibility

In 2009 we revised and updated our environmental management system, which has been in place since 2003 and the updated environmental management system, available on the company website, has been embedded within the operations for Helical through the course of 2010-11. Key elements of the system include:

- 'Environment' and 'Corporate Responsibility' policies which set out Helical's high-level commitment across a number of impact areas.
- Annual (and rolling) performance targets to enable us to focus our efforts throughout the year on measurable, yet achievable performance goals. Improved environmental performance disclosure was also a key piece of investor feedback. This year we have reported on energy and water consumption at our large managed multi-let assets and head office, which will now form the baseline for improvement targets going forward for 2011-12.
- Key Performance Indicators (KPIs) to help us monitor progress towards these targets and to ensure that we are able to report in line with investor disclosure requirements, notably FTSE4Good.
- A checklist to assist us in applying minimum sustainability requirements across our development activities. In collaboration with our consultants, we developed a sustainability project management checklist to ensure that sustainability issues are incorporated into all decisions throughout the development lifecycle.
- Effective use of internal audit and review through quarterly meetings of key Helical personnel, their external corporate responsibility advisors and principal managing agents to ensure effective delivery of the objectives and targets.

The management system we have developed has been designed specifically to reflect the flexibility of Helical's business model. It also reflects the key role that our partners play in delivering enhanced sustainability outcomes in all our business ventures, be they large-scale developments such as the ongoing Stockport Gateway project, or in the management of individual multi-let assets such as at Shepherds Building or Battersea Studios.

Review of progress in the year to 31st March 2011

We manage our environmental and social impacts because there are business benefits in doing so. These benefits include increased ability to secure planning consent, improved marketability of assets to prospective tenants, reduced operating costs of assets, mitigating the risk of future legislation and regulation, and enhanced corporate reputation.

Below we outline our progress in relation to the each of our Corporate Responsibility impact areas.

Environment

Our high-level corporate commitments to environmental issues is outlined in the Group's Environmental Policy which can be found on the Group website. The Policy details our commitments across a range of impact areas and our development and property management activities. In 2009-10, Helical set itself 18 targets to guide its Corporate Responsibility programme over the following 12 months. These targets address a range of impacts arising from our development and property management activities, including resource use and waste production, pollution, biodiversity, tenant engagement, flood risk and sustainable design and construction. A full list of these targets can be found on the Helical website. The performance against the key targets is summarised below.

- At our Head office at Farm St, we comfortably achieved our targets of a 5% reduction in water use and energy. This reflects an increased efficiency and internal awareness of how we use and manage our offices.
- At our managed multi-let properties, we continue to improve energy and water efficiency through the implementation of low and no cost measures. The specific target for 2010-11 was to define the baseline against which 5% improvement in efficiencies could be achieved. A review of the data in the table below shows that 61 Southwark St showed a reduction in use of gas and water and an increase in use in electricity but given it was not fully tenanted throughout the financial year it demonstrates the difficulties of assessing year on year comparisons for managed multilet properties. Within the other properties assessed, performance was variable but generally reflected the level of occupancy.
- One key target for 2010-11, was to proactively engage with our tenants to encourage improvements in efficiency of use of the buildings. A tenants' engagement poster has been designed for use within each of the principal managed assets and will be displayed in public areas to help achieve this aim.
- We continue to offer recycling facilities at all our managed assets. At Battersea, for instance, the provision of recycling facilities for tenants ensured that on average 25% of the waste generated was recycled. At Shepherds Building, following engagement with the tenants, a number have taken up their own recycling contracts thereby being in direct control of the management of their waste. As a result the waste being disposed to landfill has reduced by approximately 30%. Similarly, proactive engagement with tenants at the Hub has increased the proportion of waste being recycled to approximately 40%.

In addition, the company is required to comply with the Carbon Reduction Commitment and during 2010-11 has registered for the scheme and undertaken its obligations to date.

Below we present our utility consumption performance for 4 multi-let buildings under management as well as our head office (where data availability permits).

	Electricity 2008-09 kWh	Electricity 2009-10 kWh	Electricity 2010 -11 kWh	Gas 2008 -09 kWh	Gas 2009-10 kWh	Gas 2010-11 kWh	Water 2008-09 m3	Water 2009-10 m3	Water 2010 -11 m3
11-15 Farm Street, London W1	209,439	161,822	134,531	66,929	78,659	45,904	3,857	2,800	2,479
Battersea Studios, 1 & 2, London SW8	2,226,416	2,398,007	2,250,701	1,194,606	1,331,818	1,255,766	5,366	4,703	5,017
61 Southwark St, London SE1	900,553	906,531	992,777	567,217	567,370	525,614	3,772	6,706	4,506
Shepherds Building, London W14	3,376,730	3,367,740	3,397,545	No gas	No gas	No gas	9,092	6,989	8,494
The Hub	–	–	328,436	–	–	392,587	–	Not available	Not available

Notes:
- Only Q3 and 4 gas readings for the Hub because supplier unidentified until that point
- ‘No gas’ refers to assets where gas is not used on site
- ‘-’ refers to asset that was under construction at time of data reporting
- ‘Not available’ refers to data not available at time of reporting e.g. inaccessible water meters

Going forward for 2011 -12, the suitability of the targets will be reviewed against the performance for 2010-11 and revised accordingly to remain challenging yet achievable.

Employees

As at 31st March 2011, in the UK, we employed a team of 26 people, 38% of whom are women. We continue to enforce our equal opportunities, harassment and sexual discrimination policies. We also continue to monitor compliance with our whistle blowing policy. There have been no incidents to report against this policy to date.

High levels of staff retention remains a key feature of our business. Consequently, we retain a highly skilled and experienced team. The table below shows a breakdown of our UK staff by length of service.

	Total number of staff	Average length of of service (years)
Directors and management	10	13
Finance	7	9
Administration	9	6

Our staff retention levels not only reflect competitive remuneration and benefits packages but also our commitment to enhancing the professional and personal skills of our team. During 2010-11 we provided an average of 9.33 hours of training per employee, including funding for one staff member to complete a Master’s degree in Real Estate. As in previous years, we continue to evaluate training needs in line with business objectives.

Communities

Helical takes a strong interest in community issues. Community engagement is an on-going concern throughout the development process, from planning until development completion and operation. The following examples demonstrate how community engagement has benefited the communities that we have worked with over the past year.

- We have made a number of in-kind contributions through our Clyde Shopping Centre in Clydebank alongside our joint venture partner Prime Commercial Properties. The Shopping Centre had a week of fundraising events on the week leading up to Comic Relief with Funky Hair Day, Dress Down Day, Guess the Birthday and a Glasgow to London cycle ride involving all staff, stores and the general public to raise cash for Comic Relief. Along with Rymans, Comic Relief pen sales raised £9,500 in the centre. Other initiatives include facilitating public collections for charities such as Guide Dogs for the Blind, the Rotary Club, Marie Curie Daffodil Appeal, Nazareth House and Yorkhill Childrens Foundation.
- At our Newmarket shopping centre we jointly sponsored ‘Horse about Newmarket’, a community art event, featuring life size acrylic horses, which are creatively designed and painted by local artists, companies and schools. Once completed, the equine works of art will be displayed to the general public at various locations throughout the town. Each horse will have a plaque with the artist and sponsor names. The horses will be displayed from July till autumn, and then they will be auctioned. All profits will be shared between Racing Welfare and St Nicholas Hospice. We allowed a number of the horses to be stored and decorated within the centre. We have also facilitated charitable collections for the RSPB.
- Idlewells Shopping Centre, Sutton-in-Ashfield has converted a long-term void unit into an Art Gallery for the local Sutton Centre Community College. They are using it for the exhibition of art work created by their students, and as a base for members of their staff to promote the services offered by the college to the local community. A grand opening was organised, to which the local media were invited. A competition was launched among the student population to suggest a name for the gallery, with the winning name decided as ‘S.C.C.Cribble’ – a play on the college’s initials. Other intiatives include facilitating events for the Ashplorers RSPB Wildlife Explorer group and the Ashfield Fair Share Trust.

We continue to make corporate donations to charity. We contributed £12,987 to charitable causes last year, including donations to King Sturge Charitable Trust, Land Aid and the sponsorship of an Under 13 football team.

Health & Safety

Helical’s Health & Safety policy aims to develop a corporate culture 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 and ensure that health and safety considerations are always given priority in planning and in day-to-day activities. In 2009, we updated our Health & Safety Policy to reflect the latest legislative and regulatory developments and there have been no reportable incidents within the portfolio during 2010 -11. All employees are expected to co-operate with the Company to achieve the objectives of this policy and must ensure that their own work, so far as is reasonably practicable, is carried out without risk to themselves or others. The Company is committed to providing relevant information and necessary ongoing training to employees in respect of risks to health and safety, which may arise out of their activities or at their workplace. Our Health & Safety policy can be found on the company website at www.helical.co.uk.

Suppliers

Fair treatment of suppliers remains a key priority for Helical, particularly in challenging market conditions where smaller suppliers in particular may rely on our payments for balanced cash flow. The company’s policy is to settle all agreed liabilities within the terms established with suppliers. During the past year, our average payment period to suppliers was 14 days.

the board of directors and senior management

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

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

Board of Directors and other officers

Executive directors

Chief Executive
Michael Slade, BSc (Est Man) FRICS FSVA, joined the Board as an executive director in 1984 and was appointed Chief Executive in 1986. He is President of Land Aid, the property industry charity, Chairman of the Property Forum, a Fellow of the College of Estate Management, Fellow of Wellington College, a Trustee of Purley Park and Sherborne School Foundation and Vice Admiral of the Marie Rose Trust. Mike was given the Property Personality of the Year award at the Property Awards 2011. Aged 64.

Finance Director
Nigel McNair Scott, MA FCA FCT, joined the Board as a non-executive director in 1985 and was subsequently appointed Finance Director in 1987. He is a former Chairman of Avocet Mining plc and former director of Johnson Matthey plc. Aged 65.

Director
Gerald Kaye, BSc (Est Man) FRICS, was appointed to the Board as an executive director in 1994 and is responsible for the Group's development activities. He has been responsible for completing over 4 million sq ft of offices, retail, leisure and industrial developments. Gerald is the President of the British Council for Offices, a member of the Investment Advisory Committee of Rockspring Hanover Property Unit Trust and a trustee of The Prince's Regeneration Trust. He is a former director of London & Edinburgh Trust Plc and former Chief Executive of SPP. LET. EUROPE NV. Aged 53.

Director
Matthew Bonning-Snook, BSc (Urb Est Surveying) MRICS, was appointed to the Board as an executive director in 2007. Prior to joining Helical in 1995 he worked for Richard Ellis (now CB Richard Ellis), and oversees many of Helical's office and mixed use developments. Aged 43.

Director
Jack Pitman, MA (Cantab) MRICS, was appointed to the Board as an executive director in 2007. Before joining the Group in 2001 he was a director of Chester Properties Ltd. He is responsible for the Group's investment activities. Aged 42.

Non-executive directors

Chairman
Giles Weaver, FCA, was appointed to the Board as a non-executive director in 1993 and was appointed Chairman following the 2005 AGM. He is Chairman of the Nominations and Appointments Committee. A past Chairman of Murray Johnstone Ltd, he is Chairman of Tamar European Industrial Fund Limited and a director of Aberdeen Asset Management plc and IRP Property Investments Limited as well as being Chairman or a director of a number of investment companies. Aged 65.

Antony Beevor, MBE, BA, was appointed to the Board as a non-executive director in 2000. He is the Senior Independent Director and Chairman of the Audit Committee. He is also a member of the Remuneration and Nominations and Appointments Committees. A former Head of Corporate Finance at Hambros Bank and former Chairman of Croda International Plc, he is a Deputy Chairman of the Takeover Panel. Aged 71.

Wilf Weeks, OBE, was appointed to the Board as a non-executive director in 2005. He is a member of the Audit, Remuneration and Nominations and Appointments Committees. Founder and Chairman of GJW Government Relations, he is a former Chairman of European Public Affairs at Weber Shandwick. Aged 63.

Andrew Gulliford, BSc (Est.Man), FRICS, was appointed to the Board as a non-executive director in 2006. He is Chairman of the Remuneration Committee and a member of the Audit and Nominations and Appointments Committees. A former Deputy Senior Partner of Cushman & Wakefield Healey & Baker, he is a non-executive director of McKay Securities PLC, IRP Property Investments Limited and various other companies. Aged 64.

Deputy Finance Director and Company Secretary
Tim Murphy, BA (Hons) FCA, joined the Group in 1994. Prior to joining Helical, he worked for accountants Grant Thornton and KPMG. Aged 51.

Senior management

Duncan Walker, MA (Hons) (Oxon), PG Dip Surveying, joined the Group in 2007 and oversees a portfolio of investments and developments. In particular, he was responsible for the recent acquisition of Helical's shopping centres and a number of industrial properties. Prior to joining Helical, Duncan led Edinburgh House Estate's investment team. Aged 32.

John Inwood, BSc (Hons) MRICS, joined the Group from Cushman and Wakefield in 1995 and is the Head of Asset Management. Aged 45.

Tom Anderson, BSc (Hons) MRICS, joined the Group in 2009 from Allsops where he worked in the National Investment Team. Aged 32.

Oliver Rippier, BA (Hons) MSc Real Estate MRICS, formerly employed by Jones Lang LaSalle and Lloyds Banking Group, joined as a property analyst and development executive in 2010. Aged 29.

Alastair Oastler, BSc (Hons) ACA, joined the Group as Financial Controller in 2007 having previously worked for Invensys plc and Compagnie Financiere Richemont SA. Aged 34.

Directors and their interests

The directors, all of whom were in office during the year, and their interests, all of which were beneficial, in the ordinary shares of the Company are listed below. Other than in respect of the award of shares under the terms of the Company's Share Incentive Plan on 14 June 2011, there have been no changes in the directors interests in the period from 31 March 2011 to 15 June 2011.

	Ordinary 1p shares 31 March 2011	Ordinary 1p shares 31 March 2010
Giles Weaver	**132,313**	113,794
Michael Slade	**13,623,760**	13,669,498
Nigel McNair Scott	**2,706,398**	2,518,195
Gerald Kaye	**1,526,855**	1,449,764
Matthew Bonning-Snook	**276,533**	255,004
Jack Pitman	**441,319**	401,263
Antony Beevor	**19,569**	14,013
Wilf Weeks	**7,213**	3,509
Andrew Gulliford	**14,328**	8,772
Total directors' interests	**18,748,288**	18,433,812
Issued share capital	**118,137,522**	107,407,522
Percentage of issued share capital	**15.9%**	17.2%

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these 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 IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;

– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

– there is no relevant audit information of which the Group's auditors are unaware; and,

– the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

We, the directors listed below, confirm that to the best of our knowledge:

– the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the group and the undertakings included in the consolidation taken as a whole; and,

– the management report includes a fair review of the development and performance of the business and the position of the group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Michael Slade
Chief Executive

Nigel McNair Scott
Finance Director

15 June 2011

shareholder information

Dividends

An interim dividend of 1.75p (2010: 1.75p) was paid on 23 December 2010 to shareholders on the shareholder register on 3 December 2010. A final dividend of 3.15p (2010: second interim of 2.75p and final of 0.25p) per share is recommended for approval at the Annual General Meeting on 26 July 2011. The total ordinary dividend paid in the year of 2.00p (2010: 7.25p) per share amounts to £2,122,000 (2010: £7,657,000).

Share Capital

At 1 April 2010 there were 107,407,522 ordinary 1p shares in issue. On 8 December 2010 the Company issued 10,730,000 new ordinary 1p shares in a Placing to existing shareholders and other institutions. At 31 March 2011 and 15 June 2011 there were 118,137,522 ordinary shares in issue.

Substantial Shareholdings

At 9 June 2011, the shareholders listed below had notified the Company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of the Group:

	Number of ordinary shares at 9 June 2011	%
Michael Slade – Chief Executive	**13,623,760**	11.5
Baillie Gifford & Co Ltd	**9,915,933**	8.4
Aberdeen Asset Managers	**9,704,402**	8.2
Threadneedle Asset Management	**4,898,117**	4.2
Legal & General Investment Management	**4,356,872**	3.7
Artemis Investment Management	**4,326,358**	3.7
BlackRock Inc.	**4,203,705**	3.6
PGGM Investments	**4,034,863**	3.4
Dimensional Fund Advisors	**3,945,921**	3.3

Amendment of articles of association

The Company's articles of association can be amended only by a special resolution of the members, requiring a majority of not less than 75% of such members voting in person or by proxy.

