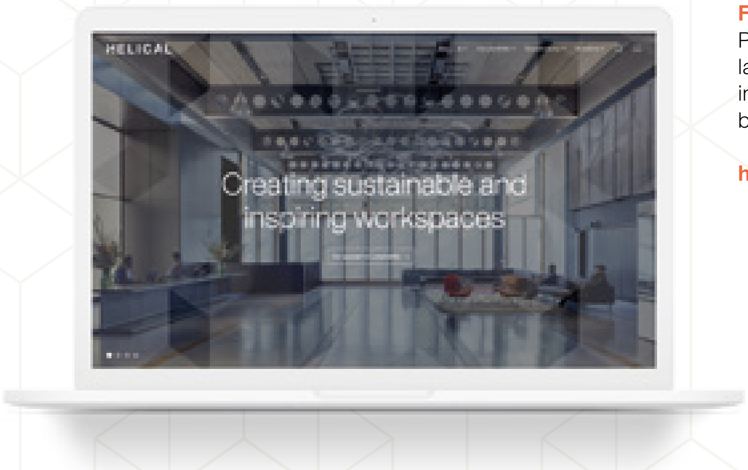
Helical plc
Annual Report and Accounts 2022

HELICAL

We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

Applying this philosophy we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity.



Find out more online
Please see our newly launched website for more information on how we bring our strategy to life.

helical.co.uk

> These results were driven by growing rental income and strong valuation surpluses from both our completed development schemes, now held for long-term income growth and future asset management opportunities, and our schemes under development."

Highlights 2022

Financial highlights

IFRS Profit after tax
2021: £17.9m

£88.9m

EPRA net tangible asset value per share[1] up 7.3%
31 March 2021: 533p

572p

15.0%	Total Accounting Return[1] on IFRS net assets of 15.0% (2021: 3.3%).
10.7%	Total Property Return[1], as measured by MSCI, of 10.7% compared to the MSCI Central London Offices Total Return Index of 7.9%.
36.4%	See-through loan to value[1] increased to 36.4% (31 March 2021: 22.6%).
£938.8m	IFRS investment property portfolio value of £938.8m (31 March 2021: £740.2m).

Earnings and dividends
- See-through Total Property Return[1] of £89.5m (2021: £48.6m).
- IFRS basic earnings per share of 72.8p (2021: 14.8p).
- EPRA earnings per share[1] of 5.2p (2021: loss of 1.8p).
- Total dividend for the year of 11.15p (2021: 10.10p), an increase of 10.4%.
- Final dividend proposed of 8.25p per share (2021: 7.40p), an increase of 11.5%.

Balance sheet
- Net asset value up 13% to £687.0m (31 March 2021: £608.2m).
- Total Accounting Return[1] on EPRA net tangible assets of 10.2% (2021: 4.5%).
- EPRA Total Accounting Return on CAGR[1] for three years ending 31 March 2022 of 7.8% (2021: 7.2%)
- EPRA net disposal value per share[1] up 13.6% to 551p (31 March 2021: 485p).
- Helical elected to become a REIT, effective 1 April 2022, and will be exempt from UK corporation tax on the relevant future property activities.

Financing
- Average maturity of the Group's share[1] of secured debt of 3.0 years (31 March 2021: 3.2 years), increasing to 3.7 years on exercise of options to extend current facilities and on a fully utilised basis.
- See-through average cost of secured facilities[1] of 3.2% (31 March 2021: 3.5%).
- Group's share[1] of cash and undrawn bank facilities of £132m (31 March 2021: £423m).
- Change in fair value of derivative financial instruments credit of £18.0m (2021: £2.9m).
- See-through net borrowings[1] of £402.9m (31 March 2021: £193.9m).

Portfolio update
- 7.0% valuation increase, on a like-for-like basis[1] (5.6% including sales and purchases), of our see-through investment portfolio, valued at £1,097.3m, compared to £839.4m at 31 March 2021.
- Contracted rents of £46.4m (31 March 2021: £37.8m) compared to an ERV[1] of £67.1m (31 March 2021: £52.1m).
- See-through portfolio WAULT[1] of 5.6 years (31 March 2021: 6.9 years).
- Vacancy rate reduced from 10.5% to 6.7%.

Operational highlights

c.185,000 square feet	**New acquisition** Major boost to the development pipeline with the acquisition of 100 New Bridge Street, EC4. Delivery of a c.185,000 sq ft office scheme planned for early 2025.
£34.55m	**Manchester sale** Trinity, our last remaining asset in Manchester, sold for £34.55m, at a net premium of c.£2.0m to our 31 March 2022 book value and representing a net initial yield of 5.0%.
95.8%	**Rent collection** 95.8% of all rent contracted and payable for the financial year collected with 2.2% to be collected following the end of the Government's general moratorium and 2.0% having been written off or agreed concessions.

- Practical completion of 33 Charterhouse Street, EC1, a 205,369 sq ft BREEAM "Outstanding" office development, on track for September 2022.
- 14 residential units at Barts Square sold in this 236 unit residential scheme, leaving 14 apartments available at the year end of which one has since been sold and two are under offer.
- 55 Bartholomew, EC1, sold for £16.5m (our share £7.6m), at a 3% premium to 31 March 2022 book value, reflecting a net initial yield of 4.5%.
- 12 new lettings completed across the portfolio, totalling 54,118 sq ft, delivering contracted rent of £3.3m (Helical's share £3.0m) at 1.8% above the 31 March 2021 ERV (excluding managed lettings).

Sustainability highlights

Net Zero Carbon Pathway
Helical's "Net Zero Carbon Pathway" published 24 May 2022 setting out our commitment to becoming a net zero carbon business by 2030.

BBP CLIMATE COMMITMENT Signatory

Climate Commitment
Better Building Partnership's Climate Commitment adopted, providing an accountable and transparent framework for delivering net zero carbon for a property portfolio.

4*

Sustainability rating
Improvements across sustainability measures and ratings with a 4* Green GRESB rating (85/100), MSCI ESG of AAA and an EPRA Sustainability BPR rating of Gold.

96%

Developed or refurbished
96% of the space in our buildings has been recently developed or refurbished (excluding 100 New Bridge Street, EC4) with 99% of our investment portfolio, by value, having an A or B EPC rating.

1 See Glossary for definition of terms. The financial statements have been prepared in accordance with International Accounting Standards (IAS) in conformity with the Companies Act 2006. In common with usual and best practice in our sector, alternative performance measures have also been provided to supplement IFRS, some of which are based on the recommendations of the European Public Real Estate Association ("EPRA"), with others designed to give additional information about the Group's share of assets and liabilities, income and expenses in subsidiaries and joint ventures.

99% of our portfolio, by value, is within a 12 minute walk of a nearby Elizabeth Line station

Gerald Kaye
Chief Executive

Helical, delivering a sustainable future

Overview

Today marks the opening to the public of the Elizabeth Line, one of the largest transport infrastructure projects in the UK, increasing Central London's rail capacity by 10% and bringing an additional 1.5 million people within 45 minutes of Central London. Our £1bn portfolio of sustainable, amenity rich London offices, of which 99% by value are situated within a 12 minute walk of a nearby Elizabeth Line station, will continue to benefit from their proximity to this new arterial route through Central London. It is this connection, together with the improving strength of the prime London office market, that has underpinned a strong set of results after emerging from the Covid-19 pandemic following two difficult years.

Our Total Accounting Return ("TAR") for the year, a key performance indicator for Helical, was 15.0% on our net assets measured under IFRS and 10.2% based on our EPRA net tangible assets. Over the three years to 31 March 2022, the compound annual growth rate of our EPRA TAR was 7.8% pa, an indication of the strength and consistency of the financial performance of the Group, despite the challenges of the period. These results were driven by growing rental income and strong valuation surpluses from both our completed development schemes, now held for long-term income growth and future asset management opportunities, and our schemes under development.

Sustainability

On 24 May 2022 we published our Net Zero Carbon Pathway to becoming a net zero carbon business by 2030, as our contribution, as a responsible business, to the decarbonising of the UK economy by 2050. In continuing this journey, we have identified meaningful ways of reducing both our embodied and operational carbon emissions. As part of this process, we have signed up to the Better Buildings Partnership Climate Commitment, which provides an accountable and transparent framework for delivering net zero carbon for a property portfolio.

With our commitment to sustainability reporting, we measure our performance against industry-wide benchmarks, and I am pleased again to be able to report significant progress against these measures during the year.

We have improved our GRESB score from a 3* to a 4* Green rating, increasing our score from 76 to 85, and have maintained our MSCI ESG rating at AAA, the top rating. Further, we have been awarded a Gold rating under the EPRA Sustainability BPR, up from Silver.

At a portfolio level, 99% by value of our completed portfolio has an EPC rating of A or B (the remaining 1% has a C rating) and each of our refurbished or redeveloped office buildings has a BREEAM rating of "Excellent", with BREEAM "Outstanding" targeted for 33 Charterhouse Street, EC1 and 100 New Bridge Street, EC4.

Overall, the Group has continued to respond decisively to the climate change challenge, achieving its sustainability targets and, importantly, has a clear path to continue this journey.

Results for the year

The profit after tax for the year to 31 March 2022 was £88.9m (2021: £17.9m) with a see-through Total Property Return of £89.5m (2021: £48.6m). Following the letting of Kaleidoscope, EC1 in March 2021 and the recent purchase of 100 New Bridge Street, EC4, see-through net rental income increased by 24.8% to £31.2m (2021: £25.0m) while developments generated see-through profits of £6.6m (2021: loss of £0.3m). The see-through net gain on sale and revaluation of the investment portfolio was £51.7m (2021: £23.9m).

Total see-through net finance costs increased to £19.7m (2021: £14.8m), including £5.9m loan cancellation costs. An increase in expected future interest rates led to an £18.0m credit (2021: £2.9m) from the valuation of the Group's derivative financial instruments. Recurring see-through administration costs were 2% higher at £9.9m (2021: £9.7m), with performance related awards increasing to £6.0m (2021: £4.3m) and National Insurance on these awards of £1.2m (2021: £0.8m).

A corporation tax credit of £1.1m has been recognised in the annual results and following the election to become a REIT, with effect from 1 April 2022, a deferred tax credit of £14.9m has also been recognised.

There was an IFRS basic earnings per share of 72.8p (2021: 14.8p) and an EPRA earnings per share of 5.2p (2021: loss of 1.8p).

On a like-for-like basis, the investment portfolio increased in value by 7.0% (5.6% including purchases and gains on sales). The see-through total portfolio value increased to £1,097.3m (31 March 2021: £839.4m), following the acquisition of 100 New Bridge Street, EC4 during the year.

The unleveraged return of our property portfolio, as measured by MSCI, was 10.7% (2021: 7.0%), showing strong outperformance of its benchmark. We compare our portfolio performance to the MSCI UK Central London Offices Total Return Index which produced a return of 7.9% (2021: -1.7%) with an upper quartile return of 9.9% (2021: 1.6%).

The portfolio was 93.3% let at 31 March 2022, generating contracted rents of £46.4m (2021: £37.8m), at an average of £60 psf, growing to £49.3m on the letting of currently vacant space and moving towards capturing its ERV of £67.1m (2021: £52.1m). The Group's contracted rent has a Weighted Average Unexpired Lease Term ("WAULT") of 5.6 years.

The Total Accounting Return ("TAR"), being the growth in the IFRS net asset value of the Group, plus dividends paid in the year, was 15.0% (2021: 3.3%). Based on EPRA net tangible assets, the TAR was 10.2% (2021: 4.5%). EPRA net tangible assets per share were up 7.3% to 572p (31 March 2021: 533p), with EPRA net disposal value per share up 13.6% to 551p (31 March 2021: 485p).

Balance sheet strength and liquidity

The Group has a significant level of liquidity with see-through cash and unutilised bank facilities of £132m (31 March 2021: £423m) to fund capital works on its portfolio and future acquisitions.

At 31 March 2022, the Group had £14.2m of cash deposits available to deploy without restrictions and a further £19.1m of rent in bank accounts available to service payments under loan agreements, cash held at managing agents and cash held in joint ventures. Furthermore, the Group had £99.0m of loan facilities available to draw on plus £31.0m of uncharged property.

The see-through loan to value ratio ("LTV") increased to 36.4% at the balance sheet date (31 March 2021: 22.6%) and our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, increased to 58.6% (31 March 2021: 31.9%) over the same period.

At the year end, the average debt maturity on secured loans, on a see-through basis, was 3.0 years (31 March 2021: 3.2 years), increasing to 3.7 years on exercise of options to extend the Group's facilities and on a fully utilised basis. The average cost of debt at 31 March 2022 was 3.2% (31 March 2021: 3.5%).

Helical as a Real Estate Investment Trust ("REIT")

Helical's business has evolved in recent years, from a developer/trader model, selling its development schemes to third party investors, to become a developer of, and investor in, new or refurbished Grade A buildings that are retained for their capital growth and long-term income potential.

Today, Helical has a portfolio with a superior sustainability rating. Together, this portfolio and the Company's long-term investment model have facilitated the conversion of the Company's operations to a REIT, with the notice to become a REIT submitted in March 2022 and effective from 1 April 2022.

It is the intention of the Board that there will be no material changes to the Group's investment policy or strategy on becoming a REIT.

Helical intends to employ the same dividend policy as followed prior to its conversion to a REIT. Within the REIT regime, distributions from the Company may comprise Property Income Distributions (PIDs), ordinary dividends or a combination of the two. The Company will be required to distribute at least 90% of the tax exempt income profits of its property rental business and will be able to distribute additional amounts over and above the minimum PID requirement, to enable it to continue its current dividend policy.

Dividends

Helical is a capital growth stock, seeking to maximise value by successfully letting repositioned, refurbished and redeveloped property. Once stabilised, these assets are either retained for their long-term income and reversionary potential or sold to recycle equity into new schemes.

This recycling leads to fluctuations in our EPRA earnings per share, as the calculation of these earnings excludes capital profits generated from the sale and revaluation of assets. As such, both EPRA earnings and realised capital profits are considered when determining the payment of dividends.

In the year to 31 March 2022, prior to Helical becoming a REIT, the Company retained all its investment assets, investing its available cash resources to grow the development pipeline with the acquisition of 100 New Bridge Street, EC4. The additional income from this purchase and the growing net rental income from the completed investment assets increased net rental income by 24.8% and EPRA earnings per share from a loss of 1.8p in 2021 to earnings of 5.2p in 2022.

In the light of the increased earnings and the strong results for the year, the Board will be recommending to Shareholders a final dividend of 8.25p per share, an increase of 11.5% on last year (7.40p). If approved by Shareholders at the 2022 AGM, the total dividend for the year will be 11.15p, up 10.4% on 2021.

This final dividend, if approved, will be paid out of distributable reserves generated from the Group's activities prior to its conversion into a REIT.

Sustainability and Net Zero Carbon

We have made good progress against the targets we set out in our sustainability strategy "Built for the Future" and continue to drive forward our ESG ambitions. In support of this, Helical has released its "Net Zero Carbon Pathway".

In the UK, the built environment is responsible for 40% of the country's total greenhouse gas emissions. If the UK is going to achieve its commitment of becoming net zero by 2050, there needs to be rapid transformational change within the sector. As a contributor to these emissions, we recognise the need to be a part of this transformational change while still delivering long-term sustainable growth to our Shareholders. In consideration of this, we are committing to becoming a net zero carbon business by 2030.

In publishing our Net Zero Carbon Pathway, Helical has also become a signatory to the Building Better Partnership's ("BBP") Climate Commitment, which provides a clear, accountable and transparent mechanism for real estate companies in the UK to drive towards net zero carbon. As we build on our ambitions, we continue to recognise the importance of transparency and independently assured reporting. Going forward we will be reporting on our progress against our net zero carbon targets to make certain we are on track for 2030.

Our portfolio is well placed in terms of energy efficiency, with 99% of our assets (by value) already compliant with the proposed legislative requirement that all rented commercial buildings achieve a minimum EPC of a B rating by 2030. Market research suggests only 23% of commercial assets are currently compliant, with significant capital outlay likely to be required to take non-compliant buildings up to the minimum standard.

For our development assets, we have undertaken significant initiatives to minimise embodied carbon and maximise operational efficiency. At 33 Charterhouse Street, EC1, through the careful design and selection of materials, we have reduced the embodied carbon to 40% below the RIBA benchmark. Going forward we are focusing on delivering "carbon friendly new build" schemes, such as 100 New Bridge Street, EC4, where we will re-use or recycle large portions of the existing building and look to incorporate the existing structural frame to minimise the carbon impact.

During the year, we have also further developed our reporting against the recommendations of the Task Force on Climate-related Financial Disclosures. We have performed an in-depth review of the risks and opportunities that could arise from certain climate-related scenarios and evaluated the potential impact to our business.

See page 56

> We are a specialist developer and investor in prime Central London real estate, creating inspiring and sustainable, best-in-class office buildings."

Board matters

At this year's Annual General Meeting ("AGM") our Chairman, Richard Grant, will step down from the Board after ten years' service. On behalf of the rest of the Board, I thank him for his contribution to the success of Helical over that period and wish him well.

Richard will be replaced as Chairman by Richard Cotton, our current Senior Independent Director ("SID"), with Sue Clayton, who has been on the Board for six years, replacing Richard Cotton as SID.

Outlook

The geopolitical and economic backdrop has deteriorated since we reported on our half year results in November 2021. The human tragedy of what is unfolding in Ukraine is heart rending and shocking to Western democracies and it is difficult to comprehend the motivation and methods of the aggressors. With these events in Eastern Europe ongoing and growing inflationary pressures accompanying a slowing economy leading to fears of "stagflation", it is right to be concerned for the performance of UK businesses over the next year. Despite these concerns, the fundamentals of our business remain strong, and we believe our experience and reputation will enable us to secure new opportunities as they arise.

We are a specialist developer and investor in prime Central London real estate, creating inspiring and sustainable, best-in-class office buildings. London is a leading world city, a safe haven, attracting a mix of established and growing businesses seeking a base for their operations and well capitalised investors looking to invest their funds.

We will continue to see bifurcation between the best-in-class new sustainable buildings and the older less sustainable buildings. This will be reflected in strong rental growth for the former and rental decline for the latter. Helical is well positioned to capitalise upon a period of opportunity within the sector over the next 10-20 years, changing the older "brown" buildings into "green" sustainable buildings.

In the last year, we have deployed capital to acquire 100 New Bridge Street, EC4, with this exciting redevelopment due to start by the end of 2023, following the expiry of the current tenancies. Along with 33 Charterhouse Street, EC1, due for completion in September 2022, and continuing asset management opportunities in the remaining, completed investment portfolio, we are optimistic that our successful track record of outperforming the market and delivering strong financial returns will continue.

Gerald Kaye
Chief Executive
24 May 2022

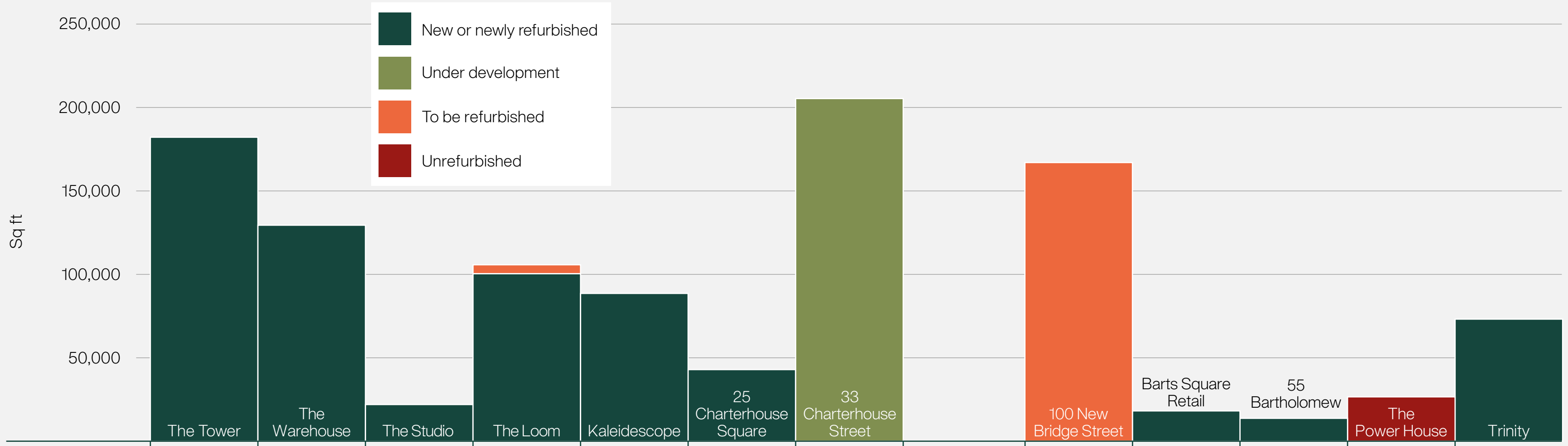
Matthew Bonning-Snook
Property Director

Sustainability driving the premium market

Our market

The past two years have seen the Central London commercial property market face unprecedented challenges. Throughout this period, Helical has retained a strong conviction that our portfolio of high quality, sustainable and technologically advanced buildings would be resilient in the face of the significant challenges facing the sector and well positioned to take advantage of the quickly evolving demands of the marketplace. While headwinds remain, this conviction has been borne out, and it is encouraging to see increasing evidence that employees, occupiers and investors alike continue to place significant importance on the value of the office and that our portfolio of design led, amenity rich and well located properties continues to outperform in a highly competitive market.

DRIVING VALUE – OUR PORTFOLIO



	The Tower	The Warehouse	The Studio	The Loom	Kaleidescope	25 Charterhouse Square	33 Charterhouse Street	100 New Bridge Street	Barts Square Retail	55 Bartholomew	The Power House	Trinity
EPC	B	B	B	B	B	B	A (Targeted)	A (Targeted)	N/A	B	C	B
BREEAM	Excellent	Excellent	Excellent	Not Assessed	Excellent	Excellent	Outstanding (Targeted)	Outstanding (Targeted)	N/A	Excellent	Not Assessed	Not Assessed

London

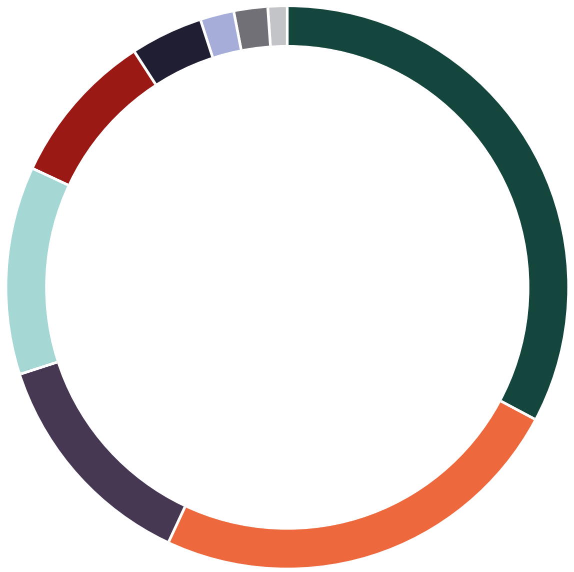
The Central London commercial property market continues to demonstrate its inherent resilience. The end of the UK Government's Covid-19 restrictions has enabled employees to return to the office and confidence to grow throughout the sector. Data collected by The Freespace Index, which provides office use statistics, shows that daily London office occupancy has steadily increased, demonstrating the importance of the office in effective working practices, albeit employees are adopting a range of working practices depending on the nature of their industry. Any uncertainty over the future of the office has much reduced as the value of the office to workplace culture, efficiency and knowledge sharing is rediscovered and reinforced.

These trends are evidenced in the letting market where velocity has continued to increase in Central London as greater stability has enabled occupiers to develop longer-term plans. According to CBRE, since July 2021 the amount of space under offer has exceeded the ten-year average of 3.3m sq ft. While availability remains high at 26.0m sq ft, 18.1m sq ft of this relates to second hand stock, further demonstrating that best-in-class space is desired as the flight to quality intensifies. A combination of these factors, coupled with limited newly built office space, has led to increases in headline rents across most Central London sub-markets in 2021 for these best-in-class buildings.

> London continues to be a highly desirable market and the renewed sense of confidence is manifesting in growing development activity, with the amount of new development starting on site at 1.0m sq ft above the long-term average."

From an investment perspective, a significant amount of capital continues to be allocated to the Central London office market with CBRE identifying more than £40bn of capital targeting the sector at the end of 2021. While London saw consecutive years of declining investment volumes in 2019 and 2020 due to the destabilising impacts of Brexit and Covid-19, this trend reversed in 2021, with investment into London offices of £12.3bn, an increase of £3bn on 2020. 2022 has continued this trend with CBRE reporting a record first quarter of £5.5bn of inbound investment, with a further £5bn under offer.

London continues to be a highly desirable market and the renewed sense of confidence is manifesting in growing development activity, with the amount of new development starting on site at 1.0m sq ft above the long-term average. While this is positive, significant headwinds remain, with the impact of increasing cost price inflation, rising interest rates and disrupted global supply chains adversely impacting development activity. As general inflation hits its highest levels in 40 years, Arcadis notes that manufacturing inflation is outpacing all other sectors, with raw material prices increasing by 13.6% during the year. These disruptive trends will need to be monitored over the coming year and are likely to partially moderate some of the renewed sectoral confidence.



Our tenant make-up

Technology	33%	Financial services	4%
Professional services	24%	Retail	2%
Media	13%	Other	2%
Online leisure	12%	Government/charity	1%
Flexible office providers	9%		

Market trend:

Sustainability

Sustainability is now at the forefront of business decision making, with an increasing number of companies committing to net zero targets. Landlords and tenants are increasingly aware of the need to both minimise embodied carbon in the development of assets and reduce operational carbon through the building's day to day use. Furthermore, legislative changes are mandating the efficient operational performance of buildings to ensure wider environmental targets are achieved. The quick response by landlords and tenants, and the Government's regulatory changes, have combined to make London the highest ranked green city globally out of 286 cities studied by Knight Frank.

The nature of sustainable development is evolving rapidly with an increased focus on the development and integration of new technologies. Whilst these technologies increase the initial cost, we believe that this is justified, with increasing evidence of occupiers paying a premium for best-in-class "green" buildings. In contrast, "brown" assets are increasingly hard to let. Knight Frank has identified 24.5m sq ft of pending lease expiries between now and the end of 2025, and this will undoubtedly require landlords to undertake substantial refurbishment work to meet the required energy performance standards and enable these spaces to be relet.

The trend to ensure sustainability is at the heart of development is also manifesting itself in a fundamental change in approach, as developers seek to reduce embodied carbon by re-using, where possible, elements of an existing building. Deloitte's Crane Survey has noted an emerging trend towards substantial refurbishment rather than new ground up development, with 64% of space under construction relating to refurbishment. This trend is further evidenced by our most recent acquisition of 100 New Bridge Street, EC4, where we will work with the existing building structure, delivering a best-in-class carbon friendly new build. Equally, local authorities are seeking increasing justification for demolition, on sustainability grounds.

Market trend:

Amenity rich and flexible space

As businesses seek to encourage employees to return to the office and to provide them with an environment that is conducive to collaborative and effective working, there is a requirement for amenity rich and flexible space. Knight Frank found 46% of occupiers surveyed for their 2022 London Report expect to have a greater amenity offering in their workplace in the next three years.

Businesses are wishing to occupy buildings which provide flexible, varied space to facilitate agile working practices and stimulate creativity. Furthermore, they are looking for attractive spaces that help create a sense of community for employees, which is more highly valued following the enforced periods of isolated remote working. Across the Helical portfolio our carefully designed buildings provide exceptional work environments with our occupiers also able to benefit from spa-quality changing facilities, generous cycle storage and thoughtfully designed outdoor spaces.

Alongside the amenity delivered within the building the external environment is also of significant importance. Our portfolio of assets is located in some of London's most vibrant communities enabling occupiers to benefit from local food and beverage offerings, arts and cultural institutions and green spaces which supplement their daily office experience.

24.5m sq ft

Knight Frank have identified 24.5m sq ft of pending lease expiries between now and the end of 2025 and this will undoubtedly require landlords to undertake substantial refurbishment work to enable these spaces to be relet in line with modern occupiers' expectations.

46%

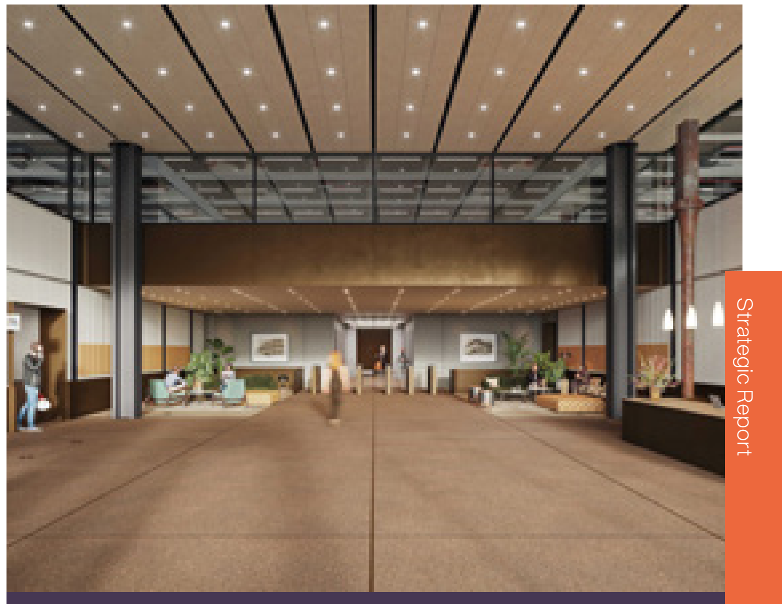
Knight Frank found 46% of occupiers surveyed for their 2022 London Report expect to have a greater amenity offering in their workplace in the next three years.

Market trend:

Health and wellness

The Covid-19 pandemic has highlighted the importance of physical and mental health for employers and employees. An increased focus has been placed upon enhancing ventilation, lighting and acoustics within buildings to maximise employee wellbeing and to provide an environment where they can work efficiently. Similarly, technology has been rapidly adopted to minimise touch points and to enable individuals to have a high degree of control over their micro working environment. Furthermore, opportunities for well curated outdoor spaces, with external greening, are now increasingly desired.

Buildings which deliver a healthy working environment supporting employee wellbeing are increasingly in demand from occupiers and investors alike. All of Helical's buildings benefit from extensive amenity and, as we continue to grow our portfolio, the ability to deliver this for occupiers will remain a key criterion in asset selection.



Market trend:

Technology and smart buildings

As hybrid working models proliferate across most sectors, digital connectivity is vitally important to ensure that office based and remote employees maintain collaborative and connected working practices. All our buildings benefit from excellent connectivity, enabling occupiers to have confidence in the digital backbone of their operations.

The technology integrated within our increasingly smart buildings can be utilised to generate extensive data. This data has significant value when collated and analysed to provide insights into the operation of the building. Both landlords and tenants have the ability, through the integration of technologies, to access data and tailor environments for peak performance and to drive operational efficiencies.

During the year, the Group invested in a proptech venture capital fund managed by Pi Labs. The investment reflects the importance Helical places on supporting businesses and technologies that aim to drive the evolution of the workplace, and it is hoped that their products can be successfully deployed into the portfolio.

The delivery of buildings has been enhanced with the introduction of pioneering construction methodologies. 33 Charterhouse Street, EC1 saw the offsite pre-fabrication of all service risers throughout the building, reducing the construction programme considerably and enabling service commissioning to be undertaken in a controlled factory environment rather than on a live construction site, thereby increasing reliability. The new building will also benefit from the incorporation of an intelligent and dynamic water management and recycling system linked to real time weather data.

This trend will likely accelerate as developers continue to challenge industry practices to build in a more efficient and sustainable manner and create more advanced and technologically enabled buildings.

The Helical difference

We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

Applying this philosophy, we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity.

01/ Sustainable business model

Sustainability is at the core of all activities at Helical. We recognise the impact the buildings we develop have on the environment and are focused on reducing our carbon footprint throughout a property's lifecycle, achieving Net Zero by 2030.

02/ Best-in-class portfolio

The Group has built a high quality and sustainable portfolio, focused in London's tech belt, which has excellent transport links and is culturally rich. The buildings are occupied by a diverse range of tenants, but with a clear focus on the fast growing creative and tech sectors.

03/ A customer focused approach

Helical creates buildings which appeal to occupiers looking for design led, sustainable and amenity rich workplaces, and that support talent attraction and retention. Whether the properties are built from the ground up, or are rejuvenated existing assets, they aim to be the best-in-class, respecting the culture of the area. Once complete and let, Helical applies the same philosophy of excellence to its ongoing asset management, ensuring the occupiers receive the best service.

04/ Market knowledge and relationships

With 35 years' experience as a property company, through multiple property cycles, Helical has developed a comprehensive knowledge of the market and built an extensive network from which it can source new development opportunities and access to capital.

05/ Robust financial position

The Group uses gearing on a tactical basis, increasing it to accentuate returns in a rising market, or reducing debt to prepare for more challenging times whilst retaining firepower to take advantage of opportunities that arise.

06/ Strong track record

Each of the Executive Directors has over 27 years of experience at Helical. Acting with integrity and supported by a dynamic and collaborative team, they have developed award-winning buildings that appeal to the most demanding of occupiers.

To create value for Shareholders and society in a sustainable way, delivering market leading returns by developing customer focused and design led properties, letting them to a diverse tenant base, and applying a proactive approach to asset management.

Our strategy

Why Helical?

We are a property development and investment business with a sustainability-led and stakeholder-focused value proposition:

Our vision

To develop the most sustainable, technologically advanced, wellness promoting and amenity rich offices.

Our Purpose

"We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

Applying this philosophy we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity."

Our Purpose forms the foundation of our strategy.

We have five pillars which support our strategy:

1 Growth

Maximise Shareholder returns by increasing the net asset value of the Group through capital gains and growing our rental income stream to cover dividends.

Strategic priorities

- Deliver long-term sustainable growth.
- Clear focus on Total Shareholder Return, delivering capital growth and income.
- Purpose and Values embedded effectively in the operational policies and practices of the Group.
- Incentivise management to outperform the Group's competitors by setting challenging levels of performance targets, against which rewards are measured.

2021/22 Achievements/value creation

TOTAL SHAREHOLDER RETURN (1 YEAR)	1.7%
TOTAL ACCOUNTING RETURN	15.0%
EPRA NTA	572p
EPRA EARNINGS PER SHARE	5.2p

Associated information

Key Performance Indicators
- Total Shareholder Return (1 Year)
- Total Accounting Return
- EPRA Total Accounting Return
- EPRA Net Tangible Assets

Principal associated risks
- Poor management of stakeholder relations
- Geopolitical and economic
- The Group's strategy is inconsistent with the market
- Non-compliance with prevailing legislation, regulation and best practice
- Significant business disruption/external catastrophic event

Relevant Stakeholders
- Shareholders
- Employees

2 Property

Manage a "best-in-class", balanced portfolio with a clear market focus, combining assets with significant development and asset management potential with a strong rental income stream.

Strategic priorities

- A focus on London, delivering income growth from asset management and capital gains from development activity.
- Locate sites where complexity presents opportunity to add significant value through innovative development and asset management.
- Maximise income through attracting a diverse and financially robust portfolio of tenants.
- Continue a culture that is committed to the highest standards in health and safety.
- Improve the communities in which we are active and ensure sustainability underpins our approach.

2021/22 Achievements/value creation

TOTAL PROPERTY RETURN (1 YEAR)	10.7%
TOTAL PROPERTY RETURN (3 YEAR)	9.1%

Associated information

Key Performance Indicators
- MSCI Property Index (1 Year)
- MSCI Property Index (3 Year)

Principal associated risks
- Property values decline/reduced tenant demand for space
- The Group carries out significant development projects
- Health and safety risk
- Cyber-attack to our buildings/cyber security

Relevant stakeholders
- Occupiers (tenants/customers)
- Suppliers and contractors
- Local communities

3 Sustainability

Ensure that sustainability is at the heart of our business decisions creating a portfolio which is futureproofed for all our stakeholders.

Strategic priorities

- Transition to a low carbon business.
- Buy, use and re-use resources efficiently.
- Bring social, economic and environmental benefits to the areas in which we operate.
- Design and operate our buildings to support health and wellbeing.

2021/22 Achievements/value creation

100 NEW BRIDGE STREET, EC4 TARGETING BREEAM "OUTSTANDING"	c. 185,000 sq ft
COMPLETED BUILDINGS, BY VALUE, WITH AN EPC OF A OR B	99%

Associated information

Key performance indicators
- BREEAM and EPC ratings

Principal associated risks
- Climate change

Relevant stakeholders
- Occupiers (tenants/customers)
- Local communities
- Government and regulatory bodies

4 People

Attract and retain the best people encouraging their development and progression to ensure future succession is secured.

Maintain our excellent reputation and network of property sector contacts, trusted partners and advisors.

Strategic priorities

- Small and empowered core team supported by valued advisors to allow scalability.
- Clear plan for succession.
- Strong relationships and a reputation which generates off-market opportunities.
- A trusted team of external consultants to enable us to deliver quickly and to a very high standard.
- Work with joint venture partners to increase project scale and to manage risk.

2021/22 Achievements/value creation

AVERAGE STAFF RETENTION	96.3%
AVERAGE LENGTH OF EMPLOYEE SERVICE	11.8 years

Associated information

Key performance indicators
- Average length of employee service
- Average staff turnover

Principal associated risks
- Our people
- Relationships with business partners and reliance on external parties

Relevant stakeholders
- Employees
- Partners
- Suppliers and contractors

5 Financing

Operate a sustainable capital structure in which the core business costs are covered by income from the investment portfolio. Use gearing on a tactical basis throughout the cycle to accentuate returns.

Strategic priorities

- Maintain an appropriate risk-adjusted LTV.
- Use of "equity lite" structures to maximise returns.
- Strong banking relationships for quick access to finance at competitive pricing.
- Build cash reserves to cope with market fluctuations and take advantage of opportunities as they arise.

2021/22 Achievements/value creation

SEE-THROUGH AVERAGE COST OF SECURED FACILITIES	3.2%
LOAN TO VALUE	36.4%

Associated information

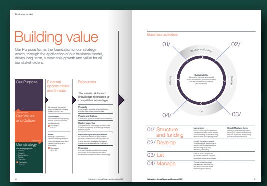
Principal associated risks
- Availability and cost of bank borrowing and cash resources
- Breach of loan covenants

Relevant stakeholders
- Shareholders
- Partners

Goals for 2023

- Maintain effective channels of engagement with our stakeholders
- Complete The JJ Mack Building, EC1 development
- Acquire new schemes
- Finalise plan for development of 100 New Bridge Street, EC4 and arrange appropriate finance
- Continue to be recognised as a leading supplier of sustainable office buildings in London
- Continue our pathway to Net Zero

Our business model – Delivering against our strategy



See page 20

We are confident that the successful delivery of our strategy in recent years means we are well positioned, with our Grade A buildings offering an appealing environment for businesses seeking high quality space.

Our business model, which informs how the Company operates and how value is created for our stakeholders, is designed to deliver the Group's strategy.

Given the relationship between Helical's strategy and its business model, the Board keeps the business model under constant review throughout the year to ensure it aligns with the Group's strategy. An annual evaluation of the business model is undertaken as part of the Annual Strategy Review (for more information please see page 94 of the Corporate Governance Report.

Building value

Our Purpose forms the foundation of our strategy which, through the application of our business model, drives long-term, sustainable growth and value for all our stakeholders.

Our Purpose

Underpinned by

Our Values and Culture

Aligned with

Our strategy

Our strategic pillars:
— Growth
— Property
— Sustainability
— People
— Financing

See pages 16 to 19

External opportunities and threats

We respond to external opportunities and mitigate threats coming from:

Our market
The London office property market, with focus on the four key trends.

See pages 8 to 13

Risks
Strategic, Operational, Financial and Reputational risks considered over short, medium and long-term timescales.

See pages 46 to 55

Resources

The assets, skills and knowledge to create our competitive advantage:

Property
A high quality portfolio of land, buildings and identified future opportunities.

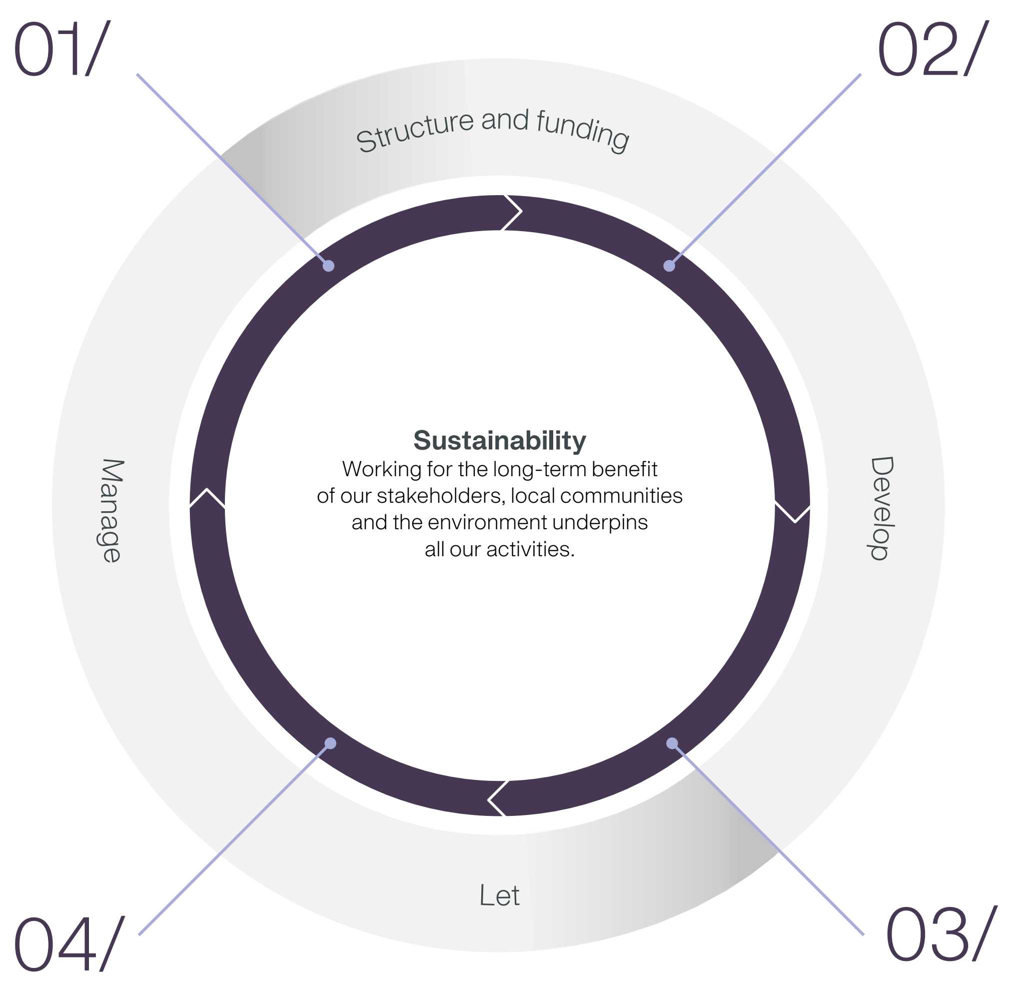
People and Culture
A motivated, qualified and experienced team.

Market expertise
Comprehensive knowledge of the markets in which we operate, built through multiple property cycles.

Relationships and reputation
An extensive network of joint venture partners, advisors and industry contacts. A long-standing reputation for speed of execution and excellence in delivery.

Financing
A strong financial position with access to a variety of sources of funds, from Shareholder capital to external borrowings.

Business activities



	Long-term	Short/Medium-term
01/ Structure and funding	Use our own capital combined with external debt where we see value in holding an asset for long-term income and capital growth.	Identify a joint venture partner, limiting our capital commitment and risk exposure, whilst linking our return to performance.
02/ Develop	Actively manage our assets throughout their development, working with trusted suppliers and focusing on quality, efficiency and safety.	
03/ Let	Look to let our properties on flexible terms to a diverse, financially robust tenant base.	
04/ Manage	Through proactive asset management we drive the rental value forward whilst maximising occupancy.	

Stakeholders

Generation of long-term value for our stakeholders

1 Shareholders
2 Partners
3 Suppliers and contractors
4 Occupiers (tenants/customers)
5 Employees
6 Local communities
7 Government and other regulatory bodies

See page 74

Value creation

Enhanced value for reinvestment or realisation

Property

£938.8m
Investment property value

£89.5m
Total property return

7
Office buildings certified or targeting BREEAM "Excellent" or above

People and culture

96.3%
Average staff retention

11.8 years
Average length of employee service

Market expertise

£160m
Acquisition of 100 New Bridge Street, EC4

Relationships and reputation

95.8%
of all contracted rent collected

Financing

3.2%
See-through average cost of debt

36.4%
Loan to value

We measure our performance against our strategic objectives, using several financial and non-financial Key Performance Indicators ("KPIs").

Measuring our performance

The KPIs have been selected as the most appropriate measures to assess our progress in achieving our strategy, successfully applying our business model and generating value for our Shareholders.

We incentivise management to outperform the Group's peers by setting challenging targets and using these performance indicators to measure success. We design our remuneration packages to align management's interests with Shareholders' aspirations.

TOTAL ACCOUNTING RETURN

15.0%

Description
Total Accounting Return is the growth in the net asset value of the Group plus dividends paid in the reporting period, expressed as a percentage of the net asset value at the beginning of the period. The metric measures the growth in Shareholders' Funds each period and is expressed as an absolute measure.

Performance
The Group targets a Total Accounting Return of 5-10%.

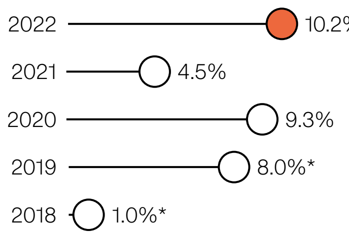
The Total Accounting Return on IFRS net assets in the year to 31 March 2022 was 15.0% (2021: 3.3%).

Link to remuneration
Annual Bonus Scheme 2018
40% of the maximum bonus is payable based on the Total Accounting Return (growth in net asset value plus dividends).

Link to strategic pillar
• Growth

EPRA TOTAL ACCOUNTING RETURN

10.2%



* Calculated using EPRA net assets.

Description
Total Accounting Return on EPRA net tangible assets is the growth in the EPRA net tangible asset value of the Group plus dividends paid in the period, expressed as a percentage of the EPRA net tangible asset value at the beginning of the period.

Performance
The Group targets an EPRA Total Accounting Return of 5-10%.

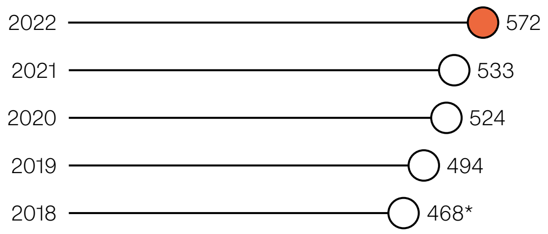
The Total Accounting Return on EPRA net assets in the year to 31 March 2022 was 10.2% (2021: 4.5%).

Link to remuneration
Annual Bonus Scheme 2018
For the year to 31 March 2023, 40% of the maximum bonus is payable based on the EPRA Total Accounting Return (growth in net asset value plus dividends).

Link to strategic pillar
• Growth

EPRA NET TANGIBLE ASSET VALUE PER SHARE

572p



* Calculated using EPRA net assets.

Description
The Group's main objective is to maximise growth in net asset value per share, which we seek to achieve through increases in investment portfolio values and from retained earnings from other property related activity. EPRA net tangible asset value per share is the property industry's preferred measure of the proportion of net assets attributable to each share as it includes the fair value of net assets on an ongoing long-term basis. The adjustments to net asset value to arrive at this figure are shown in Note 34 to the financial statements.

Performance
The Group targets increasing its net assets, of which EPRA net tangible asset growth is a key component.

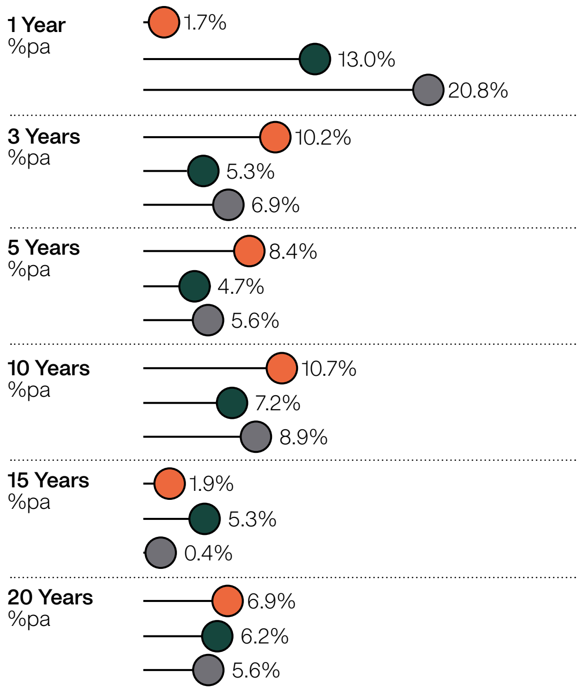
The EPRA net tangible asset value per share at 31 March 2022 increased by 7.3% to 572p (31 March 2021: 533p).

Link to remuneration
Performance Share Plan 2014
33.3% (2023: 37.5%) of the maximum Performance Share Plan ("PSP") award is based on the compound growth in net asset value ("NAV") over three years.

Link to strategic pillar
• Growth

TOTAL SHAREHOLDER RETURN

1.7%



● Growth over all years to 31/03/22.
● Growth in FTSE All-Share Return Index over all years to 31/03/22.
● Growth in FTSE 350 Real Estate Super Sector Return Index over all years to 31/03/22.

Description
Total Shareholder Return is a measure of the return on investment for Shareholders. It combines share price appreciation and dividends paid to show the total return to the Shareholder expressed as an annualised percentage.

Performance
The Group targets being in the upper quartile when compared to its peers.

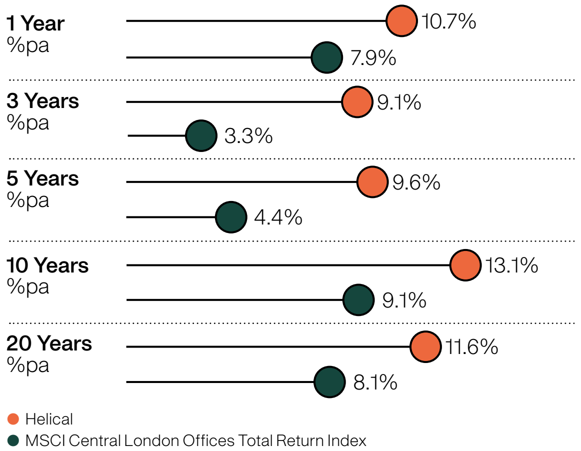
The Total Shareholder Return in the year to 31 March 2022 was 1.7% (2021: 21.2%).

Link to remuneration
Performance Share Plan 2014
33.3% (2023: 37.5%) of the maximum PSP award is based on the Group's TSR performance compared with its peers.

Link to strategic pillar
• Growth

MSCI PROPERTY INDEX

10.7%



Source: MSCI

Description
MSCI produces several independent benchmarks of property returns that are regarded as the main industry indices.

Performance
MSCI has compared the ungeared performance of Helical's total property portfolio against that of portfolios within MSCI for over 20 years. Helical's ungeared performance for the year to 31 March 2022 was 10.7% (2021: 7.0%). This compares to the MSCI Central London Offices Total Return Index of 7.9% (2021: -1.7%) and the upper quartile return of 9.9% (2021: 1.6%).

Helical's share of the development portfolio (1% of gross property assets) is included in its performance, as measured by MSCI, at the lower of book cost or fair value and uplifts are only included on the sale of an asset.

Link to remuneration
Annual Bonus Scheme 2018
35% (2023: 30%) of the Annual Bonus Scheme 2018 performance criteria is based on the Group's performance compared to the MSCI Central London Offices Capital Index, with target performance being to match the index and outperformance exceeding it by 3.25% (2023: 4.5%).

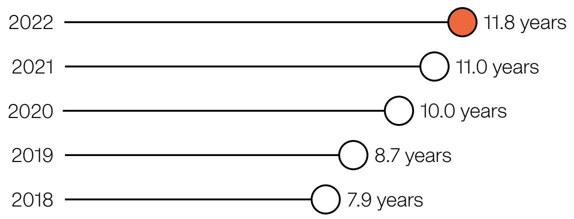
Performance Share Plan 2014
33.3% (2023: 25%) of the maximum PSP award is based on the Group's performance as compared with the performance of the MSCI Central London Offices Total Return Index over three years.

Link to strategic pillar
• Property

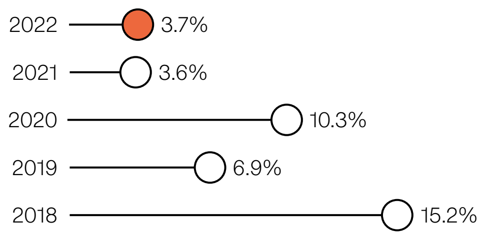
AVERAGE LENGTH OF EMPLOYEE SERVICE AND AVERAGE STAFF TURNOVER

11.8 yrs

Average length of service at 31 March – years



Staff turnover during the year to 31 March – %



Description
A high level of staff retention remains a key feature of Helical's business. The Group retains a highly skilled and experienced team with an increasing length of service.

The Group targets staff turnover to be less than 10% per annum.

Performance
The average length of service of the Group's employees at 31 March 2022 was 11.8 years and the average staff turnover during the year to 31 March 2022 was 3.7%.

Link to remuneration
Annual Bonus Scheme 2018
The deferred shares awarded under the Annual Bonus Scheme 2018 are required to be held for a period of three years.

Performance Share Plan 2014
These awards have a three-year vesting period and Executive Directors are required to hold them for a further two years after they vest.

Share Incentive Plan 2002
These awards are made to all staff and are required to be held for a period of three years.

Link to strategic pillar
• People

BREEAM AND EPC RATINGS

Building	BREEAM rating	EPC rating
Completed properties		
The Warehouse and Studio, EC1	Excellent (2014)	B
The Tower, EC1	Excellent (2014)	B
25 Charterhouse Square, EC1	Excellent (2014)	B
Kaleidoscope, EC1	Excellent (2014)	B
55 Bartholomew, EC1	Excellent (2014)	B
Development pipeline		
33 Charterhouse Street, EC1	Outstanding (2018)[1]	A[2]
100 New Bridge Street, EC4	Outstanding (2018)[2]	A[2]

1 Certified at design stage.
2 Targeted

We are currently exploring BREEAM In Use certification for The Loom where it was not possible to obtain a BREEAM certification at the design and development stages.

Energy Performance Certificates ("EPC") provide ratings on a scale of A–G on a building's energy efficiency and are required when a building is constructed, sold or let. All but one of our completed buildings (99% by portfolio value) have an EPC rating of A or B.

Description
BREEAM is an environmental impact assessment methodology for commercial buildings. It sets out best practice standards for the environmental performance of buildings through their design, specification, construction and operational phases. Performance is measured across a series of ratings, "Pass", "Good", "Very Good", "Excellent" and "Outstanding".

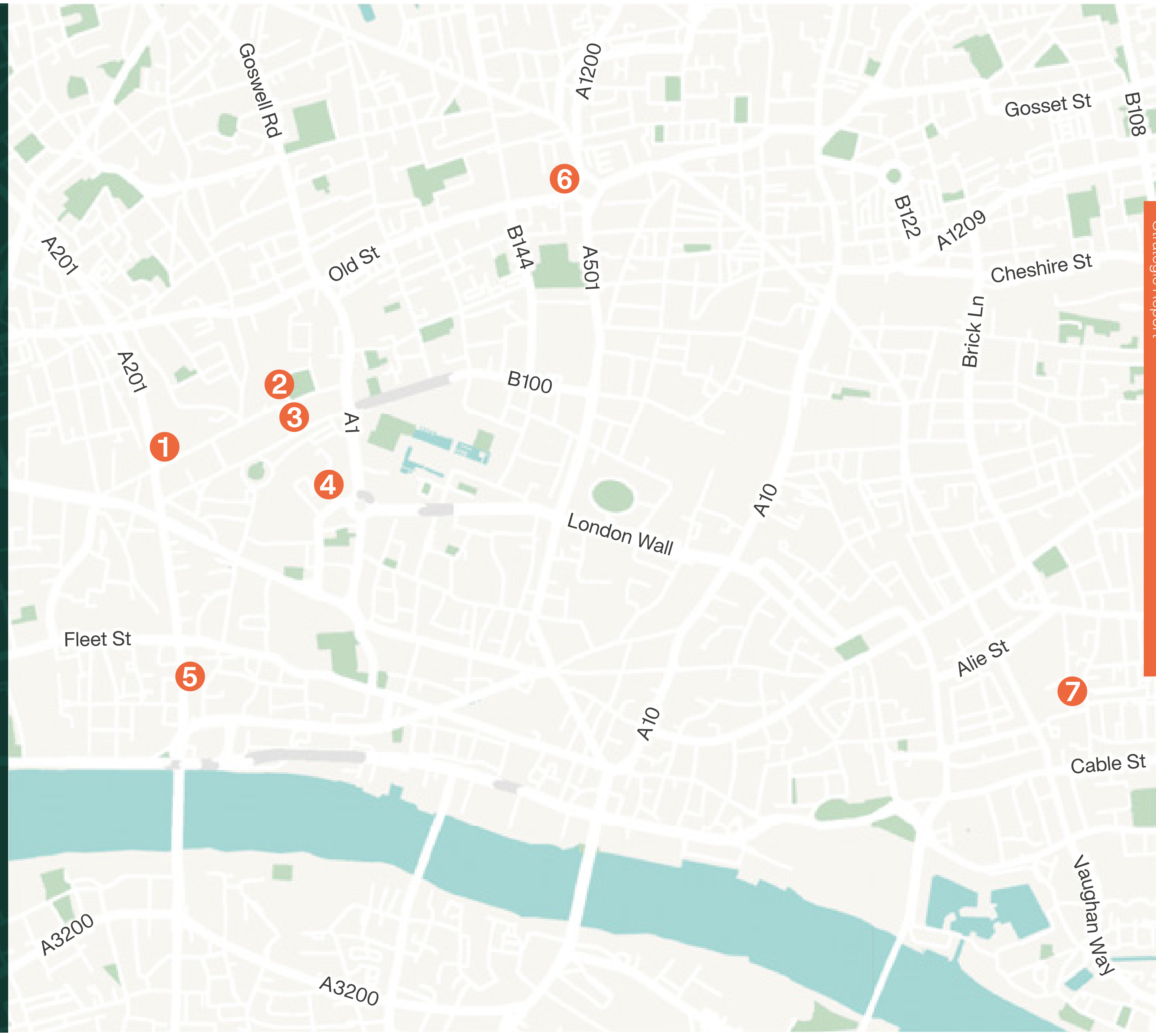
The Group targets a BREEAM rating of "Excellent" or "Outstanding" on all major refurbishments or new developments.

Performance
At 31 March 2022, seven of our ten (31 March 2021: six of our nine) office buildings had achieved, or were targeting, a BREEAM certification of "Excellent" or "Outstanding". These seven buildings account for c.88% of the portfolio by value.

Link to remuneration
Annual Bonus Scheme 2018
10% of the maximum Annual Bonus is payable based on meeting ESG objectives.

Link to strategic pillar
• Sustainability

London Portfolio



Helical's portfolio comprises income producing multi-let offices, office refurbishments and developments and a mixed use commercial/residential scheme.

As of 31 March 2022, London represented 97% and Manchester 3% of the investment property portfolio. As evidenced by the recent acquisition of 100 New Bridge Street, EC4 our strategy is to continue to increase our Central London holdings, focusing on areas where we see strong tenant demand and growth potential.

1. 33 Charterhouse Street EC1
2. 25 Charterhouse Square EC1
3. Kaleidoscope EC1
4. Barts Square EC1
5. 100 New Bridge Street EC4
6. The Bower EC1
7. The Loom E1

Kaleidoscope, EC1

Our 88,581 sq ft office building located directly above the Farringdon East Elizabeth Line station is let to TikTok Information Technologies UK Limited on a 15-year lease term at an annual rent of £7.6m. TikTok have recently completed their fit out works and are beginning occupation of the building.

Helical was granted a 150-year lease over the site in March 2018, entering into a development agreement with TfL/Crossrail. The development of Kaleidoscope commenced on site in August 2018 and was completed in December 2019, becoming the first over station development to complete in the Crossrail network.

The striking architecture of the building with its vibrant terracotta fins is inspired by the surrounding location. The office was designed to provide open, spacious floors which create a wholly modern office environment. The building is amenity rich offering the tenant, TikTok, a spectacular roof terrace overlooking Smithfield market and extensive end of journey facilities. The building also delivers strong environmental credentials, with energy provided by connection to the Citigen District Energy Network.

SUSTAINABILITY RATINGS	
BREEAM	Excellent
EPC	B

Development work completed
in December 2019, 16 months after commencing

Entire building let
to TikTok Information Technologies UK Limited for a 15-year term

88,581 sq ft
office located directly above the newly opened Farringdon East Elizabeth Line station

Find out more:
helical.co.uk/portfolio

33 Charterhouse Street, EC1

The development of our 205,369 sq ft office building, in a 50:50 joint venture with AshbyCapital, is due to reach practical completion in September 2022. The building's external envelope is complete and work is now focused on the delivery of the services and completing the internal finishes.

The building will achieve 40% lower embodied carbon than the RIBA benchmark

The building app will enable a contactless arrival for occupiers and guests

205,369 sq ft office due to reach practical completion in September 2022

The newly named "JJ Mack Building" is situated just 100m from Farringdon Station and will provide excellent connectivity via the Elizabeth Line, which opened on 24 May 2022. Once completed it will provide a best-in-class "Net Zero" office development, meeting the highest ESG credentials, as evidenced by its BREEAM 2018 New Construction "Outstanding" design rating and anticipated NABERS 5* rating. It will also provide a technologically pioneering environment with smart building systems and a fully integrated building management app for occupiers.

The site, held on a 150 year long leasehold from the City of London Corporation, was acquired in May 2019. The joint venture immediately sought to improve the planning consent that had been previously granted. A spacious double height reception was introduced and the floorplates refined to provide flexible, open working environments for future tenants. The energy strategy was significantly modified to enhance the sustainability of the building, including the introduction of a connection to the adjacent Citigen District Energy Network which will benefit from continued investment into renewable and progressive heat and energy generating technologies.

Find out more:
helical.co.uk/portfolio

SUSTAINABILITY RATINGS	
BREEAM	Outstanding[1]
NABERS	5*[2]
EPC	A[2]

1 Certified of design stage
2 Targeted

100 New Bridge Street, EC4

On 1 March, Helical completed the acquisition of 100 New Bridge Street, EC4 for £160m.

The 167,026 sq ft office building is currently let to international law firm Baker McKenzie, whose lease expires in December 2023. We propose to carry out a major, sustainability led refurbishment to create a carbon friendly new build office that puts occupier amenity and wellbeing at its centre. We also envisage undertaking significant public realm improvements around the site to greatly improve the environment for both tenants and the general public.

Acquired in March 2022
for total gross cash consideration of £160m

Originally developed in 1992,
the building will be sustainably refurbished to deliver a best-in-class modern office

167,026 sq ft
office building currently let to international law firm Baker McKenzie

Sales completed
on 222 of 236 apartments, including all of Phase One

55 Bartholomew
Sold post year end at a 3% premium to 31 March 2022 book value

Winner
of Housing Design Award and RIBA London Award

Barts Square, EC1

Residential/Retail

At Barts Square, EC1, we have completed the sale of the last remaining apartment in Phase One. In Phase Two, we completed the sale of 13 apartments during the year and one further apartment sale had exchanged which has now completed. Of the remaining 14 units available at the year end, one has since been sold and two are under offer, leaving 11 available in this 236-unit residential scheme.

The Barts Square residential development has been recognised for its outstanding design and sympathetic approach to its surroundings by winning a Housing Design Award, the only awards promoted by all five major professional institutions, and a RIBA London Award.

The retail space in Phase One is fully let to Stem + Glory and Halfcup. One of the Phase Two retail units is let to BEERS London and since the year end a further unit has been let to Nest, a modern British restaurant. The remaining four retail units are currently being marketed. The landscaping of the new public square is complete, offering extensive public amenity.

55 Bartholomew

At 55 Bartholomew, EC1 we have completed three lettings to Push Gaming, William Fry and Zero Gravity. Following the completion of these lettings, which totalled 4,835 sq ft, the building is now 77% let with just the third floor still available.

On 20 May 2022 we exchanged contracts to dispose of the property to a private European investor for a consideration of £16.5m (our share £7.6m), reflecting a net initial yield of 4.5% and a 3% premium to 31 March 2022 book value.

SUSTAINABILITY RATINGS	
BREEAM	Excellent
EPC	B

The Bower, EC1

The Bower is a landmark estate comprising 312,573 sq ft of innovative, high quality office space along with 21,059 sq ft of restaurant and retail space. The estate is located adjacent to the Old Street roundabout, which is currently undergoing significant remodelling and will provide extensive additional public realm when completed in Spring 2023.

The Warehouse and The Studio
The Warehouse comprises 122,858 sq ft of offices and The Studio 18,283 sq ft of offices, both fully let, with 10,298 sq ft of retail space across the two buildings.

In June 2021 we completed a lease renewal with Stripe at the Warehouse, extending the lease by three years. We have also completed all the rent reviews for office tenants in The Warehouse which has added £782,000 to its contracted rent, a 13.2% increase.

The retail unit in The Studio has been let to 28 Well Hung, a steak restaurant, which will open in June.

The Tower
The Tower offers 171,432 sq ft of office space with a contemporary façade and innovatively designed interconnecting floors, along with 10,761 sq ft of retail space, across two units, let to food and beverage occupiers Serata Hall and Wagamama.

We have let the 17th floor, previously let to Finablr, to Verkada on a five-year lease for a rent which is in line with the 31 March 2021 ERV. The 12th floor, which following the culmination of a specific project, was returned in October 2021 by Brilliant Basics, is now under offer. They continue to occupy three floors at The Tower.

SUSTAINABILITY RATINGS	
BREEAM	Excellent
EPC	B

312,573 sq ft
of innovative, high quality office space along with 21,059 sq ft of restaurant and retail space

13.2% increase
in contracted rent since 31 March 2021 due to conclusion of rent reviews

97% of offices let
across The Warehouse, The Studio and The Tower

96% let
following 9,268 sq ft letting of newly refurbished first and part ground floor to Entain

25 Charterhouse Square, EC1

25 Charterhouse Square comprises 42,921 sq ft of offices adjacent to the new Farringdon East Elizabeth Line station, overlooking the historic Charterhouse Square.

The newly refurbished first floor and one of the two ground floor units have been let to Entain, the FTSE listed betting and gaming company, to establish a global innovation hub. Following this letting the building is 96% let, with the final unit now under offer.

SUSTAINABILITY RATINGS	
BREEAM	Excellent
EPC	B

The Loom, E1

At this 108,600 sq ft former Victorian wool warehouse, we have completed three leases, totalling 8,623 sq ft, at an average rent of £53 psf. Following these lettings, The Loom is 80% let with 21,803 sq ft across nine units available to let. We anticipate further units to be returned in the coming year as lease events take place, including original unrefurbished units, giving us the opportunity to undertake asset management activities to capture reversionary potential.

SUSTAINABILITY RATINGS	
EPC	B

Three new lettings
in the year, totalling 8,623 sq ft

The Power House, W4

The Power House is a listed building, providing 21,268 sq ft of office and recording studio space, on Chiswick High Road and is fully let on a long lease to Metropolis Music Group. The RPI linked rent review was concluded in November, increasing contracted rent by 16.4%. The capital works to improve the roof, undertaken on behalf of the tenants, are due to complete shortly.

16.4%
increase in contracted rent

SUSTAINABILITY RATINGS

EPC	C

Trinity, Manchester

We have completed three office lettings in the year with the first floor let to British Engineering, the remaining part of the sixth floor let to Waterman Group and the seventh floor let to AEW Architects. These lettings total 17,541 sq ft and achieved a combined premium of 4.6% to the 31 March 2021 ERV. Following the completion of these lettings the 58,533 sq ft historic building, which was comprehensively remodelled in 2019, is 76% let.

Following the year end we completed the sale of the property to clients of Mayfair Capital, for a headline purchase price of £34.55m, which reflects a net gain of c.£2.0m against the 31 March 2022 book value.

SUSTAINABILITY RATINGS

EPC	B

76%
let following three lettings, totalling 17,541 sq ft in the year

58,533 sq ft
office refurbishment

Sold post year end for £34.55m, c.£2.0m above 31 March 2022 book value.

Portfolio analytics

SEE-THROUGH TOTAL PORTFOLIO BY FAIR VALUE

	Investment £m	Investment %	Development £m	Development %	Total £m	Total %
London Offices						
– Completed properties	783.9	71.5	–	0.0	783.9	70.8
– Development pipeline	282.3	25.7	–	0.0	282.3	25.5
London Residential	–	0.0	8.3	77.7	8.3	0.7
Total London	**1,066.2**	**97.2**	**8.3**	**77.7**	**1,074.5**	**97.0**
Manchester Offices						
– Completed properties	31.0	2.8	–	0.0	31.0	2.8
Total Manchester	**31.0**	**2.8**	**–**	**0.0**	**31.0**	**2.8**
Total Core	**1,097.2**	**100.0**	**8.3**	**77.7**	**1,105.5**	**99.8**
Other	0.1	0.0	2.4	22.3	2.5	0.2
Total Non-Core Portfolio	**0.1**	**0.0**	**2.4**	**22.3**	**2.5**	**0.2**
Total	**1,097.3**	**100.0**	**10.7**	**100.0**	**1,108.0**	**100.0**

SEE-THROUGH LAND AND DEVELOPMENT PORTFOLIO

	Book value £m	Fair value £m	Surplus £m	Fair value %
London Residential	8.3	8.3	0.0	77.7
Land/retail	2.1	2.4	0.3	22.3
Total	**10.4**	**10.7**	**0.3**	**100.0**

CAPITAL EXPENDITURE

We have a committed and planned development and refurbishment programme.

Property	Capex budget (Helical's share) £m	Remaining spend (Helical's share) £m	Pre-redeveloped space sq ft	New space sq ft	Total completed space sq ft	Completion date
Investment – committed						
– 33 Charterhouse Street, EC1	66.0	13.1	n/a	205,369	205,369	September 2022
Investment – anticipated						
– 100 New Bridge Street, EC4	101.2	101.2	167,026	c.18,000	c.185,000	Early 2025

ASSET MANAGEMENT

Asset management is a critical component in driving Helical's performance. Through having well considered business plans and maximising the combined skills of our management team, we are able to create value in our assets.

Investment portfolio	Fair value weighting %	Passing rent £m	%	Contracted rent £m	%	ERV £m	%	ERV change like-for-like %
London Offices								
– Completed properties	71.5	28.5	78.3	37.6	81.1	41.6	62.0	0.1
– Development pipeline	25.7	7.2	19.8	7.3	15.7	23.6	35.2	0.0
Total London	**97.2**	**35.7**	**98.1**	**44.9**	**96.8**	**65.2**	**97.2**	**0.1**
Manchester Offices								
– Completed properties	2.8	0.7	1.9	1.4	3.0	1.8	2.7	-0.4
Total Manchester	**2.8**	**0.7**	**1.9**	**1.4**	**3.0**	**1.8**	**2.7**	**-0.4**
Other	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.0
Total	**100.0**	**36.4**	**100.0**	**46.4**	**100.0**	**67.1**	**100.0**	**0.1**

	See-through total portfolio contracted rent £m
Rent lost at break/expiry	(2.6)
Rent reviews and uplifts on lease renewals	1.0
New lettings – London	2.4
New lettings – Manchester	0.6
Total increase in the year from asset management activities	**1.4**
Contracted rent increase from purchases of London Offices	**7.2**
Net increase in contracted rents in the year	**8.6**

Investment portfolio

VALUATION MOVEMENTS

	Valuation change incl. sales and purchases %	Valuation change excl. sales and purchases %	Investment portfolio weighting 31 March 2022 %	Investment portfolio weighting 31 March 2021 %
London Offices				
– Completed properties	5.4	5.4	71.5	88.5
– Development pipeline	5.3	17.2	25.7	8.2
Total London	**5.4**	**6.8**	**97.2**	**96.7**
Manchester Offices				
– Completed properties	12.5	12.5	2.8	3.3
Total Manchester	**12.5**	**12.5**	**2.8**	**3.3**
Total	**5.6**	**7.0**	**100.0**	**100.0**

PORTFOLIO YIELDS

	EPRA topped up NIY 31 March 2022 %	EPRA topped up NIY 31 March 2021 %	Reversionary yield 31 March 2022 %	Reversionary yield 31 March 2021 %	True equivalent yield 31 March 2022 %	True equivalent yield 31 March 2021 %
London Offices						
– Completed properties	4.2	4.5	4.8	5.1	4.9	5.0
– Development pipeline	4.2	n/a	4.5	5.6	4.2	4.9
Total London	**4.2**	**4.5**	**4.7**	**5.3**	**4.6**	**4.9**
Manchester Offices						
– Completed properties	4.1	2.4	5.4	5.9	5.3	5.7
Total Manchester	**4.1**	**2.4**	**5.4**	**5.9**	**5.3**	**5.7**
Total	**4.2**	**4.5**	**4.7**	**5.3**	**4.6**	**5.0**

SEE-THROUGH CAPITAL VALUES, VACANCY RATES AND UNEXPIRED LEASE TERMS

	Capital value 31 March 2022 £ psf	Capital value 31 March 2021 £ psf	Vacancy rate 31 March 2022 %	Vacancy rate 31 March 2021 %	WAULT 31 March 2022 Years	WAULT 31 March 2021 Years
London Offices						
– Completed properties	1,289	1,215	6.9	5.8	6.3	6.9
– Development pipeline	1,086	674	0.0	n/a	1.7	n/a
Total London	**1,213**	**1,081**	**5.4**	**5.8**	**5.6**	**6.9**
Manchester Offices						
– Completed properties	530	465	23.9	54.1	6.1	8.4
Total Manchester	**530**	**465**	**23.9**	**54.1**	**6.1**	**8.4**
Total	**1,175**	**1,040**	**6.7**	**10.5**	**5.6**	**6.9**

SEE-THROUGH LEASE EXPIRIES OR TENANT BREAK OPTIONS

	Year to 2023	Year to 2024	Year to 2025	Year to 2026	Year to 2027	2027 onward
% of rent roll	9.5	25.8	4.0	0.8	10.0	49.9
Number of leases	17	28	10	4	18	31
Average rent per lease (£)	258,280	427,422	186,003	96,997	256,179	741,267

TOP 15 TENANTS

We have a strong rental income stream and a diverse tenant base. The top 15 tenants account for 79.3% of the total rent roll.

Rank	Tenant	Tenant industry	Contracted rent £m	Rent roll %
1	TikTok	Technology	7.6	16.5
2	Baker McKenzie	Legal services	7.0	15.2
3	Farfetch	Online retail	4.3	9.3
4	WeWork	Flexible offices	4.0	8.6
5	Brilliant Basics	Technology	2.4	5.1
6	VMware	Technology	2.2	4.7
7	Anomaly	Marketing	1.4	3.0
8	Viacom	Media	1.2	2.5
9	Allegis	Media	1.1	2.3
10	Dentsu	Marketing	1.1	2.3
11	Stripe	Financial services	1.0	2.1
12	Verkada	Technology	1.0	2.1
13	Incubeta	Marketing	0.9	2.0
14	Openpayd	Financial services	0.9	1.9
15	Snowflake	Technology	0.8	1.7
Total			**36.9**	**79.3**

LETTING ACTIVITY – NEW LEASES

	Area sq ft	Contracted rent (Helical's share) £	Rent £ psf	Change to 31 March 2021 ERV (excl. Plug and Play and managed lettings) %	Average lease term to expiry Years
London					
– The Tower, EC1	11,327	963,000	85.02	-0.2	5.00
– The Warehouse, EC1	2,524	115,000	45.56	13.9	15.00
– The Loom, E1	8,623	455,000	52.82	2.1	4.33
– 25 Charterhouse Square, EC1	9,268	715,000	77.13	0.5	10.00
– 55 Bartholomew, EC1	4,835	239,000	76.00	1.3	3.67
Total London	**36,577**	**2,487,000**	**71.10**	**1.1**	**6.00**
Total Manchester	**17,541**	**557,000**	**31.77**	**4.6**	**10.00**
Total	**54,118**	**3,044,000**	**57.57**	**1.8**	**7.00**

Tim Murphy
Chief Financial Officer

Helical aims to deliver market leading returns by investing in and developing real estate that best serves the needs of its tenants and maximises value for its Shareholders.

2022 Performance
Financial highlights

Overview

The strong performance for the year was the result of significant valuation gains from our sustainable, best-in-class investment portfolio and the Group's ongoing development activities.

The results were further improved by gains in the fair value of the Group's derivatives and the reversal of previously recognised deferred tax on the Group's election to become a REIT.

The acquisition of 100 New Bridge Street, EC4 added to the development pipeline and resulted in an increased LTV of 36.4%.

Results for the year

The profit before tax for the year of £72.9m (2021: £20.5m) includes revenue from rental income and development management of £51.1m, offset by direct costs of £14.2m. The net gain on sale and revaluation of investment properties added £33.3m and joint venture activities a further £20.7m. Administration expenses of £16.8m and finance costs of £19.2m were offset by a gain in fair value of derivatives of £18.0m.

The Group holds a significant proportion of its property assets in joint ventures. As the risk and rewards of ownership of these underlying properties are the same as those it wholly owns, Helical supplements its IFRS disclosure with a "see-through" analysis of alternative performance measures, which looks through the structure to show the Group's share of the underlying business.