Takeovers Directive

Where not provided elsewhere in this Directors' report, the following provides the additional information required for shareholders as a result of the implementation of the Takeovers Directive into English law.

The Company's share capital consists of both ordinary shares and deferred shares. Each class of shares rank pari passu between themselves. Details of the Company's share capital can be found in note 29 to the financial statements. There are no restrictions on the transfer of the ordinary shares in the Company other than certain restrictions which may from time to time be imposed by laws and regulations (for example: insider trading laws) and pursuant to the Listing Rules of the Financial Services Authority whereby certain employees of the Group require the approval of the Company to deal in the ordinary shares.

On a show of hands at a general meeting of the Company, every holder of ordinary shares present in person and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The Notice of the Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the meeting. The rules governing the appointment and replacement of Directors and changes to the articles of association accord with usual English company law provisions.

Subject to the Company's memorandum of association, the articles of association, any statute or subordinate legislation for the time being in force concerning companies and affecting the company, and directions given by special resolution, the business of the Group shall be managed by the Directors, who may exercise all the powers of the Group.

Annual general meeting

The Annual General Meeting of the Company will be held on 26 July 2011 at 11.30 a.m. at The Connaught, Carlos Place, Mayfair, London W1K 2AL.

The notice of meeting and the resolutions to be proposed at that meeting are set out in the enclosed circular and can be found on the Group's website at www.helical.co.uk.

Auditors

Grant Thornton UK LLP have expressed their willingness to continue in office. In accordance with section 489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP will be proposed at the Annual General Meeting.

corporate governance report

The Combined Code

The Group is committed to applying the highest principles of corporate governance and, except where stated, has complied throughout the year with the Code provisions set out in Section I of the Combined Code (2008). The Group will look to implement the additional provisions incorporated in the UK Corporate Governance Code, issued in June 2010, during 2011 and has chosen to adopt at this year's Annual General Meeting, the requirement that all directors should be subject to annual re-election by shareholders. The Group also takes into account the corporate governance guidelines of institutional shareholders and their representative bodies.

The Board is accountable to the Group's shareholders for good corporate governance. This report and the Directors' Remuneration Report describe how the Group complies with the provisions of the Combined Code (2008) (the "Code").

Board of Directors

Compliance

Helical has 26 employees in the UK, including five executive directors. It operates with a strong management team of senior decision-makers backed up by finance and other support staff. Given its size the Board do not consider it appropriate to operate both a main board and a separate executive committee, a structure commonly seen in larger companies. However, despite its size, the Group is keen to promote exceptional talent to Board level at the earliest opportunity to expose such individuals to the broader issues facing the business, encourage their long term commitment to the Group and to provide for future succession. It is for these reasons that Helical's Board of five executive directors' is larger than those of other comparable listed real estate companies.

Code provision A.3 requires a Board to have a balance of executive and non-executive directors and A.3.2 stipulates that at least half the Board, excluding the Chairman, should comprise independent non-executive directors. In the Group's view, this provision would, given the number of executive directors as noted above, create an unnecessarily large and unwieldy Board. Accordingly, it has long held the view that the appointment of non-executive directors should reflect a desire to add complementary skills and experience to the Board and not be driven by a requirement to match the number of executive directors, provided always that the interests of shareholders and other stakeholders are adequately protected.

In the Board's view, the current composition of the Board meets the criteria that it is comprised of directors with the appropriate balance of skills, experience, independence and knowledge of the Group to enable it to discharge its duties and responsibilities effectively. However, given the requirements of A.3.2, the Group is actively seeking to further strengthen the Board and has appointed an independent search firm, Hanson Green, to assist in the recruitment of a new non-executive director.

Chairman and Chief Executive

The Chairman and the Chief Executive collectively are responsible for the leadership of the Company. The Chairman's primary responsibility is for leading the Board and ensuring its effectiveness, whilst the Chief Executive is responsible for running the Company's business. The division of responsibilities is clearly established at Helical, is set out in writing and approved by the Board. The Chairman of Helical is Giles Weaver and the Chief Executive is Michael Slade.

Board composition

The Board currently consists of a Chairman, five executive directors and three independent non-executive directors.

The Chairman, Giles Weaver, has been a non-executive director of Helical since 1993 and was appointed Chairman in July 2005. He is a Chartered Accountant by training and has had a career in the financial services sector, including as a current and former Chairman or director of several listed companies in that sector. The experience he brings to the Group and the skills of leadership and guidance shown in Board meetings, together with his detachment from day-to-day issues within the Group, provide the Board with the necessary comfort that despite his time as a non-executive director, he provides an independent approach to the role of Chairman of Helical. Giles Weaver is Chairman of the Nominations and Appointments Committee.

The Senior Independent Director is Antony Beevor who was first appointed to the Board in April 2000. He is a solicitor by training and worked in the City throughout his career, most recently as Head of Corporate Finance at Hambros Bank. A former Chairman of Croda International Plc, he is currently a Deputy Chairman of the Takeover Panel. He was awarded an MBE in January 2010 for services to Fairbridge youth charity. Antony Beevor is Chairman of the Audit Committee and a member of the Remuneration and Nominations and Appointments Committees. He has served on the Board for more than nine years and accordingly the company has considered whether there are any reasons why he should not be regarded as independent. In the view of the Board, Antony Beevor continues to provide a robustly independent approach to his position as a non-executive director and to his roles as Senior Independent Director and Chairman of the Audit Committee. For this reason the Board continues to regard Antony Beevor as an independent non-executive director.

Wilf Weeks has been a non-executive director of Helical since April 2005. A former Chairman of European Public Affairs at Weber Shandwick he provides the Board with an in-depth understanding of central and local government and the Civil Service. He is a member of the Audit, Remuneration and Nominations and Appointments Committees.

Andrew Gulliford has been a non-executive director of Helical since March 2006. A former Deputy Senior Partner of Healey & Baker (now Cushman & Wakefield) he headed up their Investment Group. He is Chairman of the Remuneration Committee and a member of the Audit and Nominations and Appointments Committees.

Board responsibilities

The Group supports the concept of an effective Board leading and controlling the Group. 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 Group'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 pages 41 and 44.

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

As part of their roles as members of the Board, non-executive directors constructively challenge and help develop proposals on strategy and the risk appetite of the Group. 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 Boardroom discussions, the Chairman contacts other non-executive directors by telephone and, if appropriate, will hold meetings with the non executive directors without the executive directors present.

In addition to ad hoc meetings arranged to discuss particular transactions and events and the 2010 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.

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 Group, should only be decided by the Board of Directors as a whole. A summary of the decisions reserved for the Board is set out below:

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 Group'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 including directors' performance evaluations.
- Approval of policies including code of conduct incorporating whistle-blowing procedures; share dealing code; health and safety policy; environmental and corporate social responsibility policy; implementation of procedures required by the Bribery Act 2010 and equal opportunity policy.

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 Group'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 Group has arranged appropriate insurance cover in case of legal action against its directors.

Meetings	Giles Weaver	Michael Slade	Nigel McNair Scott	Gerald Kaye	Matthew Bonning-Snook	Jack Pitman	Antony Beevor	Wilf Weeks	Andrew Gulliford
Full Board	5	5	4	5	5	5	5	5	5
Audit Committee	n/a	n/a	n/a	n/a	n/a	n/a	2	2	2
Remuneration Committee	n/a	n/a	n/a	n/a	n/a	n/a	3	3	3
Nominations and Appointments Committee	1	n/a	n/a	n/a	n/a	n/a	1	1	1

Directors – performance evaluation

The Chairman is responsible for the annual evaluation process, and will act on its outcome. This process involves each director submitting an appraisal to the Chairman in respect of the performance of the main Board, of each member of the Board and in respect of each Board Committee of which they are a member.

The non-executive directors, led by the Senior Independent Director, are responsible for the performance evaluation of the Chairman, taking into account views of executive directors. Each director completes an evaluation of the Chairman's performance and provides this evaluation to the senior independent non-executive director.

During the year the Board undertook a formal evaluation of its own performance and that of its Committees and individual directors in the period and the Chairman reported the results of that evaluation process to the Board. There were no significant matters arising out of the annual evaluation process which required action by the Board.

The Senior Independent Director reported that there were no matters arising from the evaluation of the Chairman that necessitated any action or required a meeting to be held without the Chairman present.

Relations with shareholders

The Group values the views of its shareholders and recognises their interest in the Group'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 Group also regularly meets, with the help of its brokers, institutions that do not currently hold shares in the Group to inform them of its objectives.

During the year Antony Beevor and Andrew Gulliford met with shareholders to discuss certain matters relating to the Group.

The AGM is used to communicate with private investors and they are encouraged to participate. The members of the Audit, Remuneration and Nominations and Appointments 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 Group 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 Group communicates with all shareholders through the issue of regular press releases and through its website at www.helical.co.uk. The Group receives regular reports from sector analysts and its investor relations advisors on how it is viewed by its shareholders.

Nominations and Appointments Committee

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

The membership of the Committee is as follows:

Giles Weaver (Chairman)
Antony Beevor
Wilf Weeks
Andrew Gulliford

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 Nominations and Appointments Committee controls the process for Board appointments and makes recommendations to the Board.

Directors' re-election

The Board has decided to fulfil the requirement of Code Provision B.7.I of the UK Corporate Governance Code, issued in June 2010 and applicable in full for all accounting periods beginning on or after 29 June 2010. This provision requires all directors of FTSE350 companies to be subject to annual re-election by shareholders. Whilst the Company is no longer in the FTSE350 the Board has chosen to comply with this provision as it accepts that shareholders should annually have the right to vote on each director's re-election to the board. The Nominations and Appointments Committee confirms to shareholders that, following the annual formal performance evaluation, these directors continue to be effective and demonstrate commitment to their roles.

Biographical details of the directors are given on pages 41 and 44.

The work of the Nominations and Appointments Committee in the year
The Committee met once during the period and a record of attendance at this meeting is shown above. During this meeting the Committee resolved that Giles Weaver, Antony Beevor, and Gerald Kaye be recommended to shareholders for re-appointment as directors at the 2010 AGM.

Accountability and audit

Financial reporting

The Board presents a balanced and understandable assessment of the Group'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

The directors have reviewed the current and projected financial position of the Group making reasonable assumptions about future trading performance.

The key areas of sensitivity are:

- timing and value of property sales
- availability of loan finance and related cash flows
- future property valuation and its impact on covenants and potential loan repayments
- committed future expenditure
- future rental income and potential bad debts
- repayment timing and value of trade receivables

The forecast cashflows have been sensitised to eliminate those cash inflows which are less certain and to take account of a further deterioration of property valuations. From their review the directors believe that the Group has adequate resources to continue to be operational as a going concern for the foreseeable future.

Audit Committee and auditors

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

The membership of the Committee is as follows:

Antony Beevor (Chairman)
Wilf Weeks
Andrew Gulliford

The Committee endorses the principles set out in the FRC Guidance on Audit Committees.

The Board has formal and transparent arrangements for considering how it applies the Group's financial reporting and internal control principles and for maintaining an appropriate relationship with its auditors.

Whilst all directors have a duty to act in the interests of the Group, 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 work of the Audit Committee in the year

The Audit Committee met twice during the year. A record of attendance at these meetings is shown on page 45. The Audit Committee met the external auditors on both occasions to discuss matters arising from the annual and interim audits, and with the executive board members and Chairman, reviewed and approved:

– the financial statements of the Group and the Preliminary Announcement of the annual results to 31 March 2010 and the Interim Statement on the half year results to 30 September 2010;

– the re-appointment of the Group's external auditors; and,

– the external auditors independence and the provision of non-audit services by the external auditors.

It is common practice at Helical for Audit Committee meetings to be attended by all Board members who are available, whether or not they are members of the Audit Committee so that their input may be obtained.

Internal control

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the Group'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.

The key features of the Group'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;

– financial information systems including cash flow, profit and capital expenditure forecasts. The Board receives 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.

Internal audit

The Board reviewed its position during the year to 31 March 2011 and reaffirmed its stance that in view of the relatively small size of the Group it does not consider that an Internal Audit function would provide any significant additional assistance in maintaining a system of internal controls.

Audit independence

A policy of reviewing audit independence has been adopted whereby non-audit services undertaken by the auditors are approved prior to work being carried out. During the year under review non-audit services comprised a review of financial performance as required by the Group's Performance Share Plan. The audit committee considers the external auditors to be independent and has satisfied itself of the effectiveness of the external auditors.

The Group's policy on awarding non-audit work to its auditors is designed to ensure that the Group receives the most appropriate advice without compromising the independence of the auditors. Whilst no fee caps or limits have been set by the Committee, the level of fees would be a factor in considering whether the auditors' independence could be affected by the award of non-audit work.

Giles Weaver
Chairman, on behalf of the Board

directors' remuneration report

The Board recognises that directors' remuneration is of legitimate concern to shareholders and is committed to following current best practice. This report has been prepared in accordance with the Companies Act 2006 and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008. It has been approved by the Board and will be submitted to shareholders for approval at the Group's Annual General Meeting to be held on 26 July 2011. Grant Thornton LLP has audited the disclosures of directors' remuneration and share awards on pages 50 to 53.

Remuneration Committee

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

Remuneration Committee responsibilities

The Remuneration Committee ("Committee") has responsibility for determining and agreeing with the Board the framework or broad policy for the remuneration of the Chairman, Chief Executive and the Executive Directors and, subject to proposals submitted by the Chief Executive, shall recommend and monitor the level and structure of remuneration for such other members of the senior management as report directly to the Board. The remuneration of Non-Executive Directors shall be a matter for the Chairman and the Executive Directors to be decided at a meeting of the Board.

In determining such policy, the Committee shall take into account all factors which it deems necessary. The objective of the remuneration policy shall be to ensure that Executive Directors and senior management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group. Within the terms of the agreed policy, the Committee shall determine, for the Executive Directors:

- the total individual remuneration packages of each Executive Director including, where appropriate, basic salaries, bonuses, share awards, pensions and other benefits;
- targets for any performance related remuneration schemes; and,
- service agreements incorporating termination payments and compensation commitments.

In determining such packages and arrangements the Committee gives due regard to the recommendations of the Combined Code and the UK Listing Authority's Listing Rules.

Members of the Committee

The Committee is chaired by Andrew Gulliford. The remaining members of the Committee are Antony Beevor and Wilf Weeks. All 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 interests arising from cross-directorships nor any day-to-day involvement in running the business.

Advisors to the Committee

The Committee consults the Chief Executive and Finance Director about its proposals and has access to professional advice from Hewitt New Bridge Street to help it determine appropriate remuneration levels.

Remuneration Committee meetings during the year

During the year the Committee met on three occasions to consider and approve the Directors' Remuneration Report for the year to 31 March 2010, approve the terms of the Helical Bar 2010 Approved Share Option Scheme, approve the making and vesting of share awards under the terms of the Group's Performance Share Plan and the annual review of salaries and bonuses.

Remuneration policy

The Group 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 Group's position as a market leader and to reward them for enhancing shareholder value and returns. The performance measurement of the Executive Directors and the determination of their annual remuneration package is undertaken by the Committee. In determining remuneration packages the Committee considers Group and individual performance and responsibility levels and remuneration at comparable companies within the property sector. It also takes into account the remuneration structure below Board level.

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. A substantial proportion of the maximum level of total remuneration available to the executive directors upon full vesting of all share awards and payment of cash bonuses is dependent on corporate and individual performance. In setting the remuneration of directors the Committee seeks to agree basic salary levels below the median for the listed real estate sector. This policy helps to limit fixed costs, including associated employment costs such as national insurance.

In addition, the Group makes no pension payments in respect of its directors, who are obliged to provide for their retirement through basic salary and performance related payments.

Performance related cash bonus schemes operate for all Executive Directors. The Chief Executive and Finance Director participate in the Executive Bonus Plan from which bonuses are payable on the satisfaction of corporate targets and hurdles. The remaining directors participate in a cash bonus scheme which has specific hurdles to meet before bonuses start to accrue. Bonuses are paid based on individual performance during the year. These two schemes are designed to supplement the annual salary of the Executive Directors by making cash payments when performance criteria have been met.

Share incentives are designed so that they recognise the long-term growth of the Group. The performance periods are longer term, being three to five years, and participants receive shares in Helical if performance criteria are met. Share incentive schemes are also designed to encourage long term investment in Helical by the directors. Participants in the Group's Performance Share Plan are required to retain any shares which vest until they own shares to the value of 2x salary for Directors. In addition, and whilst it is not a condition of their award, Directors are encouraged to retain the shares received on the vesting of share awards, net of any requirements to pay personal taxes. To date, all shares received by the Executive Directors under the terms of the group's Performance Share Plan and Share Incentive Plan have been retained, net of taxes paid, thereby increasing the management's shareholding in Helical.