IFRS PERFORMANCE

PROFIT AFTER TAX

£88.9m

(2021: £17.9m)

EARNINGS PER SHARE (EPS)

72.8p

(2021: 14.8p)

DILUTED NAV PER SHARE

551p

(31 March 2021: 492p)

TOTAL ACCOUNTING RETURN

15.0%

(2021: 3.3%)

EPRA PERFORMANCE

EPRA PROFIT

£6.4m

(2021: loss of £2.2m)

EPRA EPS

5.2p

(2021: loss of 1.8p)

EPRA NTA PER SHARE

572p

(31 March 2021: 533p)

TOTAL ACCOUNTING RETURN ON EPRA NTA

10.2%

(2021: 4.5%)

The see-through results for the year to 31 March 2022 include net rental income of £31.2m, a net gain on sale and revaluation of the investment portfolio of £51.7m and development profits of £6.6m, leading to a Total Property Return of £89.5m (2021: £48.6m). Total see-through administration costs of £17.1m (2021: £14.8m), see-through net finance costs of £19.7m (2021: £14.8m) and see-through derivative financial instrument gains of £18.0m (2021: £2.9m) contributed to an IFRS pre-tax profit of £72.9m (2021: £20.5m).

The election to become a REIT from 1 April 2022 allowed the release of the previously recognised deferred tax provision which contributed to a tax credit for the year of £16.0m (2021: charge of £2.6m).

The post tax profit for the year was £88.9m (2021: £17.9m) and the EPRA net tangible asset value per share increased by 7.3% to 572p (31 March 2021: 533p).

The Company has proposed a final dividend of 8.25p per share (2021: 7.40p) which, if approved by Shareholders at the 2022 AGM, will be payable on 29 July 2022. The total dividend paid or payable in respect of the year to 31 March 2022 will be 11.15p (2021: 10.10p), an increase of 10.4%.

The Group's real estate portfolio, including its share of assets held in joint ventures, increased to £1,108.1m (31 March 2021: £857.0m) primarily because of the acquisition of 100 New Bridge Street, EC4, net revaluation gains on the investment portfolio and capital expenditure at 33 Charterhouse Street, EC1.

The acquisition of 100 New Bridge Street, EC4 and capital expenditure on the development of 33 Charterhouse Street, EC1 resulted in an increase in the Group's see-through loan to value to 36.4% (31 March 2021: 22.6%). The Group's weighted average cost of debt was 3.2% (31 March 2021: 3.5%) and the weighted average debt maturity was 3.0 years (31 March 2021: 3.2 years). The average maturity of the facilities would increase to 3.7 years on exercise of the available extension options, on a fully utilised basis.

At 31 March 2022, the Group had unutilised bank facilities of £99.0m and cash of £33.3m on a see-through basis. These are primarily available to fund the development of 33 Charterhouse Street, EC1 and future property acquisitions.

Total Property Return

We calculate our Total Property Return to enable us to assess the aggregate of income and capital profits made each year from our property activities. Our business is primarily aimed at producing surpluses in the value of our assets through asset management and development, with the income side of the business seeking to cover our annual administration and finance costs.

The net rental income, development profits and net gains on sale and revaluation of our investment portfolio, which contribute to the Total Property Return, provide the inputs for our performance as measured by MSCI.

Total Property Return £m

£89.5m

MSCI Property Index %

10.7%

See-through Total Accounting Return

Total Accounting Return is the growth in the net asset value of the Group plus dividends paid in the reporting period, expressed as a percentage of the net asset value at the beginning of the period. The metric measures the growth in Shareholders' Funds each year and is expressed as an absolute measure.

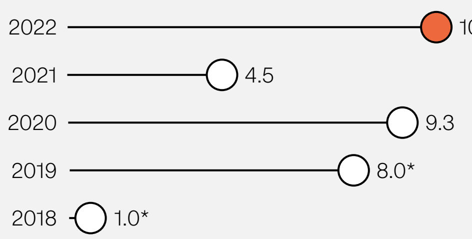
Total Accounting Return on EPRA net tangible assets is the growth in the EPRA net tangible asset value of the Group plus dividends paid in the period, expressed as a percentage of the EPRA net tangible asset value at the beginning of the period.

Total Accounting Return on IFRS net assets %

15.0%

Total Accounting Return on EPRA net tangible assets %

10.2%



* Calculated using EPRA net assets.

Earnings per share

The IFRS earnings per share increased from 14.8p to 72.8p and are based on the after tax earnings attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the year.

On an EPRA basis, the earnings per share were 5.2p compared to a loss per share of 1.8p in 2021, reflecting the Group's share of net rental income of £31.2m (2021: £25.0m) and development profits of £6.6m (2021: losses of £0.3m), but excluding gains on sale and revaluation of investment properties of £51.7m (2021: £23.9m).

Net asset value

IFRS diluted net asset value per share increased by 12.0% to 551p per share (31 March 2021: 492p) and is a measure of Shareholders' Funds divided by the number of shares in issue at the year end, adjusted to allow for the effect of all dilutive share awards.

EPRA net tangible asset value per share increased by 7.3% to 572p per share (31 March 2021: 533p). This movement arose principally from a total comprehensive income (retained profits) of £88.9m (2021: £17.9m), less £12.6m of dividends (2021: £10.5m).

EPRA net disposal value per share increased by 13.6% to 551p per share (31 March 2021: 485p).

Income statement

Rental income and property overheads

Gross rental income for the Group in respect of wholly owned properties increased to £35.3m (2021: £28.0m), mainly reflecting the letting of Kaleidoscope, EC1 in March 2021, with gross rents in joint ventures also increasing to £0.3m (2021: £0.2m). Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures increased to £4.4m (2021: £3.2m). Overall, see-through net rents increased by 25.0% to £31.2m (2021: £25.0m).

Included within gross rental income is £5.8m (31 March 2021: reduction of £0.4m) of accrued income for rent free periods.

The table below demonstrates the movement of the accrued income balance for rent free periods granted and the respective rental income adjustment over the four years to 31 March 2025, based on the tenant leases as at 31 March 2022. The actual adjustment will vary depending on lease events such as new lettings and early terminations and future acquisitions or disposals.

	Accrued income £000	Adjustment to rental income £000
Year to 31 March 2022	23,114	5,818
Year to 31 March 2023	27,557	4,443
Year to 31 March 2024	23,757	(3,800)
Year to 31 March 2025	20,495	(3,262)

Rent collection

	March 2021 – December 2021 quarters %
Rent collected to date	95.8
Rent under discussion	2.2
Rent concessions	2.0

At 23 May 2022, the Group had collected 95.8% of all rent contracted and payable for the March, June, September and December 2021 quarters.

Development profits

In the year, from our role as development manager at 33 Charterhouse Street, EC1, we recognised £1.3m of fees. Additional fees of £0.1m were recognised for carrying out accounting and corporate services at Barts Square, EC1 and 33 Charterhouse Street, EC1.

Profits on the sales of a retail site at Kingswinford and land at Aycliffe of £1.5m were recognised, as well as the write back of provisions made in previous periods on two retail projects, at East Ham and Cortonwood, totalling £2.3m. A further £0.8m of development income on closing out legacy projects, offset by other costs of £0.2m, contributed to a net development profit in the Group of £5.8m (2021: £0.6m).

Share of results of joint ventures

The revaluation of our investment assets held in joint ventures generated a surplus of £18.5m (2021: £6.4m). A profit of £0.7m (2021: loss of £0.9m) was recognised in respect of sales at our Barts Square, EC1 residential development.

Finance, administration and other sundry costs totalling £0.5m (2021: £1.1m) were incurred. An adjustment to reflect our economic interest in the Barts Square, EC1 development to its recoverable amount generated a gain of £0.8m, and after a tax credit of £1.2m (2021: charge of £0.6m), there was a net profit from our joint ventures of £20.7m (2021: £2.4m).

Gain on sale and revaluation of investment properties

The valuation of our investment portfolio, on a see-through basis, continued to reflect the benefit of our letting and development activities where we generated a see-through gain on sale and revaluation, including in joint ventures, of £51.7m (2021: £23.9m).

Administrative expenses

Administration costs in the Group, before performance related awards, increased marginally from £9.3m to £9.6m.

Performance related share awards and bonus payments, before National Insurance costs, increased to £6.0m (2021: £4.3m), reflecting the strong performance of the business. Of this amount, £3.2m (2021: £2.0m), being the charge for share awards under the Performance Share Plan, is expensed through the Income Statement but added back to Shareholders' Funds through the Statement of Changes in Equity. NIC incurred in the year on performance related awards was £1.2m (2021: £0.8m).

	2022 £000	2021 £000
Administrative expenses (excluding performance related awards)	**9,598**	9,276
Performance related awards	**6,019**	4,341
NIC	**1,151**	799
Group	**16,768**	14,416
In joint ventures	**295**	432
Total	**17,063**	14,848

Finance costs and derivative financial instruments

Total finance costs before cancellation of loans, including in joint ventures, reduced to £13.8m (2021: £14.9m). The cost of early redemption of the development facility for Kaleidoscope, EC1 and the term loan with Aviva, totalling £5.9m (2021: £nil), allowed the Group to take advantage of the lower cost of debt provided by the £400m Revolving Credit Facility, which will be reflected in lower finance costs in future years.

		2022 £000	2021 £000
Interest payable on secured bank loans	– subsidiaries	**10,169**	10,567
	– joint ventures	**2,407**	1,319
Amortisation of refinancing costs	– subsidiaries	**1,010**	1,111
Sundry interest and bank charges	– subsidiaries	**2,169**	2,401
	– joint ventures	**181**	–
Interest capitalised	– joint ventures	**(2,142)**	(514)
Total before cancellation of loans		**13,794**	14,884
Cancellation of loans	– subsidiaries	**5,886**	–
Total		**19,680**	14,884

The significant movement upwards in medium and long-term interest rate projections during the year contributed to a credit of £18.0m (2021: £2.9m) on the mark-to-market valuation of the derivative financial instruments.

Taxation

The Group elected to become a REIT, effective from 1 April 2022, and will be exempt from UK corporation tax on the profit of its property activities that fall within the REIT regime. Helical will continue to pay corporation tax on its profits that are not within this regime. As a result, the previously recognised deferred tax liability of £13.5m in the Group (£1.7m in joint ventures) has been released, with a credit of £14.9m in the Income Statement and a charge of £1.4m recognised directly in the Statement of Changes in Equity.

The current tax credit for the year was £1.1m (2021: charge of £0.9m), resulting in a tax credit on profit on ordinary activities of £16.0m (2021: charge of £2.6m).

Dividends

The interim dividend paid on 31 December 2021 of 2.90p was an increase of 7.4% on the previous interim dividend of 2.70p. The Company has proposed a final dividend of 8.25p, an increase of 11.5% on the previous year (2021: 7.40p), for approval by Shareholders at the 2022 AGM. If approved, the total dividend paid or payable in respect of the results for the year to 31 March 2022 will be 11.15p (2021: 10.10p), an increase of 10.4%.

The final dividend, if approved by Shareholders, will be paid out of distributable reserves generated from the Group's activities prior to its conversion into a REIT.

Balance sheet

Shareholders' Funds

Shareholders' Funds at 1 April 2021 were £608.2m. The Group's results for the year added £88.9m (2021: £17.9m), representing the total comprehensive income for the year. Movements in reserves arising from the Group's share schemes increased funds by £2.5m. The Company paid dividends to Shareholders during the year of £12.6m. The net increase in Shareholders' Funds from Group activities during the year was £78.8m to £687.0m.

Investment portfolio

		Wholly owned £000	In joint ventures £000	See-through £000	Head leases capitalised £000	Lease incentives £000	Book value £000
Valuation at 31 March 2021		756,875	82,516	839,391	6,568	(18,934)	827,025
Acquisitions	– wholly owned	160,000	–	160,000	–	–	160,000
Capital expenditure	– wholly owned	5,520	–	5,520	(14)	–	5,506
	– joint ventures	–	35,074	35,074	(30)	–	35,044
Letting costs amortised	– wholly owned	(226)	–	(226)	–	–	(226)
	– joint ventures	–	(9)	(9)	–	–	(9)
Revaluation surplus	– wholly owned	39,331	–	39,331	–	(6,020)	33,311
	– joint ventures	–	18,521	18,521	–	(50)	18,471
Economic interest adjustment	– joint ventures	–	(282)	(282)	–	2	(280)
Valuation at 31 March 2022		**961,500**	**135,820**	**1,097,320**	**6,524**	**(25,002)**	**1,078,842**

The Group acquired 100 New Bridge Street, EC4 for £160m and spent £40.6m on capital works across the investment portfolio, mainly at 33 Charterhouse Street, EC1 (£35.0m), 100 New Bridge Street, EC4 (£3.7m), Kaleidoscope, EC1 (£0.6m), The Loom, E1 (£0.5m) and 25 Charterhouse Square, EC1 (£0.4m).

Revaluation gains added £57.9m to increase the see-through fair value of the portfolio, before lease incentives, to £1,097.3m (31 March 2021: £839.4m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £1,078.8m (31 March 2021: £827.0m).

Debt and financial risk

In total, the see-through outstanding debt at 31 March 2022 of £440.9m (31 March 2021: £362.2m) had a weighted average interest cost of 3.2% (31 March 2021: 3.5%) and a weighted average debt maturity of 3.0 years (31 March 2021: 3.2 years). The average maturity of the facilities would increase to 3.7 years following exercise of the one-year extension of the Group's £400m Revolving Credit Facility, and the one-year extension of the joint venture development loan, on a fully utilised basis.

Debt profile at 31 March 2022 – including commitment fees but excluding the amortisation of arrangement fees

	Total facility £000s	Total utilised £000s	Available facility £000s	Weighted average interest %	Average maturity of facilities Years	Average maturity including extensions* Years
£400m Revolving Credit Facility	400,000	400,000	–	2.9	3.1	4.3
£60m Revolving Credit Facility	60,000	–	60,000	–	–	0.7
Total wholly owned	**460,000**	**400,000**	**–**	**3.0**	**3.1**	**3.8**
In joint ventures	69,900	40,889	29,011	5.6	2.3	3.3
Total secured debt	**529,900**	**440,889**	**89,011**	**3.2**	**3.0**	**3.8**
Working capital	10,000	–	10,000	–	–	1.0
Total unsecured debt	**10,000**	**–**	**10,000**	**–**	**–**	**1.0**
Total debt	**539,900**	**440,889**	**99,011**	**3.2**	**3.0**	**3.7**

* Calculated on a fully utilised basis and assuming the exercise of the one-year extension of the Revolving Credit Facility and the one-year extension option of the joint venture development loan.

Secured debt

The Group arranges its secured investment and development facilities to suit its business needs as follows:

- **£400m Revolving Credit Facility**
  The Group has a £400m Revolving Credit Facility in which all of its investment assets, other than Trinity, Manchester, are secured. The value of the Group's properties secured in this facility at 31 March 2022 was £870m (31 March 2021: £729m) with a corresponding loan to value of 46.0% (31 March 2021: 46.8%). The average maturity of the facility at 31 March 2022 was 3.1 years (31 March 2021: 3.3 years), increasing to 4.3 years on a fully utilised basis and following the one-year extension of the Revolving Credit Facility. The weighted average interest rate was 2.9% (31 March 2021: 3.7%).
- **£60m Revolving Credit Facility**
  The Group has a £60m Revolving Credit Facility to provide short-term liquidity to acquire new property opportunities. The maturity of this undrawn facility was 0.7 years and the weighted average interest rate was 3.2%, on a fully utilised basis.
- **Joint venture facilities**
  The Group has a number of investment and development properties in joint venture with third parties and includes our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 31 March 2022 was 2.3 years (31 March 2021: 1.9 years) with a weighted average interest rate of 5.6% (31 March 2021: 6.5%). The average interest rate will fall as the 33 Charterhouse Street, EC1 development facility is drawn down and would be 4.95% on a fully utilised basis, reducing to 2.25% once the building is complete and let.

Unsecured debt

The Group's unsecured debt is £nil (31 March 2021: £nil).

Cash and cash flow

At 31 March 2022, the Group had £132m (31 March 2021: £423m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures, as well as £31.0m (31 March 2021: £28.1m) of uncharged property on which it could borrow funds.

Net borrowings and gearing

Total gross borrowings of the Group, including in joint ventures, have increased from £362.2m to £440.9m during the year to 31 March 2022. After deducting cash balances of £33.3m (31 March 2021: £162.2m) and unamortised refinancing costs of £4.7m (31 March 2021: £6.1m), net borrowings increased from £193.9m to £402.9m. The see-through gearing of the Group, including in joint ventures, increased from 31.9% to 58.6%.

	31 March 2022	31 March 2021
See-through gross borrowings	**£440.9m**	£362.2m
See-through cash balances	**£33.3m**	£162.2m
Unamortised refinancing costs	**£4.7m**	£6.1m
See-through net borrowings	**£402.9m**	£193.9m
Shareholders' Funds	**£687.0m**	£608.2m
See-through gearing – IFRS net asset value	**58.6%**	31.9%

Hedging

At 31 March 2022, the Group had £300.0m (31 March 2021: £280.8m) of borrowings protected by interest rate swaps, with an average effective interest rate of 2.8% (31 March 2021: 3.1%) and average maturity of 3.3 years. The Group had a further £100.0m of floating rate debt (31 March 2021: £60.4m) with an effective rate of 3.5% (31 March 2021: 4.2%). In addition, the Group had £145m of interest rate caps at an average rate of 1.75% (31 March 2021: £240m at 1.75%) and with an average maturity of 1.3 years. In our joint ventures, the Group's share of fixed rate debt was £40.9m (31 March 2021: £9.4m) with an effective rate of 5.6% and no floating rate debt (31 March 2021: £11.6m with an effective rate of 3.1%), with no interest rate swaps or caps as at 31 March 2022 (31 March 2021: interest rate caps of £35.3m at 1.5%).

	31 March 2022 £m	Effective interest rate %	31 March 2021 £m	Effective interest rate %
Fixed rate debt				
– Secured borrowings	**300.0**	2.8	280.8	3.1
Total	**300.0**	2.8	280.8	3.1
Floating rate debt				
– Secured	**100.0**	3.5[1]	60.4	4.2[1]
Total	**400.0**	3.0	341.2	3.3
In joint ventures				
– Fixed rate	**40.9**	5.6[2]	9.4	10.7[2]
– Floating rate	**–**	–	11.6	3.1
Total borrowings	**440.9**	3.2	362.2	3.5

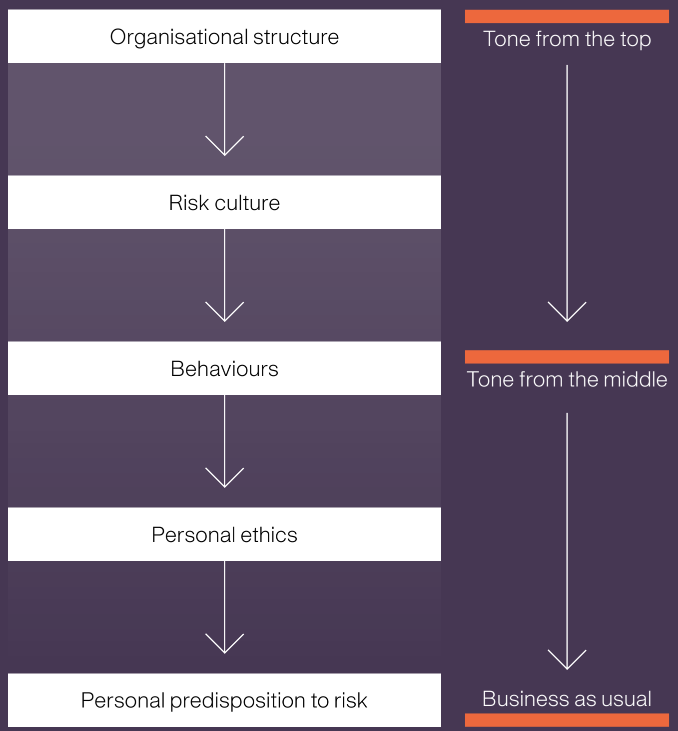
1 This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 2.7%.
2 This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 4.95% (31 March 2021: 4.95%).

Tim Murphy
Chief Financial Officer
24 May 2022

Risk is an integral part of the Group's business activities and Helical's ability to identify, assess, monitor and manage its risks is fundamental to its financial stability, continuing performance and reputation.

Helical's approach to risk management

Risk culture



When making business decisions, the Board of Helical assesses all potential risks faced and considers the effect that such risks could have on the achievement of the strategic priorities and the long-term success of the Group.

The Board acknowledges that there are numerous risks faced by the business and that these are often interrelated. However, the Board also views the potential risks as opportunities which, when handled appropriately, can drive performance. Therefore, our Risk Management Framework supports the delivery of the Group's strategy.

The Board confirms that during this reporting period it has carried out a robust assessment of the Group's emerging and principal risks (please see Audit and Risk Committee Report, pages 106 to 109, for details of the work undertaken by the Directors during the reporting period). These risks and the Group's appetite for risk are discussed on the next page.

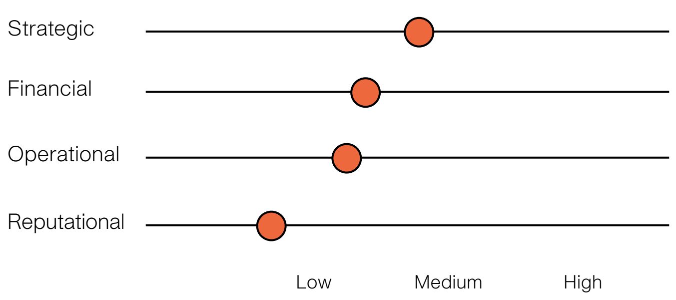
Risk appetite

The Board has established procedures to determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives. It is through the enactment of these procedures that the Group is able to set its risk appetite.

Helical's risk appetite is driven by the business strategy. The overall risk appetite is moderate to low and appropriate mitigating actions are taken to reduce the severity of identified risks into the acceptable range set by the Board. In determining the risk appetite, the Board considers upside risks as well as downside risks. Helical's risk appetite is not static and is reviewed by the Board at least twice a year.

In accordance with good stewardship, the Board does not inhibit sensible risk taking that is critical to growth. This approach is embedded in the risk culture of the Group which is guided by the Helical Values (see page 79). The risk culture aligns with the strategy and objectives of the business and is embedded within the risk appetite.

Our appetite for risk in each principal risk category is set out below:



Roles & responsibilities

Whilst the Board is ultimately responsible for the management of risk, the Group is structured in such a way that risk identification, assessment, management and monitoring occur at all levels of the Helical team. Roles and responsibilities with respect to risk are well established and the close working relationships existing between senior management and our Property Executives enhance our ability to manage our risks.

The identification of risk occurs primarily at Board level through application of Helical's Risk Management Framework (see page 48). As part of this process, the Risk Register and corresponding Risk Heat Map (please see pages 49 to 55) are produced. The Board meets at least twice a year to assess the appropriateness of the Risk Register, taking into account the macro-economic environment, current projects and performance and past experience.

Emerging risks

The Board considers both prevailing and emerging risks in the risk identification process. Emerging risks are those that may materialise and challenge Helical in the future. The outcome of such risks is often more uncertain. They may begin to evolve rapidly or simply not materialise. As part of our risk management approach, we continuously monitor our business activities and external and internal environments for new, emerging and changing risks to ensure these are managed appropriately.

Horizon scanning is conducted, not just by the Board or senior management, but by every individual staff member. Team meetings are conducted every two weeks and provide a forum for information sharing with respect to emerging risks. Helical's collaborative environment and flat management structure further support open discussion on future and emerging risks. External insight is also used to assist with the horizon scanning process.

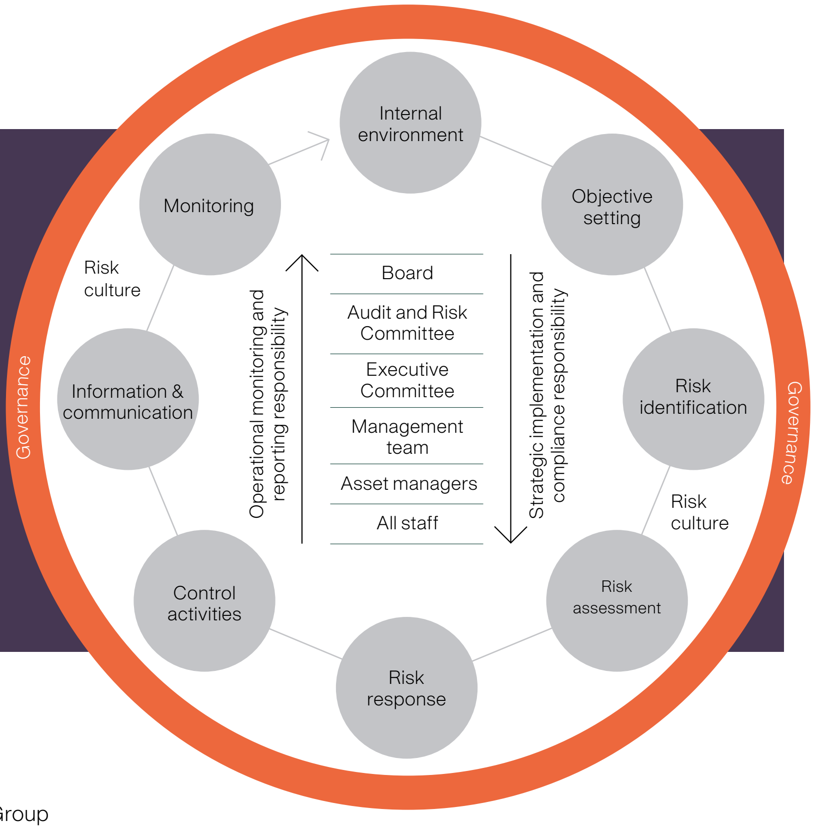
On a bi-annual basis, a summary of emerging risks is presented for assessment to the Audit and Risk Committee and the Board.

RISK MANAGEMENT APPROACH

Oversight, identification, assessment and mitigation of risks at a strategic level	Top down approach	**The Board**	Has ultimate responsibility for risk management within the Group. The Board sets the risk appetite of the Group, establishes a risk management strategy and is responsible for maintaining a robust internal control system.
		The Board	Continually monitors and reviews the risk management strategy to ensure that it remains appropriate and consistent with the Group's overall strategy and external market conditions.
		The Audit and Risk Committee	Supports the Board by evaluating the effectiveness of the risk management procedures and internal controls throughout the year.
		The Executive Committee	Is responsible for the day-to-day operational application of the risk management strategy and ensuring that all staff are aware of their responsibilities.
Oversight, identification, assessment and mitigation of risks at an operational level	Bottom up approach	**Helical's management team**	Runs the business in line with the risk management strategy established by the Board and reports to the Board on how it operates. Both the small team size and the flat management structure allow the Executive Committee to have close contact with all aspects of the business and ensure that the identification and management of risks and opportunities are at the forefront of decision makers' minds.
		Individual asset managers	Are responsible for identifying and assessing risks relating to the properties they manage and reporting to the Executive Committee as appropriate.
		All staff members	Are responsible for complying with risk management procedures and internal control measures, reporting to the Executive Committee as necessary.

Risk Management Framework

Helical's Risk Management Framework is made up of eight components which all function to create an effective system of risk management and internal control. It is through the application of the Risk Management Framework that clear procedures for risk identification, assessment, measurement, mitigation, monitoring and reporting are aligned with the Group's strategic aims and the Board's risk appetite.



Viability statement

Helical's long-term prospects

With over 35 years' experience as a property company, the Group has navigated multiple property cycles. These cycles present challenges and opportunities and it has been through successfully responding to both that Helical has grown to become a highly respected London office developer and asset manager. During this time, it has also built an extensive network of trusted partners who provide support, capital and access to new opportunities.

The Group has a high quality portfolio with excellent sustainability credentials, primarily located in Central London, and is delivering best-in-class space which appeals to occupiers who need to attract the best talent. Helical has a long-standing strong relationship with the financial institutions who provide its debt and has long-term and flexible financing.

It is from this strong position that the Board has considered the Group's future viability.

Time period assessment

The Directors have assessed the viability of the Group for a period of five years to March 2027, being the period for which the Board regularly reviews forecasts, and which encompasses the lifetime of the Group's major development projects. The Board considers the future performance of the Group beyond five years, but less certainty exists over the forecasting assumptions beyond this period.

Review process

The viability of the Group is reviewed throughout the year and through multiple channels, detailed below:

- The strategic direction of the Group is established by the Board once a year and is captured in the Business Plan which forms the basis of the detailed budgets and actions for the year;
- The Board and Audit and Risk Committee review the principal risks of the Group at least twice a year, reassessing the severity of each risk and determining the Group's proposed response and planned mitigation;
- The five-year forecasts for the Group are updated and reviewed by the Board and Executive Committee on a quarterly basis; and
- Management reviews the short-term (three to twelve months) cash requirements of the Group on a monthly basis and cash balances and movements are monitored weekly.

Principal risks and sensitivity analysis

In making its assessment, the Board considers the Group's principal risks and assesses their combined potential impact in severe, but plausible, downside scenarios together with the likely effectiveness of mitigating actions that the Group has at its disposal.

The assessment included the following key assumptions:

- **Rental income** – whilst the Group has a WAULT of 5.6 years across its portfolio, both void and rent-free periods have been included where a lease term ends within the period of review;
- **Debt financing** – the Group's primary source of financing is its £400m Revolving Credit Facility which expires in July 2025, however, this facility has a one-year extension option which has been assumed to have been exercised;
- **Development and asset management** – these activities require capital expenditure, and this has been included for both specific projects and general ongoing works; and
- **Administration expenditure and finance costs** – administration expenditure has been subject to inflationary increases. The hedging instruments the Group has in place mitigate the impact of any future changes to the interest base rate.

The most relevant risks and their potential impact are highlighted below:

Risk areas	Principal risks
Loss of rental income	
Tenants unable to pay their rent due to one or more of the following:	• Significant business disruption/ external catastrophic event
• Recession due to inflationary pressures; and/or	• Property values decline/reduced tenant demand for space
• Pandemic or geopolitical event.	• Geopolitical and economic
Loss of rental income could put debt covenants under pressure requiring partial/complete loan repayment.	• Breach of loan covenants

The Group performs sensitivity analysis with a focus on the impact of a loss of rental income on debt covenants. Further details are included in the going concern review on pages 146 to 147.

Based on the outcome of this review and other matters considered by the Board, the Directors hold a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 March 2027.

Our principal risks

Helical's principal risks fall into the following categories: strategic risks, financial risks, operational risks and reputational risks.

When identifying risks, each risk is linked to the Group's strategic objectives: Growth, Property, Sustainability, Financing and People.

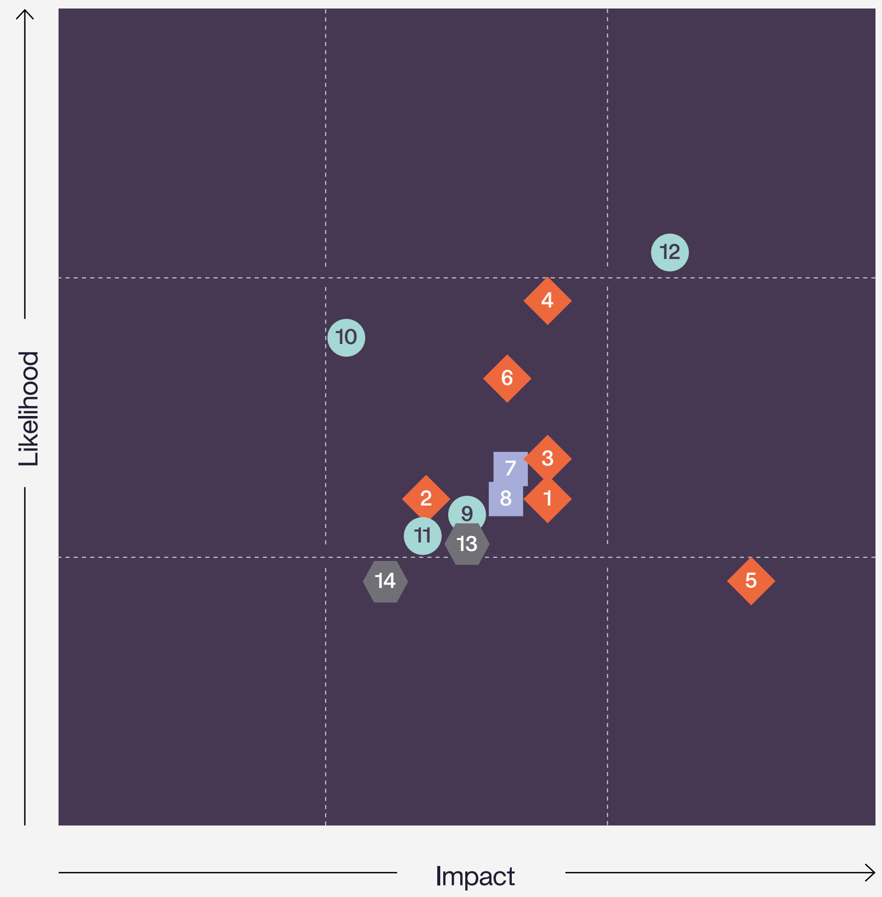
Risk severity involves assessing both the likelihood of a risk materialising and its potential impact. The Executive Committee assesses the risk severity and reports its assessment to the Board, which is based on:

- understanding the cause of the risk;
- an understanding of the resources at the Group's disposal to mitigate the risk;
- estimating the probability of such a risk occurring, both pre and post mitigating actions; and
- an assessment of the quantitative and qualitative impact of such a risk materialising.

The severity levels determined by the Executive Committee are assessed by the Board.

The Board also reviews the mitigating actions to ensure they reduce the risk down to an acceptable level based on the Group's risk appetite.

Mapping our Principal Risks



		PRINCIPAL RISKS	CHANGE
Strategic Risks	1	The Group's strategy is inconsistent with the market	↓
	2	The Group carries out significant development projects	=
	3	Property values decline/reduced tenant demand for space	↓
	4	Geopolitical and economic	↑
	5	Significant business disruption/ external catastrophic event	=
	6	Climate change	↑
Financial Risks	7	Availability and cost of bank borrowing and cash resources	=
	8	Breach of loan covenants	=
Operational Risks	9	Our people*	New Risk
	10	Relationships with business partners and reliance on external partners	↑
	11	Health and safety risk	=
	12	Cyber-attacks to our business and to our buildings/cyber security	=
Reputational Risks	13	Poor management of stakeholder relations	=
	14	Non-compliance with prevailing legislation	=

* This risk has been separately identified this year.

Review of the Risk Register – March 2022

In assessing the appropriateness of the Group's Risk Register for March 2022, the Directors considered the Group's performance, the macro-political and economic environment, and all the business projects currently being undertaken. Following a comprehensive review of the risk environment, taking into consideration the Group's risk appetite, the Directors concluded that although the risk of the Covid-19 pandemic had diminished, a number of risks associated with the pandemic and its aftermath still continued to affect the business and that this should be reflected in the Risk Register. In addition, the Directors determined that geopolitical tensions, rising interest rates and the increased pressure on supply chains and distribution networks, including build cost inflation, had emerged sufficiently to merit focus throughout the Risk Register.

The Directors also revised some of the risk categories this year to reflect the findings of their review of the Group's current risk environment. The revisions included:

- Broadened the "Political" risk category to form a "Geopolitical and economic" risk to fully recognise the effects of geopolitical instability on the business;
- Replaced the "Sustainability" risk with a "Climate change" risk to align this risk with the recommendations as set out by the Task Force on Climate-related Financial Disclosures ("TCFD");
- Formulated a separate "Our People" risk to highlight the importance of the Helical team to the delivery of strategy and created a combined risk of "Relationships with business partners and reliance on external partners";
- Broadened the "Pandemic" risk to form a "Significant business disruption/external catastrophic event" risk to signify the diminished risk of the Covid-19 pandemic and cover additional external events and risk factors; and
- Created a specific risk of "Cyber-attacks to our business and our buildings/cyber security", which was previously covered by a "Business disruption and cyber security" risk, to confirm the significance of this risk and corresponding focus attributed to it by the Board and management team.

Strategic risks

Strategic risks are external risks that could prevent the Group delivering its strategy. It is these risks which principally impact decision making with respect to the purchasing or selling of property assets.

Risk	Description	Mitigating actions	Changes in risk severity
The Group's strategy is inconsistent with the market Link to Strategy **Growth** YoY change ↓	Changing market conditions leading to a reduction in demand or deferral of decisions by occupiers, impacting property values, could hinder the Group's ability to buy, develop, manage and sell assets as envisioned in its strategy. The location, size and mix of properties in Helical's portfolio determine the impact of the risk. If the Group's chosen markets underperform, the impact on the Group's liquidity, investment property revaluations and rental income will be greater.	Management constantly monitors the market and makes changes to the Group's strategy in light of market conditions. The Group conducts an annual strategic review and maintains rolling forecasts, with inbuilt sensitivity analysis to model anticipated economic conditions. The Group's management team is highly experienced and has a strong track record of understanding the property market. The small size of the Group's management team enables quick implementation of strategic change when required. We have robust and established governance and approval processes. We are active members of industry bodies and professional organisations and participate in local business and community groups. This ensures we are actively engaged in decisions affecting our business, customers, partners and communities.	The pandemic had various strategic impacts on property companies and uncertainty regarding the full economic and social impacts of the Covid-19 pandemic continues. Over the course of the year, we have seen an improved sentiment towards the future of the office, but the agile working movement continues, with many businesses adopting hybrid working practices. It has become evident that the market favours the best-in-class space with strong sustainability credentials and Helical's portfolio is well positioned to respond to this trend. The UK's Covid-19 vaccination programme has also had a positive impact on this risk. Consequently, the severity of this risk has decreased.
Risks arising from the Group's significant development projects Link to Strategy **Property** YoY change =	The Group carries out significant development projects over a number of years and is therefore exposed to fluctuations in the market and tenant demand levels over time. Development projects often require substantial capital expenditure for land procurement and construction and they usually take a considerable amount of time to complete and generate rental income. The risk of delays or failure to get planning approval is an inherent risk of property development. The construction industry is faced with both labour and materials supply shortages which could lead to cost escalation and project delay. Exposure to developments increases the potential financial impact of cost inflation, adverse valuation or other market factors which could affect the Group's financial capabilities and targeted financial returns.	Management carefully reviews the risk profile of individual developments and in some cases builds properties in several phases to minimise the Group's exposure to reduced demand for particular asset classes or geographical locations over time. The Group carries out developments in partnership with other organisations and pre-lets space to reduce development risk, where considered appropriate. Management are highly experienced and have a track record of developing best-in-class office spaces in highly desirable, well connected, locations. Management place significant focus on timely project delivery and strong relationships with construction partners with appropriate risk sharing. We opt to work with highly regarded suppliers and contractors to minimise cost uncertainty. We typically enter into contracts with our contractors on a fixed price basis and incorporate appropriate contingencies. Development plans and exposure to risk are considered in the annual business plan. Detailed planning pre-applications and due diligence are conducted in advance of any site acquisition. Board approval required for commitments above a certain threshold. Management continuously monitors the cost of materials and pressures on supply chain and distribution networks. Ongoing consideration is given to investing in the most energy efficient machinery and building materials and using renewable sources of energy where possible.	The Group currently has one ongoing development and the majority of these costs are fixed. Management will look to negotiate similar contractual terms for its new development project: 100 New Bridge Street, EC4. However, this risk is dependent on negotiations with contractors and may change as new development projects are acquired. There continues to be the risk of insolvencies in the construction industry given the uncertainties around the future macroeconomic environment and geopolitical market influences.
Property values decline/reduced tenant demand for space Link to Strategy **Property** YoY change ↓	The property portfolio is at risk of valuation falls through changes in market conditions, including underperforming sectors or locations, lack of tenant demand, deferral of occupiers' decisions or general economic uncertainty. Property valuations are dependent on the level of rental income receivable and expected to be receivable on that property in the future. Therefore, declines in rental income could have an adverse impact on revenue and the value of the Group's properties.	The Group's property portfolio has tenants from diverse industries, reducing the risk of over-exposure to one sector. We carry out occupier financial covenant checks ahead of approving leases in order to limit our exposure to tenant failure. Management reviews external data, seeks the advice of industry experts and monitors the performance of individual assets and sectors in order to dispose of non-performing assets and rebalance the portfolio to suit the changing market. Management regularly models different property revaluation scenarios through its forecasting process in order to prepare a considered approach to mitigating the potential impact. We work closely with our management agents, Ashdown Phillips, to engage closely with our occupiers to understand their needs and respond quickly and collaboratively to any changing requirements. The Board and management team conduct ongoing monitoring of property market, direction and valuations. The bi-weekly management meeting considers factors such as new leases, lease events and tenant issues with respect to each property in the portfolio. We conduct ongoing monitoring of build cost inflation and factor this into appraisals of all potential development schemes.	Although there has been a notable increase in the return of employees to their offices, a number of corporates are continuing to offer hybrid working opportunities. However, there is a strong market sentiment towards new, best-in-class office space and given Helical's Grade A portfolio, the severity of this risk has reduced with respect to our portfolio.

Risk	Description	Mitigating actions	Changes in risk severity
Strategic risks continued			
Geopolitical and economic Link to Strategy **Growth** YoY change ↑	Significant events or changes in the global/UK political or economic landscape may have a significant impact on the Group's ability to plan and deliver its strategic priorities in accordance with its business model. Such events or changes may result in decreased investor activity and reluctance of occupiers to make decisions with respect to office space uptake. There is a risk that regulatory and tax changes could adversely affect the market in which the Group operates. The ongoing transition of the UK from the EU remains a risk and has an impact on global trade. Political instability and unrest can have a significant knock-on effect on global economies and trade (as evidenced by the Russo-Ukrainian war).	Management seek advice from experts to ensure it understands the political environment and the impact of emerging regulatory and tax changes on the Group. It maintains good relationships with planning consultants and local authorities. Where appropriate, management joins with industry representatives to contribute to policy and regulatory debate relevant to the industry. Management monitor macroeconomic research and economic outlook considerations are incorporated into the Group's annual business plan. Management conduct ongoing assessments of post-Brexit impacts and the continuing effects of the Covid-19 pandemic. We will continue to monitor the economic and political situations in the UK and globally and adapt any business decisions accordingly.	Whilst reduced, the Covid -19 pandemic continues to affect global and local economies e.g. inflationary pressures arising from supply chain shortages, interest rate rises and cost of energy. UK GDP growth estimates for 2022 have fallen since the beginning of the year. Furthermore, global economic and political conditions e.g. the Russo-Ukrainian war and associated sanctions, are exerting pressure on global supply chains and economies. The risk is therefore considered to have increased since last year.
Significant business disruption/external catastrophic event Link to Strategy **Growth** **Property** YoY change =	The Group's operations, reputation or financial performance could be adversely affected and disrupted by major external events such as pandemic disease, civil unrest, war and geopolitical instability, terrorist attacks, extreme weather, environmental incidents, and power supply shortages. All of these potential events could have a considerable impact on the global economy, as well as that of our business and our stakeholders.	In the event of a significant event: • The Executive Committee will be tasked with the daily monitoring and managing of the risk, and will focus on the impact on property locations, the business and supply chain. • Regular Board discussions will be held during any pandemic to review the Group's response and mitigating actions. • Enhanced engagement with our stakeholders will be conducted (particularly with occupiers, contractors, shareholders and employees). • There will be continuous review of Government guidelines and emerging practice, with risk assessments undertaken as control measures change. • Guidance will be issued to our staff, occupiers and contractors on how to protect themselves and others. The Group ensures that it has adequate Business Continuity Plans and IT Business Continuity Plans in place to enable remote working for all staff. Testing of business resilience and risk planning is conducted throughout the year.	Global rollout of Covid-19 vaccinations has reduced the probability of further significant and prolonged disruption due to the disease. However, the UK's terrorism national threat level is currently rated as "substantial". The current Russo-Ukrainian war and associated sanctions are putting pressure on global supply chains and economies. Therefore, this risk remains unchanged.
Climate change Link to Strategy **Sustainability** YoY change ↑	The Group is alive to the risks posed by climate change. Failing to respond to these risks appropriately (in line with societal attitudes or legislation) or failing to identify potential opportunities could lead to reputational damage, loss of income or decline in property values. There is also the additional risk that the costs to operate our business (energy or water) or undertake development activities (construction materials) will rise as a consequence of climate change.	The Group has a Sustainability Committee, which reviews the Group's approach and strategy to climate related risks and presents regularly to the Board and Executive Committee on emerging issues and mitigation plans. The Committee sets appropriate targets and KPIs to effectively monitor the Group's performance. During the year, a detailed scenario analysis was performed to ascertain the potential risks and opportunities that arise due to specific climate related scenarios. The outcome of this analysis has been incorporated into our wider TCFD statement. Annually, the Group produces a Sustainability Performance Report with key data and performance points which are externally assured. In May 2022, the Group released its Net Zero Carbon Pathway, which commits to becoming net zero carbon by 2030 and includes the actions and steps required to meet the associated targets.	Climate change risk continues to increase in prominence and importance. In the UK, the Government continues to introduce more legislation linked to climate risk e.g. TCFD and legislation requiring higher standards for energy efficiency in commercial and residential properties (EPCs). The risks associated with the impact of climate change continue to increase and businesses are being encouraged to proactively respond by all their stakeholders.

Risk	Description	Mitigating actions	Changes in risk severity
Financial risks Financial risks are those that could prevent the Group from funding its chosen strategy, both in the long and short-term.			
Availability and cost of bank borrowing and cash resources Link to Strategy **Financing** YoY change =	The inability to roll over existing facilities or take out new borrowing could impact the Group's ability to maintain its current portfolio and purchase new properties. The Group may forego opportunities if it does not maintain sufficient cash to take advantage of them as they arise. The Group is at risk of increased interest rates on unhedged borrowings.	The Group maintains a good relationship with many established lending institutions and borrowings are spread across a number of these. Funding requirements are reviewed monthly by management, who seek to ensure that the maturity dates of borrowings are spread over several years. Management monitors the cash levels of the Group on a daily basis and maintains sufficient levels of cash resources and undrawn committed bank facilities to fund opportunities as they arise. The Group hedges the interest rates on the majority of its borrowings, effectively fixing or capping the rates over several years.	The Group has cash and undrawn bank facilities available to it and an appropriate level of borrowings.
Breach of loan covenants Link to Strategy **Financing** YoY change =	If the Group breaches debt covenants, lending institutions may require the early repayment of borrowings.	Covenants are closely monitored throughout the year. Management carries out sensitivity analyses to assess the likelihood of future breaches based on significant changes in property values or rental income. The risk is further mitigated through the obtaining of tenant guarantors/bank guarantees/deposits.	The pandemic has put some tenants under cash flow pressure. Although the Group's rental collection remains strong, this is still a key risk for the business.
Operational risks Operational risks are internal risks that could prevent the Group from delivering its strategy.			
Our people Link to Strategy **People** YoY change **New risk**	The Group's continued success is reliant on its management and staff. The failure to attract, develop and retain the right people with requisite skills, as well as failure to maintain a positive working environment for employees, could inhibit the execution of our strategy and diminish our long-term sustainability.	The senior management team is very experienced with a high average length of service. The Nominations Committee and Board continuously review succession plans, and the Remuneration Committee oversees the Directors' Remuneration Policy and its application to senior employees, and reviews and approves incentive arrangements to ensure they are commensurate with market practice. Remuneration is set to attract and retain high calibre staff. Our annual appraisal process focuses on future career development and staff are encouraged to undertake personal development and training courses, supported by the Company. The Board and senior management engage directly with employees through a variety of engagement initiatives which enable the Board to ascertain staff satisfaction levels and implement changes to working practices and the working environment as necessary. We also arrange all staff training activities and events throughout the year.	Although there is currently strong competition for talent in the employment market at present, this risk has remained broadly similar due to our high staff retention levels. The Board reaffirmed the succession plans for key roles within the Company during the year which supports the long-term success of the business.

Risk	Description	Mitigating actions	Changes in risk severity
Operational risks continued			
Relationships with business partners and reliance on external partners Link to Strategy **People** YoY change ↑	The Group's continued success is reliant on successful relationships with its joint venture partners. As several of the Group's properties are held in conjunction with third parties, the Group's control over these properties is more limited and these structures also reduce the Group's liquidity. Operational effectiveness and financing strategies may also be adversely impacted if partners are not strategically aligned. The Group is dependent on a number of external third parties to ensure the successful delivery of its development programme and asset management of existing assets. These include: • Contractors and suppliers; • Consultants; • Managing agents; and • Legal and professional teams. The Group would be adversely impacted by increases in the cost of services provided by third parties.	**Business partners** • The Group nurtures well established relationships with joint venture partners, seeking future projects where it has had previous successful collaborations. • Management has a strong track record of working effectively with a diverse range of partners. • Our joint venture business plans are prepared to ensure operational and strategic alignment with our partners. **External partners** • The Group actively monitors its development projects and uses external project managers to provide support. Potential contractors are vetted for their quality, health and safety record and financial viability prior to engagement. • The Group has a highly experienced team managing its properties, who regularly conduct on-site reviews and monitor cash flows against budget. • The Group seeks to maintain excellent relationships with its specialist professional advisors, often engaging parties with whom it has successfully worked previously. • Management actively monitors these parties to ensure they are delivering the required quality on time and strong working relationships are maintained.	External factors such as the Covid-19 pandemic, geopolitical tensions and high levels of demand for certain raw materials and components place increased pressure on supply chains and distribution networks. Given our reliance on external third parties to ensure the successful delivery of our development programmes and asset management, these external factors could have a significant impact on our business and, accordingly, this risk has increased.
Health and safety Link to Strategy **Property** **People** YoY change =	The nature of the Group's operations and markets exposes it to potential health and safety risks both internally and externally within the supply chain.	The Group reviews and updates its Health & Safety Policy regularly and it is approved by the Board annually. Contractors are required to comply with the terms of our Health & Safety Policy. The Group engages an external health and safety consultant to review contractor agreements prior to appointment and ensures they have appropriate policies and procedures in place, then monitors the adherence to such policies and procedures throughout the project's lifetime. The Executive Committee reviews the report by the external consultant every month and the Board reviews them at every scheduled meeting. The internal asset managers carry out regular site visits.	This remains a key area of focus for the business and the risk remains the same.
Cyber-attacks to our business and our buildings/cyber security Link to Strategy **Property** YoY change =	The Group relies on information technology ("IT") to perform effectively, and a cyber-attack could result in IT systems being unavailable, adversely affecting the Group's operations. The increasing reliance on and use of digital technology heighten the risks associated with IT and cyber security. Commercially sensitive and personal information is electronically stored by the Group. Theft of this information could adversely impact the Group's commercial advantage and result in penalties where the information is governed by law (GDPR and Data Protection Act 2018). Risks are continually evolving, and we must design, implement and monitor effective controls to protect the Group from cyber-attack or major IT failure. The Group increasingly employs IT solutions across its property portfolio to ensure its buildings are "smart". The Group is at risk of being a victim of social engineering fraud.	The Group engages and actively manages external IT experts to ensure its IT systems operate effectively and that we respond to the evolving IT security environment. This includes regular off-site backups and a comprehensive disaster recovery process. The external provider also ensures the system is secure and this is subject to routine testing including bi-annual disaster recovery tests and annual Cyber Essential Plus Certification. There is a robust control environment in place for invoice approval and payment authorisations including authorisation limits and a dual sign off requirement for large invoices and bank payments. The Group provides training and performs penetration testing to identify emails of a suspicious nature, ensuring these are flagged to the IT providers, and ensures employees are aware they should not open attachments or follow instructions within the email. On an annual basis, our external IT providers provide IT security training to ensure all staff are adopting best practice IT security measures to help protect the business against cyber-attack. An external review of Helical's anti-financial crime and cyber security frameworks was conducted during the year and training delivered to staff. The Group has a disaster recovery plan, on-site security at its properties and insurance policies in place in order to deal with any external events and mitigate their impact.	Cyber risks persist as cyber criminals continue to exploit changes in working practices post-pandemic. The Group's cyber security controls have continued to be strengthened and no major breaches were reported during the year. However, as the number of UK businesses reporting security threats has not decreased over the year, we have not revised the risk severity rating for the forthcoming year.

Risk	Description	Mitigating actions	Changes in risk severity
Reputational risks Reputational risks are those that could affect the Group in all aspects of its strategy.			
Poor management of stakeholder relations Link to Strategy **People** **Growth** YoY change =	Reputational damage resulting in a loss of credibility with key stakeholders including Shareholders, analysts, banking institutions, contractors, managing agents, tenants, property purchasers/sellers and employees is a continuous risk for the Group.	The Group believes that successfully delivering its strategy and mitigating its principal risks should protect its reputation. The Group regularly reviews its strategy and risks to ensure it is acting in the interests of its stakeholders. The Group maintains a strong relationship with investors and analysts through regular meetings. We ensure strong community involvement in the design process for our developments and create employment and education opportunities through our construction and operations activities. Management closely monitors day-to-day business operations, and the Group has a formal approval procedure for all press releases and public announcements. A Group Disclosure Policy and Share Dealing Code, Policy & Procedures have been circulated to all staff in accordance with the UK Market Abuse Regulation (UK MAR).	This risk remains and is expected to remain at the same level.
Non-compliance with prevailing legislation, regulation and best practice Link to Strategy **Growth** **Sustainability** YoY change =	The nature of the Group's operations and markets exposes it to financial crimes risks (including bribery and corruption risks, money laundering and tax evasion) both internally and externally within the supply chain. The Group is exposed to the potential risk of acquiring or disposing of a property where the owner/purchaser has been involved in criminal conduct or illicit activities. The Group would attract criticism and negative publicity were any instances of modern slavery and human trafficking identified within its supply chain. The Group would attract criticism and negative publicity if instances of non-compliance with GDPR and the Data Protection Act 2018 were identified. Non-compliance may also result in financial penalties.	The Group's anti-bribery and corruption and whistleblowing policies and procedures are reviewed and updated annually and emailed to staff and displayed on our website. Projects with greater exposure to bribery and corruption are monitored closely. The Group avoids doing business in high-risk territories. The Group has related policies and procedures designed to mitigate bribery and corruption risks including: Know Your Client checks, due diligence processes, capital expenditure controls, contracts risk assessment procedures, and competition and anti-trust guidance. The Group engages legal professionals to support these policies where appropriate. All employees are required to complete anti-bribery and corruption training and to submit details of corporate hospitality and gifts received. This year, staff also received anti-financial crime training to enhance their awareness. All property transactions are reviewed and authorised by the Executive Committee. Our Modern Slavery Act statement, which is prominently displayed on our website, gives details of our policy and our approach. The Group monitors its GDPR and Data Protection Act 2018 compliance to ensure appropriate safeguards, policies, procedures, contractual terms and records are implemented and maintained in accordance with the regulations.	This risk is consistent for the business due to the ever changing legal and regulatory landscape the business operates in. Therefore, the risk remains at a similar level.

Our approach to a sustainable future

2022 Ratings

GRESB (Global Real Estate Sustainability Benchmark)	Score of 85
	4 Green Star rating
	"A" rated public disclosure
MSCI	"AAA" rating
EPRA Sustainability Reporting Awards	Gold award
CDP	"C" rating

Sustainability at Helical

At Helical, being able to operate our business responsibly includes considering the impact we have on the environment, communities and the people in our business. Understanding this balance with the support of a robust governance structure and key responsible people allows us to deliver long-term value for all our stakeholders.

We have progressed well against the targets we set out in our sustainability strategy "Built for the Future" and in May 2022 made a further commitment with the release of our "Net Zero Carbon Pathway". Helical has announced its plan to become net zero carbon by 2030. With the support of our guide "Designing for Net Zero", we plan to drive down carbon emissions arising from our new developments and through a series of new initiatives and intervention have already reduced the emissions arising from our existing portfolio.

As we build on our ambitions, we continue to recognise the importance of transparency and independently assured reporting. Going forward we will be reporting on our progress against our net zero carbon targets to make certain we are on track for 2030. During the year, we have also further developed our reporting against the recommendations of the Task Force on Climate-related Financial Disclosures which can be found on page 64. We have performed an in-depth review of the risks and opportunities that could arise from certain climate-related scenarios and evaluated the potential impact on our business.

Sustainability is embedded throughout our business which ensures its effectiveness when making key business decisions. Six key priorities drive our long-term vision for sustainability and we believe that by integrating these priorities across our business, supply chain and business partners, they will create long-term value.

Highlights

16%

Reduction in like-for-like whole building energy intensity

23%

Reduction in our like-for-like whole building GHG carbon emissions (Scope 1 and 2)

100%

Renewable energy sourced for all landlord controlled and procured electricity

40%

Reduction in embodied carbon at 33 Charterhouse Street, EC1

Our key sustainability priorities

Our sustainability strategy "Built for the Future" sets out the Group's long-term vision encompassing "Our Environment, Our Communities and Our People" and supports the business in becoming truly sustainable.

Underpinning its focus areas, our strategy identifies six key priorities which drive our long-term vision for sustainability:

Our Environment

1 Transition to a low carbon business

2 Buy, use and re-use resources efficiently

Our Communities

3 Bring social, economic and environmental benefits to the areas in which we operate

4 Design and operate our buildings to support health and wellbeing

Our People

5 Attract and retain the best people

6 Maintain strong relationships with our business partners

Our Environment

The built environment is estimated to contribute around 40% of the UK's carbon emissions and it is therefore imperative that the real estate industry addresses its carbon footprint.

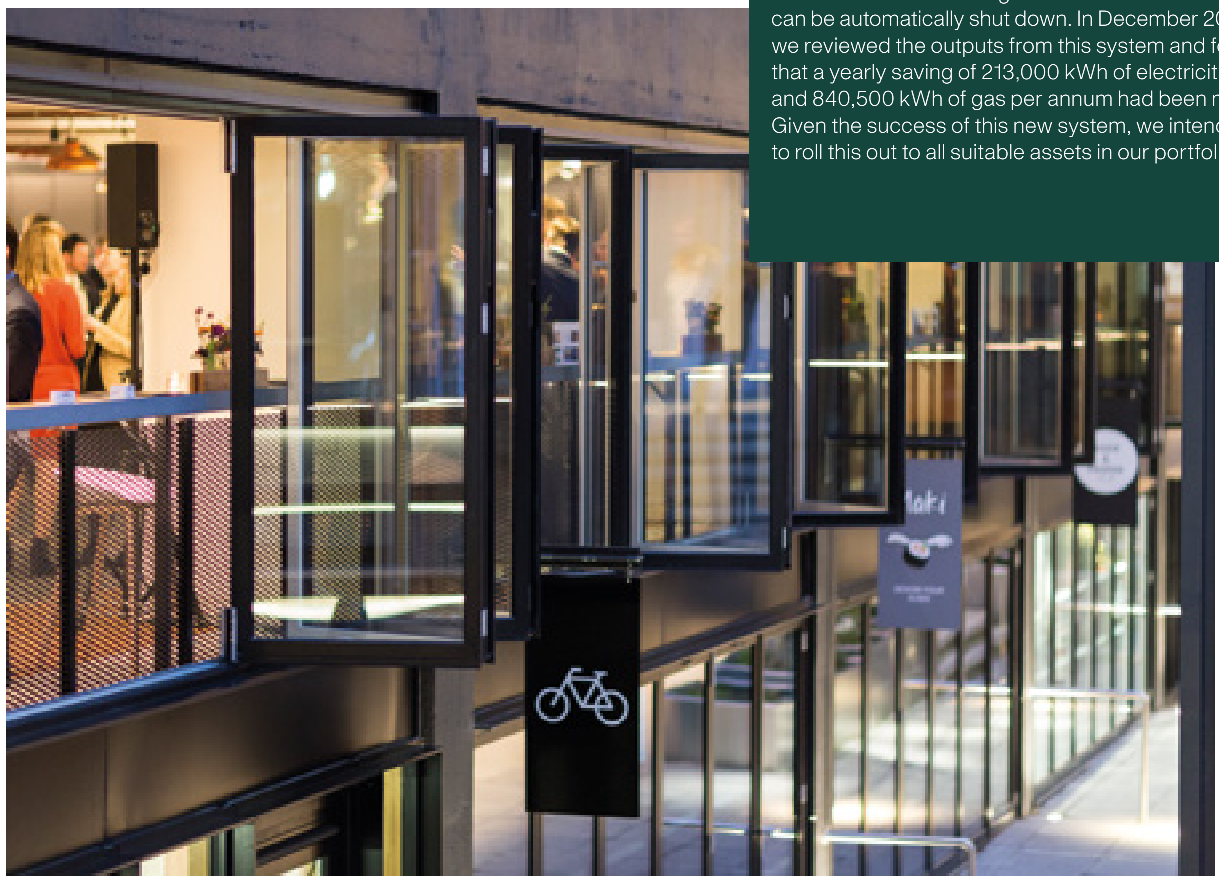
Challenging carbon within our managed portfolio

Our approach to decarbonising our business starts with maximising the energy efficiency of our buildings. We already procure 100% of our electricity on renewable tariffs for our office buildings, however, we recognise the need to significantly reduce consumption across our portfolio. During the year, our like-for-like energy consumption decreased by 45%. To enable us to deliver sustained year-on-year improvements in energy efficiency, and to meet our energy intensity and carbon intensity reduction targets, we will need to work closely with our occupiers and supply chain partners to reduce the amount of energy we collectively consume.

Case study:

Integrating a new Building Management Solution (BMS)

In January 2021, Helical and managing agents Ashdown Phillips trialled an enhanced, technologically advanced Building Management Solution (BMS) at The Warehouse, one of the buildings at The Bower, EC1. During the pandemic, it had been noted that during periods of low occupation, the building was still using large amounts of energy. In response to this, a non-intrusive assessment and installation of an integrated enhanced BMS was actioned. The BMS uses data and a set of operating "rules" to assess when and how the equipment should operate and creates an alert for when it is running outside of these "rules" and can be automatically shut down. In December 2021, we reviewed the outputs from this system and found that a yearly saving of 213,000 kWh of electricity and 840,500 kWh of gas per annum had been made. Given the success of this new system, we intend to roll this out to all suitable assets in our portfolio.



Challenging carbon at our development sites

Embodied carbon accounts for a significant proportion of a new development's carbon footprint. We have committed to undertake a full life-cycle carbon assessment for all new developments to accurately measure embodied carbon. Our ambition to reduce embodied carbon is further supported by our step-by-step guide to designing low carbon and resilient buildings: "Designing for Net Zero". This guide is intended for design teams to ensure carbon efficiencies are being interrogated at every stage of a development.

Case study:

Minimising embodied carbon at 33 Charterhouse Street, EC1

Helical is undertaking a new development at 33 Charterhouse Street, EC1 and we are making significant efforts to minimise our environmental impact. We have adopted the use of recycled materials in the construction process, for example within the aluminium cladding, steel frames, raised floor tiles, light fittings, and using reclaimed bricks. We have used Earth Friendly Concrete that is 50% less carbon intensive than a standard concrete mix. Our steel was produced in the UK, which reduced our embodied carbon significantly by being partly sourced from recycled/reused steel and from the lowered transportation related emissions. Through these means, this new development is being delivered with an embodied carbon intensity that is 40% below the RIBA benchmark. The operational emissions are also targeted to be 43.3% lower than the regulated Targeted Emissions Rate outlined in Part L of the Building Regulations (2013).

Net Zero Carbon Pathway

In May 2022, we released our "Net Zero Carbon Pathway". Our Pathway, which is aligned to the Better Buildings Partnership (BBP)'s Net Zero Carbon Pathway Framework, sets out Helical's commitment to becoming net zero carbon by 2030.

Through the analysis of our baseline carbon footprint we estimate that, if we were to take no active net zero carbon steps, our footprint would reach 28,000 tonnes. In response to this, our Pathway sets out the following approach to reaching net zero carbon by 2030.

We are committing to becoming a net zero carbon business by 2030."

Read our Net Zero Carbon Pathway
Scan the QR code to read our report or visit the Sustainability section of our website.

1

Reduce embodied carbon
Embodied carbon comes from the greenhouse gas emissions generated to produce buildings including emissions caused by extraction, manufacturing/processing, transportation and assembly. We have set ourselves a target of delivering new developments with an embodied carbon of less than 600kgCO_2/m^2. To achieve this target, we will be using the principles set out in our guide "Designing for Net Zero", which details a ten-step process which, when followed, maximises the opportunities to reduce embodied carbon.

2

Reduce operational energy
Operational energy is the energy used to run a building and focuses largely on electricity and gas supply. Helical intends to achieve the UKGBC's target for offices of 90 kWh/m^2 by 2030. Our portfolio already operates with relatively low energy intensity as our buildings have all been recently redeveloped or refurbished. We will therefore focus on electrifying our buildings, exploring potential connections to district heating networks and continuing energy saving measures such as upgrading Building Management Systems.

100%
Embodied carbon emissions offset for all future new developments

90 kWh/m^2
Target for operational energy optimisation

600 kgCO_2/m^2
Target for embodied carbon for new developments

3

Maximise renewable energy
Buildings will always need some form of heating and cooling. Once the efficiency of these systems has been maximised, we need to power these assets through renewable energy supplies wherever possible. For our existing portfolio, we have investigated the opportunities for onsite renewables and found there is, in many cases, limited scope for meaningful interventions. We will therefore focus on procuring the highest quality renewable energy supply for our offices. For our new developments, we will avoid the use of fossil fuels and generate onsite renewable energy through the installation of PV solar panels and electric air-source heat pumps.

4

Offset unavoidable emissions
Whilst we are striving to remove carbon emissions from our supply chain and development activities, it is likely that we will require carbon offsets for some of our residual difficult-to-decarbonise emissions from 2030 onwards. In alignment with the Better Building Partnership requirements and those of the Oxford Offsetting Principles, we will only use such offsets when all other options for reducing our emissions have been exhausted.

Our environmental performance

Energy

Despite increasing occupation levels, our total like-for-like electricity intensity for our managed portfolio decreased by 7% and our total like-for-like gas (direct fuels) intensity decreased by 75%. For our landlord-controlled areas we saw an 18% reduction in electricity intensity and a 34% reduction in our tenant consumption.

This impressive reduction is a result of upgrades to our Building Management Systems (BMS) at The Bower (see case study on page 58). Going forward our focus will be to electrify our buildings, reducing our reliance on gas at our assets. Our property managing agents continue to work closely with our tenants to understand their working arrangements to optimise heating, cooling and plant running.

In addition to the above we have continued to roll out a number of energy efficiency improvements across our assets in the reporting period. These include:

- Increased coverage of LED lighting;
- Improved existing energy management practices;
- Increased coverage of climate and lighting controls;
- Reviewed options for Low and Zero Carbon (LZC) technologies, such as photovoltaics; and
- Actively managed ventilation and heating strategies.

Carbon

In the year, as a result of the energy saving initiatives carried out, we saw our Scope 1 like-for-like emissions reduce by 75%. Likewise, our Scope 2 like-for-like emissions have also fallen by 8%.

Associated Scope 3 emissions have seen a drop by 26% compared with the previous reporting year. This is primarily due to a reduction in tenant emissions from electricity consumption through fluctuations in occupancy, property divestment, and associated decarbonisation of the grid. Tracking our performance across all scopes of emissions will allow us to identify key areas for improvement across our supply chain and ensure a sustainable business strategy.

Water

Total water consumption across head office, our managed property portfolio and our development sites has seen a decrease of 8% in comparison to the last reporting year. A comparison of the like-for-like assets has seen an increase of 56% in the year, due to an increase in occupancy throughout the year as restrictions related to the Covid-19 pandemic for office-based working have gradually been lifted. However, when water intensity for the year is compared with that for 2019-2020 (a year with comparably few restrictions resulting from the Covid-19 pandemic), almost a 50% reduction in intensity can be seen.

Waste

Our recycling rate was 50% compared to 40% last year. The majority of recyclable waste comes from occupier waste streams, i.e., food waste, coffee cups, paper, packaging and glass. Recycling in our managed portfolio has met the target of a 50% recycling rate, with the majority of properties achieving recycling rates of over 55%. We have successfully engaged with restaurant and café tenants to encourage them to avoid single use plastic and reduce waste wherever possible. Recycling in the development portfolio has achieved rates of 95% and above, with any remaining waste recycled on site.

Streamlined Energy and Carbon Reporting (SECR) disclosure

Our SECR disclosure presents our carbon footprint across Scopes 1, 2 and 3, together with an appropriate intensity metric and our total energy use of electricity and gas.

	2022	2021
Gross internal floor area (m^2)	**102,417**	161,759
Scope 1 emissions and direct energy use		
Emissions associated with combustion of fuel (tCO_2e)	**141**	860
Emissions associated with operation of facilities (refrigerant gas) (tCO_2e)	**–**	–
Energy use of combustion of fuel (kWh)	**745,025**	4,274,003
Scope 2 emissions and indirect energy use		
Emissions associated with purchased electricity, heat, steam and cooling usage (tCO_2e)	**872**	1,310
Emissions associated with head office electricity usage (tCO_2e)	**23**	23
Energy use of purchased electricity, heat, steam and cooling (kWh)	**4,104,484**	6,427,922
Energy use of electricity at head office (kWh)	**107,027**	96,009
Scope 3 emissions and indirect energy use		
Emissions associated with purchased electricity sub-metered to occupiers (tCO_2e)	**597**	998
Energy use of purchased electricity sub-metered to occupiers (kWh)	**2,813,039**	4,280,702
District heating and cooling (tCO_2e)	**46**	–
District heating and cooling (kWh)	**573,000**	–
Emissions and energy use totals		
Absolute emissions Scope 1 and 2 (tCO_2e)	**1,036**	2,193
Total energy use Scope 1 and 2 (kWh)	**4,956,536**	10,797,934
Intensity measures		
Emissions per m^2 gross internal area (tCO_2e/m^2/year)	**0.010**	0.014
Energy use per m^2 gross internal area (kWh/m^2/year)	**48.40**	66.75
Emissions per revenue (Scope 1&2 tCO_2e/£m)	**33.21**	87.72
Emissions and energy use totals like-for-like		
Absolute emissions on a like-for-like basis (tCO_2e)	**969**	1,312
Energy use on a like-for-like basis (kWh)	**4,228,084**	6,192,129
Intensity measures like-for-like		
Emissions per m^2 gross internal area on a like-for-like basis (tCO_2e/m^2/year)	**0.029**	0.036
Energy use per m^2 gross internal area on a like-for-like basis (kWh/m^2/year)	**147.26**	179.90

Our SECR reporting methodology

For our SECR disclosure we have used the operational control consolidation method, as this best reflects our property management arrangements and our influence over energy consumption. Included in our operational control data are emissions and energy usage from our managed properties (including 100% of emissions from joint venture properties) and head office usage. Where we have purchased energy, which is sub-metered to occupiers, this is itemised separately. We have included usage or emissions from our development sites and refurbishments sites as these are still considered under our operational control. We have used DEFRA Environmental Reporting Guidelines and the Greenhouse Gas Protocol to calculate our emissions.

Third party verification

We appointed RPS Consulting UK&I (RPS) to perform third party verification of our SECR disclosure for the year 1 April 2021 to 31 March 2022. Based on the verification procedures detailed in their full statement, RPS have found no evidence to suggest that Helical's SECR disclosure and associated environmental indicators are materially incorrect and confirm they have been prepared in accordance with the relevant guidance and legislation. This conclusion should be read in conjunction with RPS's full ISO 14064:3 limited verification statement available in the Sustainability Performance Report 2022 on our website.

The Task Force on Climate-related Financial Disclosures

Climate change continues to be one of the greatest long-term challenges we face. In an effort to improve transparency, the Task Force on Climate-related Financial Disclosures (TCFD) framework provides guidance on how to improve reporting on climate-related financial risks and opportunities.

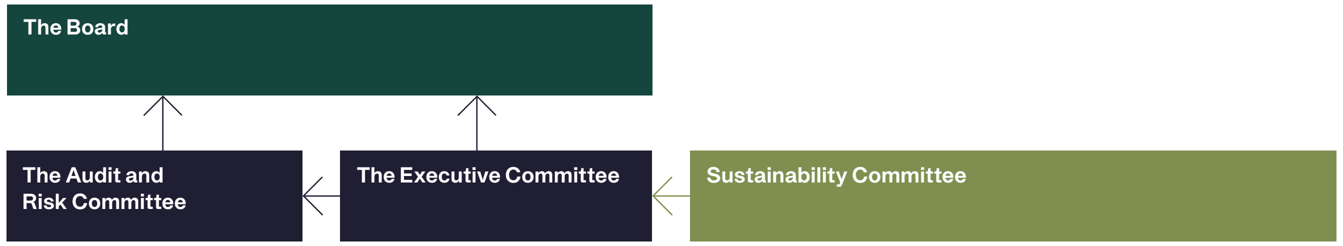
At Helical, we support the TCFD recommendations and have made good progress from our initial disclosure in 2020/2021 to a more robust and comprehensive disclosure in this Annual Report. We believe our TCFD disclosure will support stakeholders in assessing our exposure to climate-related risks and opportunities and aid them in making informed decisions.

The TCFD framework addresses four key areas:

During the year we have performed an in-depth study on climate scenarios and undertaken quantitative analysis on the risks and opportunities and the associated potential financial impact.

Governance

The Board's oversight of climate-related risks and opportunities



The Board has ultimate responsibility for risk management within the Group. The Board sets the risk appetite of the Group, establishes a risk management strategy and is responsible for maintaining a robust internal control system. Part of this risk management approach is considering those risks posed by climate change. The Board considers the impact of volatile weather patterns, shifts in stakeholder behaviour and availability of climate resilient technology to assess the potential implications for the business and set out a suitable mitigation plan. At Board level, Sue Farr has been appointed the designated Non-Executive Director responsible for ESG matters.

The Audit and Risk Committee is a Board Committee formed of Non-Executive Directors and meets quarterly. It supports the Board by evaluating the effectiveness of the risk management procedures and internal controls throughout the year.

The Executive Committee is responsible for the day-to-day operational application of the risk management strategy and ensuring that all staff are aware of their responsibilities. It reports to both the Audit and Risk Committee and directly to the Board on the operation of the Group's Risk Management Framework.

The Sustainability Committee meets quarterly and is chaired by Helical's Property Director and is made up of a cross functional team including the Head of Sustainability, Head of Asset Management and Senior Development Executive. Collectively they are responsible for new developments, refurbishments and building operations. The Sustainability Committee has the required knowledge to actively manage the climate change risks and opportunities faced by the Group. It engages with relevant stakeholders to determine the impacts on financial planning, impact to strategies, relevant targets and key priorities. It is responsible for implementing policies which promote the long-term sustainability of the Group and facilitate informed decisions which minimise Helical's impact on climate change.

The Head of Sustainability reports directly to our Property Director and provides regular updates to the Executive Committee on progress against targets and the wider sustainability strategy. A formal presentation is given to the Board on an annual basis.

Management's role in assessing and managing climate-related risks and opportunities

Our sustainability strategy "Built for the Future" sets out our ambitions in respect of our development and asset management activities and sets out our long-term vision for Our Environment, Our People and Our Communities. It details guiding principles on how to operate our business in a sustainable way while also ensuring future long-term growth. Our strategy is led by our Head of Sustainability and is implemented by the wider Sustainability and Executive Committees.

Assessing related risks and opportunities

The Sustainability Committee is responsible for identifying and assessing climate change risks in relation to our operations, environmental ambitions and performance against our targets.

Climate-related risks are captured in our Risk Register and are overseen and reviewed by our Audit and Risk Committee. Whilst the Board is ultimately responsible for the management of risk, the Group is structured in such a way that risk identification, assessment, management, and monitoring occur at all levels of the Helical team.

Roles and responsibilities with respect to risk are well established and the close working relationships existing between senior management and our Executive Committee enhance our ability to manage our risks. The identification of risk occurs primarily at Board level through application of Helical's Risk Management Framework (see page 48). As part of this process, the Risk Register and corresponding Risk Heat Map (please see pages 49 to 55) are produced. The Board meets at least twice a year to assess the appropriateness of the Risk Register, considering the macro economic environment, current projects and performance and past experience.

All risks, including climate-related risks, are assessed in terms of impact on the business and the severity of the risk. Risk severity involves assessing both the likelihood of a risk materialising and its potential impact. The Executive Committee assesses the risk severity and reports its assessment to the Board. The severity levels determined by the Executive Committee are assessed by the Board. The Board also reviews the mitigating actions to ensure they reduce the risk down to an acceptable level based on the Group's risk appetite.

More details on our approach to risk management can be found on pages 46 to 47.

Strategy

As a property developer and investor, climate-related issues affect the way we design our new developments and how we manage our existing assets effectively. We take an active approach in managing climate-related risks and opportunities.

We identify risk and opportunities over the short term (0-3 years), medium term (3-5 years), and long term (5-15 years).

Short term (0-3 years)	In the short term we will continue to take a proactive approach to minimising risks and maximising opportunities associated with our current and future tenants' needs, regulatory landscape and the availability of natural resources. These priorities shape the way we develop, manage and occupy our buildings while minimising the impacts of climate change. Key short-term risks and opportunities which have been identified are as follows: • Minimum Energy Efficiency Standards (MEES) • Change in tenant preferences and expectations
Medium term (3-5 years)	Over the medium term, we will identify and manage the financial impacts arising from climate change risks. We will use our market leading knowledge to make sustainable investment choices. Key medium-term risks have been identified as follows: • Net zero carbon requirements • Increased utility costs • Increased cost of raw materials • Carbon pricing • Change in tenant preferences and expectations
Long term (5-15 years)	These risks have a wider impact on the Group's strategy and will help define how the Group will look to operate in the long term. To address the risks associated with more extreme weather patterns, we will work with our supply chain, contractors and design teams to guarantee our developments are designed to be resilient and adaptable to these risks. Key long-term risks have been identified as follows: • Rising temperatures • More volatile weather patterns • More stringent building regulations • Rental and valuation premiums through resilience planning

Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Our sustainability strategy "Built for the Future" drives our approach and aspirations and is supported by our sustainability and environment policies and targets. These documents can be found on our website. They set out how we manage these risks within our development and asset management activities and set the necessary performance standards and targets.

To help us plan climate-related resilience into our development assets, we have published "Designing for Net Zero". This guide details our ten-step approach to designing low carbon and climate resilient developments. We have set out a design journey supporting, guiding, and prompting professional teams as they progress Helical's development projects from the initial planning stage through construction and onto their operation.

Climate-related risks have a direct impact on how we develop and manage our buildings and are a consideration when acquiring and disposing assets. Our "Net Zero Carbon Pathway" sets out how we plan to transition to a low carbon business and become net zero carbon by 2030.