Executive Directors' remuneration packages

As explained earlier, there are three main elements to the Executive Directors' remuneration packages:

i basic annual salary and benefits-in-kind;

ii cash bonus payments, both performance related payments and those made in accordance with the terms of the Executive Bonus Plan; and,

iii share awards, being the Performance Share Plan and the all-employee Share Incentive Plan.

Basic annual salary and benefits-in-kind

Basic annual salaries for Executive Directors reflect their responsibilities and experience. They are set at a level below the median of other quoted real estate companies. Basic salary levels were last increased on 1 July 2009 and the Committee agreed with all Executive and Non-Executive Directors' that there would be no increases in basic salary during the year to 31 March 2011.

Executive Directors' annual basic salaries in the year to 31 March 2011 were:

	£
Michael Slade	500,000
Nigel McNair Scott	335,000
Gerald Kaye	325,000
Matthew Bonning-Snook	275,000
Jack Pitman	275,000

Benefits-in-kind provided to Executive Directors comprise the provision of a company car and health insurance.

The Group makes no pension contributions in respect of the Executive Directors.

Balance of fixed versus variable pay

In line with its policy, the Committee seeks to ensure that the balance of remuneration provides a basic salary below the median, and performance related bonuses and share awards that reward outperformance of the Group's peer group. In the year to 31 March 2011 the balance of fixed versus variable pay on an actual basis for the Executive Directors compared to the maximum payable was as follows:

	Actual £		Maximum £	
Basic salaries and benefits in-kind	1,861,000	77%	1,861,000	17%
Annual cash bonus payments	542,000	23%	5,000,000	46%
Executive Bonus Plan	–	0%	2,000,000	18%
Share awards	–	0%	2,134,000	19%
	2,403,000	100%	10,995,000	100%

Note: Share awards reflect the market value of shares that vested during the year in accordance with the terms of the Group's Performance Share Plan.

Performance related cash bonus payments

The Committee establishes the objectives which must be met for performance related cash bonuses to be paid. The calculations of the performance related cash bonuses payable to each participant are directly related to the profits generated by the participants. In each case these profits are recognised in the accounts of the year in which the bonus is accrued and these profits will have been received by the time the bonuses are paid. Any losses on other projects are deducted from the profits, as are all costs directly attributable to the generation of the profits, including all finance costs and an apportionment of central overheads. The net profits generated by each participant are available as a bonus pool and bonus payments are made based on individual performance. Bonuses are calculated in a range of 0 to 10% of the bonus pool with appropriate percentages depending on the level of equity contributed to each property and risks assumed. Gerald Kaye, Matthew Bonning-Snook and Jack Pitman were eligible for performance related cash bonuses in the period under review. The maximum amount payable in each year is a total of £5m. Payment of these performance related cash bonuses is at the discretion of the Committee. In the year under review a performance related cash bonus was paid to only one director. Gerald Kaye received a bonus of £542,000.

Executive Bonus Plan

During the year the Group operated an Executive Bonus Plan ("2006 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 Group's property portfolio. The Plan operated over a five year period from 1 April 2006 and cash bonuses were paid annually subject to the achievement of challenging performance targets. Michael Slade and Nigel McNair Scott were eligible for Executive Bonus Plan bonuses. No Executive Plan Bonuses have been paid in respect of the year to 31 March 2011 (2010: nil).

Included in the proposals to be put forward by the Company at the AGM to be held on 26 July 2011, is a resolution to renew the Executive Bonus Plan for a further five years with the same rules and criteria as used for the 2006 Plan. The proposed Executive Bonus Plan ("2011 Plan") is to be adopted from 1 April 2011, if approved by shareholders, and Michael Slade and Nigel McNair Scott will be eligible for bonuses under the 2011 Plan. The rules of the 2011 Plan will be as follows:

Performance conditions The Committee may, at its discretion, award bonuses in respect of a financial year subject to performance conditions, the aim of which is to link the size of bonuses paid to the financial growth of the Group over that financial year. No bonus will be payable unless the following conditions are satisfied:

i Increase in net asset value; net asset value at the end of the financial year exceeds net asset value at the beginning of the financial year;

ii Absolute performance of the portfolio – ungeared total return; the percentage increase in the total return on property assets of the Group over the financial year (the "Performance Period") is 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,

iii Performance of the net asset value per share; the percentage increase in net asset value per share for the Performance Period must be 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 Committee will recommend the size of the bonus payable by reference to the same sliding scale based on the amount by which the increase in net asset value per share exceeds the increase in the Upper Quartile of the IPD Capital Growth Benchmark, subject to a £2m cap.

Calculation of amounts payable The total amount of the bonuses 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 the Difference on the following basis:

Amount of Difference	% 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
For example: From 4% to less than 5%	0.05

If the net asset value at the end of a financial year is less than the net asset value at the beginning of that year, the bonus payable for any subsequent year will be calculated by reference to the highest net asset value in the preceding year.

Financial accounts The audited financial accounts which record the financial performance on which the Plan operates are those accounts prepared in accordance with International Financial Reporting Standards.

2011 Plan and individual limits The total amount payable under the 2011 Plan in any one year will be limited to £2m (2010: £2m). An individual employee's participation in the 2011 Plan will be limited so that the bonus which may be paid to him under the 2011 Plan will not exceed £1.5m per annum. There is a further limit that payments under the 2011 Plan in any year may not exceed 20% of the Group's pre-tax profits plus any payments under the 2011 Plan. Among other constraints the Committee could restrict the bonuses if payment would affect the financial or trading position of the Group.

Timing of bonuses Bonuses will ordinarily be paid, subject to the performance conditions being satisfied, and provided that the participant remains a director or employee of the Group at the time of payment, on a specified bonus date, which will fall within four months of the end of the relevant Performance Period. Bonuses are not transferable, nor will benefits obtained under the 2011 Plan be pensionable.

Termination of employment If a participant dies, the bonus that would have been paid for the relevant financial year may, at the discretion of the Committee, be paid to the participant's personal representatives, but will be scaled down pro rata to reflect the period elapsed since the start of the Performance Period. If a participant's employment ends in any other circumstances prior to the payment of the bonus, no entitlement will arise.

Change of control In the event of a change in control of the Group, bonuses in respect of the financial year in which the change of control falls may be paid to the extent that the relevant performance target(s) have been satisfied over an adjusted Performance Period.

Information subject to audit: Remuneration of directors

Share awards

Share options

The Helical Bar 2010 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. This scheme was approved by shareholders at the 2010 Annual General Meeting and no options have yet been granted to employees.

Share price

The market price of the ordinary shares at 31 March 2011 was 270.8p (2010: 337.9p). This market price varied between 262.0p and 358.8p during the year.

Performance share plan

At the 2004 AGM the Group received approval for the adoption of a Performance Share Plan ("PSP").

General

The operation of the PSP is supervised by the Committee.

The PSP is capable of delivering shares to an executive after a period of not less than three years, other than in exceptional circumstances and with the approval of the Committee, subject to meeting pre-specified performance targets.

Eligibility

All employees of the Group 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 Group 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.

An award consists of the right to acquire shares in the Group 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

Other than in exceptional circumstances, an award will 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 Group's net asset value per share and the other based on the gross (ungeared) 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).

Applicable conditions

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

Annual compound increase after three years	% of award vesting
15% p.a. or more	66.7
Between 7.5% p.a. and 15% p.a.	Pro rata between 6.7 and 66.7
7.5% p.a.	6.7
Below 7.5% p.a.	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% per 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.

Share awards will lapse 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.

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 Group (measured as the increase in the net asset value plus cash returned as dividends to shareholders) that could accrue to all executives through the Group'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 Group will have increased its triple net asset value by at least 15% per annum with the Group's relative performance placing it in the top quartile of IPD, over the three year period.

Vesting of Awards

During the year the performance conditions relating to the fourth award, granted on 6 July 2007, were considered. The three year performance period to 31 March 2010 showed that the net asset value per share, calculated in accordance with the terms of the PSP, had reduced by 4.6% p.a. During this three year period the total return of Helical's property portfolio, as determined by IPD, was 0.0% compared to the upper quartile of the IPD Benchmark which had reduced by 5.3%. Therefore, although the IPD comparison performance criteria had been met, no shares could vest as the net asset value per share had fallen.

Awards made to directors under the terms of the PSP which have not yet vested are as follows:

Director	Shares awarded 14.07.08 at 276.25p	Shares awarded 09.07.09 at 300.25p	Shares awarded 13.07.10 at 276.10p	Total shares awarded	Total award value £
Michael Slade	325,792	499,584	543,281	1,368,657	3,900,000
Nigel McNair Scott	217,195	334,721	363,998	915,914	2,610,000
Gerald Kaye	298,643	324,729	353,132	976,504	2,775,000
Matthew Bonning-Snook	255,204	274,771	298,804	828,779	2,355,000
Jack Pitman	255,204	274,771	298,804	828,779	2,355,000

It is currently expected that no shares will vest in respect of the share awards made on 14 July 2008 and 9 July 2009 and that 33% of the shares awarded on 13 July 2010 will vest.

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 Group 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 Group. Provided participants remain employed by the Group 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:

	8 June 2010 at 284.0p	7 January 2011 at 282.0p	14 June 2011 at 254.6p
Michael Slade	1,919	1,099	1,917
Nigel McNair Scott	1,919	1,099	1,917
Gerald Kaye	1,919	1,098	1,917
Matthew Bonning-Snook	1,915	1,096	1,917
Jack Pitman	1,919	1,099	1,917

Shares held by the Trustees of the Plan at 31 March 2011 were 315,624 (2010: 223,624).

Directors' Remuneration

Remuneration in respect of the directors was as follows:

Salaries and bonuses	**Salary/ fees £000**	**Benefits-in-kind £000**	**Cash bonuses £000**	**2011 Total £000**	Salary/ fees £000	Benefits-in-kind £000	Cash bonuses £000	2010 Total £000	**2011 Pensions £000**	2010 Pensions £000
Chairman										
Giles Weaver	**75**	**–**	**–**	**75**	75	–	–	75	**–**	–
Non-executive directors										
Antony Beevor	**42**	**–**	**–**	**42**	42	–	–	42	**–**	–
Wilf Weeks	**35**	**–**	**–**	**35**	35	–	–	35	**–**	–
Andrew Gulliford	**42**	**–**	**–**	**42**	36	–	–	36	**–**	–
Executive directors										
Michael Slade	**500**	**38**	**–**	**538**	488	39	–	527	**–**	–
Nigel McNair Scott	**335**	**32**	**–**	**367**	326	34	–	360	**–**	–
Gerald Kaye	**325**	**36**	**542**	**903**	312	34	–	346	**–**	–
Matthew Bonning-Snook	**275**	**21**	**–**	**296**	265	20	880	1,165	**–**	–
Jack Pitman	**275**	**24**	**–**	**299**	265	20	–	285	**–**	–
Former Director										
Michael Brown	**–**	**–**	**–**	**–**	74	5	–	79	**–**	–
	1,904	**151**	**542**	**2,597**	1,918	152	880	2,950	**–**	–

Gerald Kaye was the highest paid director during the year with a total remuneration of £903,000 (2010: Michael Slade £1,890,000 including gains on share awards).

Directors Fees

Fees receivable by Nigel McNair Scott in his capacity as former Chairman of Avocet Mining Plc are shown in the financial statements of that Company.

Share awards	**Vesting of PSP awards £000**	**Gain on exercise of share options £000**	**2011 Total gains £000**	Vesting of PSP awards £000	Gain on exercise of share options £000	2010 Total gains £000
Executive directors						
Michael Slade	**–**	**–**	**–**	390	973	1,363
Nigel McNair Scott	**–**	**–**	**–**	244	–	244
Gerald Kaye	**–**	**–**	**–**	210	663	873
Matthew Bonning-Snook	**–**	**–**	**–**	105	407	512
Jack Pitman	**–**	**–**	**–**	101	623	724
Former Director						
Michael Brown	**–**	**–**	**–**	210	–	210
	–	**–**	**–**	1,260	2,666	3,926

Information not subject to audit

Other Remuneration Matters

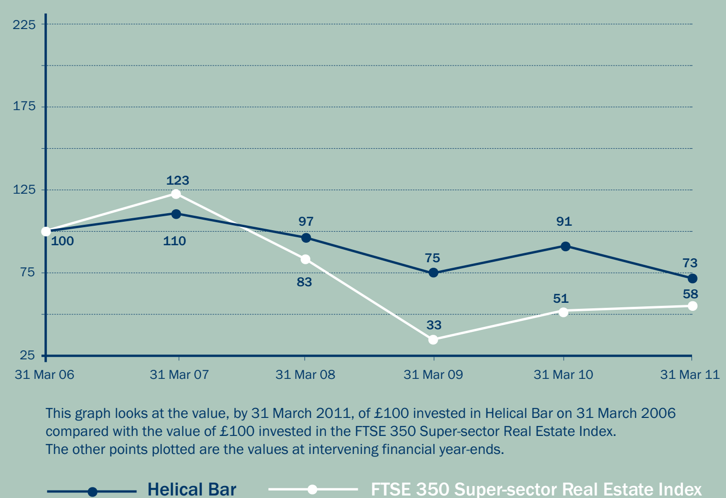
Service contracts The service contracts of Michael Slade and Nigel McNair Scott operate from 1 April 2007, and of Gerald Kaye, Matthew Bonning-Snook and Jack Pitman from 1 March 2010. No service contract provides for more than a one year notice period. On termination of employment each director is entitled to a payment in lieu of notice of basic salary and other contractual entitlements i.e. provision of car and health insurance. The Company may make payments in lieu of notice as one lump sum or in instalments, at its own discretion. If the Company chooses to pay in instalments the director is obliged to seek alternative income over the relevant period and to disclose the amount to the Company. Instalment payments will be reduced by any alternative income.

Non-Executive Directors Non-Executive Directors are appointed by a Letter of Appointment. The remuneration of the Non-Executive Directors is determined by the Board and was last increased in April 2007. The appointment of Non-Executive Directors is terminable on three months notice. Non-Executive Directors do not participate in any of the Group's bonus or share award schemes.

Total shareholder return The performance criteria of the Helical Bar 2010 Approved Share Option Scheme requires the Group to exceed certain targets of total shareholder return. The total shareholder return for a holding in the Group's shares in the five years to 31 March 2011 compared to a holding in a broad equity index is shown in the graph below.

Total shareholder return

Source: Thomson Reuters



This graph looks at the value, by 31 March 2011, of £100 invested in Helical Bar on 31 March 2006 compared with the value of £100 invested in the FTSE 350 Super-sector Real Estate Index. The other points plotted are the values at intervening financial year-ends.

Andrew Gulliford
Chairman of the Remuneration Committee

15 June 2011

report of independent auditor

To the Members of Helical Bar plc

We have audited the financial statements of Helical Bar plc for the year ended 31 March 2011 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the group and company balance sheets, the group and company cash flow statements and the group and company statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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

As explained more fully in the Statement of Directors' Responsibilities set out on page 42, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the group financial statements, the group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and,
- the information given in the Corporate Governance Report set out on pages 44 to 47 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Report has not been prepared by the company.