Below are some examples of how we are incorporating climate-related risks and opportunities into our wider business strategy.

New acquisitions – We are already seeing the bifurcation between best-in-class "green" assets and "brown" assets. 99% of our current portfolio by value hold an EPC of "B" or above, whereas market research suggests that 83% of London buildings do not currently meet the 2030 MEES proposed EPC target of "B". As a result of this we expect opportunities to emerge to acquire these stranded assets for repositioning and redeveloping.

Ongoing developments – Our guide "Designing for Net Zero", sets out best practice guidelines and principles for developing low carbon, best-in-class buildings. With the use of a carbon champion, we will challenge carbon at every stage, from design through to occupation, to ensure every benefit is gained. Our development at 33 Charterhouse, EC1 is on track for an embodied carbon reduction of 40% compared to the current RIBA benchmark. It is also on track to receive an EPC "A" and BREEAM "Outstanding" rating.

Asset management – As part of our "Net Zero Carbon Pathway", we have reviewed each of our assets, considering their energy trajectories and EPCs. Using this data we have created a roadmap for future upgrades to these buildings and investments in renewable technologies and connections to district heating networks to aid us in meeting our net zero carbon targets. The use of smart building technologies, such as those being fitted at 33 Charterhouse Street, EC1, will provide real time information on energy usage and will be a vital tool when engaging with tenants.

Financial planning – we are currently looking at ways we can formalise our approach to carbon pricing and accounting, with the view that through the development of a clear carbon pricing strategy, we can include the cost of carbon as part of our acquisition and the wider development programme.

We have already secured a designated £140m "Green Loan" with Allianz as part of our development activities at 33 Charterhouse, EC1. As we look at future refinancing activities, we will take steps to secure either Green Loans or Sustainability Linked facilities so we can benefit from a more competitive market based on certain KPIs.

Resilience of the organisation's strategy considering different climate-related scenarios

Our strategy is to acquire poor performing, inefficient, "brown" buildings and reposition these through a redevelopment programme to create buildings which meet the needs of today's occupiers.

Our strategy "Built for the Future" and "Net Zero Carbon Pathway" set out how we will mitigate climate change and adapt to the effects of climate change, whilst delivering our business strategy.

These commitments coupled with our design guide "Designing for Net Zero" deliver a strategy which will enable the decarbonisation of our business whilst responding to both physical and transitional risks of climate change.

We have aligned our strategy to a 1.5°C warming scenario, however we have also reviewed a 2°C and 4°C warming scenario.

Physical risk

Physical risks are typically defined as risks which arise from the physical effects of climate change and environmental degradation.

They can be categorised either as acute – if they arise from climate and weather-related events and an acute destruction of the environment, or chronic – if they arise from progressive shifts in climate and weather patterns or a gradual loss of ecosystem services.

We have undertaken physical climate risk modelling to quantify the potential impacts of climate change on London under a range of future emission scenarios. We have conducted physical risk scenario analysis, including future climate scenarios with global temperature increases of approximately 2°C (RCP2.6) and 4°C (RCP8.5).

Transition risk

Transition risk generally refers to the uncertainty associated with the timing and speed of adjusting (adapting) to an environmentally sustainable economy.

When considering the transition risks and opportunities for different scenarios, we have taken into consideration our proactive stance with regards to climate change, as set out in the climate-related goals and objectives in our sustainability strategy "Built for the Future", our design guide "Designing for Net Zero" and our "Net Zero Carbon Pathway".

We have used the CCC's 6th Carbon Budget (the "Buildings" section) to inform our scenario basis, with three distinct scenarios defined as:

Balanced – Implementing new and upgrading existing energy efficiency measures in all commercial buildings; significantly scaling up the market for heat pumps as a critical technology for decarbonised space heating; expanding the rollout of low carbon heat networks in heat dense areas; and facilitating a potential role for hydrogen in heating.

Headwinds – While there is some degree of behaviour change and innovation/implementation in low carbon technology, there are not widespread behavioural shifts or significant policy/market driven reductions in the costs of low carbon design and technology for buildings.

Tailwinds – Through significant consumer behavioural changes and the widespread implementation of energy efficiency measures, an early and rapid rate of decarbonisation in buildings is realised over a short to long-term horizon.

Risk management

Identifying and assessing climate-related risks

Risk is an integral part of the Group's business activities and Helical's ability to identify, assess, monitor and manage its risks is fundamental to its financial stability, continuing performance and reputation. When making business decisions, the Board of Helical assesses all potential risks faced, including climate-related risks, and considers the effect that such risks could have on the achievement of the strategic priorities and the long-term success of the Group.

Managing climate-related risks

We have an established Risk Management Framework which underpins how we manage risks, including climate-related risks.

Encompassed within the Risk Management Framework is the Board's responsibility to maintain and monitor the Group's system of internal controls. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Helical's internal controls are designed to provide reasonable assurance in the following areas:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

> Climate change is one of the greatest issues businesses are currently facing. As a listed commercial property developer, we have a duty to drive transparency, accountability and responsibility in our reporting. By supporting the TCFD recommendations, we are actively demonstrating our commitment to being a sustainable business."

It is the responsibility of the Board to ensure that the Group's internal control system is effective in preventing losses from risk events, or identifying risk events, and taking corrective action when they occur.

Our aim is to manage each of our risks and mitigate them so that they fall within the risk appetite level we are prepared to tolerate for each risk area. Risk appetite reflects the overall level of risk acceptable with regards to our principal business risks. Helical's risk appetite is driven by the business strategy. The overall risk appetite is moderate to low and appropriate mitigating actions are taken to reduce the severity of identified risks into the acceptable range set by the Board. In determining the risk appetite, the Board considers upside risks as well as downside risks. Helical's risk appetite is not static and is reviewed by the Board at least twice a year.

Identifying and assessing risks

Overall, we identify and assess climate-related risks across two key areas: strategic risks and operational risks. Through the application of the above scenario analysis (Balance, Headwinds and Tailwinds), and applying our defined risk management approach, we have identified risks which are material to the business. We summarise these climate-related risks below along with their potential financial impact on our business, and our current mitigation strategy.

Physical risks

Category	Climate-related risk	Potential financial impacts	Mitigation actions
Acute	Changes in extreme climate and weather events such as rainfall, droughts and heatwaves affect how we develop and manage our buildings	Loss of rental income from potentially affected tenants Increased capital costs associated with damage Increased operating costs from potential power outages Increased development costs from weather-related delays	• Continual improvement of our existing building structures including roof replacements • Flood risk assessments performed as part of the planning and design stages of new developments • Use of "lessons learnt" on previous projects to inform continuous evolution of the risk management process • Working with trusted contractors who appropriately factor climate-related risks into the wider development programme
Chronic	Rising temperatures	Increased energy costs to cool buildings Increased capital cost for additional cooling plant	• Continue the installation of renewable energy technologies at new developments • Include cooling measures such as green roofs, blinds and passive ventilation at new development

Transitional risks

Category	Description	Impacts	Mitigation actions
Markets	Shift in customer behaviour	Reduced rental income from poor performing assets Increased capital and operational cost to meet new preferences	• Continue to roll out enhanced BMS replacements to ensure continual improvements in energy efficiency
	Increased cost of raw materials	Increased development costs	• Retain as much of the existing structure as possible to reduce costs • Investigate more efficient material use
	Increased utility costs	Increased operating costs	• Continue to acquire high quality REGO certified green contracts • Investigate connections to district heating networks to benefit from more efficient energy supply
Technology	Substitution of existing products and services with lower emissions options	Increased capital costs to adopt new technologies	• Continue to roll out enhanced BMS replacements to ensure continual improvements in energy efficiency • Investigate new and emerging technologies for our existing assets and development projects
Policy and legal	Increased pricing of GHG emissions	Greater increase in carbon pricing	• Meet those targets set out in our "Net Zero Carbon Pathway"
Reputation	Greater stakeholder scrutiny and risk of "greenwashing"	Reduction in capital availability	• Ensure our publications are transparent and align with EPRA sBPR and continue to participate in GRESB and CDP

Climate-related opportunities

We summarise our main climate-related opportunities and their potential financial impact below:

Category	Description	Impacts	Commentary
Resource efficiency	Increased recycling	Reduced development costs	• We aim to use demolition waste where possible and repurpose existing structure and materials
	Move to more efficient buildings	Increased valuation Decreased operating costs	• Renewable technologies being installed at our development sites • BMS updates to existing assets
Energy source	Expansion of low carbon heat networks	Reduce exposure to fossil fuel pricing and related carbon pricing	• Two of our existing sites are already connected to the Citigen district heating network and we will benefit from their own investment in ground source heat pumps which are currently being installed and other future renewable initiatives
Products and services	Move towards low emissions goods and services	Increased revenue through demand for low emissions buildings	• All central London offices hold an EPC rating of "A" or "B" and a BREEAM rating of "Excellent" or above
Markets	Shift in consumer preference to net zero carbon buildings	Better competitive positioning resulting in increased revenue and valuation gains	• Our guide "Designing for Net Zero Carbon" sets out best practice principles in delivering net zero carbon buildings • We have committed to becoming net zero carbon by 2030 as detailed in our "Net Zero Carbon Pathway"
Resilience	Supply chain engagement	Increased reliability of supply chain and increased market valuation through resilience planning	• We carry out Lifecycle Carbon Assessments at the design stage of redevelopment projects • We engage with our supply chain to ensure that construction practices limit the use of new materials where possible and make use of materials with highly recycled or recyclable content • We aim for a minimum of BREEAM "Excellent" for all our new developments and major refurbishment projects

> "Identifying the risks and opportunities that are material to us as a business under a number of different climate scenarios allows us to appropriately align our mitigation plan and long-term strategy. Building and operating buildings which are resilient to climate-change protects Shareholder value."

Metrics and targets

Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management processes

We track our performance against multiple climate-related metrics and targets for both our developments and assets under management. These metrics and targets are set out in our overarching sustainability strategy document, "Built for the Future". Our KPIs allow us to monitor progress towards these targets and ensure that we report in line with investor disclosure requirements, notably CDP, GRESB and FTSE4Good. Our performance against these metrics (including Scope 1, 2 and 3 emissions) can be found in more detail in our SECR Statement and this report.

Below we have summarised the various metrics we use when reporting across Carbon, Energy, Waste, Water and Building Certifications (see pages 62 to 63):

- Total energy consumed, broken down by source (e.g. purchased electricity and renewable sources)
- Total fuel consumed percentage from coal, natural gas, oil, and renewable sources
- Building energy intensity (by m^2)
- Building water intensity (by m^2)
- GHG emissions intensity from buildings (m^2) and from new construction and redevelopment
- For each property, the percentage certified as sustainable

Scope 1, Scope 2 and Scope 3 greenhouse gas emissions (GHG) and the related risks

We publish a detailed data report which sets out our environmental data performance. As part of this we publish extensive carbon reporting across Scopes 1, 2 and 3 using the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Likewise, we provide trend analysis across several years to show progress and historical performance.

Please refer to the data report section of this report on pages 62 to 63 for our carbon reporting which also includes full details of the aggregation and calculation methodology.

Moreover, we publish a summary of our corporate carbon footprint on page 63.

Targets used to manage climate-related risks and opportunities and performance against targets

- Value of assets above and below an EPC "B"
- Asset value of BREEAM certified developments
- Value of assets within flood zone 1 and 2
- Value of assets within flood zone 3
- % of assets (managed and development) procuring REGO backed supplies
- Area of our portfolio with green roofs

We released our "Net Zero Carbon Pathway" in May 2022 which details the following 2030 target for embodied and operation carbon intensity for our assets:

- 600 $kgCO_2/m^2$ embodied carbon intensity for new developments
- 90 kWh/m^2 operation carbon intensity for all new developments and existing assets by 2030

Our Communities

Investing in local initiatives and supporting communities maximises social value and creates places that are sustainable for the long term.

We monitor and manage the social impact of our development activities, ensuring that we are bringing a positive social, economic and environmental impact to the area. This includes creating a calendar of events and initiatives to ensure we are positively engaging with local residents, schools, community groups and businesses, issuing monthly newsletters to those impacted by our development activities and supporting local charities.

LandAid

> The team at Helical get the need to support social action not just for a year, but over the long term. They have backed LandAid, and our mission to help tackle and end youth homelessness, tirelessly over the years, raising colossal sums of money, and with some of the most enthusiastic, idiosyncratic and effective fundraising techniques we've seen. They've brought fun, commitment and passion to their support, and we're both delighted and honoured to have Helical as one of our longest-standing partners and supporters."
> – Paul Moorish, Chief Executive, LandAid

LandAid

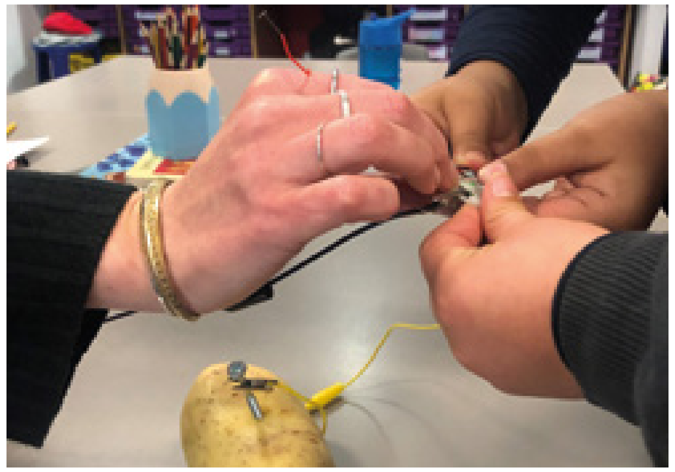
Helical has a relationship with LandAid, the property industry's charity, dating back to 1986 and has been a Foundation Partner since 2012.

In the last ten years Helical has raised/donated over £450,000 for LandAid and in 2020 became a Founding Partner of LandAid's Emergency Covid Appeal, giving vital support to the vulnerable and homeless young people LandAid has supported throughout the pandemic.

In 2021 Helical became the headline sponsor of the LandAid 10K event, a landmark event in the property calendar. Twenty-one of Helical's staff members participated and raised almost £7,000 in the process. More than 500 people from the industry took part and in total over £75,000 was raised by the event.

Science Club

In partnership with Mace, our main contractor at 33 Charterhouse Street, EC1, a small team from Helical participated in Science Club, a local volunteering opportunity at Prior Western School. A team of five Helical staff co-ran the after school club between April and June and delivered fun science sessions to a group of 15 children. Sessions included building bug hotels, making potato clocks and engineering spaghetti marshmallow bridges. The school is in close proximity to 33 Charterhouse Street and provides a special and unique learning environment for children from nursery age to 11 years old.



> I was lucky enough to co-run the 'fruit batteries' Science Club, which involved making a huge amount of mess, a lot of giggles and silliness with 15 nine year olds. The children were so engaged and enthusiastic that they even forgave my poor attempts at battery making. This great opportunity served as a reminder that there are thriving local communities in the areas we develop and being able to support them ensures a long-lasting sustainable relationship between us all."
> – Laura Beaumont, Head of Sustainability, Helical

Our People

We aim to attract, inspire and engage a talented workforce, one that flourishes and is proud to work for Helical.

How we support our people

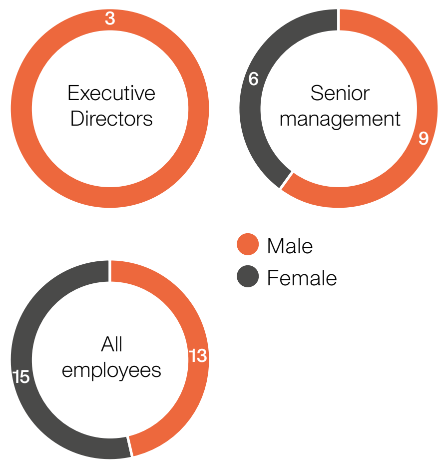
Helical has a small core team but works closely with trusted partners across multiple disciplines. Our success is built on the skills of our staff and therefore finding, developing, rewarding and retaining our people is a key element of our corporate strategy.

At Helical we encourage an open and inclusive culture as we believe this creates a collaborative and focused approach to achieving the Group's aims and aspirations, encouraging individuals to proactively suggest ideas and opportunities for the benefit of the business and the people. This culture is further supported and encouraged through Helical's Values, further details of which are set out in the Governance Review.

Diversity is important in helping Helical achieve its strategic aims. By ensuring that Helical is a diverse business, the Group benefits from a variety of experiences and perspectives, stimulating creativity and contributing to our open and cohesive Culture.

We believe that a competitive approach to remuneration, alongside an attractive working environment, has continued to keep staff turnover low at 3.7%, with an average length of service of 11.8 years. To ensure a highly skilled and experienced team, Helical continues to evaluate training needs in line with business objectives. Our employees are actively encouraged to attend training that enhances their knowledge and benefits the business. Over the year, our staff undertook 832 hours of training and development – an average of 4.1 days per employee.

31 March 2022	Total number of staff as at	Average length of service (years)
Executive Directors	3	27.8
Senior Management (Executive Committee and direct reports)	15	9.7
All employees (full-time and part-time)	28	11.8



Health and wellbeing

We provide our employees with a range of benefits, services and support whilst encouraging them to take a proactive role in their own wellbeing. We are mindful of individuals' physical and psychological safety and embed "agile" ways of working to ensure our employees have a good work-life balance.

During the year we implemented a monthly "Wednesday Wellness" newsletter, which focuses on a particular topic each month centred around health, wellbeing and mental health. Topics have included How to Digitally Detox, Dealing with Stress and The Importance of Nature.

We also promote wellbeing through a number of benefits including a paid-for gym membership, medical insurance, a cycle-to-work scheme and the availability of fruit and healthy snacks at the office.

These initiatives were all implemented by our group of Mental First Aiders, being 15% of our workforce who have completed the two day Mental Health First Aid training. They meet on a quarterly basis to discuss how best to engage staff, exchange ideas on how to champion wellbeing practices and implement these initiatives in a way that is inclusive to all staff.

Working with trusted partners

As Helical operates with a small team, our ability to establish excellent long-term relationships with our advisors, agents and other suppliers is very important. As part of this, fair treatment of suppliers remains a key priority for Helical and the Group's policy is to settle all agreed liabilities as soon as possible and within the terms established with each supplier.

Health and safety

Helical has a corporate Culture that is committed to the prevention of injuries and ill health to its employees or other people that may be affected by its activities. The Group's Health & Safety Policy reflects this commitment and is a core component of Helical's Culture. The Board of Directors and senior executives are responsible for implementing this policy and they look to ensure that health and safety considerations are always given priority in planning and in day-to-day activities.

- The Group's Health & Safety Policy was last reviewed and updated in February 2022 to reflect the latest legislative and regulatory developments. Training of Helical staff in the updated Health & Safety Policy and supporting the construction design and management requirements has been undertaken during the reporting year.
- The Group's Health & Safety Policy can be found on the Company's website along with the Sustainability Performance Report 2022 which includes detail on health and safety performance in the year.
- Helical has delivered over 700,000 hours of construction during the year with no fatalities or major accidents and no RIDDOR reportable incidents. The majority of Helical projects are managed by principal contractors holding OHSAS 18001 certification and that maintain 100% Construction Skills Certification Scheme (CSCS) accreditation for all full time and subcontracted staff. Further details on our health and safety performance can be found within our Sustainability Performance Report 2022.

Focus on our stakeholders

Section 172(1) Statement

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of Helical plc (the "Group") for the benefit of the Shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The Stakeholder Model – Interaction between s172 and stakeholders

Our stakeholders

- Shareholders
- Partners
- Suppliers and contractors
- Occupiers (tenants/customers)
- Employees
- Local communities
- Government and other regulatory bodies

Promoting the long-term success of the Group

The wider interests of our stakeholders are considered in all aspects of corporate decision making at Helical. When making decisions, the Directors of Helical are committed to complying with their section 172(1) Companies Act 2006 duty ("s172(1) Duty") to weigh up all the relevant factors and determine which course of action would most likely contribute to the success of the Group. The Board is also focused on its responsibility to have regard for all stakeholders when setting strategy and developing policies.

The Stakeholder Model which summarises the interaction between the s172(1) Duty and Helical's stakeholders is included in all Board and Committee packs. When matters are presented to the Board for approval, the Board considers the interests of its stakeholders alongside the matters set out in section 172(1) Companies Act 2006 (see the Stakeholder engagement section on pages 80 to 85 for more details). On key approval items in Board and Board Committee papers, guidance will be given as to which stakeholders the Board should have regard to when reaching a decision.

Our stakeholders are key to our long-term success and therefore the Board cultivates a stakeholder culture throughout the Group, ensuring the successful management of stakeholder relationships through effective engagement.

Section 172(1) and the Board's Principal Decisions throughout the year

We define our principal decisions as those that may have a potentially material impact on the Group's strategy, its stakeholders or the long-term value creation of the Group ("Principal Decisions"). For detail on how we established and defined our key stakeholder groups please see the Stakeholder engagement section on pages 80 to 83. In making the following Principal Decisions the Board considered the views and interests of its key stakeholders, as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly with regards to the Helical Shareholders, whilst also considering the likely consequences of any decision in the long-term.

Property development is an inherently long-term business and the Board therefore takes a long-term approach to its decision making. We are exceedingly proud of our heritage, having developed and diversified from being a producer of steel bars to building and managing some of the most sought-after, sustainable office space in London. Helical has been in business for 103 years, and we believe this success can be attributed to our commitment to the Helical Purpose (see page 78), whilst maintaining high standards of business conduct and the strong culture articulated through our Values (see page 79).

PRINCIPAL DECISIONS

The Board always has regard to section 172(1) Companies Act 2006 when reaching Principal Decisions, and we detail the most materially significant Principal Decisions made during the year below:

Key:
- A Likely long-term consequences
- B Interests of employees
- C Need to foster business relationships with suppliers, customers and others
- D Impact of operations on the community and the environment
- E Maintaining reputation for high standards of business conduct
- F Need to act fairly between members

Acquisition of 100 New Bridge Street, EC4

s172(1) matters relevant to this Principal Decision:
A – F

Link to strategy:
- Growth
- Property
- Sustainability
- People
- Financing

The Board plays a critical role in ensuring that a rigorous and robust process is followed in respect of property acquisitions to ensure that all elements of any proposals, including stakeholder considerations, are carefully reviewed and challenged. Over the year to 31 March 2022, the Board oversaw the acquisition of 100 New Bridge Street, EC4 (the "Acquisition"), and approved a number of items in connection with the completion of the transaction, for example, the Class 1 Shareholders' Circular ahead of the general meeting to approve the Acquisition, various financial and accounting reports and representation letters. Further details of the Acquisition and its connection to the Group's long-term strategy can be found on page 32.

What the Board considered
- the long-term strategic opportunities and risks created by the Acquisition;
- whether the projected returns could be achieved for all of our Shareholders through the Acquisition;
- the proposed funding of the Acquisition and impact on working capital;
- future capital expenditure proposed for the Acquisition;
- impact on sustainability objectives;
- the documentation produced ahead of Shareholders' votes on the Acquisition, ensuring it was of a sufficiently high standard, and could be relied upon by Shareholders, regulators and other stakeholders;
- the regulatory, political and competitor landscape;
- the best interests of our stakeholders; and
- the Group's existing operations and market presence in London, impact on local communities, employee matters, suppliers and potential risks associated with the Acquisition.

Converting the Group into a Real Estate Investment Trust ("REIT")

s172(1) matters relevant to this Principal Decision:
A E

Link to strategy:
- Growth
- Financing

On 12 January 2022, Helical announced its intention to convert to a REIT thereby allowing greater comparability with other listed peers as well as being exempt from UK corporation tax on the profits of its property activities that fall within the REIT regime. In order to be eligible, the Company had to seek Shareholder approval to buy-back and cancel its Deferred Shares and make necessary amendments to its Articles of Association ("Articles").

Shareholder approval of the proposals required in connection with the REIT conversion was obtained at a General Meeting of the Company held on 21 March 2022. Following completion of all requisite due diligence, the decision to convert to a REIT became effective on 1 April 2022.

What the Board considered
- the best interests of the Group's stakeholders and, as part of this, it consulted with a wide variety of stakeholder groups, including the Group's largest Shareholders, lenders and other relevant authorities;
- whether REIT conversion would help to achieve maximum projected returns for all of our Shareholders;
- the documentation produced ahead of Shareholders' votes on the share buy-back and amendment to the Articles, ensuring it was of a sufficiently high standard, and could be relied upon by Shareholders, regulators and other stakeholders;
- results of significant due diligence exercises and assessments conducted by both internal and external advisors to ensure compliance with the REIT regime was achievable; and
- the regulatory, political and competitor landscape.

Appointment of new Chairman of the Board

s172(1) matters relevant to this Principal Decision:
A B E

Link to strategy:
- Growth
- Sustainability
- People

In February 2022, the Board announced that, following a recruitment process led by a specially convened Nominations Committee and advised by an external search consultancy, it had reached the decision to appoint Richard Cotton as independent Non-Executive Chairman Designate ahead of Richard Grant's retirement from the Board in July 2022. The Board also made the decision to appoint Sue Clayton as the Senior Independent Director ("SID"), succeeding Richard Cotton. For more information on the Chairman's succession process, please see the Nominations Committee report on pages 99 to 105.

What the Board considered
- the Board's skills matrix, as well as the needs of the business, to ensure the appointments would bolster the capabilities of the Board, thus enabling the Group to deliver its strategic priorities, in order to deliver value to Shareholders, and promote the long-term success of the Group;
- Richard Cotton's experience of the UK listed company regime and understanding of the wider governance and regulatory environment in which Helical operates to ensure he had the appropriate skills and expertise to fulfil the role;
- the importance of ensuring that the SID had the ability to look after the interests of investors and champion the highest standards of business conduct; and
- the continuity and reassurance the appointments provided to employees of the Group and investors. Both candidates were known and trusted by employees and investors, having demonstrated strong leadership and expertise in their roles on the Board of Helical and other corporate entities.

Net Zero Carbon Pathway

s172(1) matters relevant to this Principal Decision:
A B D E

Link to strategy:
- Growth
- Property
- Sustainability
- People

Sustainability underpins all of our strategic priorities, and is considered throughout the implementation of our business strategy. Operating in a sustainable manner has always been a priority of the Helical leadership and this is clearly communicated in the Group's Purpose (see page 78). Much of the Board's decision making is focused on ensuring that the Group's business is sustainable in the long-term, and this forms the basis of the Viability Statement (see pages 48 to 49). The Board also attends an annual strategy meeting to consider the long-term strategy of the business, incorporating presentations and discussions on opportunities and threats to the business with respect to sustainability.

Sustainability is at the core of all activities at Helical and as well as linking back to the Group's Purpose, being sustainable is one of the Group's Values. We recognise the impact our building developments have on the environment and are focused on reducing our carbon footprint throughout a development's lifecycle.

Over the course of the year, the Board has placed a significant amount of focus on the setting of our pathway to become a net zero carbon business by 2030. This is a major commitment but reflects the Group's view that property developers have a role to play in the earth's changing climate and that we need to act with conviction, and quickly, to reduce our carbon footprint. The Group's Net Zero Carbon Pathway was published alongside these Annual Report and Accounts.

In approving all sustainability strategies, policies and documentation, the Group engages with, and considers, the views of all its stakeholders.

What the Board considered
- the measurement of the Group's carbon footprint and the cost of GHG emissions;
- enhanced emissions reporting obligations;
- options for the offsetting of the Group's carbon emissions;
- incoming changes to UK building regulations, including planning approval changes and energy performance certificate ("EPC") rating requirements;
- the changing preferences and demographics of customers; and
- the increased cost of raw materials.

Purpose, Values and Culture

Purpose

The Board recognises the importance of articulating its strategy and business model to its stakeholders in a clear and concise manner and the Group's Purpose sets out to our stakeholders:

- why we exist;
- the market segment in which we operate;
- what we are seeking to achieve; and
- how we will achieve it.

The Purpose also clearly demonstrates how we create value for Shareholders and the other Helical stakeholders, and ties in with our sustainable business model (for more information on Sustainability at Helical see pages 56 to 73). The Purpose is fundamental to the strategic direction of the Group and is therefore under the continuous review of the Board. This year, our Purpose has been updated to reflect that sustainability is at the forefront of the Helical Purpose.

The Helical Purpose:

We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

Applying this philosophy we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity.

Purpose Why | **Values & Culture** How | **Strategy** What

Board oversight of Purpose

This Purpose is overseen by the Board and supports all decisions and actions taken at Board level. The Board exercises oversight of the Purpose through the receipt of frequent updates from Executive Management on fundamental aspects of business operations and the execution of Group strategy.

Area of oversight	Frequency	Method of oversight
Corporate governance	Annual and ad hoc as required	The Group has clearly defined policies, processes and procedures governing all areas of the business, which are subject to annual review as well as ad hoc review in line with changing market circumstances.
Group strategy and management	Annual and ad hoc as required	The Board attends a meeting dedicated to discussing the Group strategy once a year. Progress in achieving the Group's strategy is reviewed at Board meetings throughout the year. Strategic plans for the Group and the annual budget are subject to formal review and approval by the Board.
Sustainability	Quarterly and ad hoc as required	Sustainability Report presented at every Board meeting. Board Sustainability Committee reports material updates to the Board in between Board meetings via email/text messaging as appropriate. Sue Farr acts as the designated Non-Executive Director for ESG and Sustainability and, on behalf of the Board, plays a key role in oversight of sustainability.
Development activities	Quarterly and ad hoc as required	The Board's continuing commitment to conducting its operations to high standards of health and safety within its operations is demonstrated by receipt of detailed reports on health and safety matters at each Board meeting.
Financing activities	Quarterly	The Chief Financial Officer's report is presented to the Board at each Board meeting.
Our properties	Quarterly and ad hoc as required	Detailed reports on each property in the portfolio are prepared by the property asset managers and are presented at each Board meeting. Asset managers present to the Board on the progress of any new developments.
Leasing activities	Quarterly	Reports on the Group's letting activities are presented to the Board at each Board meeting.
Tenant satisfaction	Quarterly and ad hoc as required	Results of tenant satisfaction surveys and other feedback initiatives are presented to the Board.

Our Purpose is inextricably linked to our Values which underpin the behaviours we consider vital to achieving our strategic aims. It is through our Values that we communicate the key aspects of Helical's Culture to our stakeholders, providing insight into the principles and the ethics that support our Purpose.

The Board has articulated the Group's Culture through the setting of six Values which, combined with the Purpose, align to the policies, practices and desired behaviours in the business.

Our Values

Integrity

Through our honest and open approach, we aim to engender the respect of everyone we work with.

Creative

We are passionate about developing innovative and inspiring spaces.

Excellence

Using our market experience and intelligence, we strive to be best-in-class in everything we do.

Sustainable

Working for the long-term benefit of our stakeholders, local communities and the environment drives the decisions we make.

Collaboration

Building strong relationships and teamwork are at the heart of our success.

Dynamic

Energy, adaptability and agility are core to our approach.

Collaboration – setting & monitoring the Helical Values

The Helical Values represent our shared understanding of how things are done and the way all employees within the organisation are encouraged to conduct themselves.

The collaborative environment fostered by the Board was demonstrated through the process used to set the Group Values in 2020. To decide which Values best supported the strategic aims of the business, the Board asked a selection of people across the Group to choose those values which they felt best reflected Helical. The results of this consultation were reviewed by the Board and contributed to the setting of the final six Values.

These Values, therefore, represent the Group's inclusive and collaborative Culture as articulated by its workforce.

Since the Values are at the heart of every decision and action taken at all levels of the business, we feel that it is important to monitor them to ensure that they remain appropriate to the business. As the workforce played a key role in determining the Values, the Board felt it appropriate to ask them to review the Values again in 2022 and comment on their continued suitability.

For the second year running, as part of the staff engagement interviews (for more information see pages 84 to 85), each member of the workforce was asked to specifically comment on whether the Helical Values accurately represent the ethos of the business. Once again, the exercise showed that the Values continued to accurately represent the Group's Culture. As a result, the Board was able to conclude that the current articulation of the Group's Values remained appropriate.

Dynamic, collaboration & creative – engagement through our website and branding

Helical prides itself on being dynamic and at the forefront with respect to technology and innovation, and the importance of a strong online presence is incorporated into the Group strategy set by the Board.

In addition to engagement through social media platforms, the Board recognises that the Helical website is a key medium for engagement with the Group's stakeholders. Therefore, ensuring that our website is fresh and unique, with informative and interesting content, is a priority of the business. At the end of 2021, management embarked on designing a new website to ensure that Helical was communicating with its stakeholders in the most effective manner. The new website was a collaborative effort, with input being sought from staff below management level throughout the process. The new website went live on 23 May 2022. The design of the website reflects the increased focus on sustainability at Helical and coincides with the release of our Net Zero Carbon Pathway.

Our Culture

Helical's objectives for growth, development and long-term survival, combined with resultant strategies to achieve these objectives, have a direct link with the Culture of the Group. Culture is ultimately the responsibility of the Board, but it is recognised that individuals at all levels must be engaged in order to maintain the Helical Culture. The embedded Culture is supported by our employees (as evidenced in the setting and monitoring of the Values), and this results in us having a high-performing and motivated team which supports the success of the Group's strategy and delivers the outcomes necessary for long-term success.

An important aspect of the Group's Culture is its approach to risk. In accordance with good stewardship, the Board does not inhibit sensible risk taking that is critical to growth. This approach is embedded in the risk culture of the Group which aligns with the strategy and objectives of the business and is embedded within the risk appetite (see Risk management section on pages 46 to 47).

The Helical Board promotes an open culture, enabling the strategic direction to be fully understood by all members of the workforce. This environment supports the achievement of the Group's aims and aspirations and is conducive to the Group's collaborative approach of encouraging all members of staff to proactively share ideas, opportunities and concerns.

By ensuring that Helical is an inclusive and diverse business, the Group benefits from a variety of experiences and perspectives. Such variety is important for the maintenance of a strong succession pipeline, necessary for future sustainability. This diversity in our workforce also helps to stimulate creativity and contributes to the open and cohesive Culture exhibited throughout the Group.

How we monitor and sustain our Culture

- As a minimum, conduct annual review of workforce policies and procedures – see Board Leadership & Company Purpose section of the Governance section at pages 94 to 95.
- Employee engagement initiatives – see page 82 and pages 84 to 85. Feedback from the following initiatives is reported to the Executive Management team and Board, and considered in decision making:
  - Staff engagement interviews;
  - One on one sessions with our designated Non-Executive Director for workforce engagement;
  - "Lunch with Leadership" initiative;
  - Staff are encouraged to speak up, share concerns and have candid conversations with management;
  - Our small, close knit team environment enables managers to conduct regular catch-ups with their direct reports; and
  - Staff from all teams are invited to the bi-monthly Management meeting where time is allotted for general concerns or points of interest outside the ordinary agenda of the meeting.
- Tenant feedback analysis.
- Staff tenure and retention rates (see KPI section on page 24).
- Whistleblowing mechanisms in place, with relevant data reported to the Board – see page 94 for further details.
- Support provided to the workforce through the provision of a number of health and wellbeing initiatives (please see Sustainability Report on pages 56 to 73).
- Investing in training and organisational development for staff.
- Health and safety data, including near misses, reported to the Management meetings bi-monthly, the Executive Committee monthly and the Board quarterly.
- Designated Non-Executive Director for ESG and Sustainability plays a key role in monitoring the Culture and ensuring its alignment with the Group's strategy and supports the long-term sustainable success of the business.
- Collaboration with occupiers throughout the pandemic and through the UK's emergence from pandemic-related restrictions.
- Prompt payment to suppliers.
- Promotion of diverse and inclusive environment – see Nominations Committee Report on pages 99 and 105.
- Consideration of Culture in recruitment and selection, both with regard to individuals and the recruiters used – see report of the Nominations Committee at pages 99 to 105.
- Aligning formal rewards with Culture.
- Incentive schemes developed to drive behaviours consistent with Purpose, Values and strategy – see Directors' Remuneration Report Committee on pages 110 to 131.
- We reward positive culture within our workforce e.g. our staff express the wish to be fit and healthy and over the year we introduced a "Zen Room" in the office where fitness classes and massages can take place.

Stakeholder engagement

The Directors are pleased to report on how they have had regard to the need to foster the relationships with suppliers and contractors, tenants/occupiers, partners and others, and the effect of this on recent Principal Decisions taken by the Group.

In line with section 172 of the Companies Act 2006, the Directors of Helical act to promote the success of the Group for the benefit of its Shareholders. However, the Helical Board also places a great emphasis on the importance of the views and interests of its other key stakeholders. Helical's stakeholders are those groups that are likely to be affected by the Group's actions, and hence play a key role in the successful execution of the Group's long-term strategy.

In recognition of the importance of the Group's relationship with its stakeholders, the Board has set out its commitments to its stakeholders as follows:

(i) engaging with our stakeholders to build and maintain positive business relationships;

(ii) ensuring that our stakeholders are kept informed and have access to information about our business;

(iii) considering the needs and expectations of our stakeholders throughout the Group;

(iv) inviting feedback from our stakeholders to help us identify current and emerging issues facing our business; and

(v) ensuring that our activities generate sustainable, long-term value for all our stakeholders.

Our stakeholders, engagement mechanisms, consideration of stakeholder interests and the impacts on Board decision making

The Group's stakeholders are defined in the Stakeholder Model (see pages 74 to 75) and in the table overleaf. The Group's stakeholders are kept under continuous review by the Board, with the Stakeholder Model being featured on every approval item and being considered as part of every Board decision taken.

The Board places utmost importance on the maintenance of positive relationships with all the Group's stakeholders. It is through effective engagement that the Board has sought to understand their views.

We describe how the Directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the Directors' statement required by section 414CZA of The Companies Act 2006 in the table overleaf.