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 47, in relation to going concern;
- the part of the Corporate Governance Report relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and,
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Charles Hutton-Potts B.Sc., FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

15 June 2011

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consolidated income statement

For the year ended 31 March 2011

	Note	**Year ended 31.3.11 £000**	Year ended 31.3.10 £000
Revenue	3	**119,059**	67,354
Net rental income	4	**14,187**	14,151
Development property loss	5	**(16,642)**	(1,293)
Trading property loss	6	**(367)**	(10)
Share of results of joint ventures	21	**2,886**	3,745
Other operating (expense)/income		**(358)**	26
Gross (loss)/profit before net gain on sale and revaluation of investment properties		**(294)**	16,619
Net gain on sale and revaluation of investment properties	7	**7,512**	8,195
Impairment of available-for-sale assets	19	**(1,817)**	–
Gross profit		**5,401**	24,814
Administrative expenses	8	**(7,050)**	(8,680)
Operating (loss)/profit		**(1,649)**	16,134
Finance costs	10	**(6,992)**	(9,328)
Finance income	10	**652**	1,039
Change in fair value of derivative financial instruments	23	**1,776**	1,157
Foreign exchange losses		**(67)**	(1,127)
(Loss)/profit before tax		**(6,280)**	7,875
Taxation on (loss)/profit on ordinary activities	11	**2,391**	1,711
(Loss)/profit after tax		**(3,889)**	9,586
– attributable to non-controlling interests		**(2)**	(33)
– attributable to equity shareholders		**(3,887)**	9,619
(Loss)/profit for the year		**(3,889)**	9,586
Basic (loss)/earnings per share	15	**(3.6p)**	9.1p
Diluted (loss)/earnings per share	15	**(3.6p)**	9.1p

consolidated statement of comprehensive income

For the year ended 31 March 2011

	Note	**Year ended 31.3.11 £000**	Year ended 31.3.10 £000
(Loss)/profit for the year		**(3,889)**	9,586
Other comprehensive (expense)/income			
Fair value movements and impairment of available-for-sale investments	19	**(12,169)**	2,962
Associated deferred tax on impairment	19	**3,222**	(829)
Exchange difference on retranslation of net investments in foreign operations		**(14)**	(131)
Total comprehensive (expense)/income for the year		**(12,850)**	11,588
– attributable to equity shareholders		**(12,848)**	11,621
– attributable to non-controlling interests		**(2)**	(33)
		(12,850)	11,588

group and company balance sheets

As at 31 March 2011

	Note	**Group 31.3.11 £000**	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Non-current assets					
Investment properties held for sale	16	**19,350**	–	**–**	–
		19,350	–	**–**	–
Investment properties	16	**252,526**	219,901	**–**	–
Owner occupied property, plant and equipment	18	**1,497**	1,638	**1,336**	1,476
Available-for-sale investments	19	**–**	13,325	**–**	13,325
Investment in subsidiaries	20	**–**	–	**30,994**	31,822
Investment in joint ventures	21	**36,064**	26,384	**165**	5,383
Derivative financial instruments	23	**793**	1,944	**715**	1,944
Goodwill		**14**	16	**–**	–
Deferred tax asset	12	**8,879**	3,169	**717**	–
		299,773	266,377	**33,927**	53,950
Total non-current assets		**319,123**	266,377	**33,927**	53,950
Current assets					
Land, developments and trading properties	22	**147,542**	182,576	**1,125**	968
Available-for-sale investments	19	**10,505**	10,959	**–**	–
Trade and other receivables	24	**35,783**	38,691	**375,751**	376,609
Corporation tax receivable		**1,069**	1,098	**1,069**	1,170
Cash and cash equivalents	25	**31,327**	39,800	**22,243**	25,258
		226,226	273,124	**400,188**	404,005
Total assets		**545,349**	539,501	**434,115**	457,955
Current liabilities					
Trade and other payables	26	**(45,224)**	(43,651)	**(168,911)**	(189,394)
Borrowings	27	**(37,500)**	(72,459)	**(4,500)**	(20,163)
		(82,724)	(116,110)	**(173,411)**	(209,557)
Non-current liabilities					
Borrowings	27	**(199,917)**	(170,299)	**(9,910)**	(7,354)
Derivative financial instruments	23	**(7,311)**	(10,485)	**(3,373)**	(3,299)
Deferred tax provision	12	**–**	–	**–**	(3,282)
		(207,228)	(180,784)	**(13,283)**	(13,935)
Total liabilities		**(289,952)**	(296,894)	**(186,694)**	(223,492)
Net assets		**255,397**	242,607	**247,421**	234,463

group and company balance sheets

As at 31 March 2011

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Equity				
Called-up share capital	**1,447**	1,339	**1,447**	1,339
Share premium account	**98,678**	70,828	**98,678**	70,828
Revaluation reserve	**3,495**	–	**–**	–
Capital redemption reserve	**7,478**	7,478	**7,478**	7,478
Other reserves	**291**	291	**1,987**	1,987
Retained earnings	**143,886**	162,547	**137,831**	152,831
Equity attributable to equity holders of the parent	**255,275**	242,483	**247,421**	234,463
Non-controlling interests	**122**	124	**–**	–
Total equity	**255,397**	242,607	**247,421**	234,463

The financial statements were approved by the Board of Directors on 15 June 2011.

Michael Slade
Director

Nigel McNair Scott
Director

group and company cash flow statements

For the year to 31 March 2011

	Group 31.3.11 £000	Group 31.3.10 £000	Company 31.3.11 £000	Company 31.3.10 £000
Cash flows from operating activities				
(Loss)/profit before tax	**(6,280)**	7,875	**17,627**	3,736
Depreciation	**328**	334	**284**	296
Revaluation gain on investment properties	**(2,670)**	(13,104)	**–**	–
(Gain)/loss on sales of investment properties	**(4,842)**	4,909	**–**	–
Net financing costs/(income)	**6,340**	8,289	**(2,929)**	(1,846)
Impairment of available-for-sale assets	**1,817**	–	**1,817**	–
Impairment of investments	**–**	–	**5,295**	1,100
Change in value of derivative financial instruments	**(1,776)**	(1,157)	**1,287**	16
Share based payment (credit)/charge	**(196)**	1,151	**–**	–
Share of results of joint ventures	**(2,886)**	(3,745)	**–**	–
Foreign exchange movement	**131**	(1,153)	**–**	–
Other non-cash items	**2**	2	**–**	(12)
Cash flows from operations before changes in working capital	**(10,032)**	3,401	**23,381**	3,290
Change in trade and other receivables	**2,822**	358	**(23,042)**	(27,661)
Change in land, developments and trading properties	**38,867**	30,707	**(157)**	(115)
Change in trade and other payables	**5,079**	(11,555)	**(16,542)**	(7,436)
Cash inflow/(outflow) generated from operations	**36,736**	22,911	**(16,360)**	(31,922)
Finance costs	**(11,264)**	(12,345)	**(2,066)**	(1,936)
Finance income	**465**	1,231	**5,237**	4,189
Tax received	**–**	834	**–**	808
Tax paid	**(68)**	(77)	**(68)**	(77)
	(10,867)	(10,357)	**3,103**	2,984
Cash flows from operating activities	**25,869**	12,554	**(13,257)**	(28,938)
Cash flows from investing activities				
Purchase of investment property	**(77,864)**	(4,192)	**–**	–
Sale of investment property	**32,810**	36,704	**–**	–
Proceeds from sale of derivative financial instruments	**568**	–	**568**	–
Cost of acquiring derivative financial instruments	**(744)**	(1,437)	**(552)**	(1,437)
Cost of cancelling interest rate swap	**(71)**	(3,202)	**–**	–
Investment in joint ventures	**(9,520)**	(18,641)	**–**	–
Return of investment in joint ventures	**1,970**	–	**–**	–
Dividends from joint ventures	**756**	3,926	**756**	3,926
Sale of plant and equipment	**2**	28	**2**	28
Purchase of leasehold improvements, plant and equipment	**(189)**	(237)	**(146)**	(62)
	(52,282)	12,949	**628**	2,455
Cash flows from financing activities				
Issue of shares	**27,958**	453	**27,958**	453
Borrowings drawn down	**56,536**	13,739	**6,850**	10,000
Borrowings repaid	**(61,523)**	(67,923)	**(20,163)**	(9,757)
Equity dividends paid	**(5,031)**	(4,748)	**(5,031)**	(4,748)
	17,940	(58,479)	**9,614**	(4,052)
Net decrease in cash and cash equivalents	**(8,473)**	(32,976)	**(3,015)**	(30,535)
Cash and cash equivalents at 1 April	**39,800**	72,776	**25,258**	55,793
Cash and cash equivalents at 31 March	**31,327**	39,800	**22,243**	25,258

group and company statements of changes in equity

For the year to 31 March 2011

Group	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Non-controlling interests £000	Total £000
At 31 March 2009	1,336	70,378	529	7,478	291	158,494	(1,597)	157	237,066
Total comprehensive income	–	–	–	–	–	11,588	–	–	11,588
Revaluation surplus	–	–	13,104	–	–	(13,104)	–	–	–
Realised on disposals	–	–	(13,633)	–	–	13,633	–	–	–
Non-controlling interests	–	–	–	–	–	33	–	(33)	–
Performance share plan	–	–	–	–	–	1,151	–	–	1,151
Issue of shares	3	450	–	–	–	–	–	–	453
Dividends paid	–	–	–	–	–	(7,657)	–	–	(7,657)
Purchase of shares	–	–	–	–	–	–	6	–	6
Own shares held	–	–	–	–	–	(1,591)	1,591	–	–
At 31 March 2010	1,339	70,828	–	7,478	291	162,547	–	124	242,607
Total comprehensive expense	**–**	**–**	**–**	**–**	**–**	**(12,850)**	**–**	**–**	**(12,850)**
Revaluation surplus	**–**	**–**	**2,670**	**–**	**–**	**(2,670)**	**–**	**–**	**–**
Realised on disposals	**–**	**–**	**825**	**–**	**–**	**(825)**	**–**	**–**	**–**
Non-controlling interests	**–**	**–**	**–**	**–**	**–**	**2**	**–**	**(2)**	**–**
Performance share plan	**–**	**–**	**–**	**–**	**–**	**(196)**	**–**	**–**	**(196)**
Issue of shares	**108**	**27,850**	**–**	**–**	**–**		**–**	**–**	**27,958**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(2,122)**	**–**	**–**	**(2,122)**
At 31 March 2011	**1,447**	**98,678**	**3,495**	**7,478**	**291**	**143,886**	**–**	**122**	**255,397**

For a breakdown of Total comprehensive income/expense see the Consolidated Statement of Comprehensive Income on page 59.

Included within changes in equity are net transactions with owners of £25,640,000 (2010: £6,047,000) made up of: the performance share plan credit of £196,000 (2010: charge of £1,151,000), issue of shares of £27,958,000 (2010: £453,000), dividends paid of £2,122,000 (2010: £7,657,000) and purchase of shares of £nil (2010: £6,000).

The adjustment to retained earnings of £196,000 adds back the share-based payments credit (2010: charge of £1,151,000), in accordance with IFRS 2 Share-Based Payments.

Company	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Total £000
At 31 March 2009	1,336	70,378	–	7,478	1,987	158,093	(1,597)	237,675
Total comprehensive income	–	–	–	–	–	3,986	–	3,986
Issue of shares	3	450	–	–	–	–	–	453
Dividends	–	–	–	–	–	(7,657)	–	(7,657)
Purchase of shares	–	–	–	–	–	–	6	6
Own shares held	–	–	–	–	–	(1,591)	1,591	–
At 31 March 2010	1,339	70,828	–	7,478	1,987	152,831	–	234,463
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**(12,878)**	**–**	**(12,878)**
Issue of shares	**108**	**27,850**	**–**	**–**	**–**	**–**	**–**	**27,958**
Dividends	**–**	**–**	**–**	**–**	**–**	**(2,122)**	**–**	**(2,122)**
At 31 March 2011	**1,447**	**98,678**	**–**	**7,478**	**1,987**	**137,831**	**–**	**247,421**

Total comprehensive income includes the loss after tax of £4,592,000 (2010: profit of £3,975,000), the loss on fair value movements on available-far-sale investments of £11,508,000 (2010: gain of £15,000), and the deferred tax credit on these fair value movements of £3,222,000 (2010: charge of £4,000).

Included within changes in equity are net transactions with owners of £25,836,000 (2010: £7,198,000) made up of: the issue of shares of £27,958,000 (2010: £453,000), dividends paid of £2,122,000 (2010: £7,657,000) and purchase of shares of £nil (2010: £6,000).

Notes:
Share capital – represents the nominal value of issued share capital.
Share premium – represents the excess of value of shares issued over their nominal value.
Revaluation reserve – represents the surplus of fair value of investment properties over their historic cost.
Capital redemption reserve – represents amounts paid to purchase issued shares for cancellation at their nominal value.
Retained earnings – represents the accumulated retained earnings of the Group.
Own shares held – relates to the shares purchased by the Helical Bar Employees' Share Ownership Plan Trust.

notes to the financial statements

1. Basis of preparation

These financial statements have been prepared in accordance with applicable International Financial Reporting Standards ("IFRS"), including International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the European Union and as issued by the International Accounting Standards Board ("IASB").

The directors have taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present a separate income statement for the parent company.

The financial statements have been prepared in Sterling (rounded to the nearest thousand) under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments and derivative financial instruments. The measurement bases and principal accounting policies of the Group are set out below. These accounting policies are consistent with those applied in the year to 31 March 2010, as amended to reflect any new Standards, Amendments to Standards and interpretations which are mandatory for the year ended 31 March 2011.

Status of Adoption of Significant New or Amended IFRS Standards or Interpretations

IFRIC 17 Distributions of Non-cash Assets to Owners;
IFRIC 18 Transfer of Assets from Customers.

There has been no material impact as a result of adopting the above.

The following standards, interpretations and amendments have been issued but are not yet effective. They will be adopted at the point they are effective:

IAS 24 (revised) Related Party disclosures (effective 1 January 2013);
Disclosures - Transfer of Financial Assets - Amendments to IFRS 7; (effective 1 July 2011);
Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12;
Income Taxes (effective 1 January 2012)
IFRS 9 Financial Instruments: Classification and measurement (effective 1 January 2011); and,
Improvements to IFRSs issued May 2010 (effective 1 July 2010/1 January 2011).

The Directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group.

2. Principal accounting policies

Basis of consolidation

The Group financial statements consolidate those of Helical Bar plc (the "Company") and all of its subsidiary undertakings (together the "Group") drawn up to 31 March 2011. Subsidiary undertakings are those entities over which the Group has the ability to govern the financial and operating policies through the exercise of voting rights. Subsidiaries are accounted for under the purchase method and are held in the Company balance sheet at cost and reviewed annually for impairment.

Joint Ventures are entities whose economic activities are controlled jointly by the Group and by other ventures independent of the Group and are accounted for using the equity method of accounting, whereby the Group's share of profit after tax in the Joint Venture is recognised in the Consolidated Income Statement and the Group's share of the Joint Venture's net assets are incorporated in the Consolidated Balance Sheet. The Company's cost of investment in Joint Ventures less any provision for permanent impairment loss is shown in the Company Balance Sheet.

Associates are those entities over which the Group has significant influence but which are neither subsidiaries nor joint ventures.

Intra-group balances and any unrealised gains on transactions between the Company and its subsidiaries and between subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

The accounts have been prepared on a going concern basis as explained in the Financial Review on pages 36 to 38.

Revenue recognition

Rental income - rental income receivable is recognised in the Income Statement on a straight line basis over the lease term. Any incentive for lessees to enter into a lease agreement and any costs associated with entering into the lease are spread over the same period.

Sale of goods - assets, such as trading properties, development sites and completed developments, are regarded as sold upon the transfer of the significant risks and rewards of ownership to the purchaser, in accordance with IAS 18 Revenue. This occurs on exchange of unconditional contracts for the sale of the site, on satisfaction of any and all conditions on a conditional contract for the sale of the site or on completion of the contract on a conditional sale where those conditions are satisfied at completion. Measurements of revenue arising from the sale of such assets are derived from the fair value of the consideration received in accordance with IAS 18 Revenue.

Construction contracts - where an asset is constructed under a specific contract with a purchaser (a "pre-sold development") the initial sale of the site to that purchaser is recognised as a sale of goods in accordance with IAS 18 Revenue. The construction element of the contract is treated, for the purposes of revenue recognition, as a construction contract in accordance with IAS 11 Construction Contracts. Revenue is recognised by reference to the stage of completion which is typically determined by reference to project appraisals, normally supported by independent valuation certificates provided by quantity surveyors. The Company's principal other responsibility on pre-sold developments is the identification of and agreement of terms with potential tenants of the completed building(s). The revenue recognition of this additional component of the funding agreements is considered separately to reflect the substance of the transaction as the rendering of services, in accordance with IAS 18 Revenue. The amount of revenue recognised is determined by reference to the percentage of the building(s) that are let.

Investment income - revenue in respect of investment and other income represents investment income, fees and commissions earned on an accruals basis and the fair value of the consideration received/receivable on investments held for the short-term. Dividends are recognised when the shareholders' right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

Share-based payments

The Group provides share-based payments in the form of performance share plan awards and a share incentive plan. These payments are discussed in greater detail in the Directors' Remuneration Report on pages 48 to 54. The fair value of share-based payments related to employees' service are determined indirectly by reference to the fair value of the related instrument at the grant date. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2005 are recognised in the financial statements. The Group uses the stochastic valuation model and the resulting value is amortised through the Consolidated Income Statement ("Income Statement") over the vesting period of the share-based payments.

For the performance share plan and share incentive plan awards, where non-market conditions apply, the expense is allocated, over the vesting period, to the Income Statement based on the best available estimate of the number of awards that are expected to vest. Estimates are subsequently revised if there is any indication that the number of awards expected to vest differs from previous estimates.

Depreciation

In accordance with IAS 40 Investment Property, depreciation is not provided for on freehold investment properties or on leasehold investment properties. The Group does not own the freehold land and buildings which it occupies. Costs incurred in respect of leasehold improvements to the Group's head office at 11-15 Farm Street, London W1J 5RS are capitalised and held as short-term leasehold improvements. Leasehold improvements, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Residual values are reassessed annually.

Depreciation is charged so as to write off the cost of assets less residual value, over their estimated useful lives, using the straight line method, on the following basis:

Short leasehold improvements	– 10% or length of lease, if shorter
Plant and equipment	– 25%

Taxation

The taxation charge represents the sum of tax currently payable and deferred tax. The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date. Tax payable upon realisation of revaluation gains recognised in prior periods is recorded as a current tax charge with a release of the associated deferred taxation.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which Helical expects, at the balance sheet date, to recover or settle the carrying amount of those assets and liabilities. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The deferred tax asset relating to share based payment awards reflects the estimated value of tax relief available on the vesting of the awards at the balance sheet date.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. It is recognised in the Income Statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

The Group recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

a) the Group is able to control the timing of the reversal of the temporary difference; and,

b) it is probable that the temporary difference will not reverse in the foreseeable future.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which dividends are approved.

Investment properties

Investment properties are properties owned or leased by the Group which are held for long-term rental income and for capital appreciation. Investment properties are initially recognised at cost, including associated transaction costs, and revalued at the balance sheet date to fair value. These fair values are based on market values as determined by professionally qualified external valuers or are determined by the directors of the Group based on their knowledge of the property. In accordance with IAS 40, investment properties held under leases are stated gross of the recognised finance lease liability.

Gains or losses arising from changes in the fair value of investment properties are recognised as gains or losses on revaluation in the Income Statement of the period in which they arise.

In accordance with IAS 40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

Property that is being constructed or developed for future use as an investment property is treated as investment property in accordance with IAS 40.

When the Group redevelops an existing investment property for continued future use as investment property, the property remains an investment property measured at fair value and is not reclassified. Interest is capitalised before tax relief until the date of practical completion.

Details of the valuation of investment properties can be found in note 16.

Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. Negative goodwill is recognised immediately after acquisition in the Income Statement.

Land, developments and trading properties

Land, developments and trading properties held for sale are inventory and are included in the Balance Sheet at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to completion and estimated costs necessary to make the sale.

Gross borrowing costs associated with expenditure on properties under development or undergoing major refurbishment are capitalised. The interest capitalised is calculated using the Group's weighted average cost of borrowings. Interest is capitalised from the date of commencement of the development work until date of practical completion.

Investments

Available-for-sale investments are revalued to fair value at the balance sheet date. Gains or losses arising from changes in fair value are recognised in the Statement of Comprehensive Income except to the extent that losses are attributable to impairment, in which case they are recognised in the Income Statement. Upon disposal, accumulated fair value adjustments are included in the Income Statement.

Trade receivables

Trade receivables do not carry any interest and are stated initially at fair value and subsequently at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are carried in the Balance Sheet at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value and subsequently at amortised cost.

Borrowing and borrowing costs

Interest bearing bank loans and overdrafts are initially recorded at fair value, net of finance and other costs yet to be amortised.

Borrowing costs directly attributable to the acquisition and construction of new developments and investment properties are added to the costs of such properties until the date of completion of the development or investment. After initial recognition borrowings are carried at amortised cost. This treatment has been adopted since transition to IFRS.

Derivative financial instruments

Derivative financial assets and financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group enters into derivative transactions such as interest rate caps and floors, and forward foreign currency contracts in order to manage the risks arising from its activities. Derivatives are initially recorded at fair value and are subsequently remeasured to fair value based on market prices, estimated future cash flows and forward rates as appropriate. Any change in the fair value of such derivatives is recognised immediately in the Income Statement.

Further information on the categorisation of financial instruments can be found in note 23.

Leases

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

In accordance with IAS 40, finance leases of investment property are accounted for as finance leases and recognised as an asset and an obligation to pay future minimum lease payments. The investment property asset is included in the balance sheet at fair value, gross of the recognised finance lease liability. Lease payments are allocated between the liability and finance charges so as to achieve a constant financing rate.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the Income Statement in the period in which they arise. Exchange differences on non-monetary items are recognised in the Statement of Comprehensive Income to the extent that they relate to a gain or loss on that non-monetary item which is included in the Statement of Comprehensive Income, otherwise such gains and losses are recognised in the Income Statement.

The assets and liabilities in the financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the average rate. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to retained earnings in equity. On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the Income Statement as part of the gain or loss on disposal.

Net asset values per share

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

Earnings/(loss) per share

Earnings /(loss) per share have been calculated in accordance with IAS 33 and the best practice recommendations of EPRA.

Employee Share Ownership Plan Trust

Shares held in the Helical Bar Employee Share Ownership Plan Trust ("ESOP") are shown as a deduction in arriving at equity funds. Assets, liabilities and reserves of the ESOP are included in the statutory headings to which they relate. Purchases and sales of own shares increase or decrease the book value of "Own shares held" in the Balance Sheet. At each period end the Group assesses and recognises the fair value of "Own shares held" and accounts for movement between book value and fair value as a reserves transfer.

Use of estimates and judgements

To be able to prepare accounts according to the accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial accounts. These estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances. The results of these considerations form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

Areas requiring the use of estimates and critical judgement that may significantly impact on the Group's earnings and financial position are:

– revenue on construction contracts where the valuation is spread over the construction period using estimates of the final outcome (note 3);
– valuation of investment properties, where external valuers are used to provide third party valuations (note 16);
– recognition of share-based payments which is dependent upon the estimated number of performance share plan awards that will vest at the end of the performance periods (note 31);
– calculation and assessment of the recoverability of deferred tax assets, where it has been assumed that sufficient taxable profits will be available in future periods to allow all of the assets to be recovered (note 12);
– valuation of the investment in Quotient Bioscience Group Limited, which is based on a valuation method (note 19);
– valuation of the investment in a property developer which is based on a valuation method (note 19); and,
– directors' valuation of land, development and trading properties include subjective assumptions including the results of future planning decisions and future sales values and timings (note 22).

3. Segmental information

IFRS 8 requires the identification of the Group's operating segments which are defined as being discrete components of the Group's operations whose results are regularly reviewed by the Chief Operating Decision Maker (being the Chief Executive) to allocate resources to those segments and to assess their performance. The Group divides its business into the following segments:

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

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

Revenue	**Investment and trading Year ended 31.3.11 £000**	**Developments Year ended 31.3.11 £000**	**Total Year ended 31.3.11 £000**	Investment and trading Year ended 31.3.10 £000	Developments Year ended 31.3.10 £000	Total Year ended 31.3.10 £000
Rental income	**16,988**	**1,602**	**18,590**	16,689	2,192	18,881
Development property income	**–**	**84,311**	**84,311**	–	47,822	47,822
Trading property sales	**15,915**	**–**	**15,915**	525	–	525
	32,903	**85,913**	**118,816**	17,214	50,014	67,228
Other revenue			**243**			126
Total revenue			**119,059**			67,354

All revenue is from external sales and is attributable to continuing operations. There were no inter-segmental sales.

Revenue for the year comprises revenue from construction contracts of £22,978,000 (2010: £7,670,000), revenue from the sale of goods of £75,824,000 (2010: £37,926,000), revenue from services of £1,667,000 (2010: £2,877,000), and rental income of £18,590,000 (2010: £18,881,000).

All revenues are within the UK other than £23,011,000 (2010: £19,482,000) of development income derived from the Group's operations in Poland.

Loss before tax	**Investment and trading Year ended 31.3.11 £000**	**Developments Year ended 31.3.11 £000**	**Total Year ended 31.3.11 £000**	Investment and trading Year ended 31.3.10 £000	Developments Year ended 31.3.10 £000	Total Year ended 31.3.10 £000
Net rental income	**13,776**	**411**	**14,187**	12,904	1,247	14,151
Development property loss	**–**	**(16,642)**	**(16,642)**	–	(1,293)	(1,293)
Trading property loss	**(367)**	**–**	**(367)**	(10)	–	(10)
Share of results of joint ventures	**2,905**	**(19)**	**2,886**	3,158	587	3,745
Gain on sale and revaluation of investment properties	**7,512**	**–**	**7,512**	8,195	–	8,195
	23,826	**(16,250)**	**7,576**	24,247	541	24,788
Impairment of available-for-sale investments			**(1,817)**			–
Other operating (expense)/income			**(358)**			26
Gross profit			**5,401**			24,814
Administrative expenses			**(7,050)**			(8,680)
Finance income			**652**			1,039
Finance costs			**(5,216)**			(8,171)
Foreign exchange losses			**(67)**			(1,127)
(Loss)/profit before tax			**(6,280)**			7,875

Balance sheet	**31.3.11 £000**	**31.3.11 £000**	**31.3.11 £000**	31.3.10 £000	31.3.10 £000	31.3.10 £000
Investment properties held for sale	**19,350**	**–**	**19,350**	–	–	–
Investment properties	**252,526**	**–**	**252,526**	219,901	–	219,901
Land, development and trading properties	**10,289**	**137,253**	**147,542**	273	182,303	182,576
Investment in joint ventures	**31,401**	**4,663**	**36,064**	20,953	5,431	26,384
	313,566	**141,916**	**455,482**	241,127	187,734	428,861
Other assets			**89,867**			110,640
Total assets			**545,349**			539,501
Liabilities			**(289,952)**			(296,894)
Net assets			**255,397**			242,607

All non-current assets are derived from the Group's UK operations.

4. Net rental income

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Gross rental income	**18,590**	18,881
Rents payable	**(24)**	(12)
Property overheads	**(3,662)**	(3,732)
Net rental income	**14,904**	15,137
Net rental income attributable to profit share partner	**(717)**	(986)
Group share of net rental income	**14,187**	14,151

Property overheads include lettings costs, vacancy costs and bad debt provisions.

5. Development property loss

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Development property income	**84,311**	47,822
Cost of sales	**(85,041)**	(38,638)
Sales expenses	**(999)**	(436)
Provision against book values	**(14,913)**	(10,041)
Development property loss	**(16,642)**	(1,293)

6. Trading property loss

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Trading property sales	**15,915**	525
Cost of sales	**(16,181)**	(525)
Sales expenses	**(101)**	(10)
Trading property loss	**(367)**	(10)

7. Net gain on sale and revaluation of investment properties

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Net proceeds from the sale of investment properties	**32,810**	36,704
Book value (note 16)	**(27,902)**	(40,438)
Tenants incentives on sold investment properties	**(66)**	(1,175)
Gain/(loss) on sale of investment properties	**4,842**	(4,909)
Revaluation surplus on investment properties	**2,670**	13,104
Gain on sale and revaluation of investment properties	**7,512**	8,195

8. Administrative expenses

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Administrative expenses	**(7,050)**	(8,680)
Operating loss/profit is stated after the following items that are contained within administrative expenses:		
Depreciation		
– owner occupied property, plant and equipment	**328**	334
Share-based payments (credit)/charge	**(196)**	1,151
Auditors' remuneration:		
Audit fees		
– audit of parent company and consolidated financial statements	**140**	143
– audit of company's subsidiaries	**51**	71
– interim audit of consolidated financial statements	**41**	39
– financial accounts review	**–**	3
Non-audit fees		
– PSP review	**3**	3

9. Staff costs

Staff costs during the year:	Year ended 31.3.11 £000	Year ended 31.3.10 £000
– salaries and other remuneration	**4,199**	4,263
– social security costs	**625**	589
– other pension costs	**120**	115
	4,944	4,967

Details of the remuneration of Directors amounting to £2,597,000 (2010: £6,876,000) are included in the Directors' Remuneration Report on pages 48 to 54. The amount of the share-based payments credit relating to share awards made to Directors is £165,000 (2010: charge £921,000).

Other pension costs relate to payments to individual pension plans.

The average number of employees (management and administration) of the Group during the year was 34 (2010: 34) of which 25 are UK staff and 9 are based in Poland.

Of the staff costs of £4,944,000 (2010: £4,967,000), £4,544,000 is included within administrative expenses (2010: £4,597,000) and £400,000 is included within development costs (2010: £370,000)

10. Finance costs and finance income

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Interest payable on bank loans and overdrafts	**(9,690)**	(10,956)
Other interest payable and similar charges	**(675)**	(696)
Finance arrangement costs	**(806)**	(872)
Interest capitalised	**4,179**	3,196
Finance costs	**(6,992)**	(9,328)
Interest receivable and similar income	**652**	1,039
Finance income	**652**	1,039

All interest payable relates to interest on borrowings and all interest receivable relates to interest on cash and cash equivalents.

On projects where specific third party loans have been arranged, interest has been capitalised at the rate for the individual loan. The weighted average capitalised interest rate of such loans was 2.43% (2010: 2.81%). Where general finance has been used to fund the acquisition and construction of properties the rate used was a weighted average of the financing costs for the applicable borrowings of 4.93% (2010: 3.61%).

11. Taxation on loss on ordinary activities

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
The tax credit is based on the loss/profit for the year and represents:		
United Kingdom corporation tax at 28%		
– Group corporation tax	**–**	–
– adjustment in respect of prior periods	**–**	1,152
– overseas tax	**(97)**	–
Current tax (charge)/credit	**(97)**	1,152
Deferred tax at 26%		
– capital allowances	**442**	(52)
– tax losses	**1,823**	2,121
– other temporary differences	**223**	(1,510)
Deferred tax credit	**2,488**	559
Tax credit on loss/profit on ordinary activities	**2,391**	1,711

Factors affecting the tax credit for the period: The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
(Loss)/profit on ordinary activities before tax	**(6,280)**	7,875
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26%/28%	**1,633**	(2,205)
Effect of:		
– expenses not deductible for tax purposes	**(1,281)**	(532)
– income not subject to UK corporation tax	**469**	910
– capital allowances not reflected through deferred tax	**553**	672
– tax relief on share awards	**(123)**	483
– tax losses utilised	**(212)**	(146)
– operating profit of joint ventures	**751**	1,082
– prior year adjustment	**–**	1,152
– revaluation surplus not recognised through deferred tax	**694**	3,669
– chargeable gain in excess of loss on investment property	**(538)**	(3,308)
– overseas tax	**(97)**	–
– effect of change in rate of corporation tax	**(568)**	–
– other temporary differences	**1,110**	(66)
Total tax credit for the period	**2,391**	1,711

Note: all deferred tax balances have been calculated at the rate of corporation tax for the year to 31 March 2012 of 26%. Accordingly, the tax reconciliation also uses this rate of corporation tax.

Factors that may affect future tax charges

The tax charge is expected to be less than the full rate in future years, primarily due to the Group continuing to claim allowances in respect of eligible expenditure on investment properties and unrealised capital losses at 31 March 2011 of £12m.

12. Deferred tax

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

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Capital allowances	**(2,815)**	(3,257)	**(29)**	(228)
Available-for-sale assets	**–**	(4,782)	**–**	(3,222)
Tax losses	**9,527**	7,704	**–**	168
Other temporary differences	**2,167**	3,504	**746**	–
Deferred tax asset/(liability)	**8,879**	3,169	**717**	(3,282)

Other temporary differences represent deferred tax assets arising from the recognition of the fair value of derivative financial instruments and future tax relief available to the Group from capital allowances and when share awards vest.

If upon sale of the investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £2.8m (2010: £3.3m) would be released and further capital allowances of £10.6m (2010: £12.2m) would be available to reduce future tax liabilities.

13. Dividends paid and payable

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Attributable to equity share capital		
Ordinary		
– first interim paid of 1.75p (2010: 1.75p) per share	**1,857**	1,851
– second interim paid of nil (2010: 2.75p) per share	**–**	2,909
– prior period final paid of 0.25p (2010: 2.75p) per share	**265**	2,897
Total dividends paid and payable in year – 2.00p (2010: 7.25p) per share	**2,122**	7,657

An interim dividend of 1.75p was paid on 23 December 2010 to shareholders on the register on 3 December 2010. The final dividend, if approved at the AGM on 26 July 2011, will be paid on 28 July 2011 to shareholders on the register on 1 July 2011. This final dividend, amounting to £3,213,000, has not been included as a liability as at 31 March 2011, in accordance with IFRS.

14. Parent company

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income statement in the financial statements. The loss for the year of the Company was £4,592,000 (2010: profit of £3,975,000).

15. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. This is a different basis to the net asset per share calculations which are based on the number of shares at the year end. Shares held by the 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.