Stakeholder engagement

Stakeholder category	Material issues and considerations for stakeholders	Means of engagement by Board and/or management	How stakeholder engagement has influenced decision making and execution of our strategy
Shareholders	• Financial performance. • Generation of long-term sustainable returns. • Environmental, social and governance practice ("ESG").	**Direct Board level engagement** • Scheduled and unscheduled meetings between Shareholders and members of the Board. • Annual and Half Year results announcements and presentations. • Investor roadshow presentations. • AGM presentations and Q&A. • General Meetings. • Property tours. • The Executive Directors held talks with relevant employee Shareholders covering remuneration, with a focus on the PSP and the SIP. **Company level/indirect Board engagement** • Publication of Helical news via RNS. • Regular posts on social media platforms with respect to Helical news. • Regular updates from the Executive Directors to the market, including press articles. • Analyst/investor reports. • Feedback from corporate brokers. • Helical's website and dedicated Shareholder email address overseen by the Company Secretarial team.	Other than our routine engagement on topics of strategy, governance and performance, we engaged with Shareholders on the following specific matters which then influenced the outcomes and actions taken: • The Board considered and responded to emails from individual Shareholders in connection with the 2021 Annual Results/AGM; • The Executive Directors sought the views of the Shareholders with respect to the acquisition of 100 New Bridge Street, EC4 (see Principal Decisions section on page 76); • The Executive Directors engaged with the Company's largest institutional Shareholders in advance of the decision to convert to a REIT and sought their views on the election; • The Board considered and responded to emails from individual Shareholders in connection with the General Meetings held in February and March 2022; and • The Board engaged with the employee Shareholders throughout the year and considered their views. See Engagement with the workforce section on pages 84 to 85 for more details.
Partners	• Financial performance and generation of sustainable returns. • Collaboration and communication. • Risk appetite and management of the partnership. • Corporate responsibility.	**Direct Board level engagement** • Executive Directors meet with key business partners (joint venture partners) and report back to the Board on a regular basis. • Key business partners (joint venture partners) are invited to attend the Annual and Half Year results presentations. **Company level/indirect Board engagement** • Regular communication and feedback on business and ESG matters. • Transparent reporting. • Collaborative approach with clear responsibilities. • Helical's website.	• Our relationships with our strategic partners are a critical element of the Group's strategy. Feedback from engagement with partners is continuously reported to the Board and duly considered.
Occupiers (tenants/ customers)	• Quality of service provided. • Delivery of quality space to meet needs. • Ability to meet needs of changing markets. • Value for money.	**Direct Board level engagement** • CEO led the tenant support initiative implemented at the beginning of the UK's first national lockdown. This initiative was continued throughout the pandemic. • Feedback received directly from occupiers, and indirectly through tenant engagement apps, is fed into Board discussions. **Company level/indirect Board engagement** • Occupier engagement programme is run throughout the portfolio, led by managing agents, Ashdown Phillips. • Tenant engagement apps rolled out to occupiers in several Helical buildings. • Programme of meetings with occupiers on a regular basis, with specific engagement during crisis situations e.g. Covid-19.	The positive feedback from occupiers on the tenant engagement apps has led to the app being rolled out to The Bower during the period. In conjunction with our managing agents, Ashdown Phillips, we have utilised data from our occupiers to improve energy efficiency e.g.: • SkySpark operational at The Bower; • New air conditioning controls at 25 Charterhouse Square; • Equiem roll out at The Loom; • BREEAM in Use submission for The Loom; • Bio Enzyme Cleaning at The Bower; and • Quarterly Green Group meetings held with occupiers to discuss sustainability initiatives being implemented in the buildings and being considered for the future. Quantitative data is also produced to support any changes. The meetings also enable our occupiers to communicate their goals in relation to sustainability and assistance is provided to help them achieve their desired accreditation. – see also Sustainability Report on pages 56 to 73 As a result of our awareness of the concerns of our occupiers during the pandemic, the tenant support initiative was implemented at the outset of the UK's national lockdown in March 2020. The Board implemented this initiative to ensure that the Company's response to its occupiers in times of hardship caused by the pandemic was aligned with the Purpose, Values and strategy of the business.

Stakeholder category	Material issues and considerations for stakeholders	Means of engagement by Board and/or management	How stakeholder engagement has influenced decision making and execution of our strategy
Employees	• Opportunities for training and development. • Fulfilling and rewarding work in a safe and comfortable environment. • Fair treatment, recognition and remuneration. • Diverse and positive culture.	**Direct Board level engagement** • Designated Non-Executive Director responsible for ongoing workforce engagement: – Invited staff to meet with her on a one-to-one basis; and – Contactable via email all year round. • Role of the designated Non-Executive Director for workforce engagement published for all staff. • Open and inclusive culture through Purpose and Values. • Executive Directors present Strategy Update to staff. • Board annually reviews key workforce policies and procedures. • All staff are invited to become members of the SIP on appointment to the Company, and consequently are invited to attend the Company's AGM, where they have the opportunity to engage with the Board and with other stakeholders. **Company level/indirect Board engagement** • Staff satisfaction survey/interviews. • Regular staff appraisals. • Majority of staff attend Management meetings, on a rotational basis. • Helical's website. • Staff consulted in the Helical re-branding and website refresh exercises. • Maintenance of the Staff Handbook. • Staff property tours.	Outcomes of engagement deriving directly from the feedback garnered from the 2021 initiatives: • Strategy sessions extended beyond the Board and ExCo and led by the Executive Directors: – All staff strategy briefing; – Property Executives' strategy meeting; and – Finance Team strategy meeting. • Appointment of external HR consultant • "Lunch with Leadership" – Inviting individual members of staff to attend lunch with the Directors after each quarterly Board meeting. • Subsidised bike servicing scheme offered to staff. • CFO conducted a presentation on remuneration matters to staff. • "Zen Room" introduced into the office. • Increased engagement on business activities: – Our property executives have conducted portfolio tours with members of our finance team and support staff, as well as the NEDs. For information on the outcomes of the workforce engagement initiatives please see pages 84 to 85.
Local communities	• Ethical and responsible corporate behaviour. • Environmental impact of developments. • Creating social value in local areas, including development of public realm, facilities open to members of the public and engaging with local communities.	**Direct Board level engagement** • CEO engages on community and environmental initiatives on behalf of the Group. **Company level/indirect Board engagement** • Local resident consultations and regular newsletters. • Community and charitable initiatives/events, with additional focus on those local businesses and charities continuing to suffer financial hardship as a result of the pandemic. • Helical's website. • Sustainability news and publications. • Engagement with non-governmental organisations ("NGOs") and other interest groups to improve our understanding of current and emerging environmental and societal topics. • Participation in sustainability initiatives, both global and regional, through the Sustainability Committee. • Submissions to sustainability benchmarks and indices. • Engagement with prospective future property professionals via the Helical Work Experience Programme.	We responded on key topics raised during the reporting period through a wide range of initiatives including: • Publication of our "Net Zero Carbon Pathway". • Continued sponsorship and local charitable giving, e.g.: – The Helical Bursary, established in 2017, supports Real Estate and Planning students studying at Henley Business School, University of Reading; – Helical was the headline sponsor for LandAid's second virtual 10k run in June 2021 and reached a milestone of £1m raised for the charity since its creation; – Celebrated and supported LandAid Day in November 2021; – Donation to the London City Farms and Community Garden Association and volunteer days planned for 2022; – Supported the after-school Science Club being run by Mace at Prior Weston Primary School (near 33 Charterhouse Street, EC1); and – Various initiatives with local charities run in conjunction with our managing agents, Ashdown Phillips. • Maintaining ongoing dialogue with a wide range of NGOs. • Collaborating with tenants to provide work experience for students from schools in local communities. • Further engagement on ESG with investors and broader stakeholders. • Sustainability Key Performance Indicators continue to be considered as part of Group strategy. For further details on our engagement with local communities, please see the Sustainability Report on page 72.

Stakeholder category	Material issues and considerations for stakeholders	Means of engagement by Board and/or management	How stakeholder engagement has influenced decision making and execution of our strategy
Suppliers and contractors	• Agreement of and compliance with appropriate payment terms. • Payments made as soon as practicable and in line with the Prompt Payment Code. • Collectively prevent and mitigate risk of modern slavery, bribery, and corruption in our supply chain. • Ethical and fair dealings.	**Direct Board level engagement** • Audit and Risk Committee leads the assessment of external audit performance and service provision, inviting our external Auditor to Committee meetings. • Property valuers invited to Audit and Risk Committee meetings. • The Board receives a detailed report from the Group's IT service provider on an annual basis. **Company level/indirect Board engagement** • Open communication about expected behaviour within our supply chains – our Supplier Code of Conduct and Modern Slavery Statement are shared with all suppliers and contractors. • Regular communication and feedback, with increased dialogue with certain key suppliers affected by political and economic uncertainties. • Paying suppliers and contractors fair fees. • Bi-monthly meeting with the Group's IT service provider. • Helical's website.	During the Covid-19 pandemic, we supported the implementation of contractor welfare initiatives for those working on Helical construction sites. Over the year we monitored sites to ensure their compliance with guidance published by Public Health England and the Construction Leadership Council and supported the implementation of recommendations as appropriate. Following the results of a questionnaire completed by the contractors working at our 33 Charterhouse Street, EC1 site, we supported the implementation of on-site lateral flow testing which has continued throughout the period.
Government and other regulatory bodies	• Corporate responsibility and accountability. • Compliance with applicable laws and regulations. • Compliance with applicable taxation regimes. • Monitoring updates to legal and regulatory environment, including the impacts of Brexit and Covid-19.	**Direct Board level engagement** • CEO regularly engages with governmental, regulatory and industry bodies. **Company level/indirect Board engagement** • Transparent statutory reporting. • Open approach to communication. • Board oversight of key relationships and areas impacted. • Strong dialogue with regulatory agencies and Government bodies e.g. HMRC • Reports on the results of active participation through industry groups presented to Board. • Helical's website. • Assisting industry forum consultations e.g. the British Council for Offices research on cycle facilities in office buildings.	The Board continued to focus on how to promote the success of the Company during political and regulatory developments in the external environment. Updates on risks and opportunities posed by the external political and regulatory environment are presented to the Board by external advisors. As part of the UK REIT conversion process, management engaged directly with its advisors and HMRC at various key stages of the conversion. The efficiency of the conversion process was assisted via direct engagement with HMRC and the Group was able to implement all the necessary changes within a tight, 15-week, timetable, following the announcement of its intention to convert to a REIT on 12 January 2022. Consideration is given to regulatory and environmental impact in every Board decision.

Engagement with workforce

The importance of engaging with the workforce can be linked back to the Group's key operational and reputational risks (see Risk Register on pages 53 to 55), specifically the management of workforce relationships and retention of talent. We know that our staff are vital to our success and every member of the Helical workforce is valued, with their opinions continuously sought and held in high regard. The Board defines the workforce of Helical as its full-time and part-time employees and staff members temporarily hired for work through an employment agency.

This principle of mutual respect and inclusion is integral to the Helical Culture (see pages 79 to 80). Engagement with the workforce is deemed a key priority for the Directors and, as such, the Board frequently invites members of staff to present on key projects or topics of interest at its meetings. Through this engagement mechanism, our employees are given the opportunity to meet the full Board of Directors.

The Board also encourages open dialogue with the workforce and details of how to communicate directly with the Board and Executive Management are clearly documented in the workforce policies and procedures which are reviewed annually.

Initiatives deriving directly from staff engagement in 2021

- Employees attending Board lunches to engage with Directors in an informal setting: "Lunch with Leadership" initiative.
- The extension of strategy sessions beyond the Board and ExCo, and led by the Executive Directors:
  - All staff strategy briefing;
  - Property Executives' strategy meeting; and
  - Finance Team strategy meeting.
- Increased engagement on key business activities/what we do:
  - Our property executives have conducted portfolio tours with members of our finance team and support staff; and
  - Helical re-branding and website refresh – engagement has taken place with staff from all levels of the organisation and their input valued.
- Appointment of external HR consultant, to answer the staff's HR related queries.

The Board values the information derived from the staff engagement process and to ensure that it is fully informed on staff opinion, ensures that an agenda item dedicated to discussing the outcomes of the staff engagement initiatives is tabled during the second half of each calendar year.

> I found it thoroughly enjoyable, I have done various short-term property experiences throughout my time at university and this was by far the most enjoyable. Everyone we met from Helical was a great advert for the company and the industry as a whole." Work experience student

Engaging with stakeholders of the future – Helical's Work Experience Programme

Helical also considers its potential future stakeholders when conducting its stakeholder analysis. We regard school and university students as the future of the property industry, and we therefore deem it important to engage with this stakeholder group and we invite students to join our programme annually.

In September 2021, Helical coordinated a Work Experience Programme for property students from a range of learning institutions. Over the course of two days, the students were taken on a tour of our London portfolio, including the 33 Charterhouse Street, EC1 construction site. They also attended talks with our CEO and DNED and various members of senior management on a variety of industry pertinent topics. In addition, the tour incorporated visits to several prime London real estate developments, such as Kings Cross and the Battersea Power Station. Feedback from the students was exceedingly positive, and we intend to continue to operate the event annually for the benefit of the industry's future stakeholders.

> You and your team have shown me what is required to create and manage buildings of the highest quality that will stand the test of time. It has been enlightening to see the new developments in your portfolio such as Kaleidoscope and 33 Charterhouse Street. Personally, I think when they are both complete, they will become iconic buildings in London due to their ingenuity through using technologies right at the forefront of the market." Work experience student

Sue Clayton
Non-Executive Director
for workforce engagement

Sue Clayton – designated Non-Executive Director for workforce engagement

Since being appointed as the designated Non-Executive Director for workforce engagement in 2019, Sue has been successfully building on the engagement between the Board and the workforce.

This year, Sue offered to meet with staff on a one-to-one basis, to enable in depth and confidential engagement with the workforce. In addition to the one-to-one sessions, Sue has been contactable via email throughout the year.

The feedback obtained from Sue enables the Board to monitor the Culture of the Company and act appropriately to respond to the thoughts and concerns of the workforce.

Rationale for choosing a designated Non-Executive Director for our workforce engagement mechanism

Helical has a relatively small workforce of 28 employees. As such, it is possible for our Directors to engage directly with members of the workforce, with ease, on a regular basis. The appointment of a Director from the workforce (as a representative) and the establishment of a formal workforce advisory panel (as mechanisms for engagement) were both deemed to be a disproportionate approach for Helical and its engagement requirements.

What does our designated Non-Executive Director for workforce engagement do?

The Board has structured the role to aid its understanding of the views of the Helical employees and consider their interests in Board discussions and decision making. The role and its accompanying responsibilities have been documented in a terms of reference which is reviewed by the Board annually and available to view on our website: https://www.helical.co.uk/governance/governance-policies/

Staff engagement interviews

As noted above, our staff are key to our success and in order to retain our talent, it is essential to ensure that our staff satisfaction levels are high and the culture of the workplace coincides with our Values (see our Values on page 79).

The benefits to the business and the wellbeing of our staff can be clearly demonstrated through the outcomes of the 2021 staff engagement interview process. Our staff greatly appreciated the opportunity to have their views heard and ideas actioned, and as a result of the initiative's success, the Board instructed a repeat of the interview exercise for the period to 31 March 2022.

This year's one-on-one staff engagement interviews were again conducted by our Operations Manager, Lois Robertson. Given the size of our workforce, it was feasible to conduct individual staff interviews as a means of meaningful engagement. This approach was also chosen as it was considered more personal to the employee than a survey, giving each member of staff time to discuss issues of importance to them, rather than simply answering "yes" or "no" to a series of questions. The staff were provided with a number of suggested questions/discussion points in advance of their individual meetings. The results of each interview were kept completely confidential.

Once all the interviews had been conducted, Lois relayed the feedback from her survey to Sue Clayton, who will be reporting the findings to the Board later in the year. The Board will report on the key results and actions from the staff engagement interviews in next year's Strategic Report.

Richard Grant
Chairman

Governance at Helical

Supporting our continued strategy execution, business resilience and commitment to long-term success for our stakeholders.

Dear Shareholder,
On behalf of the Board, I present to you my final Corporate Governance Report as Chairman. The Report, covering the year ended 31 March 2022, sets out Helical's governance processes and explains how they help to create the appropriate environment to enable the long-term success of the business. I am pleased to report that, as we emerged from the pandemic over the course of the year, the Board has been able to meet physically for the majority of the meetings in our governance calendar and was able to invite our Shareholders to attend our 2021 AGM and subsequent EGMs (for more details on the business of the EGMs, please see page 76).

Furthermore, despite the macroeconomic and geopolitical uncertainties facing the market, Helical has achieved a strong set of results for the financial year and I refer you to the Strategic Report on pages 2 to 45 to read about our achievements in more detail.

Governance and strategic oversight
Looking beyond the unprecedented external challenges created by the pandemic, the Group has had a particularly busy year and our robust governance framework has proven to be critical to the effective leadership of the Company over the period.

Over the year, oversight of our strategy and its implementation continued to be a key responsibility of the Board. The Board oversaw the successful completion of the acquisition of 100 New Bridge Street, EC4 ("Acquisition") requiring Shareholder approval as a Class 1 transaction (for more details see page 76) and the conversion of the business into a Real Estate Investment Trust ("REIT") (further details can be found on page 76). As part of this oversight, the Board attended a number of additional Board meetings to consider the implications of each decision and conduct a thorough assessment of the associated risks. Through these enhanced oversight exercises the Board was able to conclude that both the Acquisition and the REIT conversion would contribute to the long-term success of the business. Further details of the points considered on each of these Principal Decisions can be found on pages 76 to 77.

Stakeholder engagement
Our stakeholders continue to play a pivotal role in Company strategy and their interests are taken into consideration in every decision we make as a Board. The Board places great importance on maintaining effective levels of engagement with all our stakeholders and you can read more about our approach to stakeholder engagement and the Directors' duties in this regard on pages 74 to 85 of the Strategic Report.

Changes to the Board
I am pleased to confirm that, following a comprehensive search process led by a specially convened Nominations Committee and advised by external search consultancy Sam Allen Associates, Richard Cotton was chosen as my successor and it is proposed that he will assume the role of Board Chairman with effect from the close of business of the Company's 2022 AGM. It is also intended that, subject to her re-election being approved, Sue Clayton will take on the role of Senior Independent Director.

It has been a privilege to have sat on the Board of Helical for almost ten years and to have served as Chairman for the last three. Richard Cotton is an ideal successor to continue the positive momentum we have created and I wish him, the Board and the business continued success. I should also like to express my thanks to everyone I have had the pleasure of working with during my time on the Board.

I have commenced a thorough induction process with Richard and I am confident that he will be well prepared to step into the role of Chairman following my retirement from the Board on 14 July 2022. For further information on the Chairman's succession process see pages 77 and 103.

"Over the course of the year, our stakeholders have continued to contribute to our success and stakeholder engagement will remain high on the Board's agenda going forward."

Summary
At Helical, good corporate governance underpins all Board discussion and decision making. We have continued to apply the Principles of the Code throughout the year and, as at the date of this Report, the Company has complied with all the Code's Provisions with the exception of Provision 19 relating to my tenure on the Board (please see page 103 for further details). I encourage you to read our Corporate Governance Report for a more detailed account of how Helical has complied with the Code and its accompanying guidance.

Over the course of the year, our stakeholders have continued to contribute to our success and stakeholder engagement will remain high on the Board's agenda going forward.

In light of our performance this year, I am pleased to confirm that the Board has declared a final dividend of 8.25 pence per ordinary share (2021: 7.40 pence), bringing the full year dividend in respect of the financial year to 11.15 pence per ordinary share (2021: 8.70 pence).

As I say goodbye to Helical, I am confident that Helical is well positioned to pursue its strategy and take advantage of opportunities in the forthcoming years and I look forward to witnessing the achievements of the business and the ongoing success of the Group.

The following pages describe our governance structure and the work of the Board and its Committees in greater detail.

Richard Grant
Chairman
24 May 2022

Richard Cotton
Chairman Designate

"I feel honoured and delighted to be succeeding Richard as Chairman and I am very much looking forward to continuing to work with the dedicated team at Helical and supporting them in ensuring the long-term success of the Group.

Richard Grant has dedicated almost ten years to Helical and I hope to emulate his strong leadership skills, ensuring continuity of governance and providing effective stewardship over the Company whilst also imparting my own knowledge and skills to my fellow Directors.

I look forward to sharing highlights of my first year as Chairman in next year's Annual Report."

Our Board
Governance and leadership

The Board of Helical is collectively responsible for providing effective leadership of the Group within a framework of controls and reporting structures designed to assist the pursuit of strategic aims and business objectives.

BOARD TENURE

0-3 years	2
4-6 years	2
7-9 years	2
10+ years	2

Joe Lister
Non-Executive Director and Chair of the Audit and Risk Committee

Richard Grant (seated)
Board Chairman and Chair of the Nominations Committee

Tim Murphy
Chief Financial Officer

Sue Farr
Non-Executive Director, Chair of the Remuneration Committee and designated Non-Executive Director for ESG & Sustainability

Sue Clayton (seated)
Non-Executive Director, Chair of the Property Valuations Committee and designated Non-Executive Director for workforce engagement

Gerald Kaye
Chief Executive and Chair of the Executive Committee

Richard Cotton
Chairman Designate and Senior Independent Director

James Moss (seated)
Chief Operating Officer and Company Secretary

Matthew Bonning-Snook
Property Director and Chair of the Sustainability Committee

Richard Grant
Board Chairman and Chair of the Nominations Committee

Board meetings present:	6/6
Tenure:	9 years
Independent:	No

Skills, relevant experience and contribution to long-term success
Richard Grant, BA (Oxon), ACA, has over 40 years' financial experience. He was the Chief Financial Officer of Cadogan Estates Limited from 1994 until his retirement in 2017, and prior to this, he was a Corporate Finance Partner at PricewaterhouseCoopers.

Richard was appointed as a Non-Executive Director in July 2012, became Deputy Chair of Helical in 2018, and was appointed as Chairman of the Board in July 2019.

Richard brings significant leadership qualities to the Board, combined with considerable financial experience and extensive knowledge of the property sector. He is an effective Chairman as demonstrated both through his contribution to Board discussions and his ability to proficiently chair Board and Committee meetings. Richard's effectiveness as Chairman is further bolstered by his experience on public company boards.

Through his wealth of skills and prior experience, Richard is able to contribute to all aspects of business discussions and his valuable knowledge and insight is key to promoting the sustainable success of the Company.

At the 2021 AGM, the Shareholders were asked to approve the extension of Richard's tenure beyond that recommended by the UK Corporate Governance Code ("UK Code"). The Directors sought to extend Richard's tenure as they deemed his skills and experience as vital to ensuring stability and continuity as the business navigated its way out of the Covid-19 pandemic. Richard will not be standing for re-election at the 2022 AGM and it is intended that he will be succeeded by Richard Cotton (please see pages 77 and 103 for more information).

Other external appointments
- Industrials REIT – Board Chairman and Chair of the Nominations Committee.
- Wittington Investments (Properties) Limited – Board Chairman.

Gerald Kaye
Chief Executive and Chair of the Executive Committee

Board meetings present:	6/6
Tenure:	27 years
Independent:	No

Skills, relevant experience and contribution to long-term success
Gerald Kaye, BSc (Est Man) FRICS, was appointed Chief Executive in 2016. He joined the Board as an Executive Director in 1994, responsible for the Group's development activities.

Gerald is a past President of the British Council for Offices, a former Director of London & Edinburgh Trust Plc and former Chief Executive of SPP. LET. EUROPE NV.

Gerald's experience at Helical ensures that he has an in-depth knowledge of the Group's operations and markets, which helps him to lead the business, be a key contributor to Board discussions and aid the effective decision making of the Board. He considers stakeholder engagement to be a crucial aspect of his role given its impact on the long-term success of Helical, and he therefore spends considerable time engaging with our major Shareholders, visiting the Group's properties and development sites and maintaining extensive relationships in the property industry.

Other external appointments
- Member of the Investment Committee at Guy's & St Thomas' Foundation.

Tim Murphy
Chief Financial Officer

Board meetings present:	6/6
Tenure:	9 years
Independent:	No

Skills, relevant experience and contribution to long-term success
Tim Murphy, BA (Hons) FCA, joined the Group in 1994 and became Finance Director of the Company in 2012, and subsequently Chief Financial Officer in 2022. He is responsible for the financial statements, financial reporting, treasury and taxation. Before joining Helical, Tim worked at the financial and professional services firm Grant Thornton.

Tim is a highly experienced financial practitioner with significant sector knowledge, both technical and commercial.

Tim is experienced in working with boards and management teams in respect of financial and commercial management, reporting, and risk and control frameworks. These experiences make Tim particularly well-placed to contribute to the Group's broader strategic agenda and further the sustainable success of the business.

Matthew Bonning-Snook
Property Director and Chair of the Sustainability Committee

Board meetings present:	6/6
Tenure:	14 years
Independent:	No

Skills, relevant experience and contribution to long-term success
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 was a Development Agent and Consultant at Richard Ellis (now CBRE).

Matthew's long tenure with the Group, detailed knowledge of the London property market and his extensive network of contacts within the industry means that he has valuable knowledge and insight to promote and contribute to the Group's strategy.

In 2019, the Board appointed Matthew as Chair of the Sustainability Committee and he leads our commitment to measuring and improving Helical's corporate ESG performance against external industry benchmarks. Matthew's valuable contributions to the long-term sustainable success of the business are therefore evident, both in his skill and experience as a property development executive but also in his leadership of the Group's sustainability initiatives.

Sue Clayton
Non-Executive Director, Chair of the Property Valuations Committee and designated Non-Executive Director for workforce engagement

Board meetings present:	6/6
Tenure:	6 years
Independent:	Yes

Skills, relevant experience and contribution to long-term success
Sue Clayton, FRICS, was appointed to the Board as a Non-Executive Director in February 2016. She is Chair of the Property Valuations Committee and a member of the Nominations Committee, the Audit and Risk Committee and the Remuneration Committee.

In 2019, the Board appointed Sue as the designated Non-Executive Director for workforce engagement and she has engaged directly with members of the workforce on a regular basis throughout the year. Our workforce are key to our strategy and long-term sustainable success and Sue's role thus contributes to the strategic aims of the Group (see also our report on Helical's workforce engagement initiatives at pages 84 to 85).

Sue has over 30 years of experience in UK investment markets. She is a former Managing Director of CBRE's Capital Markets Team and has sat on the CBRE UK Management and Executive Boards. She also held the position of Employee Director on the CBRE Group Inc. Board. Sue started her career as a graduate with Richard Ellis (now CBRE) and worked in Valuation and Fund Management before moving into Investment Agency.

Sue is a Fellow of the Royal Institution of Chartered Surveyors and her extensive commercial experience in the property industry and knowledge of the UK property market renders her a highly valuable contributor to the Group's strategy. It is also through her skills and experience in the field of property valuation that she provides a significant contribution to the effectiveness of the Group's governance structure, especially with respect to the work of the Property Valuations Committee.

The Board determined that Sue's skill set and professional experience made her a highly appropriate successor to Richard Cotton in the role of Senior Independent Director, and it is intended that she will assume this role on conclusion of the 2022 AGM (please see page 103 for more information).

Other external appointments
- Board Member of the Committee of Management of Hermes Property Unit Trust.
- Non-Executive Director of SEGRO plc.

Richard Cotton
Chairman Designate and Senior Independent Director

Board meetings present:	6/6
Tenure:	6 years
Independent:	Yes

Skills, relevant experience and contribution to long-term success
Richard Cotton was appointed to the Board as a Non-Executive Director in March 2016 and as Senior Independent Director in February 2018. Richard is a member of the Remuneration Committee, Audit and Risk Committee and the Nominations Committee.

Richard has a wide range of experience in both executive and non-executive roles at a number of quoted and unquoted companies. Richard was formerly head of UK Real Estate at J.P. Morgan Cazenove, a position he held until 2009, and he spent five subsequent years as Managing Director of Forum Partners. Richard has also previously held the position of Chairman of Centurion Properties and was a Non-Executive Director of Hansteen Holdings plc.

His experience in the financial sector, together with his knowledge and skills in property, strengthens the overall expertise of the Board. He is a key contributor to the firm's strategic discussions, and his knowledge of the financial services industry is frequently drawn upon in Board discussions and assists the Board in decision making.

His appointment as the Group's Senior Independent Director is underpinned by his extensive board experience and understanding of stakeholder interests.

Richard has been appointed by his fellow Directors as Chairman of the Board designate, and it is intended that he will succeed Richard Grant at the conclusion of the 2022 AGM. For more details on Richard's appointment process, please see page 103 of the Nominations Committee Report.

Other external appointments
- Senior Independent Director of Big Yellow Group plc.
- A member of the Commercial Development Advisory Group at Transport for London.

Joe Lister
Non-Executive Director and Chair of the Audit and Risk Committee

Board meetings present:	6/6
Tenure:	3 years
Independent:	Yes

Skills, relevant experience and contribution to long-term success
Joe Lister was appointed to the Board in September 2018 and as Chair of the Audit and Risk Committee in July 2019. He is the Chief Financial Officer at Unite Group plc, a position he has held since January 2008 after joining the company in 2002. Prior to joining Unite Group plc, Joe qualified as a Chartered Accountant with PricewaterhouseCoopers.

In addition to being Chair of the Audit and Risk Committee, Joe is a member of both the Nominations Committee and the Remuneration Committee.

Joe is a key contributor in all aspects of the Group's strategy, and he brings a wealth of experience and insight into the effect that strategic changes might have on the property sector and consequently, the long-term success of the business. He has a strong financial background, having qualified as a chartered accountant, and is highly knowledgeable and experienced in risk management in the property sector. His background therefore enables him to effectively perform the role of Chair of the Audit and Risk Committee at Helical. Furthermore, he is an experienced listed company director and contributes helpful insights on shareholder relations offering differing perspectives gained through his experience as a member of the executive management team at Unite Group plc.

Other external appointments
- Executive Director, Unite Group plc.

Sue Farr
Non-Executive Director, Chair of the Remuneration Committee and designated Non-Executive Director for ESG & Sustainability

Board meetings present:	6/6
Tenure:	2 years
Independent:	Yes

Skills, relevant experience and contribution to long-term success
Sue contributes considerable knowledge, skill and experience to the Board and its Committees, particularly in the areas of marketing, branding and consumer issues, which are key areas of focus for the Board and important for the continued success of our business.

Sue is the Chair of the Remuneration Committee and has served on the boards of a diverse range of companies and has experience on other remuneration committees, both as a member and chair. Her effectiveness as Chair is bolstered by her understanding of employee and wider business perspectives and her ability to consider the consequences of remuneration decisions. She is also a member of the Audit and Risk and Nominations Committees.

In May 2021, the Board appointed Sue as the designated Non-Executive Director for ESG & Sustainability and she plays a key role in monitoring Helical's Culture and ensuring its alignment with Company strategy to support the long-term sustainable success of the business.

Sue is a former Chair of both the Marketing Society and the Marketing Group of Great Britain. In 2003, Sue joined the Chime Group, where she was Chair of the Advertising and Marketing Services Division and Strategic and Business Development Director until 2015, and served as a Special Advisor to their Board until July 2020. Prior to joining the Chime Group, Sue served as Marketing Director of the BBC for seven years, Director of Corporate Affairs at Thames Television for three years and Director of Corporate Communications at Vauxhall Motors. Sue has also served as a Non-Executive Director for Millennium & Copthorne Hotels plc, New Look plc, Dairy Crest plc, Dolphin Capital Partners and Historic Royal Palaces.

Other external appointments
- Non-Executive Director, British American Tobacco plc.
- Non-Executive Director, Accsys Technologies PLC.
- Non-Executive Director, Unlimited Marketing Group Ltd.

James Moss
Chief Operating Officer and Company Secretary

Board meetings present:	6/6
Tenure:	7 years

Skills, relevant experience:
James Moss, MChem (Hons) (Oxon) FCA, joined Helical in September 2014 as Group Financial Controller and was appointed Company Secretary in May 2015 and to the Executive Committee in March 2018. He was subsequently appointed Chief Operating Officer in May 2022.

James has a broad range of responsibilities, contributing to setting and delivering Helical's strategy and ensuring its operational and financial effectiveness. As Company Secretary, he is responsible for corporate governance and Board administration matters.

James was previously at Grant Thornton, where he was responsible for leading audit and other assurance assignments in their real estate division.

Corporate governance report

Corporate governance report structure

We have structured our Corporate Governance Report to reflect the five pillars of the code:

I
Board Leadership and Company Purpose
See page 94

II
Division of Responsibilities
See page 96

III
Composition, Succession and Evaluation
See page 99

IV
Audit, Risk and Internal Control
See page 106

V
Remuneration
See page 110

Some of the information required by the Code is included in the Strategic Report and is cross-referenced with the Corporate Governance Report to avoid unnecessary duplication.

Statement of compliance with the UK Corporate Governance Code 2018

For the year to 31 March 2022 the Group has applied the Principles of the UK Corporate Governance Code 2018 (the "Code") and has complied with all relevant Provisions of the Code throughout the accounting period, with the exception of Provision 19 relating to the Chairman's tenure on the Board. In last year's Annual Report, we explained the reasoning behind the extension of Richard Grant's role (please see page 88 of our 2021 Annual Report and Accounts) and, given the success achieved by the Group this year, the Board recognises that Richard's stalwart leadership throughout his extended tenure has helped the Board to function effectively and has supported the continued long-term success of the business. Having successfully navigated the Group through the height of the pandemic, Richard is due to step down from his role as Chairman at the 2022 AGM and it is intended that he will be succeeded by Richard Cotton. For more information regarding the Chairman's succession process, please see the Report of the Nominations Committee on page 103.

The Code, along with the Financial Reporting Council's 2018 Guidance on Board Effectiveness, has informed the Group's governance practices, particularly with respect to the Board's effectiveness and decision making, and has contributed to the delivery of strategy.

Underpinning Helical's Business Model is a commitment to robust corporate governance; a component that is essential for achieving the Group's objective of long-term value creation for stakeholders. Corporate governance plays an important role in the strategic management of our business and it is through the alignment of stakeholder interests with management actions that Helical's direction and performance is determined. The Board applies the overarching principles of good corporate governance: Fairness, Accountability, Responsibility and Transparency when formulating and delivering its strategy. These principles underpin the Board's activities, including but not limited to, the oversight of financial reporting and auditing, remuneration of senior executives, stakeholder relations and communications, risk management and internal control, ethics, ESG and sustainability. The application of these principles of good corporate governance supports the Board in the effective promotion of the long-term success of the Group.

BOARD LEADERSHIP AND COMPANY PURPOSE

The Board appreciates the Group's broader role in society and the need to engage with all those affected by its endeavours. The Directors prioritise their duty to promote the success of Helical whilst having regard to all its stakeholders and contributing to the wider society. Helical's stakeholders are clearly defined and the Board actively engages with each of these groups on a regular basis (for more information on how this is demonstrated in practice, see pages 80 to 85). How the Board members discharged their statutory s172(1) Duties when making Principal Decisions is described on pages 76 to 77.

The Board and its Committees review workforce policies and procedures on an annual basis and more frequently if required. As part of the annual review process, the Board considers each policy and procedure in the context of desired behaviours and practices and ensures that they remain aligned to Helical's Culture and support long-term sustainability and success (see also pages 79 to 80 of the Strategic Report). For example, the Remuneration Committee takes the pay policies and practices of the wider workforce into consideration when determining the remuneration packages of the Executive Directors. For more information on this, please see the Directors' Remuneration Report on pages 110 to 131. The Helical Purpose and Values are also taken into account when setting the Group's Remuneration Policy and structure. Details of this can be found in the Directors' Remuneration Report on pages 110 to 131.

As part of its leadership responsibilities, the Board continually monitors the Culture of the business and during the reporting period, our designated Non-Executive Director for workforce engagement, Sue Clayton, helped to further embed the Group's Culture through information sharing and engagement between the Board and the workforce. During the reporting period, the Board renewed its approval of the terms of reference for the role of the designated Non-Executive Director for workforce engagement and this document serves to reinforce the Board's emphasis on the importance of effective workforce engagement with the workforce. For more information on Sue's role in enabling the Board to monitor the Group's Culture and in ensuring that the Culture is reflected in decision making, please see pages 79 to 80.

Another effective way in which Helical has monitored its Culture throughout the period is through individual staff interviews. Please see pages 84 to 85 for more details on how the staff interviews are used to monitor Culture and how the outcomes of the interviews have been considered by the Board and the Executive Management team.

Helical's Culture and Values are reinforced through the Group's Supplier Code of Conduct along with various other policies and procedures including share dealing, security of data and anti-bribery and corruption measures. In terms of engaging with external stakeholders, the Group publishes certain key policies on its website (https://www.helical.co.uk/investors/governance/governance-policies/). All Group policies and procedures have been implemented with the objective of supporting the long-term sustainable success of the business. For further details on Helical's Purpose, Values and Culture and how they link to Group strategy, please see pages 78 and 79.

The ability of our employees to speak freely and openly is an important characteristic of Helical's ethos. Helical's Whistleblowing Policy enables all members of the workforce to raise concerns about malpractice or misconduct, in confidence, to either the CEO, Company Secretary, Chairman or Senior Independent Director. Whistleblowing is a matter reserved for the Board and any whistleblowing issue raised, as well as any outcome of subsequent investigations, will be notified to the Board. Further methods used by the Board to engage with the workforce and other stakeholders are detailed at pages 80 to 85.

As well as being linked to the Culture, the Purpose and Values flow through to other policies, practices and behaviours in the business. For example, the Value of working sustainably underpins the Group's strategy and more detail on this can be found in the Sustainability section on pages 56 to 73.

As confirmed in the Group's most recent internal Board evaluation (for more information on the 2021/22 internal Board evaluation, please see the Report of the Nominations Committee on pages 104 to 105), the Board of Directors collectively have the skills and experience required to deliver effective leadership of the Group. They demonstrate focus and interest in generating Shareholder value and in supporting the interests of the Group's stakeholders, whilst also contributing to the wider society.

The Directors' range of backgrounds and expertise ensure that the Group's leadership is effective and balanced (see pages 90 to 92 for details).

Annual Board strategy session

The Group's core activities are performed within the governance and strategic framework set by the Board. However, Helical's strategy is continually overseen by the Board throughout the year, and reviewed as necessary. For example, changes to strategy may be implemented in the event of significant changes to market conditions or to align the Group's objectives with the interests of its stakeholders.

In September 2021, the Board met for its annual strategy session at which all the Directors were in attendance. The annual meeting provides a forum, outside the quarterly Board meetings, for the Board members to come together to focus their discussions on strategy, drawing upon the breadth of experience and insights of the Non-Executive Directors.

The Directors were provided with reading materials in advance of the session to allow for prior consideration of the agenda items.

At the outset of the meeting, a presentation on the outlook for the London Office Market was provided by CBRE, followed by a presentation from Peel Hunt on the UK Equities Market and Helical's position and future potential.

At the meeting, the Directors focused their discussions on the geopolitical and economic climate, sustainability and the environment, the property market and the interests of Shareholders and other stakeholders. Having considered these factors, the Directors carefully deliberated and agreed upon the key strategic options that would be incorporated into the Group's strategy for the forthcoming year.

Effectiveness

Matters considered by the Board in 2021/22

CORPORATE RESPONSIBILITY

- Receipt of reports from the Sustainability Committee to assess the Group's approach to sustainability and establish a future strategy with objectives;
- Approval and launch of the "Designing for Net Zero" guide; and
- Consideration of the Group's Net Zero Carbon Pathway.

STRATEGY

- Review of corporate objectives;
- Appointment of Peel Hunt as the Company's joint corporate broker;
- Review of market trends, opportunities and risks;
- Annual off-site Board meeting focused on strategy;
- Receipt of regular strategy updates; and
- Approval and publication of the Group's guide "Designing for Net Zero".

PROPERTY TRANSACTIONS AND OPERATIONS

- Approval of material property transactions and opportunities e.g. 100 New Bridge Street, EC4;
- Approval of the Group's conversion into a Real Estate Investment Trust; and
- Review of independent valuations of properties.

FINANCIAL AND OPERATIONAL PERFORMANCE

- Approval of the Group's full year and half year results;
- Review of the capital and debt structure;
- Assessment of viability and going concern, including sensitivity analysis;
- Receipt of regular reports from the Chief Executive and the Chief Financial Officer;
- Approval of the Group budget;
- Review of the dividend policy and recommendation of the 2021 final dividend and approval of the 2022 interim dividend;
- Receipt of presentations from senior management from across the business and consideration of reports on matters of material importance to the Group;
- Approval of major capital and operating expenditure proposals; and
- Review of financing proposals.

GOVERNANCE AND RISK

- Quarterly review of the Group's Health and safety performance;
- Oversight of the Group's Health & Safety policy;
- Review of risk strategy and risk appetite and reaffirming the Group's Risk Framework;
- Financial crime risks and mitigation, including external review;
- Bi-annual review of principal and emerging risks facing the Group;
- Continued consideration of cyber security and mitigation of cyber risks;
- Monitoring of performance and continued development of health and safety risk mitigation;
- Continued consideration of the implications of the Covid-19 pandemic and geopolitical instability, as well as other matters of global macro significance, and mitigating strategies;
- Internal control system review;
- Receipt of regular reports and updates on governance matters;
- Continuous review of UK Corporate Governance legislation and guidance – 2018 UK Corporate Governance Code, FRC's Guidance on Board Effectiveness and The Companies (Miscellaneous Reporting) Regulations 2018;
- Review of its governance processes e.g. meeting frequency and timeliness of Board papers;
- Participation in the internally facilitated Board evaluation;
- Annual review and approval of Board policies and procedures, Schedule of Matters Reserved for the Board and Committee terms of reference; and
- Review and approval of the annual Modern Slavery Statement.

PEOPLE

- Review of succession and talent management processes within the Group;
- Receipt of feedback from the designated Non-Executive Director regarding the employee engagement initiatives and consideration of issues raised;
- Review and approval of the Annual Bonus calculations for the 31 March 2021;
- Review of staff engagement mechanisms including oversight and review of Group whistleblowing procedures;
- Executive and Non-Executive development and succession planning, notably the appointment of the new Board Chairman and the SID;
- Evaluation of the Board's effectiveness; and
- Engagement with the Group's stakeholders and consideration of their interests when making Board decisions (please see pages 80 to 85).

II DIVISION OF RESPONSIBILITIES

The Helical Board is suitably balanced, with more than half of the Board, excluding the Chairman, being independent Non-Executive Directors.

The Non-Executive Directors are responsible for constructively challenging and helping to develop proposals on strategy. They are also responsible for applying independent and objective judgement and scrutiny to all matters before the Board and its Committees. Throughout the reporting period, the Non-Executive Directors have received information from Peel Hunt and Numis to help enhance their understanding of the views of Helical's major Shareholders.

The Board is satisfied that all the Directors are able to allocate sufficient time to the Company to discharge their responsibilities effectively. Upon appointment, the Non-Executive Directors are also required to inform the Chairman of their external appointments prior to their acceptance of a role on the Board. In addition, the Chairman's time commitments are subject to review by the Senior Independent Director, in conjunction with the other Non-Executive Directors. The Board reviews the Conflict of Interest Register at each Board meeting. For details of the Directors' current external commitments, please see "Our Board" section on pages 90 to 92.

There is a clear division of responsibilities between the running of the Board and the Executive Directors' responsibility for running the business. An honest and open culture exists between both the Executive and Non-Executive Directors, enabling the Non-Executives to provide constructive challenge and give specialist advice and guidance on strategy.

This open forum extends beyond the boardroom and can be evidenced by the Board's usage of an instant messaging platform to share real time, key business updates.

The Executive Committee, led by the Chief Executive, is responsible for ensuring the Group's strategy is communicated and implemented. It is comprised of the three Executive Directors and two senior managers and usually meets monthly, or more frequently if required. Given the size of the organisation, the importance of succession planning within the executive team is a key area of focus for the Board. Further details on succession planning can be read in the Nominations Committee Report on pages 99 to 105.

Chairman and Chief Executive

The positions of Chairman and Chief Executive are held separately, and their roles and responsibilities are clearly established, set out in writing and agreed by the Board. The Chairman is responsible for the leadership of the Board and ensuring its effectiveness. The Chief Executive is responsible for the leadership of the business and managing it within the authorities delegated by the Board. Alongside boardroom discussions, the Chairman maintains contact with the Non-Executive Directors by telephone and, at least annually, will invite only the Non-Executive Directors to attend a meeting to discuss Company matters.

Throughout the year, the Chairman has continued to directly engage with our Shareholders, making himself available for meetings at their request. This direct form of engagement supplements the planned investor relations programme undertaken each year (see page 98 for details). Any feedback from the Chairman's interactions with Shareholders is reported directly to the Board. The Directors strive to maintain effective corporate leadership by integrating stakeholder engagement with the accepted core functions of the Board. For more details on how the Board discharges this key responsibility of engagement, please see pages 80 to 85.

Senior Independent Director

The Senior Independent Director ("SID") has acted, and continues to act, as a sounding board for the Chairman and as an intermediary for the other Directors and Shareholders. The SID is available to Shareholders for meetings or to discuss any concerns which have not been resolved through, or would be inappropriate to resolve through, the normal channels of communication with the Chairman, Chief Executive or other Directors.

The annual appraisal of the Chairman's performance was conducted by Richard Cotton, SID, as part of the 2021/22 internal Board evaluation (for further details, please see pages 104 to 105).

Designated Non-Executive Director for workforce engagement

Sue Clayton was appointed to the role of designated Non-Executive Director for workforce engagement in 2019 and her role is key to facilitating meaningful engagement between the Board and the wider workforce and ensuring that the interests of the Helical employees are considered in Board discussions and decision making. For more information on this role at Helical, please see pages 84 and 85 of the Strategic Report.

The detailed roles of the Chairman, CEO, SID and designated Non-Executive Director for workforce engagement are available on our website: https://www.helical.co.uk/investors/governance/governance-policies/.

Company Secretary

Our Company Secretary plays a leading role in the Group's governance structure. Under the direction of the Chairman, the Company Secretary's responsibilities include:

- Maintaining a record of attendance at Board meetings and Committee meetings;
- Ensuring good information flows to the Board and its Committees, and between the Executive Committee and the Non-Executive Directors;
- Advising the Board on all regulatory and corporate governance matters; and
- Assisting the Chairman in ensuring that the Directors have suitably tailored and detailed induction and ongoing training and professional development programmes.

Information and professional development

The Chairman, with support from the Company Secretary, is responsible for ensuring that the Directors receive clear and accurate information in a timely manner. Throughout their Board tenure, the Directors are encouraged to develop their knowledge of the Group through property tours, meetings with stakeholders and consultations with members of senior management. The Board is also kept appraised of all relevant updates with respect to relevant legislative and regulatory requirements and all corporate governance matters. All Directors have access to the services and advice of the Company Secretary.

Board meetings during the reporting period

Regular Board meetings are scheduled each year and the Directors allocate sufficient time to the Company to discharge their responsibilities effectively, with the Non-Executives in particular providing constructive challenge and strategic guidance and offering specialist insight and advice based on their experience (see pages 90 to 92 for the diverse skill set of the Board, which provides for balanced and effective leadership of the Group). During the year ended 31 March 2022 six scheduled Board meetings were held, with an additional six unscheduled meetings held to discuss specific issues and events.

The Board also held its annual strategy event in September 2021, at which the Directors participated in focused discussions on the Group's strategy. The strategy event was structured to facilitate formal discussions during the day followed by more informal discussion in the evening (see also page 94 for further details).

Board attendance at scheduled meetings

Board meetings – 1 April 2021 to 31 March 2022	Attendance
Richard Grant, Non-Executive Chairman	6/6
Gerald Kaye, Chief Executive Officer	6/6
Richard Cotton, Chairman Designate and Senior Independent Director	6/6
Sue Clayton, Non-Executive Director	6/6
Joe Lister, Non-Executive Director	6/6
Sue Farr, Non-Executive Director	6/6
Tim Murphy, Chief Financial Officer	6/6
Matthew Bonning-Snook, Property Director	6/6

Board

The Board's main responsibilities include, but are not limited to:

- providing overall leadership of the Group and for setting its long-term strategic aims;
- establishing the Group's Purpose, Values and Culture, and ensuring that these are aligned with the Group's strategic aims and objectives;
- approving changes to the Group's capital, corporate and governance structures;
- reviewing management and operational performance, including health and safety;
- oversight and approval of the Group's financial reporting;
- approving the risk appetite of the Group and ensuring the maintenance of a robust system of controls and risk management;
- review of the adequacy and security of the Group's arrangements for its workforce to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters;
- approving major capital projects, investments and divestments above limits of authority delegated by the Board;
- approving resolutions and corresponding documentation to be put to Shareholders at General Meetings, circulars and listing particulars;
- ensuring satisfactory dialogue, and approving all formal communications with Shareholders;
- ensuring effective engagement with, and encouraging participation from, the Group's stakeholders;
- approval of policies on matters such as health and safety, corporate social responsibility and the environment; and
- oversight of all corporate governance matters.

Board members

- Richard Grant (Non-Executive Chairman)
- Gerald Kaye (Chief Executive)
- Richard Cotton (Senior Independent Director)
- Sue Clayton (Independent Non-Executive Director)
- Joe Lister (Independent Non-Executive Director)
- Sue Farr (Independent Non-Executive Director)
- Tim Murphy (Chief Financial Officer)
- Matthew Bonning-Snook (Property Director)

Secretary

- Secretary to the Board: James Moss

Please also see the Schedule of Matters reserved for the Board, available to download at https://www.helical.co.uk/investors/governance/governance-policies/

Committees

Nominations Committee

Ensures there is a formal, rigorous and transparent procedure for the appointment and induction of new Directors to the Board, leads the process for Board appointments and succession planning (including the development of a diverse succession pipeline) and supports the annual Board evaluation process.

Committee members:

- Richard Grant (Chair)*, Non-Executive Director
- Sue Clayton, Independent Non-Executive Director
- Richard Cotton, Independent Non-Executive Director
- Joe Lister, Independent Non-Executive Director
- Sue Farr, Independent Non-Executive Director

Please also see Report of the Nominations Committee on pages 99 to 105.

* Richard Grant did not chair the Committee meetings which dealt with the appointment of his successor.

Executive Committee

Assists the Chief Executive Officer in the performance of his duties and ensures that the Group's strategy is implemented, subject to the limitations of authority set out in the Schedule of Matters Reserved for the Board.

Committee members:

- Gerald Kaye (Chair), Chief Executive Officer
- Tim Murphy, Chief Financial Officer
- Matthew Bonning-Snook, Property Director
- James Moss, Chief Operating Officer
- Tom Anderson, Senior Investment Executive

Audit and Risk Committee

Assists the Board in fulfilling its oversight responsibilities by reviewing and monitoring: the integrity of financial information provided to Shareholders; the Group's system of internal controls and risk management; the external audit process and auditors; and the processes for compliance with laws, regulations and ethical codes of practice.

Committee members:

- Joe Lister (Chair), Independent Non-Executive Director
- Sue Clayton, Independent Non-Executive Director
- Richard Cotton, Independent Non-Executive Director
- Sue Farr, Independent Non-Executive Director

Please also see Report of the Audit and Risk Committee on pages 106 to 109.

Remuneration Committee

Assists the Board in fulfilling its responsibility to Shareholders to ensure that the Remuneration Policy and practices of the Group reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.

Committee members:

- Sue Farr (Chair), Independent Non-Executive Director
- Sue Clayton, Independent Non-Executive Director
- Richard Cotton, Independent Non-Executive Director
- Joe Lister, Independent Non-Executive Director

Please also see Report of the Remuneration Committee on pages 110 to 131.

Property Valuations Committee

Reviews the valuations of the Company's property portfolio and reports to the Audit and Risk Committee on its findings.

Committee members:

- Sue Clayton (Chair), Independent Non-Executive Director
- Gerald Kaye, Chief Executive Officer
- Matthew Bonning-Snook, Property Director
- Tom Anderson, Senior Investment Executive

Please also see Report of the Audit and Risk Committee on pages 106 to 109.

Sustainability Committee

Assists the Board in setting and monitoring the Company's sustainability strategy, policies, targets and performance.

Committee members:

- Matthew Bonning-Snook (Chair), Property Director
- Laura Beaumont, Head of Sustainability
- John Inwood, Head of Asset Management
- Pavlos Clifton, Senior Development Executive
- Lois Robertson, Operations Manager

For further details on the Group's sustainability initiatives, please see pages 56 to 73.

Key investor relations activities

2021	
April	Trading Update
May	Annual results announcement and analysts' presentation for the full year to 31 March 2021
May/June	Investor Roadshow presentations
July	Trading Update
	Annual General Meeting
September/October	Investor Roadshow Presentations
October	Trading Update
November	Results announcement and analysts' presentation for the half year to 30 September 2021
November/December	Investor Roadshow presentations
2022	
February	Extraordinary General Meeting – Approval of acquisition of 100 New Bridge Street, EC4
March	Extraordinary General Meeting – Approval of matters in connection with REIT conversion
April	Trading Update

Annual General Meeting

For details of the resolutions passed at the 2021 AGM and the voting results, please visit our website: https://www.helical.co.uk/investors/agm-gms/

Fair, balanced and understandable – the Board's responsibility

The Code requires the Board to ensure that, taken as a whole, the Annual Report and Accounts present a fair, balanced and understandable assessment of the Group's position and prospects. In reviewing the Annual Report and Accounts, the Audit and Risk Committee considered the points set out in its report on page 108. After such a review, the Audit and Risk Committee reported its findings to the Board. For the Directors' statement in this regard, please see page 134.

III COMPOSITION, SUCCESSION AND EVALUATION

Nominations Committee

Committee membership and attendance

● Attended ○ Absent

	Independent	Committee meeting attendance
Richard Grant (Chair)*	No	●●●
Sue Clayton	Yes	●●●
Richard Cotton	Yes	●●●
Sue Farr	Yes	●●●
Joe Lister	Yes	●●●

* Richard Grant was not chairing meetings when his succession was discussed.

The Company Secretary acts as secretary to the Committee.

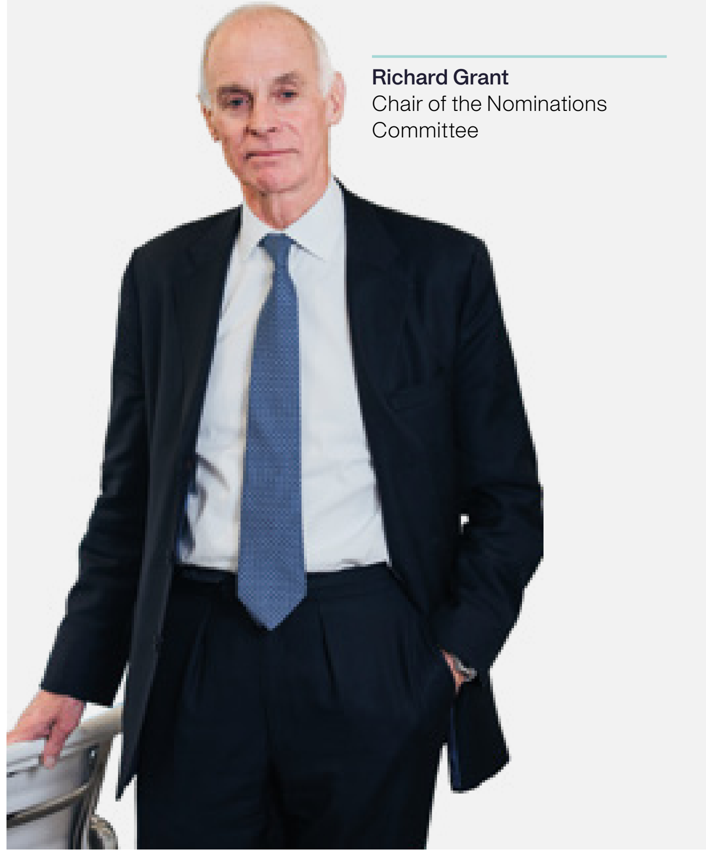
The Committee's terms of reference are available to download at: https://www.helical.co.uk/investors/governance/governance-policies/

Key highlights of 2021/22

- Appointment and induction of Richard Cotton as Chairman Designate, successor to Richard Grant.
- Appointment of Sue Clayton as Senior Independent Director ("SID") Designate, successor to Richard Cotton.
- Internal Board evaluation conducted at the beginning of 2022.
- Review of succession plans for the Board and senior management.

Key areas of focus for 2022/23

- Completion of the induction of new Board Chairman.
- Consideration of appointment of a new Non-Executive Director.
- Succession pipeline for senior management to remain under review.
- Continued focus on diversity throughout all levels of the organisation.
- Externally facilitated Board evaluation to be conducted in early 2023.



Richard Grant
Chair of the Nominations Committee

Dear Shareholder,

I am pleased to present the Nominations Committee Report covering the work of the Committee during the year to 31 March 2022. This shall be my final report as Committee Chair (please see below), and I have been proud to serve the Shareholders since my appointment to the role in July 2019.

The Committee met three times over the year and spent a significant proportion of its time considering the appointment of a new Board Chairman and Senior Independent Director. The composition of the Board and its Committees and succession planning for the Board and that of senior management were also afforded significant attention over the period. In addition, the Committee oversaw the 2022 Board Effectiveness Review which was conducted internally.

Board composition

The Nominations Committee evaluates the balance of skills, experience, diversity and knowledge on the Board. The Committee considers the Board and its Committees to be functioning efficiently and effectively. The Board and its Committees discharge their respective duties successfully with the appropriate level of challenge and independence. Based on its review of the composition of the Board and its Committees over the period, the Nominations Committee is satisfied that the members of the Board, in conjunction with the senior management, are well equipped to achieve the Group's strategic objectives.

Director appointments are made against objective criteria and are based on experience and merit. This supports the Group's strategy to maintain an appropriate combination of skills, experience, independence and knowledge on the Board and its Committees. On an annual basis, the Nominations Committee formally considers the composition of the Board and its Committees, and focuses its review upon the balance of skills, experience, length of service, knowledge of the Group and wider diversity considerations. This review is aided by the use of a skills matrix. The Committee also keeps the composition of the Board and its Committees under review throughout the year.

The 2022 AGM shall be my last, as I am retiring from the Board. It is proposed that Richard Cotton will be my successor as Chairman and Sue Clayton will assume the role of SID, currently held by Richard Cotton, with both changes being subject to their re-election at the 2022 AGM (for more details, please see page 103).

Directors' elections

In compliance with the Code, all the Directors shall be subject to annual re-election. With the exception of my position on the Board, all the Directors will be putting themselves forward for re-election at the 2022 Annual General Meeting ("AGM") of the Company. Please see the Notice of Meeting of the 2022 AGM for additional information and the recommendations on re-election. The Board is satisfied that each of the Non-Executive Directors being put forward for re-election continue to be independent and that they continue to be effective and dedicated to the role.

Diversity – Board level

The Helical Board fosters an inclusive and diverse culture which is fundamental to talent retention, growth and delivery of performance and enhancement of long-term success. Diversity and inclusion is embraced throughout the Group, underpins each of our Values which support the execution of the Board's strategic objectives, and is therefore key to the achievement of the Group's Purpose. A diverse Board includes and makes good use of differences in the skills, experience, background, race, sexual orientation, gender and other characteristics of directors as set out in the Equality Act.

The skills and backgrounds collectively represented on the Board should reflect the diverse nature of the environment in which Helical operates and improve its effectiveness through diversity of approach and thought.

In accordance with the Committee's terms of reference and on behalf of the Board, the Committee regularly reviews the diversity of the Board and its Committees, taking account of the Group's strategic priorities, and making recommendations to the Board about any changes that are deemed necessary. Board diversity is a key consideration when recommending future Board appointments and conducting succession planning exercises.

Our policy on Board diversity reflects our continued commitment to promote an inclusive and diverse culture. We are pleased to report on the progress made with respect to our Board Diversity and Inclusion Policy objectives:

BOARD DIVERSITY AND INCLUSION POLICY OBJECTIVE	PROGRESS UPDATE
In reviewing Board composition, the Nominations Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively and to guard against "group think".	Diversity is carefully considered as part of the Board's annual review of both Board and Committee composition.
The Nominations Committee will oversee the development of a diverse pipeline for succession for the Board. The Committee is committed to ensuring that candidate lists for Board positions are compiled by drawing from a broad and diverse range of candidates.	The Committee reviews the suitability of the Group's succession plans below Board level at least once a year, as part of its annual strategic review.
In identifying suitable candidates for appointment to the Board, the Nominations Committee will consider, both internal and external, candidates on merit against objective criteria and with due regard to the benefits of Board diversity.	In conducting the search for the new Board Chairman, the specially convened Nominations Committee applied this objective. See page 103 for more details.
The Nominations Committee will strive to engage executive search firms who have signed up to The Standard Voluntary Code of Conduct for Executive Search Firms.	This objective was met during the year, with external search consultancy, Sam Allen Associates, being engaged to assist with our search for a new Board Chairman.
As part of the annual Board evaluation, the Nominations Committee will review the composition of the Board and consider the balance of competencies to ensure alignment to Helical's Purpose and strategic priorities; the environment in which it operates; the characteristics, perspectives, independence and diversity of Board members; how the Board works together; and other factors relevant to its effectiveness.	During the year, the Nominations Committee undertook a formal and rigorous internal evaluation of the Board and its Committees. This year's internal review formally considered the composition of the Board and its Committees, and focused its review upon the balance of skills, experience, length of service, knowledge of the Group and wider diversity considerations. This review was aided using a skills matrix. Particular attention was also paid to the specific focus areas identified in the 2021 internal review, one of which being the continued focus on diversity throughout all levels of the organisation with respect to appointments (please see pages 104 to 105 for further details).
The Nominations Committee will maintain oversight of market practice and the legal/regulatory environment relating to diversity and inclusion in UK publicly listed companies.	The Board monitored the developments with respect to the FCA's consultation on "Diversity and inclusion on company boards and executive committees" and supports the final proposals which seek to improve transparency in reporting. In line with best market practice, the Board has elected to disclose its data on diversity and inclusion in accordance with the FCA's final policy decision published in April 2022 (see page 101).
The Nominations Committee may set targets for Board diversity on a regular basis and will oversee plans for diversity and inclusion and assess progress annually.	Gender diversity at Board level improvements: At the conclusion of the 2022 AGM, 29% of our Board members will be female, up from 25%, and notably the role of Senior Independent Director will be held by a woman. Further statistics regarding gender diversity are set out in the Sustainability section on page 73.

Whilst Helical has historically not set specific targets for diversity on the Board, the Committee is supportive of the FCA's proposals set out in its "Diversity and inclusion on company boards and executive committees" consultation and is keen to demonstrate its support by reporting in accordance with the changes to the Listing Rules ahead of the mandatory reporting date.

The Committee has set out its status of compliance with the FCA's new board diversity targets as at 31 March 2022 as follows:

FCA BOARD DIVERSITY TARGET	COMPLIANCE AT HELICAL
At least 40% of the board are women (including those self-identifying as women)	Currently 25% of the Helical Board is comprised of women. The Committee is pleased to report that at the conclusion of the 2022 AGM, female representation on the Board of Directors will stand at 29%. However, we recognise that the current level of female Board representation is below the FCA's target and will continue to strive to increase this through nurturing the female talent present within the Helical team and ensuring that diversity and inclusion is included in the development of succession plans. In addition, with respect to the recruitment of future Board members, the Nominations Committee will continue to regard Board diversity of gender as a key consideration when recommending future Board appointments and conducting succession planning exercises. The Committee recognises the recommendations of the Hampton-Alexander Review and will strive to increase the number of female Board members over time provided that this is consistent with other skills and requirements. More widely, the Committee is committed to developing a long-term pipeline of executive talent that reflects the diversity of our stakeholders.
At least one of the senior board positions (Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer) is a woman (including those self-identifying as a woman)	We are pleased to confirm that Sue Clayton is due to assume the role of Senior Independent Director on the Board with effect from the 2022 AGM.
At least one member of the board is from a non-White ethnic minority background (as referenced in categories recommended by the Office for National Statistics)	Whilst none of the Helical Board members are considered to be from an ethnic minority, the Committee recognises that boards generally perform better when they include the best people from a range of backgrounds and experiences. When assessing the composition of the Board, the Nominations Committee recommends appointments, and the Board makes appointments based on skills, experience and merit. However, equality, diversity and inclusion will continue to be key considerations in all appointment processes. The Nominations Committee will continue to seek diversity of mindset as well as of gender, race, and background when considering new appointments in the period to 2023, and it will continue to review this policy on an annual basis to ensure it remains appropriate. More widely, we are committed to developing a long-term pipeline of executive talent that reflects the diversity of our stakeholders. The Board is cognisant of the recommendations of the Parker Review and subsequent updated report, and will continue to focus on and improve the levels of diversity amongst its Directors in order to promote the success of the Group, thereby generating value for Shareholders and contributing to wider society.

In accordance with the Group's diversity objectives, the Board chooses to engage external search firms who are signatories to the UK Voluntary Code of Conduct for Executive Search Firms to address gender diversity on corporate boards. The Company is also a signatory to Real Estate Balance, a cross industry organisation which has, since 2017, focused on helping to increase the number of women operating in senior positions in the real estate sector. Since 2019, Helical has been a signatory to the Real Estate Balance CEO's Commitments for Diversity and the Group supports the principles on leadership, culture and opportunity contained in the Real Estate Balance Toolkit, designed to support a more diverse workplace.

Diversity and inclusion in the workforce:
Helical is dedicated to promoting and celebrating the positive effect that diversity has, both in the workplace and within the wider community, and this is embedded within the Group's Culture. In addition, the Board is focused on ensuring that the views of its workforce and other stakeholders are taken into account, and that an environment of inclusivity is promoted at all times.

By ensuring that Helical is an inclusive and diverse business, the Group benefits from a variety of experiences and perspectives, stimulating creativity and contributing to our open and cohesive Culture. In addition, benefits extend to the development of a diverse succession pipeline, necessary for future sustainability.

The Board's key objectives with regards to diversity and inclusion in the workforce are documented in the Group's Diversity and Inclusion Policy which can be found on our website: https://www.helical.co.uk/investors/governance/governance-policies/

Helical celebrated a number of equality, diversity and inclusion related initiatives and campaigns throughout the year, including:

- International Women's Day: The Group celebrated International Women's Day for the second consecutive year. Employees took part in activities to recognise females across the Company and the barriers and challenges preventing women progressing were highlighted to staff through all-staff communications;
- International Day of Happiness: We chose to celebrate this on 20 March 2022 which represents a shift in global attitudes towards wellbeing and the recognition of happiness as a human right;
- Wednesday Wellness Programme: The Group proactively recognises the importance of the health and wellness of its employees, with the aim of facilitating an inclusive environment for all. The Group promoted this through a Wednesday Wellness Programme run on the first Wednesday of each month. Topics considered by the programme include stress management, mental health and nutrition and "digital detoxing";
- World Health Day: We drew our employees' attention to a number of campaigns promoting the importance of early detection of health problems in either sex and the benefits of early intervention such as Prostate Cancer UK, Testicular Cancer Society, Know Your Lemons Foundation and Lady Garden Foundation; and
- Mental Health Awareness Week: With the theme of "nature" in 2021, we organised a picnic outside our offices in Hanover Square, encouraging the team to eat their lunch outside. Staff were also gifted vouchers for a local health food deli to purchase their lunch. Green ribbons, the international symbol for mental health awareness, were also distributed to all staff to raise awareness for the cause.

The Board will be monitoring and reviewing the Group's progress with regards to its diversity and inclusion initiatives by assessing the successful delivery of Group strategy over time against the objectives set. Success will also be measured using the information gathered through the Group's employee engagement initiatives (please see Our stakeholders – Section 172(1) Statement section on pages 84 to 85).

Helical's Employment Policy supports its diversity and inclusion objectives, whereby all employee candidates are considered fairly and without prejudice or discrimination. The policy also supports the enhancement of our employees' career development. The Group's Employment Policy can also be found on our website: https://www.helical.co.uk/investors/governance/governance-policies/

During the year under review, 40% of the Group's female employees held professional qualifications, providing a positive balance of gender in our talent pool. In order to maintain a diverse and inclusive business, Helical supports part-time, job-sharing and flexible working requests wherever possible. During the year under review 21% of the workforce carried out their roles on a part-time basis. The Group also operates various family-friendly policies, including policies for maternity, adoption and shared parental leave, which provide financial assistance to employees. The gender representation across the Group's workforce as at 31 March 2022 can be found on page 73.

The Board supports the findings of the Hampton-Alexander Review with respect to increasing gender diversity in company leadership below board level. The Board is committed to strengthening the pipeline of senior female executives within the business and will continue to develop the Group's policies and practices to support women succeeding at the highest levels possible at Helical. Diversity is a key point of focus for the Nominations Committee in both Board and senior management level succession planning – see pages 100 to 103.

Director independence and effectiveness
Following due consideration of each Director's tenure, alongside the commitment and effective contribution demonstrated in relation to their respective roles, the Committee has recommended to the Board that resolutions to re-elect each Non-Executive Director be proposed at the AGM alongside resolutions to re-elect the Executive Directors. The Committee ensures that Board appointees have enough time available to devote to the appointed role. To enable the Board to identify any potential conflicts of interest and ensure that Directors continue to have sufficient time available to devote to the Company, Directors are required to inform the Board of any changes to their other significant commitments.

At the 2021 AGM, the Shareholders were asked to approve the extension of my tenure beyond that recommended by the UK Corporate Governance Code ("UK Code"). The Directors sought to extend my tenure as they deemed my skills and experience as vital to ensuring stability and continuity as the business navigated its way out of the Covid-19 pandemic. However, I will not be standing for re-election at the 2022 AGM and it is intended that I will be succeeded by Richard Cotton (please see below for more information).

Succession
The Committee is responsible for making appointments to the Board and ensures that plans have been created to enable orderly succession to the Board, its Committees and the senior management team of Helical. In formulating succession plans, the Committee is cognisant of the need to develop a diverse pipeline of candidates, particularly with regard to gender and social and ethnic backgrounds, in order to equip the Group with the necessary skills and expertise it requires to drive long-term value creation and support its strategic aims. The Group's Diversity and Inclusion Policy informs succession planning at all levels of the business (see https://www.helical.co.uk/investors/governance/governance-policies/ for the full policy).

During the year, as part of the 2022 internal Board evaluation (see also Evaluation section below), the current skills and expertise of the Board members were assessed, with consideration being given to whether the skills and expertise were sufficient and broad enough to ensure the effective operation of the Board. The review of the Directors' skill sets helped to identify gaps which will be used to inform the Committee when appointing future Board members. The Committee will continue to monitor the skills and capabilities, and length of tenure of Board members, recommending further appointments as necessary. For details of our Directors' skills and capabilities and how they contribute to the Group's long-term success, please see pages 90 to 92.

The Committee reviews the suitability of the Group's succession plans below Board level at least once a year, as part of its annual strategic review. In 2021, the Committee asked the Executive Committee to conduct a detailed review of the succession pipeline considering the skills and strengths of all potential internal candidates, and highlighting any gaps and training requirements. The process was designed to ensure that appropriate opportunities are in place to develop high performing individuals and enable proactive planning for succession in the executive team and across all levels of the business. The plan identified potential successors for the roles on the Board in the short and long term and took gender and ethnic diversity into account.

In March 2022, the Committee reconsidered the 2021 succession plan and concluded that the Helical team displayed a good range of skills and that there were candidates who possessed the desired capabilities for progression to roles on the Executive Committee and the Board over time. The Committee was satisfied that plans remain sufficiently robust to enable vacancies to be filled on a short to medium-term basis and, consequently, re-endorsed the plan devised in 2021. Our employees' passion, commitment and expertise are key to delivering our strategy and fulfilling our Purpose. The Committee supports the development of Helical's internal talent and recognises the importance of continuing to invest and develop our people in order to help accelerate our growth and future success.

Given the size of the Group, whilst it is always the Committee's aim to nurture and promote existing talent when recruiting for senior leadership and Board roles, the Group may also utilise the expertise of external search consultants to ensure that the best possible range of diverse candidates is considered.

Work of the specially convened Nominations Committee led by Sue Farr

Chairman's succession
As reported last year, from the conclusion of the 2021 AGM, my tenure on the Board exceeded the nine years recommended by the Code. However, the Committee determined that it was in the Company's best interests for me to continue as Chairman for an additional term of one year in order to maintain continuity and stability as the business navigated its way out of the Covid-19 pandemic. This decision was supported by our Shareholders through my re-election at the 2021 AGM.

A specially convened Nominations Committee ("sub-Committee"), led by Sue Farr, instructed Sam Allen Associates ("Sam Allen") to support the recruitment of this role. Sam Allen, who do not have any other connection with the Company or individual Directors, is a signatory to the BEIS's Voluntary Code of Conduct for Executive Search Firms. The sub-Committee developed and agreed a job specification for the role of Chairman which included key leadership characteristics, experience in the real estate sector and in UK publicly listed companies, as well as the extensive knowledge required to lead the Board. A longlist of potential, diverse, external candidates was prepared with the support of Sam Allen and was considered by the sub-Committee in the first instance. The sub-Committee then formulated a shortlist and considered each candidate in detail. In compiling potential candidate lists, the sub-Committee had regard to all the key objectives of the Board Diversity and Inclusion Policy (available to view on our website https://www.helical.co.uk/investors/governance/governance-policies/).

In accordance with the Board Diversity and Inclusion Policy, the sub-Committee also felt it important to review and consider internal candidates for the role. In assessing the internal talent pool, the Committee found that Richard Cotton was a highly suitable candidate, and when his skills and experience were compared with the candidates on the shortlist, the results determined him as the most appropriate candidate for the role overall. The search culminated in the Board recommending to Shareholders that Richard Cotton be appointed as my successor with effect from the close of business of the 2022 AGM.

Although Richard Cotton has served on the Board for six years and is fully informed with respect to the functioning of the Board and the Group's operations, as outgoing Chairman, I am undertaking a programme of induction with Richard Cotton in preparation for the commencement of his appointment.

Senior Independent Director's succession
It was also recognised that in becoming Chairman of the Board, Richard Cotton would need to hand over his duties as SID and the Committee was therefore required to consider a successor for the role of SID. The Committee identified Sue Clayton, with her extensive experience of the property sector, strong people management skills and a passion for promoting positive culture and diversity, as an appropriate successor for the role of SID. Taking these findings into account, the Committee proposed that, subject to her re-election at the 2022 AGM, Sue Clayton will succeed Richard Cotton as the Group's SID with effect from the conclusion of the AGM.

Consideration of a new non-executive director
As part of the Chairman's succession exercise, the Committee also considered the appointment of an additional non-executive director to the Board. Based on the review of the Directors' current skills and expertise, it was concluded that there were no material skill gaps on the Board or its Committees at present and that the Board, comprised of its current seven members, could function effectively.

The Nominations Committee will continue to monitor the composition of the Board and reconsider the appointment of a new non-executive director as necessary.

In the event that the Committee identifies the need for an additional director in the future, a formal, transparent and rigorous recruitment process for this role will be conducted with the assistance of an external search consultancy.

Evaluation
To ensure that the optimal performance of the Board is maintained, an evaluation of the effectiveness of the Board is conducted annually, with an external evaluation instructed every three years in accordance with the Code's best practice standards. During the year, we undertook a formal and rigorous internal evaluation of our Board and Committees, with particular attention paid to the specific areas identified in the previous year's review.

This year, I led the internal evaluation with respect to the effectiveness of the Board and its Committees and my performance review was conducted by our SID, Richard Cotton.

The process
I conducted interviews with each Director individually, covering the effectiveness of the Board and its Committees. Each Director was supplied with a list of key discussion points in advance of their interview. The key areas of focus highlighted by the 2020/21 review were considered in the discussions. The responses from each interview were then collated, and I presented the key findings to the Board in March 2022. In formulating the conclusions, I compared the key themes identified in the internal 2022 Board evaluation to the results from the 2021 Board evaluation.

Similarly, Richard Cotton conducted my performance evaluation via individual interviews with each Director.

Recommendations from the 2020/21 Board evaluation	Progress
• The Board should continue to seek input from external experts/ sources wherever possible, particularly in relation to market knowledge, the assessment of risk and inputs to the process of strategy development.	• Over the year, the extent to which the Board has sought external views and expertise to assist in the development of business strategy has increased. The overall business strategy is subject to detailed annual review, initially undertaken by the Executive Management team. Their preliminary strategic plan is then presented to the Board for detailed consideration and discussion. At the annual strategy meeting (see page 94 for more details), presentations were received from external experts covering both the property market and the London Stock Exchange in which Helical's performance is measured and evaluated. Furthermore, at every Board meeting an update on the property market is discussed using a number of external sources to inform and supplement the Group's own view of the current environment and likely future developments.
• Increased focus on corporate strategy (in addition to property strategy), paying particular attention to maximising Shareholder returns.	• The Board has increased its focus on Shareholder returns with respect to both strategic discussions and the KPIs on which the business is focusing, with the Director remuneration targets having been adjusted to reflect this greater focus on maximising Shareholder returns. The decision to convert to a REIT, a decision which has only been taken after careful examination and confidence that it aligns with the future strategy and growing emphasis on retaining investment assets for longer periods (see page 76 for further details), should enhance Shareholder returns in the long term.
• Continued focus on diversity throughout all levels of the organisation with respect to appointments.	• Diversity and inclusion continue to remain high on the agenda of the Board. For details of progress made over the course of the year, please see pages 100 to 102 for more details.
• Increased use of instant messaging by all members of the Executive Management team to communicate with the Non-Executive Directors in between Board meetings.	• Executive Management have increased communications with the Non-Executive Directors throughout the course of the year via email and instant messaging. The frequent, less formal, updates are highly valued by the Non-Executive Directors and enable more effective, informed discussion at the formal Board meetings. Members of the workforce, including those in senior management, are also invited to attend lunch with the Board each quarter as a result of a newly implemented workforce engagement initiative. Through these additional interactions, the Non-Executive Directors are given further opportunities to learn more about the business operations. The Non-Executive Directors also receive copies of the minutes taken at the bi-monthly Management meeting to keep them informed regarding operational developments. The increased level of communications with the Non-Executives will continue going forward.

Results and key recommendations from the 2021/22 Board evaluation
Over the course of 2020 and 2021, the Board's ability to operate effectively was significantly challenged by the impact of the pandemic and resulting lockdowns. Although Covid-19 continued to impact many areas of life during the year, I am pleased to report that the majority of our Board and Committee meetings were able to be conducted in person and this has undoubtedly aided the Board's overall efficiency and effectiveness. The results of the evaluation demonstrated that the Board has been able to achieve its key objectives during the year and made every effort to minimise unavoidable disruptions caused by any restrictions and Government guidelines in place throughout the period.

The findings of the evaluation confirmed that the Helical Board was well balanced, with the Directors possessing relevant skills and diverse experience to enable effective leadership of the Group. In conjunction with the evaluation, the Directors reviewed and updated the Board Skills Matrix and this exercise confirmed the collective, comprehensive skill set of the Board. The benefit of diverse and varied inputs to the process of strategic review was highlighted by all participants in the review. The evaluation further highlighted the positive, collegiate, team dynamic on the Board, and recognised the high level of contribution and appropriate level of challenge provided at meetings from all members. The Non-Executives commented that they received comprehensive papers from the Group's management in a timely manner, allowing their full consideration before meetings. The evaluation also confirmed that each Board member had a defined role and that they integrated effectively with the functions and responsibilities of the Board.

With respect to my extended tenure as Chairman, in order to mitigate any risks to the efficacy and dynamics of the Board, my effectiveness was continually assessed during the year. This continuous assessment was led by our current SID, who engaged regularly with each Board member to confirm the continued effectiveness of the Board under my leadership. With respect to the evaluation of my performance as Chairman during the period, there were no issues or concerns raised.