The (loss)/earnings per share are calculated in accordance with IAS 33, Earnings per Share and the best practice recommendations of the European Public Real Estate Association (“EPRA”).

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

	Year ended 31.3.11 000s	Year ended 31.3.10 000s
Ordinary shares in issue	**118,138**	107,408
Weighting adjustment	**(8,700)**	(1,852)
Weighted average ordinary shares in issue for calculation of basic (loss)/earnings per share	**109,438**	105,556
Weighted average ordinary shares issued on exercise of share options	**–**	294
Weighted average ordinary shares to be issued under performance share plan	**–**	406
Weighted average ordinary shares in issue for calculation of diluted and diluted EPRA (loss)/earnings per share	**109,438**	106,256

(Loss)/earnings used for calculation of basic and diluted earnings per share	**(3,887)**	9,619

Basic (loss)/earnings per share	**(3.6p)**	9.1p

Diluted (loss)/earnings per share	**(3.6p)**	9.1p

(Loss)/earnings used for calculation of basic and diluted earnings per share	**(3,887)**	9,619
Net gain on sale and revaluation of investment properties	**(7,512)**	(8,195)
Share of net gain on revaluation of investment properties in the results of joint ventures	**(583)**	(2,015)
Tax on profit on disposal of investment properties	**1,162**	(1,374)
Trading property loss	**367**	10
Fair value movement on derivative financial instruments	**(1,776)**	(1,157)
Share of fair value movements on derivative financial instruments in the results of joint ventures	**162**	130
Impairment of available-for-sale investment	**1,817**	–
Deferred tax	**3,241**	2,853
Loss used for calculation of diluted EPRA earnings per share	**(7,009)**	(129)

Diluted EPRA loss per share	**(6.4p)**	(0.1p)

In accordance with IAS 33 no dilutive weighting adjustments have been made for share awards in existence during the year to 31 March 2011 as a loss was made during that year making the adjustments anti-dilutive. Accordingly, the basic and diluted losses per share for that year are the same.

The loss used for calculation of diluted EPRA earnings per share includes net rental income and development property profits/losses but excludes trading property losses.

16. Investment properties

	Freehold 31.3.11 £000	**Leasehold 31.3.11 £000**	**Total 31.3.11 £000**	Freehold 31.3.10 £000	Leasehold 31.3.10 £000	Total 31.3.10 £000
Group						
Fair value at 1 April	**198,801**	**21,100**	**219,901**	182,812	58,475	241,287
Property acquisitions	**41,583**	**36,281**	**77,864**	3,853	339	4,192
Disposals	**(24,902)**	**(3,000)**	**(27,902)**	(3,263)	(37,175)	(40,438)
Revaluation surplus/(deficit)	**6,861**	**(4,191)**	**2,670**	13,756	(652)	13,104
Revaluation surplus/(deficit) attributable to profit share partner	**(667)**	**10**	**(657)**	1,643	113	1,756
Fair value at 31 March	**221,676**	**50,200**	**271,876**	198,801	21,100	219,901

Within Investment Properties is one property which is classified as being held for sale per IFRS 5. This property was being marketed for sale at 31 March 2011 and was sold on 17 May 2011. At 31 March 2011 the value of this property was £19,350,000.

A disposal of the investment property portfolio at its stated fair value would crystallise a net payment of £1,062,000 due to the Group's joint venture partners in respect of their share of the revaluation surplus (2010: £1,748,000).

Interest capitalised during the year in respect of the refurbishment of investment properties amounted to £nil (2009: £nil).

Interest capitalised in respect of the refurbishment of investment properties is included in investment properties to the extent of £5,767,000 (2010: £5,767,000).

Investment properties with a total fair value of £257,725,000 were held as security against borrowings.

Properties are stated at market value as at 31 March 2011, valued by professionally qualified external valuers except for investment properties valued by the Directors. The valuations have been prepared in accordance with the Valuation Standards (6th edition) published by the Royal Institution of Chartered Surveyors ("the Standards"). In their valuation reports, the valuers have noted, in accordance with Guidance Note 5 of the Standards, that the primary source of evidence for valuations is recent, comparable market transactions on arms length terms. The Directors have valued £4,401,000 (2%) of the investment portfolio on a discounted cashflow basis representing the present value of future income receivable upon the disposal by residents of units in the Group's retirement village portfolio.

The investment properties have been valued at 31 March 2011 as follows:

	£000
Cushman & Wakefield LLP	261,975
Drivers Jonas Deloitte	5,500
Directors' valuation	4,401
	271,876

The historical cost of investment property is £264,947,000 (2010: £218,893,000).

17. Operating lease arrangements

The Group earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. At the balance sheet date the Group had contracted with tenants to receive the following future minimum lease payments:

	Group 31.03.11 £000	Group 31.03.10 £000
Not later than one year	17,881	14,908
Later than one year but not more than five years	47,581	38,063
More than five years	54,615	38,983
	120,077	91,954

The Company has no operating lease arrangements.

18. Owner occupied property, plant and equipment - Group

	Short leasehold improvements 31.3.11 £000	Plant and equipment 31.3.11 £000	Total 31.3.11 £000	Short leasehold improvements 31.3.10 £000	Plant and equipment 31.3.10 £000	Total 31.3.10 £000
Cost at 1 April	2,071	670	2,741	2,071	554	2,625
Additions at cost	–	189	189	–	237	237
Disposals	–	(132)	(132)	–	(121)	(121)
Cost at 31 March	2,071	727	2,798	2,071	670	2,741
Depreciation at 1 April	708	395	1,103	518	362	880
Provision for the year	189	139	328	190	144	334
Eliminated on disposals	–	(130)	(130)	–	(111)	(111)
Depreciation at 31 March	897	404	1,301	708	395	1,103
Net book amount at 31 March	1,174	323	1,497	1,363	275	1,638

Plant and equipment include vehicles, fixtures and fittings and other office equipment.

All short leasehold improvements, plant and equipment relate to the Company except for plant and equipment with a net book value of £161,000 as at 31 March 2011 (2010: £162,000).

19. Available-for-sale investments

	Non-Current Group £000	Non-Current Company £000	Current Group £000	Current Company £000
At 1 April 2010	13,325	13,325	10,959	–
Impairment in the year	(13,325)	(13,325)	–	–
Interest receivable	–	–	207	–
Fair value adjustments	–	–	(661)	–
At 31 March 2011	**–**	**–**	**10,505**	**–**

Included in non-current available-for-sale investments is an investment of 18% in the ordinary shares of Quotient Biosciences Group Limited, a private bioscience company.

At 31 March 2010 the valuation of the investment in Quotient was derived using a valuation technique as there was no active market for the shares.

During the year trading conditions and its financial position deteriorated and, accordingly, the investment has been assessed as having a fair value of £nil (31 March 2010: £13.3m). Of the fall in value, £1,817,000, representing the cost of our investment, has been written off through the Income Statement as Impairment of available-for-sale investments. The remaining £11,508,000 (£8,286,000 net of deferred tax), which represents prior period fair-value increases from cost, was reversed in Other Comprehensive Income.

Included within current available-for-sale investments is an amount lent to a company promoting a mainly residential mixed-use development and an investment of 20% of the equity of this company.

The loan and the equity are classed as available-for-sale investments and are held at fair value. The Group has determined its fair value by considering both the loan and the equity element separately. The loan element is valued at the fair value of the consideration receivable. The equity element is given a nil value with the Group valuing the underlying company on a break up basis at £nil as it is believed that this is the most probable outcome. This nil valuation is derived because the Group believe that the value of the property and any other of the company's assets, after the repayment of the loan payable to the Group, would be required to repay the outstanding creditors leaving negligible value to the shareholders.

Of the movement in the fair value of the loan and equity and the associated deferred tax movement, loan interest, calculated using the effective interest method, of £207,000 has been recognised in the Income Statement as interest receivable and £661,000 of other fair value movement has been recognised in Other Comprehensive Income.

Movements in the Statement of Comprehensive Income comprise:

	2011 £000	2010 £000
Fair value movements of available-for-sale investments	**(661)**	2,962
Impairment movements of available-for-sale investments	**(11,508)**	–
	(12,169)	2,962
Deferred tax on fair value movements	**–**	(829)
Deferred tax on impairments	**3,222**	–
	3,222	(829)

20. Investment in subsidiaries

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
At 1 April	**–**	–	**31,822**	32,896
Acquired during year	**–**	–	**5**	26
Impairment in the carrying value of investments	**–**	–	**(833)**	(1,100)
At 31 March	**–**	–	**30,994**	31,822

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
Albion Land (Bushey Mill) Ltd	Development	100%
Baylight Developments Ltd*	Investment	100%
Cranmer Investments (Whitstable) Ltd	Development	100%
Dencora (Docklands) Ltd	Investment	100%
Dencora (Fordham) Ltd	Investment	100%
Downtown Space Properties LLP	Development	70%
Harbour Developments (Bracknell) Ltd	Development	100%
HB Sawston No. 3 Ltd	Investment	100%
Helical (Aldridge) Ltd	Investment	100%
Helical (Ashford) Ltd	Investment	100%
Helical Bar Developments (South East) Ltd	Development	100%
Helical Bar (East Grinstead) Ltd	Investment	100%
Helical Bar (Great Dover Street) Ltd	Investment	100%
Helical Bar (Hawtin Park No. 3) Ltd	Investment	100%
Helical Bar Services Ltd	Management Services	100%
Helical Bar (Wales) Ltd*	Investment	100%
Helical Bar (White City) Ltd	Development	100%
Helical (Battersea) Ltd	Investment	100%
Helical (Bramshott Place) Ltd	Development	100%
Helical (Cardiff) Ltd	Investment	100%
Helical (Colchester) Ltd	Trading	100%
Helical (Cowley) Ltd	Development	100%
Helical (Crawley) Ltd	Investment	100%
Helical (Crownhill) Ltd	Investment	100%
Helical (Eastcheap) Ltd	Investment	100%
Helical (East Kilbride) Ltd	Investment	100%
Helical (Exeter) Ltd	Development	100%
Helical (Faygate) Ltd	Development	100%
Helical (Fleet) No. 2 Ltd*	Investment	100%
Helical (Glasgow) Ltd	Investment/Trading	100%
Helical (Hailsham) Ltd	Development	100%
Helical (Kidlington) Ltd	Development	100%
Helical (Liphook) Ltd	Development (Jersey)	100%
Helical (Merlin Park) Ltd	Investment	100%
Helical (Milton) Ltd	Development	100%
Helical (Motherwell) Ltd	Investment	100%
Helical (Paignton) Ltd	Investment	100%
Helical Retail Ltd	Development	100%
Helical Retail (RBS) Ltd*	Development	100%
Helical (Sawston) Ltd	Investment	100%
Helical (Sevenoaks) Ltd	Investment	100%
Helical Sosnica Sp. z.o.o.*	Development (Poland)	100%
Helical (Southall) Ltd	Development	100%
Helical (Southampton) Ltd	Development	100%
Helical (Stockport) Ltd	Development	100%
Helical (Telford) Ltd	Development	100%
Helical (West Drayton) Ltd	Trading	100%
Helical (Winterhill) Ltd	Investment	100%
Helical (Witham) Ltd	Investment	100%
Helical (Woking) Ltd	Investment	100%
Helical Wroclaw Sp. z.o.o.*	Development (Poland)	100%
Newmarket LP*	Investment	100%
Prescot Street Investments Ltd	Investment	100%
14 Fieldgate Street Ltd	Development	100%
61 Southwark Street Ltd*	Investment	100%
Sutton-in-Ashfield LP*	Investment	100%
Wood Lane (Stadium) Ltd	Trading	100%

All principal subsidiary undertakings operate in the United Kingdom other than Helical Sosnica Sp. z.o.o. and Helical Wroclaw Sp. z.o.o. and, unless otherwise indicated, are incorporated and registered in England and Wales. In line with s410(2) of the Companies Act 2006 a full list of all subsidiaries is lodged with the Annual Return at Companies House.

*Ordinary capital is held by a subsidiary undertaking.

Investments in subsidiaries have been impaired based on a review of their fair value at the balance sheet date. A review of the fair value of the investments is undertaken periodically. The fair value of the investment in subsidiaries is based on the value of the subsidiaries underlying assets.

21. Investment in joint ventures

	Group 31.3.11 £000	Group 31.3.10 £000
Summarised statements of consolidated income		
Revenue	**5,754**	1,835
Operating profit	**4,460**	3,207
Sale of investment	**–**	1,147
Net finance costs	**(1,693)**	(490)
Profit before tax	**2,767**	3,864
Tax	**119**	(119)
Profit after tax	**2,886**	3,745
Summarised balance sheets		
Non-current assets	**65,875**	45,305
Current assets	**24,713**	27,507
Current liabilities	**(27,840)**	(18,528)
Non-current liabilities	**(26,684)**	(27,900)
Net assets	**36,064**	26,384

The cost of the Company's investment in joint ventures was £165,000 (2010: £165,000).

At 31 March 2011 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%	Development
Abbeygate Helical (Winterhill) Ltd	United Kingdom	Ordinary	50%	50%	Development
Abbeygate Helical (C4.1) LLP	United Kingdom	n/a	50%	50%	Development
The Asset Factor Ltd	United Kingdom	Ordinary	50%	50%	Outsourcing
Shirley Advance LLP	United Kingdom	n/a	50%	–	Development
King Street Developments (Hammersmith) Ltd	United Kingdom	Ordinary	50%	–	Development
PH Properties Limited (BVI)	British Virgin Islands	Ordinary	60%	–	Investment
Barts Two Investment Property Limited	Jersey	Ordinary	33%	–	Investment

During the year the Group acquired a 33% economic interest in Barts Two Investment Property Limited, a jointly controlled entity which owns an investment property in the UK. The results and financial position of Barts Two Investment Property Limited at the balance sheet date have been accounted for as a joint venture.

Following the purchase of Barts in the year, the joint venture company has a contingent liability to pay up to a further £35m which will be dependent upon the timing of vacant possession and the floor area of any future redevelopment scheme for which planning permission is received. The meeting of the conditions in which an extra payment is required will almost certainly result in an increase in the valuation of the property equal to or above the amount of the additional payment.

22. Land, developments and trading properties

Group	Development properties 31.3.11 £000	Trading stock 31.3.11 £000	Total 31.3.11 £000	Development properties 31.3.10 £000	Trading stock 31.3.10 £000	Total 31.3.10 £000
At 1 April	**182,303**	**273**	**182,576**	209,537	878	210,415
Construction costs	**25,026**	**26,196**	**51,222**	14,958	–	14,958
Interest capitalised	**4,179**	**–**	**4,179**	3,196	–	3,196
Disposals	**(58,995)**	**(16,181)**	**(75,176)**	(32,983)	(525)	(33,508)
Foreign exchange movements	**(346)**	**–**	**(346)**	(2,444)	–	(2,444)
Provision	**(14,913)**	**–**	**(14,913)**	(9,961)	(80)	(10,041)
At 31 March	**137,254**	**10,288**	**147,542**	182,303	273	182,576

Company	Development properties 31.3.11 £000	Development properties 31.3.10 £000
At 1 April	**968**	853
Construction costs	**171**	115
Provision	**(14)**	–
At 31 March	**1,125**	968

The directors' valuation of trading and development stock shows a surplus of £32m above book value (2010: £33m).

Interest capitalised in respect of the development of sites is included in stock to the extent of £6,827,000 (2010: £8,482,000).

Land, developments and trading properties with carrying values totalling £102,299,000 (2010: £154,917,000) were held as security against borrowings.

23. Financial instruments

Categories of financial instruments

Financial assets in the Group include derivative financial assets which are designated as 'Fair value through the Income Statement'. Financial assets also include finance lease receivables, other receivables and cash and cash equivalents all of which are included within loans and receivables as well as available-for-sale investments.

Financial liabilities in the Group comprise derivative financial liabilities which are categorised as fair value through the Income Statement (non hedge). Financial liabilities also include secured bank loans, unsecured bond issues, unsecured loan notes, and bank loans and overdrafts, all of which are categorised as debt at amortised cost, and trade and other payables, provisions and current tax liabilities, which are classified as other financial liabilities.

Financial assets and liabilities by category

The financial instruments of the Group as classified in the financial statements can be analysed under the following IAS 39 Financial Instruments: Recognition and Measurement, categories:

Financial assets

	Group 31.3.11 £000	Group 31.3.10 £000	Company 31.3.11 £000	Company 31.3.10 £000
Loans and receivables	**67,325**	79,440	**397,932**	402,788
Fair value through the Income Statement	**793**	1,944	**715**	1,944
Available-for-sale financial assets	**10,505**	24,284	**–**	13,325
Total financial assets	**78,623**	105,668	**398,647**	418,057

These financial assets are included in the balance sheet within the following headings:

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Available-for-sale investments	**10,505**	24,284	**–**	13,325
Derivative financial instruments	**793**	1,944	**715**	1,944
Trade and other receivables	**34,929**	38,542	**374,620**	376,360
Corporation tax receivable	**1,069**	1,098	**1,069**	1,170
Cash and cash equivalents	**31,327**	39,800	**22,243**	25,258
Total financial assets	**78,623**	105,668	**398,647**	418,057

Financial assets are stated in accordance with IAS 32 Financial Instruments: Presentation.

For fair value of available-for-sale investments see note 19. The carrying value of the trade and other receivables and cash and cash equivalents is deemed not to be materially different from the fair value.

Financial liabilities

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Fair value through the Income Statement	**(7,311)**	(10,485)	**(3,373)**	(3,299)
Other financial liabilities	**(281,782)**	(280,748)	**(183,321)**	(216,911)
Total financial liabilities	**(289,093)**	(291,233)	**(186,694)**	(220,210)

These financial liabilities are included in the balance sheet within the following headings:

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Trade and other payables	**(44,365)**	(37,990)	**(168,911)**	(189,394)
Borrowings - current	**(37,500)**	(72,459)	**(4,500)**	(20,163)
Borrowings - non current	**(199,917)**	(170,299)	**(9,910)**	(7,354)
Derivative financial instruments	**(7,311)**	(10,485)	**(3,373)**	(3,299)
Total financial liabilities	**(289,093)**	(291,233)	**(186,694)**	(220,210)

The carrying value of trade and other payables and borrowings is not deemed to be materially different from the fair value. Financial liabilities are stated in accordance with IAS 32.

The Group and Company financial instruments that are measured subsequent to initial recognition at fair value are available-for-sale assets, forward exchange contracts and interest rate swaps, caps and floors.

Forward foreign exchange contracts are externally measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps, caps and floors are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

IFRS 7 categorises financial assets and liabilities as being valued in 3 hierarchical levels:

- Level 1: values are unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: values are derived from observing market data
- Level 3: values cannot be derived from observable market data

The derivative financial instruments above have been valued using a Level 2 methodology and the available-for-sale investments, which are described in note 19, are classified as Level 3 fair value measurements, being those not based on observable market data. There were no transfers between categories in the current or prior year.

Derivative financial instruments

	Group Year ended 31.3.11 £000	Group Year ended 31.3.10 £000	**Company Year ended 31.3.11 £000**	Company Year ended 31.3.10 £000
Derivative financial assets				
Interest rate caps	**629**	94	**551**	94
Foreign exchange contracts	**164**	1,850	**164**	1,850
	793	1,944	**715**	1,944
Derivative financial liabilities				
Interest rate swaps	**(4,764)**	(7,186)	**(826)**	–
Interest rate floors	**(2,547)**	(3,299)	**(2,547)**	(3,299)
	(7,311)	(10,485)	**(3,373)**	(3,299)

The group's movement in the fair value of the derivative financial instruments in the year was a gain of £1,776,000 (2010: £1,157,000); Company: loss of £1,287,000 (2010: £16,000).

Credit risk

Credit risks arise from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk the Group periodically assesses the financial reliability of customers, taking into account the financial position, past experience and other factors.

As at 31 March 2011 Helical has total credit risk excluding cash of £46.5m of which £10.5m is available-for-sale assets and £36.0m is loans and receivables. Available-for-sale assets are analysed in note 19.

Of the trade receivables held at 31 March 2011, two amounts of £8.2m and £3.9m were due from the sale of investment properties and were both received on 1 April 2011 and a further £1.6m related to rent due from tenants which was received post year-end.

All other debtors are deemed to be recoverable.

The Group is not reliant on any major customer for its ability to continue as a going concern.

For further information on trade and other receivables, see note 24.

Liquidity risk

Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity and funding risks, related processes and policies are overseen by management.

Helical manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, and through numerous sources of finance in order to maintain flexibility. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. The Group's cash and cash equivalents are held with major regulated financial institutions and the directors regularly monitor the financial institutions that the group uses to ensure its exposure to liquidity risk is minimised.

For further information on borrowing facilities, see notes 27 and 28.

The maturity profile of the Group's contracted financial liabilities is as follows:

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Payable within 3 months	**66,099**	59,464	**169,556**	192,428
Payable between 3 months and 1 year	**29,042**	79,548	**6,401**	19,880
Payable between 1 and 3 years	**178,910**	121,256	**13,173**	11,438
Payable after 3 years	**37,785**	69,651	**627**	400
Total contracted liabilities	**311,836**	329,919	**189,757**	224,146

At 31 March 2011 Helical had £8.0m of undrawn borrowing facilities, £59.4m of uncharged property assets and cash balances of £31.3m. The above contracted liabilities assume that no loans are extended beyond their current facility expiry date. The management believe that these facilities, together with anticipated sales and the renewal of some of these loan facilities, mean that Helical can meet its contracted liabilities as they fall due.

Market risk

Helical is exposed to market risk, primarily related to interest rates, foreign currency exchange movements, the market value of the investments and accrued development profits. The Group actively monitors these exposures.

Interest rate risk

It is the Group's policy and practice to minimise interest rate cash flow exposures on long-term financing. Helical does this by using a number of derivative financial instruments including interest rate swaps and interest rate caps. The purpose of these derivatives is to manage the interest rate risks arising from the Group's sources of finance. The Group does not use financial instruments for speculative purposes.

Details of financing and financial instruments can be found in note 28.

In the year to 31 March 2011, if interest rates had moved by 0.5%, this would have resulted in the following movement to pre-tax losses and equity due to movements in interest charges and mark-to-market valuations of derivatives.

	31 March 2011	
	Impact on results £000	**Equity impact £000**
0.5% increase – increase in net results and equity	**1,868**	**1,868**
0.5% decrease – decrease in net results and equity	**(1,086)**	**(1,086)**

There would have been no significant impact on the results or on the equity of the Company if interest rates had increased or decreased.

Foreign currency exchange risk

Due to its operations in Poland and its investment in a non-UK based property developer, Helical has exposure to exchange movements on foreign currencies. Helical's management monitors its exposure to risks associated with foreign currency exchange risk and reviews any requirements to act to minimise these risks. Helical has entered into currency option contracts in order to reduce its exposure to these risks.

In the year to 31 March 2011 the Group made foreign exchange losses of £67,000 resulting from foreign exchange movements related to its Polish operations.

The Group's balance sheet translation exposure is summarised as follows:

	31 March 2011			31 March 2010		
	Euro (£000)	**Zloty (£000)**	**US dollars (£000)**	Euro (£000)	Zloty (£000)	US dollars (£000)
Gross currency assets	**51,428**	**6,338**	**10,492**	48,387	11,508	10,946
Gross currency liabilities	**(22,339)**	**(5,411)**	**–**	(25,399)	(3,826)	–
Net exposure	**29,089**	**927**	**10,492**	22,988	7,682	10,946

The group has entered into a fair-value hedge to reduce the effects of foreign exchange translation losses on stock. Any movement in the fair value of this instrument is shown in the Income Statement as part of the change in fair value of derivative financial instruments.

The Company's balance sheet translation exposure is almost exclusively due to intra-group loans and is summarised as follows:

	31 March 2011		31 March 2010	
	Euro (£000)	**Zloty (£000)**	Euro (£000)	Zloty (£000)
Gross currency assets	**2,550**	**17,247**	4,025	14,955
Gross currency liabilities	**–**	**–**	–	–
Net exposure	**2,550**	**17,247**	4,025	14,955

The Group's main currency exposure is to the euro. The sensitivity of the net assets and profit of the Group to a 10% change in the value of the foreign currencies against sterling is Euro: £2,909,000 (March 2010: £2,299,000), Zloty: £93,000 (March 2010: £768,000), US dollar: net assets: £797,000 (March 2010: £788,000), profit: £797,000 (March 2010: £nil).

The sensitivity of the net assets and profit of the Company to a 10% change in the value of the foreign currencies against sterling is Euro: £255,000 (March 2010: £402,000), Zloty: £1,725,000 (March 2010: £1,496,000).

In addition to the above the Group has entered in to a number of currency option contracts to act as cashflow hedges against development contracts in Poland and future expected profits on the development schemes. Whilst these contracts are designed to minimise foreign exchange risk on these transactions, hedge accounting has not been applied and any movement to the fair value of the options is shown in the Income Statement as part of the change in fair value of derivative financial instruments. The details of these options is summarised below:

	Reason for hedging	Contract value	Contract rate	Fair value at 31/03/2011
Put euro – call sterling	Hedge against anticipated development profit	EUR 10m	1.14	£163,000

24. Trade and other receivables

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Trade receivables	**20,891**	12,316	**116**	–
Amounts owed by joint venture undertakings	**8,342**	8,208	**4,669**	3,907
Amounts owed by subsidiary undertakings	**–**	–	**369,817**	365,955
Other receivables	**1,691**	3,520	**329**	1,816
Prepayments and accrued income	**4,859**	14,647	**820**	4,931
	35,783	38,691	**375,751**	376,609

Receivables	**Group 31.3.11 £000**	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Fully performing	**32,175**	36,911	**374,620**	376,360
Past due < 3 months	**2,062**	1,375	**–**	–
Past due > 3 months	**692**	256	**–**	–
Total receivables being financial assets	**34,929**	38,542	**374,620**	376,360
Total receivables being non-financial assets	**854**	149	**1,131**	249
Total receivables	**35,783**	38,691	**375,751**	376,609

Past due receivables relate to a number of independent customers for whom there is no recent history of default. Against trade receivables, Helical held £0.8m of rental deposits at 31 March 2011 (2010: £0.7m).

Movements in the provision for impairment of trade receivables are as follows:

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Gross receivables being financial assets	**35,418**	39,192	**374,620**	376,360
Provisions for receivables impairment	**(489)**	(650)	**–**	–
Net receivables being financial assets	**34,929**	38,542	**374,620**	376,360
Receivables written off during the year as uncollectable	**361**	637	**–**	–

25. Cash and cash equivalents

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Rent deposits and cash held at managing agents	**3,313**	1,274	**–**	–
Cash secured against debt and cash held at solicitors	**–**	1,295	**–**	–
Cash allocated to pay dividend	**–**	2,909	**–**	2,909
Cash deposits	**28,014**	34,322	**22,243**	22,349
	31,327	39,800	**22,243**	25,258

26. Trade and other payables

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Trade payables	**18,358**	4,635	**270**	108
Social security costs and other taxation	**70**	638	**–**	–
Amounts owed to joint venture undertakings	**–**	–	**499**	1,147
Amounts owed to subsidiary undertakings	**–**	–	**161,546**	175,469
Other payables	**5,371**	9,219	**729**	3,046
Accruals and deferred income	**21,425**	29,159	**5,867**	9,624
	45,224	43,651	**168,911**	189,394

27. Borrowings

	Group 31.3.11 £000	Group 31.3.10 £000	**Company 31.3.11 £000**	Company 31.3.10 £000
Current borrowings	**37,500**	72,459	**4,500**	20,163
Bank loans repayable within:				
– one to two years	**74,547**	29,644	**10,000**	–
– two to three years	**88,493**	72,725	**–**	7,650
– three to four years	**4,200**	68,878	**–**	–
– four to five years	**33,778**	–	**–**	–
	201,018	171,247	**10,000**	7,650
Deferred arrangement costs	**(1,101)**	(948)	**(90)**	(296)
Non-current borrowings	**199,917**	170,299	**9,910**	7,354

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 £360,024,000 (2010: £370,917,000). These will be repayable when the underlying properties are sold. Bank overdrafts and term loans exclude the Group's share of borrowings in joint venture companies of £39,384,000 (2010: £29,752,000).

28. Financing and financial instruments

The policies for dealing with liquidity and interest rate risk are noted in the Performance and Risk Review on pages 32 to 35.

	Group 31.3.11 £000	Group 31.3.10 £000
Bank overdraft and loans – maturity		
Due after more than one year	**201,018**	171,247
Due within one year	**37,500**	72,459
	238,518	243,706

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2011 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.11 £000	Group 31.3.10 £000
Expiring in one year or less	**6,299**	8,186
Expiring in more than one year but not more than two years	**1,672**	–
	7,971	8,186

Interest rates - Group	%	Expiry	31.3.11 £000	%	Expiry	31.3.10 £000
Fixed rate borrowings:						
– swap rate plus bank margin	**4.480**	**Jun 2011**	**4,236**	5.330	Jun 2011	4,316
– swap rate plus bank margin	**–**	**–**	**–**	5.650	Nov 2010	5,200
– swap rate plus bank margin	**3.406**	**Jan 2015**	**12,250**	–	–	–
– swap rate plus bank margin	**6.401**	**Oct 2012**	**28,500**	7.150	Oct 2012	28,500
– swap rate plus bank margin	**5.645**	**Oct 2014**	**6,690**	8.295	Oct 2014	6,690
– swap rate plus bank margin	**6.240**	**Dec 2013**	**10,120**	6.240	Dec 2013	10,120
– swap rate plus bank margin	**–**	**–**	**–**	6.040	Jan 2011	4,200
– swap rate plus bank margin	**5.290**	**Mar 2012**	**3,570**	5.290	Mar 2012	3,570
– swap rate plus bank margin	**7.208**	**Aug 2013**	**9,912**	7.208	Aug 2013	9,912
– swap rate plus bank margin	**–**	**–**	**–**	6.270	Oct 2010	14,652
– swap rate plus bank margin	**–**	**–**	**–**	3.555	Jun 2011	5,400
Weighted average	**5.769**	**Jun 2013**	**75,278**	6.429	Jun 2012	92,560
Floating rate borrowings	**2.974**	**May 2013**	**163,240**	2.321	Jun 2012	151,146
Total borrowings			**238,518**			243,706
Deferred arrangement costs			**(1,101)**			(948)
			237,417			242,758

Changes in fixed borrowing rates are the result of the repayment of bank loans where the interest rate swaps have not been cancelled. The movement in the rate is due to the bank margin not being payable.

Floating rate borrowings bear interest at rates based on LIBOR. As at 31 March 2011 and 31 March 2010 the Company's borrowings consist of fixed rate borrowings of £6,690,000 at 5.645% (2010: 8.295%) expiring in October 2014 with the remainder being floating rate borrowings.

Hedging

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

Instrument	Value £000	Rate %	Start	Expiry
Current:				
– cap	30,000 – 40,950	6.000	May 2008	May 2013
– cap	50,000	4.000	Apr 2011	Apr 2015
– cap	10,613 – 11,037	4.000	Jan 2015	Jan 2016
– floor	30,000 – 40,950	4.500	May 2008	May 2013

Gearing

	Group 31.3.11 £000	Group 31.3.10 £000
Total borrowings	**237,417**	242,758
Cash	**(31,327)**	(39,800)
Net borrowings	**206,090**	202,958

Net borrowings exclude the Group's share of borrowings in joint ventures of £39,384,000 (2010: £29,752,000).

	Group 31.3.11 £000	Group 31.3.10 £000
Net assets	**255,397**	242,607
Gearing	**81%**	84%

29. Share capital

	31.3.11 £000	31.3.10 £000
Authorised	**39,577**	39,577
	39,577	39,577

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

	31.3.11 £000	31.3.10 £000
Allotted, called up and fully paid		
– 118,137,522 ordinary shares of 1p each (2010: 107,407,522)	**1,182**	1,074
– 212,145,300 deferred shares of 1⁄8p each	**265**	265
	1,447	1,339

As at 1 April 2010 the Company had 107,407,522 ordinary 1p shares in issue. On 8 December 2010 the Company issued 10,730,000 new ordinary 1p shares to shareholders as a part of the Placing referred to in the Financial Review on page 38. At 31 March 2011 there were 118,137,522 ordinary 1p shares in issue.

	Shares in issue 31.3.11 Number	**Share capital 31.3.11 £000**	Shares in issue 31.3.10 Number	Share capital 31.3.10 £000
Ordinary shares				
At 1 April	**107,407,522**	**1,074**	107,087,012	1,071
New shares issued	**10,730,000**	**108**	320,510	3
At 31 March	**118,137,522**	**1,182**	107,407,522	1,074
Deferred shares				
At 1 April	**212,145,300**	**265**	212,145,300	265
At 31 March	**212,145,300**	**265**	212,145,300	265

The Group's capital management objectives are:

– to ensure the Group's ability to continue as a going concern; and,
– to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure. It manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Capital is defined as being issued share capital, retained earnings and other reserves. (2011: 247,797,000; 2010: £235,005,000).

The deferred shares were issued on 23 December 2004 to those shareholders electing to receive a dividend, rather than a capital repayment or further shares in the Company, as part of the Return of Cash approved by shareholders on 20 December 2004. The deferred shares carry no voting rights and have no right to a dividend or capital payment in the event of a winding up of the Company.

The Company's Articles of Association give the Company irrevocable authority to purchase all or any of the deferred shares for a maximum aggregate total of 1 penny for all deferred shares in issue on the date of such purchase.

30. Share options

At 31 March 2011 there were no unexercised options over new ordinary 1p shares in the Company (31 March 2010: nil) and no options over purchased ordinary 1p shares held by the ESOP had been granted to directors and employees under the Company's share option schemes (31 March 2010: nil). During the period no new options were granted.

Summary of share options	**Number 31.3.11**	**Weighted average exercise Price 31.3.11**	Number 31.3.10	Weighted average exercise price 31.3.10
At 1 April	**–**	**–**	1,377,605	149p
Options granted	**–**	**–**	–	–
Options exercised	**–**	**–**	(1,377,605)	34p
Option expired/lapsed	**–**	**–**	–	–
At 31 March	**–**	**–**	–	–

31. Share-based payments

The Group provides share-based payments to employees in the form of performance share plan awards and a share incentive plan. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2005 are recognised in the financial statements. The Company uses a stochastic valuation model and the resulting value is amortised through the Income Statement over the vesting period of the share-based payments.

Performance share plan awards	**Awards**	**2011 Weighted average award value**	Awards	2010 Weighted average award value
Outstanding at beginning of period	**4,870,283**	**332p**	4,738,900	364p
Awards vested during the period	**–**	**–**	(482,065)	377p
Awards lapsed during the period	**(989,620)**	**473p**	(964,130)	377p
Awards cancelled during the period	**–**	**–**	(555,644)	359p
Awards made during the period	**2,368,701**	**276p**	2,133,222	300p
Outstanding at end of period	**6,249,364**	**284p**	4,870,283	332p

The performance share plan awards outstanding at 31 March 2011 had a weighted average remaining contractual life of one year eight months.

The inputs into the stochastic model of valuation of the PSP awards made in the year to 31 March 2011 were as follows:

	2011	2010	2009
Weighted average share price	**285.1p**	297.5p	276p
Weighted average exercise price	**–**	–	–
Expected volatility	**n/a**	n/a	n/a
Expected life	**3 years**	3 years	3 years
Risk free rate	**n/a**	n/a	n/a
Expected dividends	**1.05%**	1.51%	1.63%

The Group recognised a credit of £196,000 (2010: charge £1,151,000) in relation to Share-based payments.

At the balance sheet date there were no exercisable awards.

32. Own shares held

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

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

At 31 March 2011 unexercised options over nil (2010: nil) ordinary 1p shares in Helical Bar plc had been granted over shares held by the Trust.

At 31 March 2011 outstanding awards over 6,294,364 (2010: 4,870,283) ordinary 1p shares in Helical Bar plc had been made under the terms of the Performance Share Plan over shares held by the Trust.

33. Contingent liabilities

The Group's share of its Joint Ventures contingent liabilities is discussed in note 21. The Group has guaranteed this payment in the event of default of the Joint Venture.

The Company has entered into cross guarantees in respect of the banking facilities of its subsidiaries. These are not considered to have a material value.

The Company has undertaken to provide support for some of its subsidiaries undertakings. However it does not believe that this support will be required in the foreseeable future.

Other than these contingent liabilities there were no contingent liabilities at 31 March 2011 for the Group or the Company (2010: £nil).

34. Net assets per share

	31.3.11 £000	**Number of shares 000s**	**31.3.11 pence per share**	31.3.10 £000	Number of shares 000s	31.3.10 pence per share
Net asset value	**255,397**	**118,138**		242,607	107,408	
Less: own shares held by ESOP	**–**	**(1,292)**		–	(1,292)	
deferred shares	**(265)**			(265)		
Basic and diluted net asset value	**255,132**	**116,846**	**218**	242,342	106,116	228
Adjustment for:						
– fair value of financial instruments	**7,071**			9,978		
– deferred tax	**717**			3,257		
Adjusted diluted net asset value	**262,920**	**116,846**	**225**	255,577	106,116	241
Adjustment for:						
– fair value of trading and development properties	**32,436**			32,991		
Diluted EPRA net asset value	**295,356**	**116,846**	**253**	288,568	106,116	272
Adjustment for:						
– fair value of financial instruments	**(7,071)**			(9,978)		
– deferred tax	**(717)**			(3,257)		
Diluted EPRA triple net asset value	**287,568**	**116,846**	**246**	275,333	106,116	259

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

35. Related party transactions

At 31 March 2011 and 31 March 2010 the following amounts were due from the Group's joint ventures.

	At 31.3.11 £000	At 31.3.10 £000
Abbeygate Helical (Leisure Plaza) Ltd	**2,040**	2,212
Abbeygate Helical (Winterhill) Ltd	**–**	(12)
Abbeygate Helical (C4.1) LLP	**6**	(598)
King Street Developments (Hammersmith) Ltd	**2,000**	1,634
Shirley Advance LLP	**4,296**	4,372
The Asset Factor Ltd	**596**	600
PH Properties Limited (BVI)	**–**	–
Barts Two Investment Property Limited	**–**	–

All movements in joint venture balances related to loans repaid and loans advanced.

At 31 March 2011 and 31 March 2010 there were the following balances between the Company and its subsidiaries.

	At 31.3.11 £000	At 31.3.10 £000
Amounts due from subsidiaries	**369,817**	365,955
Amounts due to subsidiaries	**161,546**	175,469

During the years to 31 March 2011 and 31 March 2010 there were the following transactions between the Company and its subsidiaries:

	Year ended 31.3.11 £000	Year ended 31.3.10 £000
Management charges receivable	**3,422**	3,202
Management charges payable	**250**	271
Interest receivable	**4,725**	3,109
Interest payable	**–**	–

Management charges relate to the performance of management services for the Company or its subsidiaries. Interest receivable relates to interest on loans made by the Company to its subsidiaries. All of these transactions, and the year-end balance sheet amounts arising from these transactions were conducted on an arm's length basis and on normal commercial terms. Amounts owed by subsidiaries to the company are identified in note 24. Amounts owed to subsidiaries by the company are identified in note 26.

The Group consider that the key management personnel are the directors and the detail of their remuneration is disclosed in the directors' remuneration report on pages 48 to 54. Share based payments for directors are disclosed in note 9.

ten year review

	IFRS 31.3.11 £000	IFRS 31.3.10 £000	IFRS 31.3.09 £000	IFRS 31.3.08 £000	IFRS 31.3.07 £000	IFRS 31.3.06 £000	IFRS 31.3.05 £000	UK GAAP 31.3.04 £000	UK GAAP 31.3.03 £000	UK GAAP 31.3.02 £000
Revenue	119,059	67,354	81,770	65,623	123,176	119,274	101,469	54,566	135,192	136,632
Net rental income	14,187	14,151	17,682	16,400	14,771	16,524	20,440	22,980	25,619	27,827
Development (loss)/profit	(16,642)	(1,293)	(7,704)	6,068	13,587	4,594	12,664	38	4,630	17,072
Trading (loss)/profit	(367)	(10)	(514)	(29)	2,094	13,441	5,771	1,031	349	154
Share of results of joint ventures	2,886	3,745	1,846	(98)	6,196	437	2,699	1,636	1,544	986
Other (expense)/income	(358)	26	6,752	(315)	766	235	235	601	626	(67)
Gross (loss)/profit before gain/(loss) on investment properties	(294)	16,619	18,062	22,026	37,414	35,231	41,809	26,286	32,768	45,972
Gain/(loss) on sale and revaluation of investment properties	7,512	8,195	(66,670)	(32,790)	40,637	43,551	44,204	2,035	2,126	2,463
Gain on sale of investments	–	–	1,892	–	–	–	–	–	–	–
Impairment of available-for-sale investments	(1,817)	–	–	–	–	–	–	–	–	–
Administrative expenses	(7,050)	(8,680)	(8,090)	(13,659)	(17,544)	(16,582)	(15,757)	(8,037)	(6,391)	(10,888)
Loss on sale of subsidiary	–	–	–	–	–	–	–	(59)	–	(195)
Negative goodwill	–	–	–	–	–	–	–	–	6,362	–
Net finance costs	(4,564)	(7,132)	(21,048)	(1,724)	(419)	(5,080)	(5,561)	(6,572)	(9,638)	(14,779)
Foreign exchange (losses)/gains	(67)	(1,127)	3,999	1,862	–	–	–	–	–	–
(Loss)/profit before tax	(6,280)	7,875	(71,855)	(24,285)	60,088	57,120	64,695	13,653	25,227	22,573
Tax	2,391	1,711	18,359	11,971	(8,000)	(9,676)	844	(2,199)	(7,660)	(5,353)
(Loss)/profit after tax	(3,889)	9,586	(53,496)	(12,314)	52,088	47,444	65,539	11,454	17,567	17,220
Investment portfolio	271,876	219,901	241,287	306,778	316,025	294,583	271,315	334,932	342,484	439,911
Shareholders' funds	255,397	242,607	237,066	268,659	282,186	230,097	186,165	234,917	226,870	227,653
Dividend per ordinary share	2.00p	7.25p	4.50p	4.50p	4.05p	3.65p	3.32p	3.32p	3.00p	2.75p
Special dividend per ordinary share	–	–	–	–	–	–	80.0p	–	–	20.0p
Diluted (loss)/earnings per ordinary share	(3.6p)	9.1p	(56.6p)	(13.5p)	53.7p	51.8p	53.7p	7.9p	11.8p	11.8p
Diluted EPRA net assets per share	253p	272p	286p	352p	374p	309p	238p	182p	155p	155p

The financial statements for the year to 31 March 2005 have been restated to reflect the adoption of International Financial Reporting Standards.

The financial statements for the years 31 March 2001 to 31 March 2005 have been restated to reflect the impact of the 5 for 1 share issue on 1 September 2005

investor information

The report and financial statements, share price information, company presentations, the financial calendar, Corporate Governance, contact details and other investor information on the Group are available in the Investor Relations and Company Profile area of our website www.helical.co.uk.

Registrar

All general enquiries concerning holdings of ordinary shares in Helical Bar plc should be addressed to:

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

Telephone: 0871 664 0300*
Fax: 020 8639 2342

Website: www.capitaregistrars.com
Email: shareholder.services@capitaregistrars.com

*calls cost 10p per minute plus network extras. Lines are open between 8:30am and 5:30pm, Mon-Fri.

e-communication

UK shareholders may choose to be alerted about updates to the Financial Reports, Results, Press Releases and Events Calendar sections of the Group's website by subscribing to the Alerting Service at www.helical.co.uk. Shareholders may also submit their proxy votes electronically. To register for this service, shareholders should visit the Shareholders area of www.capitaregistrars.com.

Payment of dividends

Shareholders whose dividends are not currently paid to mandated accounts may wish to consider having their dividends paid directly into their bank or building society account. This has a number of advantages, including the crediting of cleared funds into the nominated account on the dividend payment date. If shareholders would like their future dividends to be paid in this way, they should complete a mandate instruction available from the Registrars. Under this arrangement tax vouchers are sent to the shareholder's registered address.

Dividends for shareholders resident outside the UK

Instead of waiting for a sterling cheque to arrive by mail, you can ask us to send your dividends direct to your bank account. For information contact the Company's Registrar.

Dividend reinvestment plan (DRIP)

The Company offers shareholders the option to participate in a DRIP. This enables shareholders to reinvest their cash dividends in Helical Bar plc shares.

For further details, contact the Company's Registrar.

For participants in the plan, key dates can be found in the online financial calendar in the 'Investor Relations' area at www.helical.co.uk.

ShareGift

Shareholders with a small number of shares, the value of which makes it uneconomic to sell them, may wish to consider donating them to a charity ShareGift, (registered charity 1052686) which specialises in using such holdings for charitable benefit.

Further information about ShareGift is available at www.sharegift.org or by writing to: ShareGift,
17 Carlton House Terrace, London, SW1Y 5AH
Telephone: 020 7930 3737

Dividends

Dividend payment dates on the Company's Ordinary 1p shares in 2010 were as follows:

Dividend	Record Date	Payment Date	Amount
2009/10 2nd interim	12 March 2010	1 April 2010	2.75p
2009/10 Final	25 June 2010	23 July 2010	0.25p
2010/11 Interim	3 Dec 2010	23 Dec 2010	1.75p

Dividend payment dates in 2011 will be as follows:

Dividend	Record Date	Payment Date	Amount
2010/11 Final	1 July 2011	28 July 2011	3.15p
2011/12 Interim	Dec 2011	Dec 2011	

Unsolicited investment advice - warning to shareholders

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. A 2006 survey by the Financial Services Authority (FSA) reported that the average amount lost by investors was around £20,000. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports into the company.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FSA before getting involved. You can check at www.fsa.gov.uk/register
- The FSA also maintains on its website a list of unauthorised overseas firms who are targeting, or have targeted, UK investors and any approach from such organisations should be reported to the FSA so that this list can be kept up to date and any other appropriate action can be considered.
- Report the matter to the FSA either by calling 0300 500 5000 or by completing an online form at:

http://www.moneymadeclear.org.uk/news/scams/share_scams.html

If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme.

Share price information

The latest information on the Helical Bar plc share price is available on our website www.helical.co.uk.

Registered office

11–15 Farm Street, London, W1J 5RS
Registered in England and Wales No. 156663.

glossary of terms

Average unexpired lease term	The average unexpired lease term expressed in years.
Capital value (psf)	The open market value of the property divided by the area of the property in square feet.
Diluted EPRA earnings per share	Earnings per share adjusted to exclude losses/gains on sale and revaluation of investment properties and their deferred tax adjustments, the tax on loss/profit on disposal of investment properties, trading property losses/profits, impairment of available-for-sale investments and fair value movements on derivative financial instruments, on a diluted basis. Details of the method of the calculation of the diluted EPRA earnings per share are available from EPRA.
Diluted EPRA net assets per share	Diluted net asset value per share adjusted to exclude fair value of financial instruments and deferred tax on capital allowances and on investment properties revaluation, but including the fair value of trading and development properties in accordance with the best practice recommendations of EPRA.
Diluted EPRA triple net asset value per share	Diluted EPRA net asset value per share adjusted to include fair value of financial instruments and deferred tax on capital allowances and on investment properties revaluation.
Diluted figures	Reported amounts adjusted to include the effects of potential shares issuable under the employee share option schemes.
Earnings per share	Profit after tax divided by the weighted average number of ordinary shares in issue.
EPRA	European Public Real Estate Association.
Equivalent yield	The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received in arrears.
Estimated rental value (ERV)	The market rental value of lettable space as estimated by the Company's valuers at each balance sheet date.
Initial yield	Annualised net rents on investment properties as a percentage of the investment property valuation.
IPD	The Investment Property Databank Limited (IPD) is a company that produces a number of independent benchmarks of unleveraged commercial property returns.
Net assets per share or net asset value (NAV)	Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date.
Net gearing	Total borrowings less short-term deposits and cash as a percentage of equity shareholders' funds.
Passing rent	The annual gross rental income excluding the net effects of straightlining lease incentives.
Rack rental value %	The anticipated yield, which the initial yield will rise to once the rent reaches the ERV.
Total shareholder return (TSR)	The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.
True equivalent yield	The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received quarterly in advance.
Unleveraged returns	Total property gains and losses (both realised and unrealised) plus net rental income expressed as a percentage of the total value of the properties.

financial calendar

Year ended 31 March 2011	Annual General Meeting to be held 26 July 2011
Final ordinary dividend payable	28 July 2011
Half year ending 30 September 2011	Results and interim ordinary dividend announced November 2011 Interim ordinary dividend payable December 2011
Year ending 31 March 2012	Results and final dividend announced May 2012 Final ordinary dividend payable July 2012

advisors

Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Bankers	Aareal Bank AG Allied Irish Bank Barclays Bank plc Clydesdale Bank Eurohypo AG HSBC plc Nationwide The Royal Bank of Scotland Group plc
Stockbrokers	JP Morgan Cazenove Limited 10 Aldermanbury London EC2V 7RF
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Merchant bankers	Lazard Ltd 50 Stratton Street London W1J 8LL
Solicitors	Ashurst Clifford Chance Lawrence Graham Linklaters Lovells Mishcon de Reya Nabarro Norton Rose Semple Fraser Wragge & Co

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