The recommendations arising from this year's evaluation process are noted in the table below.

Recommendations from the 2021/22 Board evaluation
- Committee to continue to place focus on succession planning for both independent Non-Executive Directors and Executive Directors.
- Further and greater focus on the key shareholder return metrics of the business when appraising all major business decisions.
- Review recruitment processes to ensure that there are no barriers to increasing diversity at all levels of the business.

The Committee is in the process of formulating an action plan in response to the recommendations of this year's internal Board evaluation, and will report on progress made in next year's Annual Report.

Richard Grant
Chairman

IV AUDIT, RISK AND INTERNAL CONTROL

IV AUDIT, RISK AND INTERNAL CONTROL

Audit and Risk Committee

Committee membership and attendance ● Attended ○ Absent

	Independent	Committee meeting attendance
Joe Lister* (Chair)	Yes	●●●●
Sue Clayton	Yes	●●●●
Richard Cotton	Yes	●●●●
Sue Farr	Yes	●●●●

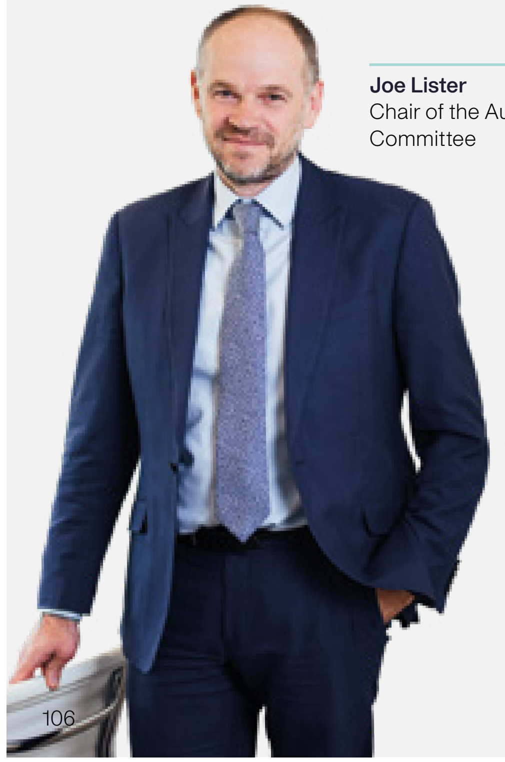
* Has recent and relevant financial expertise.

The Company Secretary acts as Secretary to the Committee.

The Committee's role and responsibilities are set out in its terms of reference which are available at: https://www.helical.co.uk/investors/governance/governance-policies/

Key areas of focus during 2021/22

- Review of the effectiveness of the Committee conducted as part of the internal Board evaluation.
- Review of significant issues relating to the financial statements and how these were addressed.
- Approval of all Group policies and procedures.
- Approval of the Group's Risk Register.
- Review of the Group's internal controls and risk management systems and instruction of an in-depth review into the Group's anti-financial crime and cyber security risk frameworks and control mechanisms.
- Assessment of the independence and effectiveness of the external Auditor.
- ESG reporting and related climate and financial disclosures.
- UK regulatory developments and impact on the Committee including Audit Reform.
- Consideration of the need for an internal auditor.



Joe Lister
Chair of the Audit and Risk Committee

Dear Shareholder,

I am pleased to present this year's Audit and Risk Committee Report which outlines the Committee's key activities and areas of focus for the year to 31 March 2022.

Role of the Committee

The Committee endorses the principles set out in the FRC Guidance on Audit Committees and Risk Management, Internal Control and Related Financial and Business Reporting. 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 Auditor. Whilst all Directors have a duty to act in the interests of the Group, this Committee has a particular role, acting independently from the Executive Directors, to ensure that the interests of Shareholders are protected with respect to risk, financial reporting and internal controls. Appointments to the Committee are made by the Board on the recommendation of the Nominations Committee in consultation with the Audit and Risk Committee Chair.

In 2021, the Committee considered its Annual Work Plan which sets out the key activities undertaken during the year in fulfilment of the duties assigned to the Committee, in accordance with its terms of reference. The Work Plan is reviewed annually to ensure that the Committee remains effective and its key areas of activity remain relevant. The Committee also reviews its terms of reference on an annual basis.

The role of the Audit and Risk Committee (as described in its terms of reference) is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring the following:

- the integrity of the financial statements of the Group, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to its financial performance, and report to the Board on significant financial reporting issues and judgements which those statements contain;
- the Group's system of internal controls and risk management;
- the need for an internal audit function;
- the external audit process and managing the Group's relationship with the external Auditor; and
- the processes for compliance with laws, regulations and ethical codes of practice.

The effectiveness of the Audit and Risk Committee was reviewed as part of the internal Board evaluation. Please see pages 104 to 105 for details of the review and the key recommendations arising from it.

The work of the Committee during the year

The Committee met four times during the year and a record of Director attendance for these meetings is shown on the left. It is common practice at Helical for Audit and Risk Committee meetings to be attended by all Board members, whether or not they are members of the Committee, as their experience is highly valued and their contribution welcomed in Committee discussions. The Group's external Auditor, Deloitte, are also invited to attend all or part of meetings as appropriate and the Committee met twice with Deloitte without members of management being present.

In conjunction with the Board, the work of the Audit and Risk Committee during the year included the following key matters:

- Review of the Group's internal financial controls that identify, assess, manage and monitor financial risks and its other internal control and risk management systems (encompassed in the Group's Risk Management Framework) – see below for further details;
- Review of the financial statements of the Group and the announcement of the annual results and the interim statement on the half year results;
- Review of the Annual Report, to ensure it is fair, balanced and understandable and provides the Shareholders with the information necessary to assess the Group's position, performance, business model and strategy;
- Review and approval of a report on the Committee's activities, including how it discharged its responsibilities, for the Annual Report;
- Review and approval of the viability statement, going concern basis of preparation and risk management and internal controls statements;
- Overseeing and ensuring that a robust assessment of emerging and principal risks facing the Group is undertaken;
- Review of the Group's risk exposure and future risk strategy;
- Review of the terms of engagement with the external Auditor;
- Review of the effectiveness/performance of the external Auditor and their programme of work, taking into consideration relevant UK professional and regulatory requirements;
- Consideration of the external Auditor's independence and objectivity;
- Review of the provision of non-audit services by the external Auditor, taking into account relevant regulations and ethical guidance;
- Review of IT risk and business continuity planning;
- Review of the Group's procedures for detecting fraud;
- Review of the Company policies and controls, including those relating to ethical behaviour, anti-bribery and corruption, anti-facilitation of tax evasion and the Modern Slavery Act; and
- Consideration of the requirement for an internal audit function.

Risk management and internal controls

The Committee and the Board re-affirmed the Group's Risk Management Framework and this approval is representative of the great emphasis placed on the management and mitigation of risks in order to enable the development and delivery of the Group's business objectives. The Committee continued to conduct regular reviews of the Group's approach to risk management, the operation of its Risk Management Framework and risk mitigation. This included consideration of how the risk management process was embedded throughout the Group and the Committee assuring itself that management's accountability for risks was clear and functioning.

Encompassed within the Risk Management Framework is the Board's responsibility to maintain and monitor the Group's system of internal controls. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Helical's internal controls are designed to provide reasonable assurance in the following areas:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

It is the responsibility of the Board to ensure that the Group's internal control system is effective in preventing losses from risk events, or identifying risk events, and taking corrective action when they occur. Oversight of the control system is delegated to this Committee which identifies, monitors and manages the principal risks faced by the Group and reviews the effectiveness of all material controls. The Company's Executive Committee continually assesses and monitors the adequacy of the key internal controls and makes recommendations to the Audit and Risk Committee regarding the addition of key controls as necessary. For further details on Helical's Risk Management Framework, please see pages 46 to 48.

Significant areas of review

In discharging its responsibilities in connection with the preparation of the financial statements for the year to 31 March 2022, the Committee was responsible for reviewing the appropriateness of the Group's accounting policies, assumptions, judgements and estimates as applied by the Executive Management team to the financial statements. During this review the following significant issues were considered:

- **Internal controls**
  The Committee annually reviews the need for an internal audit function and recently reaffirmed its stance that, in view of the small scale and relative simplicity of the business, it does not consider that an internal audit function would be cost effective. The Audit and Risk Committee reviewed Helical's internal control environment and confirmed that the key controls had been implemented for the year. This review did not highlight any material weaknesses in the design and effectiveness of the Group's systems and controls.
- **Financial crime & cyber security risks and controls in-depth review**
  As part of its ongoing monitoring of the Group's internal control environment, this year the Committee commissioned Grant Thornton LLP to undertake an in-depth review of the Group's anti-financial crime and cyber security risk frameworks and controls. The comprehensive review comprised the delivery of a financial crime training session to staff, as well as a focused workshop on business specific financial crime risks. Grant Thornton also considered the Group's Risk Register and risk graph as part of the review and produced a report summarising their observations and recommendations. Whilst the review confirmed that the Group has a robust anti-financial crime and cyber security control environment, it suggested a small number of enhancements that could be made to further strengthen the Group's framework in this area. The Committee has considered all the recommendations of the review and reported them to the Board accordingly. The Committee is dedicated to ensuring that Helical has the appropriate internal controls in place to mitigate financial crime and cyber security risks as far as possible. Therefore, the Committee has instructed the implementation of all the recommended enhancements to its control environment arising from the review, and will monitor the progress of their implementation over the course of the year to 31 March 2023.

- **Property valuation**
  The valuation of the Group's investment and development portfolio is a key area of judgement in preparing the annual and half yearly financial statements and reports. For this reason, the fair value of the majority of the Group's investment portfolio is determined by independent third party experts who are familiar with the markets in which the Group operates and have suitable professional qualifications. The Group's development stock is accounted for in the financial statements at the lower of cost and net realisable value. Accordingly, the Committee reviews the assumptions made in determining the net realisable value of the Group's assets. In addition, the Committee reviews those instances where stock is considered to have a fair value above its current book value. The surplus of fair value above book value is not included in the Group's Balance Sheet, nor is any movement reflected in the Income Statement. However, in accordance with the best practice recommendations of the European Public Real Estate Association ("EPRA"), the surplus is included in the calculation of the EPRA net tangible value per share at each reporting date. The fair value calculation of the trading and development stock is reviewed by a suitably qualified independent third party valuer. In order to assist the Audit and Risk Committee in considering the valuations, the fair values of the investment and development property portfolios are reviewed and approved by the Property Valuations Committee which is chaired by Sue Clayton, FRICS, an independent Non-Executive Director.

Financial Reporting Council's review
During the year, the Group received a letter from the Financial Reporting Council ("FRC") concerning its review of the Group's Annual Report and Accounts for the year ended 31 March 2021. The FRC highlighted the requirement to present amounts owed from subsidiary undertakings as current only where they are expected to be received within 12 months or within the Company's normal operating cycle. In response we undertook a review of the relevant items in the Company Balance Sheet and have concluded that the amounts owed from subsidiary undertakings should be presented as non-current assets and the prior year Company Balance Sheet restated accordingly. The restatement has not impacted the net assets of the Company or its profit for the year. The change in presentation has no impact on the results of the Group.

The review conducted by the FRC was based solely on the Group's published 2021 Annual Report and Accounts and does not provide any assurance that the Annual Report and Accounts are correct in all material respects.

Fair, balanced and understandable – review of the 2022 Annual Report
In accordance with the requirements of the Code, the Committee has reviewed and concluded that the Group's Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information for Shareholders to assess the Group's position and performance, business model and strategy. In determining its position, the Committee also considered the Group's compliance with relevant regulatory frameworks and oversaw the quality and integrity of the Group's financial reporting and accounting policies and practices.

As part of its review of the financial statements, the Committee considered, and challenged as appropriate, the accounting practices and significant judgements and estimates which underpin the Group's financial statements.

Those members of the team responsible for the drafting of the Annual Report convened frequently to establish the general content and themes and to ensure that reporting was balanced and addressed all key issues and requirements.

Our Annual Report designer (SampsonMay) also provided feedback on the structure, format and content to assist management in ensuring the Annual Report was comprehensible and easy to navigate.

In addition, the Committee asked the following questions during its review of the Annual Report and Accounts:

Performance
- Is it clear how outcomes are measured using key performance indicators?
- Is there a good mix of financial and non-financial key performance indicators?
- Is there an appropriate balance between statutory and non-statutory performance measures?
- Is it clear that the stated key performance indicators measure the achievement of the Group's strategy and how they are linked to Directors' remuneration?
- Are comments on movements in key performance indicators over time, both favourable and adverse, balanced and well-explained?
- Are key performance risks explained?

Strategy
- Is the Group's purpose clearly articulated?
- Does the strategy discuss how the business intends to achieve its objectives in the context of the market outlook?
- Are the drivers of value explained clearly?
- Is there enough information to assess the strategic risks?

Business model
- Are the key elements of the business model clearly explained?
- Are business model risks and disruptions adequately disclosed?
- Do the disclosed business risks link to sensitivities set out within the financial statements?

This work enabled the Committee to be satisfied that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information for Shareholders to assess the Group's performance, business model and strategy. This was reported to the Board at its meeting in May 2022.

Updates included in the 2022 Annual Report:
- Reporting on the implementation of Helical's Net Zero Carbon Pathway (see pages 60 to 61).
- Our reporting on climate-related financial disclosures is now fully aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") (see pages 64 to 71).
- An updated articulation of our business model, which depicts the relationship between our Purpose, Culture, Values and strategy and explains how these elements inform our operations, and ultimately create value for our stakeholders (see pages 20 to 21).

Effectiveness of the external Auditor
Deloitte have been the Group's Auditor for four years, having been appointed to conduct their first audit of Helical for the year ended 31 March 2019.

The Audit and Risk Committee reviewed Deloitte's fees, effectiveness and whether the agreed audit plan had been fulfilled and the reasons for any variation from the plan. As part of the Committee's review of the external Auditor's effectiveness the Committee considered the following:

- their robustness and the degree to which they were able to assess key accounting and audit judgements and the content of their reports;
- the audit plan (presented to the Committee in November 2021) with focus on the quality of planning, whether the plan was designed to suit Helical and whether the agreed plan was fulfilled;
- the quality of the Auditor's reporting during the year, including the challenges raised and insights shared, against agreed performance expectations;
- feedback from the workforce evaluating the performance of the audit team;
- feedback highlighting any issues that arose during the course of the audit;
- the Auditor's assessment of its independence; and
- the relationship between the Auditor and the Group, ensuring objectivity and independence were maintained.

By holding the two meetings between the Auditor and the Committee in the absence of management, open and objective discussions were enabled and thus enhanced the assurance of Auditor effectiveness.

As a result of their review the Committee concluded that the audit process was effective and efficient, and the re-appointment of Deloitte as the Group's Auditor will be proposed at the 2022 AGM.

Auditor independence
The Audit and Risk Committee considers the external Auditor to be independent. The Committee's policy is not to award non-audit services where the outcome of the work is relevant to a future audit judgement or that could impact the independence or objectivity of the audit firm. The assignment of non-audit services to the Group's Auditor must be approved by the Committee where the fees for that assignment amount to more than £50,000 or more than 50% of the relevant year's cumulative audit fee. The assignment of non-audit services with fees below this threshold may be approved by the Committee Chair. This policy is designed to ensure that the Group receives the most appropriate advice without compromising the independence of the Auditor. As part of this policy prior approval of all non-audit services is required.

During the year, the following non-audit services were undertaken by Deloitte:

- review of the Half Year Results (£63,000); and
- review of the agreed upon procedures in respect of the Performance Share Plan and Directors' Bonus Scheme (£9,800).

The Committee considered all the services to be appropriate, that they were an extension to the role of the external Auditor and they did not impact Deloitte's independence. The percentage of non-audit fees, when compared to the total fee for the year, was 17%, 14% of which was for the review of the Half Year Results.

Annual General Meeting
At the Annual General Meeting to be held on 14 July 2022, the following resolutions relating to the Auditor are being proposed:

- The re-appointment of Deloitte LLP as Independent Auditor; and
- To authorise the Directors to set the remuneration of the Independent Auditor.

I hope that Shareholders will support the Committee and vote in favour of these resolutions.

Joe Lister
Chair of the Audit and Risk Committee

V REMUNERATION

Directors' remuneration report

Committee membership and attendance ● Attended ○ Absent

	Independent	Committee meeting attendance
Sue Farr (Chair)	Yes	●●●●
Sue Clayton	Yes	●●●●
Richard Cotton	Yes	●●●●
Joe Lister	Yes	●●●●

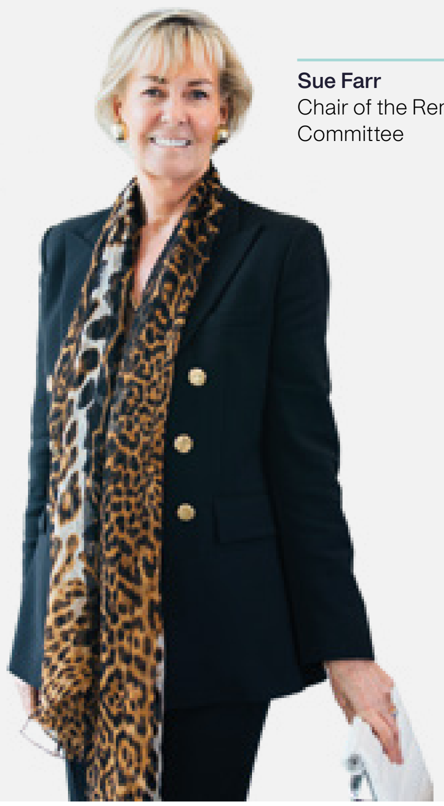
The Company Secretary acts as Secretary to the Committee.

The terms of reference of the Committee are available on request and are included on the Group's website at: www.helical.co.uk/investors/governance/governance-policies/.

Role of the Committee
The Committee helps the Board to fulfil its responsibility to Shareholders to ensure that the Remuneration Policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance and having regard to statutory and regulatory requirements. The Remuneration Policy seeks to align incentives and rewards to the Group's strategy of maximising Shareholder returns by delivering income growth from creative asset management and capital gains from its development activity.

In discharging its duties, the Committee focuses on:

- Remuneration policies, including basic pay, annual and long-term incentives.
- Remuneration practice and its cost to the Company.
- Recruitment, service contracts and severance policies.
- Compliance with the UK Corporate Governance Code.
- The engagement and independence of external remuneration advisors.



Sue Farr
Chair of the Remuneration Committee

The Committee seeks approval from Shareholders on its Remuneration Policy at least every three years and annually sets incentive targets for the forthcoming one-year and three-year performance periods, reporting to Shareholders at the end of these periods in the relevant Directors' Remuneration Report. The targets are aligned to the Group's key performance indicators and are measured against a combination of absolute and relative financial performance measures. These measures are widely used in the real estate sector and are as follows:

Absolute Performance Measures
- Total Accounting Return
- Increase in Net Asset Value

Relative Performance Measures
- Total Shareholder Return, measured against FTSE Mid-Cap and Small-Cap companies in the real estate sector.
- Total Property Return as measured by MSCI

In addition, the Committee sets Strategic and ESG targets to align remuneration with the Group's broader non-financial key performance indicators.

The Committee is also responsible for determining the remuneration of the Chairman and has oversight of the remuneration of all other employees.

In discharging its duties, the Committee is advised by FIT Remuneration Consultants LLP.

Preparation of this Report
This Report, prepared by the Remuneration Committee on behalf of the Board, takes full account of the prevailing UK Corporate Governance Code and the latest guidance from the main shareholder representative bodies, and has been prepared in accordance with the provisions of the Companies Act 2006 ("the Act"), the Listing Rules of the Financial Conduct Authority and the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ("Regulations"). The Act requires the Auditor to report to the Group's Shareholders on the audited information within this Report and to state whether in their opinion those parts of the Report have been prepared in accordance with the Act. Those parts of the Report which have been subject to audit are clearly marked.

Remuneration Report index

This Directors' Remuneration Report has been divided into the following sections:

Annual Statement

Dear Shareholder,
I am pleased to present the Remuneration Committee's Directors' Remuneration Report ("Report") for the year to 31 March 2022. This Report has been approved by the Board of Helical plc.

Helical's approach to remuneration is unchanged from previous years, being to align executive reward to success in achieving the Group's financial and strategic objectives.

This Report is structured in a way that provides clarity and transparency for Shareholders. The Remuneration at-a-glance section on pages 112 and 113 is designed to provide readers of the report with a succinct summary of the remuneration of the Executive Directors in the year to 31 March 2022. The Implementation of the Remuneration Policy section on pages 114 and 115 is designed to provide details of their potential remuneration for the year to 31 March 2023.

The Annual Report on Remuneration, on pages 122 to 131, provides a record of the work undertaken by the Committee during the year, followed by a detailed analysis of how the remuneration for the year to 31 March 2022 has been calculated under the Policy and the performance measures set for the Annual Bonus Scheme and Performance Share Plan.

Finally, under Other remuneration matters, on pages 127 to 131, this Report includes a record of Directors' shareholdings and a comparison of these shareholdings against the Group's shareholding guidelines and details of outstanding share awards. The section also includes a note of the Company's share price performance and Total Shareholder Return ("TSR") against sector benchmarks and a comparison of the remuneration of the Chief Executive and other Directors against the Group's employees.

Performance

Executive performance measures and pay are closely aligned to Shareholders' interests with a high proportion of total available remuneration based on variable pay designed to reward the achievement of long-term strategic objectives. Our remuneration is directly linked to the five pillars of our strategy (see pages 16 to 19).

Our objective is to maximise Shareholder return by increasing the net asset value of the Group from managing a portfolio of offices, primarily in London, balanced between let investment assets and new development schemes. We operate a sustainable capital structure, seeking to attract and retain the best people with ESG matters at the heart of our business.

In the year to 31 March 2022, the Group generated a profit after tax of £88.9m (2021: £17.9m), a Total Accounting Return of 15.0% (2021: 3.3%), with an increase in EPRA NTA of 7.3% (2021: 1.7%). The Total Property Return, as measured by MSCI, generated a return of 10.7% (2021: 7.0%). The TSR for the year, based on the three-month average share price to each year end, generated a return of 9.8% (2021: -9.6%). In light of the good results, the Board is recommending a final dividend of 8.25p (2021: 7.4p) taking the total dividend for the year to 11.15p (2021: 10.10p), an increase of 10.4%.

We have progressed well against the targets we set in our sustainability strategy "Built for the Future" and in May 2022 committed to become net zero carbon by 2030. With the support of our guide "Designing for Net Zero", we plan to drive down carbon across our portfolio and new developments, aiming to reduce it by 46% by 2030.

The Group made significant progress in meeting its ESG Key Performance Indicators, increasing its GRESB rating from 3* to 4* and its EPRA Sustainability rating from Silver to Gold, whilst maintaining its MSCI ESG rating at AAA. In addition, we have improved our reporting to fully meet the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

Annual Bonus Scheme 2018

Subsequent to the year end, and in accordance with the rules of the Helical Annual Bonus Scheme 2018, annual bonuses have been approved for inclusion in the financial statements for the year to 31 March 2022 for Gerald Kaye, Tim Murphy and Matthew Bonning-Snook. 40% of the maximum bonus payable was determined by the Total Accounting Return of the Group with 35% dependent upon the relative Total Property Return of the Group, as calculated by MSCI, compared to the MSCI Central London Capital Growth Index. The remaining 25% was payable based on strategic and ESG objectives. In accordance with these performance criteria, annual bonuses of 97% of the maximum (equivalent to 146% of salary) have been awarded as follows:

Gerald Kaye	£806,000
Tim Murphy	£469,000
Matthew Bonning-Snook	£627,000

As all three Executive Directors satisfy the minimum shareholding guideline of 500% of salary, bonuses equivalent to 100% of their base salaries will be paid in cash, with the balance of 46% of salary to be awarded in deferred shares. Full details of the targets and the performance against these targets are set out in the Remuneration at-a-glance section and the Annual Report on Remuneration.

Performance Share Plan 2014

Share awards granted in 2019 under the terms of the 2014 Performance Share Plan were subject to three performance conditions over the three years to 31 March 2022. One third of the awards was based on absolute net asset value performance, the second third of the awards was based on a comparison of the Group's portfolio return to the MSCI Central London Offices Total Return Index and the final third of the awards was based on a comparison of the Group's Total Shareholder Return to that of a basket of companies in the Real Estate Super Sector. The performance criteria were measured at the end of the three-year period and the MSCI and TSR conditions were met in full. The net asset value condition was partially met. Consequently, 75% of the maximum of the 2019 awards are expected to vest in June 2022. Full details of the targets and Helical's performance are set out in the Annual Report on Remuneration.

The Committee believes that the provision for annual bonuses, and the expected vesting of the PSP award in respect of the three-year performance period to 31 March 2022, accurately and fairly represents the reward determined by the Group's remuneration schemes based on the performance of the Group over the respective annual and three-year performance periods.

2022 Annual General Meeting resolutions

The following resolutions relating to remuneration will be presented at the 2022 AGM:

- An advisory resolution in respect of the Annual Report on Remuneration for the year to 31 March 2022; and
- The renewal of the Helical Bar 2002 Share Incentive Plan for a further ten years to 24 July 2032.

I trust that Shareholders will support the Committee and vote in favour of these resolutions.

I will be happy to respond to any questions Shareholders may have on this Report or in relation to any Committee activities. If you have questions or would like to discuss any aspect of the Remuneration Policy, please feel free to contact me through James Moss (Chief Operating Officer and Group Company Secretary) at jm@helical.co.uk.

Sue Farr
Chair of the Remuneration Committee
24 May 2022

Remuneration at-a-glance

FINANCIAL KPIs

EPRA Net Tangible Asset (NTA) value per share

572p

2021: 533p

Total Shareholder Return

9.8%

2021: -9.6%

IFRS Total Accounting Return

15.0%

2021: 3.3%

EPRA Total Accounting Return

10.2%

2021: 4.5%

Total Property Return – MSCI (1 year)

10.7%

2021: 7.0%

Total Property Return – MSCI (3 year)

9.1%

2021: 8.9%

ESG KPIs

GRESB

4*

2021: 3*

EPRA Sustainability BPR

Gold

2021: Silver

MSCI ESG

AAA

2021: AAA

CDP

C

2021: B

SUMMARY OF HISTORIC KPI PERFORMANCE

Financial	2018	2019	2020	2021	2022
IFRS profit after tax	£26.3m	£42.6m	£38.7m	£17.9m	**£88.9m**
IFRS TAR	5.3%	8.4%	7.7%	3.3%	**15.0%**
EPRA TAR	1.0%	8.0%	9.3%	4.5%	**10.2%**
EPRA NTA per share	-1.1%	5.6%	6.1%	1.7%	**7.3%**
MSCI – 1 year	10.8%	10.1%	9.6%	7.0%	**10.7%**
MSCI – 3 year	13.8%	10.1%	10.2%	8.9%	**9.1%**
TSR – 3 month average to 31 March	13.7%	2.7%	34.8%	-9.6%	**9.8%**
TSR – Spot price at 31 March	6.1%	5.2%	8.7%	21.2%	**1.7%**
ESG					
GRESB	n/a	n/a	2*	3*	**4***
EPRA Sustainability BPR	Bronze	Bronze	Bronze	Silver	**Gold**
MSCI ESG	AA	AA	AA	AAA	**AAA**
CDP	C	C	C	B	**C**

EARNINGS FOR THE FINANCIAL YEAR TO 31 MARCH 2022

Total remuneration for Executive Director	Salary[2] £000	Benefits[3] £000	Pension[4] £000	Total Fixed £000	Annual bonus £000	Share awards[5] £000	Share Incentive Plan[6] £000	Total Variable £000	Total 2022 £000	Total 2021 £000
Gerald Kaye	553	46	–	599	806	1,202	7	2,015	**2,614**	2,234
Tim Murphy	322	15	–	337	469	670	7	1,146	**1,483**	1,272
Matthew Bonning-Snook	430	46	–	476	627	935	7	1,569	**2,045**	1,750

1 Full details of the Directors' remuneration for the year can be found in the table on page 124.
2 Basic salaries were increased by 1.5% from 1 April 2021.
3 There were no changes to the provision of benefits-in-kind, which remained the same as for the previous year.
4 The Group's policy of not making pension provision for Executive Directors remained unchanged, with such Directors required to provide for their retirement through the Group's incentive schemes.
5 Share awards include dividend equivalent shares awarded to Directors on 9 August 2021 under the terms of the Annual Bonus Scheme 2018.
6 The Executive Directors participated in the HMRC approved all-employee Share Incentive Plan which, during the year, awarded them shares to the value of £7,200, the same as in the previous year.

ANNUAL BONUS PLAN – TARGETS AND OUTCOMES

Performance measure		Payout target 20%	Payout target 100%	Actual	% awarded
TAR	40%	2.5%	10.0%	12.7%	40%
TPR	35%	4.7%	7.9%	10.7%	35%
Strategic and ESG	25%				22%
Total	100%				97%

Applying these performance outcomes to the individual Directors' salaries and bonus multiples, the annual bonuses payable are:	Bonus payable £000	% of maximum
Gerald Kaye	806	97
Tim Murphy	469	97
Matthew Bonning-Snook	627	97

2019 PSP AWARD VESTING IN 2022 – TARGETS AND OUTCOMES

Performance measure		Payout target 10%	Payout target 100%	Actual	% awarded
NAV	33%	6.3%*	13.6%*	7.6%	8.80%
TPR	33%	3.2%	5.3%	9.1%	33.33%
TSR	33%	-18.5%	10.2%	33.8%	33.33%
Total	100%				75.46%

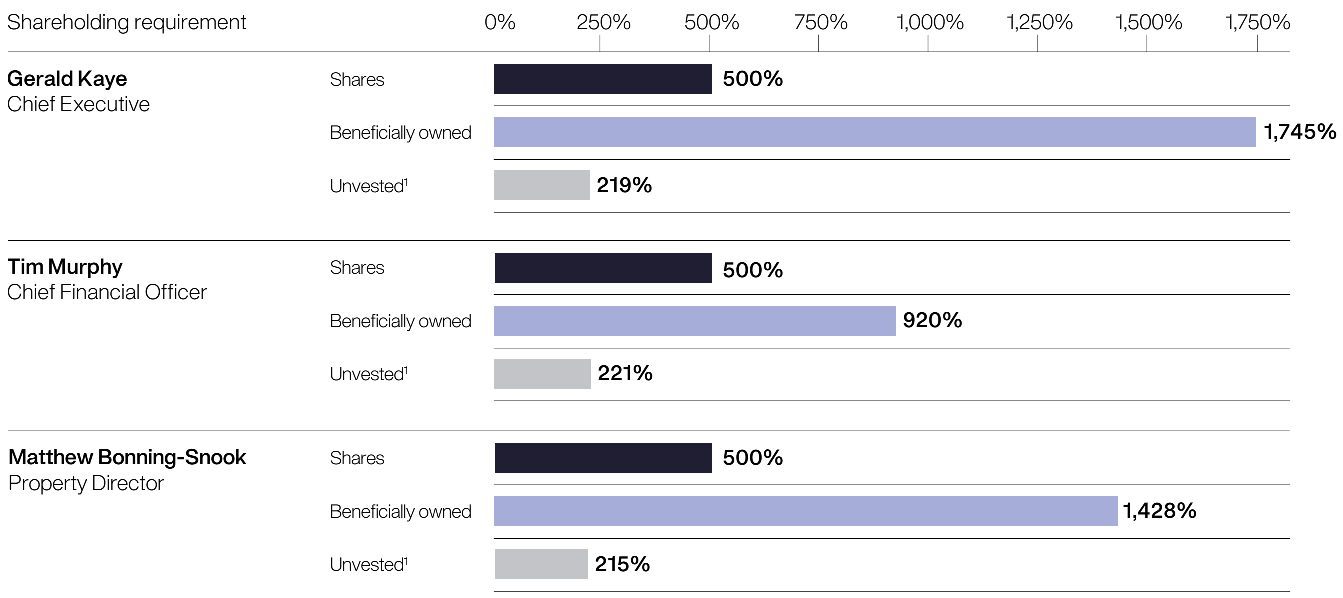
* The minimum and maximum vesting thresholds have been increased from their normal levels of 5.0% and 12.5% due to the impact of inflation above 3.0% during the performance period.

The estimated number of shares vesting are as follows:	Number	Estimated value at vesting[1] £'000
Gerald Kaye	276,859	1,151
Tim Murphy	161,119	670
Matthew Bonning-Snook	215,346	895

1 The share price used to calculate the expected value at vesting was 415.77p, based on the average share price over the three months to 31 March 2022.

The level of PSP vesting in 2022 (75.46% of maximum) demonstrates the successful longer-term performance of the Company with strong portfolio performance and a corresponding increase in shareholder returns over the performance period.

SHAREHOLDING OF THE EXECUTIVE DIRECTORS



1. The value of unvested shares is calculated on the shares expected to vest, net of tax liabilities, of the 2019 PSP award, unvested Deferred Shares and the Restricted Share Incentive Plan Shares at the average share price for the three months to 31 March 2022 of 415.77p.

Implementation of the Remuneration Policy

The Remuneration Policy will be implemented for the year to 31 March 2023 as follows:

Remuneration Policy	Implementation for 2022/23	Change from 2021/22 Implementation
Basic annual salaries		
Set on appointment to the Board and reviewed annually on 1 April or on change in role or responsibility.	The basic salaries of the Executive Directors from 1 April 2022 are: Gerald Kaye £569,500 Tim Murphy £331,450 Matthew Bonning-Snook £443,000	Annual inflationary increase awarded of 3.0% from 1 April 2022. The average increase for all other employees was 4.1%.
Benefits-in-kind		
To provide insured health protection, cars and fuel allowances	Each Executive Director is provided with a car or car allowance, car fuel, private medical insurance, life assurance and permanent health insurance.	No change
Pension		
The Group does not provide for the retirement of Executive Directors	No retirement provision	No change
Annual bonus		
Annual performance targets are set by the Committee in advance of the financial year and are linked to the Group's strategy of maximising Shareholder returns through delivering income growth from creative asset management and capital gains from its development activity. The maximum bonus is capped at 150% for each Executive Director. The pay-out for threshold performance against any targets will be no more than 20% of the maximum bonus (and may be lower). To the extent there is low or no bonus payable on the portfolio/financial measures, the Committee will retain discretion to reduce (including to zero) the pay-out under the strategic targets.	**150% of salary** subject to the following performance measures and weightings: **30%:** TPR against the MSCI Central London Capital Growth Index Base – Index (20% payable) Stretch – Index plus 4.50% **40%:** TAR Base – 5.0% (20% payable) Stretch – 10.0% **30%:** Strategic and ESG targets (these will be reported on retrospectively in the Directors' Remuneration Report for the year to 31 March 2023).	The weighting of the total potential bonus award allocated to the TPR performance measure has reduced from 35% to 30%, with a corresponding 5% increase in the weighting allocated to the Strategic and ESG performance measure. In addition, the stretch target for the TPR performance measure has increased from Index plus 3.25% to Index plus 4.50%.
Deferred bonus		
Executive Directors who have met their minimum shareholding requirement will receive the first 100% of their salary in cash with any excess above 100% of salary to be provided in deferred shares. Executive Directors who do not meet their minimum shareholding requirement will receive two thirds of the annual bonus in cash and one third in shares. The Committee may award dividend equivalents on deferred shares that vest.	As per Policy	No change

Long-term incentive awards		
Annual award 2022 – Vesting in 2025 Annual awards, under the terms of the Group's Performance Share Plan ("PSP"), will be granted in June 2022 over shares equal to 250% of salary at 31 March 2022.	The performance conditions are: **37.5%:** Net asset value growth **37.5%:** Relative TSR against the FTSE Mid Cap and Small Cap companies, excluding agencies. **25.0%:** Relative TPR against the MSCI Central London Total Return Index The threshold and maximum targets are noted in the table on page 120.	The weightings to the three performance conditions have changed from 33% for each.
Malus and clawback		
Malus and clawback provisions will continue to operate (albeit updated and enhanced)	As per Policy	No change
Shareholding requirement – in employment		
To require Executive Directors to hold shares equating to a minimum value whilst in employment (500% of salary for current Executive Directors and 250% of salary for new Executive Directors).	As per Policy	No change
Shareholding requirement – post cessation		
To require former Executive Directors to hold shares equating to a minimum value for a period post cessation of employment.	250% of salary for two years post cessation.	No change
Non-Executive Directors		
Set on appointment to the Board and reviewed annually on 1 April or on change in role or responsibility. The fees payable to the Chairman and the base fee payable to the other NEDs, were increased by 8.33% from 1 April 2022. The fees were last increased on 1 April 2019. An additional £10,000 pa (unchanged) is payable to the Chairs of each Committee.	Richard Cotton (Chairman) £162,500* Sue Clayton (SID and Property Valuations) £72,000* Sue Farr (Remuneration) £62,000 Joe Lister (Audit and Risk) £62,000	Triennial inflationary increase awarded of 8.33% from 1 April 2022.

* With effect from 2022 AGM.

Remuneration Policy report

This section of the Remuneration Report sets out the Remuneration Policy of the Group. The Committee believes that the Policy continues to support the Group's strategy and is aligned with Shareholders' interests.

Policy scope

The Remuneration Policy applies to the Chairman, Executive Directors and Non-Executive Directors and oversight of the remuneration of the wider workforce.

Policy duration

This Policy report sets out the 2021 Remuneration Policy which will be effective for the three years from 1 April 2021 to 31 March 2024.

Remuneration Policy

Helical's approach to the remuneration of its Executive Directors is to provide a basic remuneration package combined with an incentive-based bonus and share scheme structure aligned with the interests of its Shareholders. The majority of performance-based awards are judged on the relative performance of the Group's real estate portfolio against an industry benchmark or on the absolute performance of the Group and its Total Shareholder Return against appropriate industry benchmarks. The remaining awards are judged on strategic and ESG objectives. Remuneration within the real estate sector is monitored and reviewed regularly to ensure that the Group's positioning of its remuneration remains in line with these objectives. In addition to this external view, the Committee monitors the remuneration levels of senior management below Board level and the remuneration of other employees to ensure that these are taken into account in determining the remuneration of Executive Directors.

The objective of the Remuneration Policy is 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:

- The total individual remuneration packages of each Executive Director including, where appropriate, basic salaries, annual bonuses, share awards, and other benefits;
- The fees payable to the Chairman of the Company;
- Salaries, bonuses and share awards of senior employees and workforce remuneration;
- Targets and hurdles for any performance related remuneration schemes; and
- Service agreements incorporating termination payments and compensation commitments.

Directors' Remuneration Policy table

The table below summarises the Directors' Remuneration Policy.

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Salary	• Reflects the value of the individual and their role and responsibilities • Reflects delivery against key personal objectives and development • Provides an appropriate level of basic fixed income, avoiding excessive risk arising from over reliance on variable income	• Normally reviewed annually, effective 1 April • Paid in cash on a monthly basis • Not pensionable • Takes periodic account against companies with similar characteristics and sector comparators • Reviewed in context of the salary increases across the Group	• No minimum or maximum salary increase is operated • Salary increases will normally be aligned to the average increase awarded to other employees • Increases may be above this level if there is an increase in the scale, scope or responsibility of the role or to allow the basic salary of newly appointed Executives to move towards market norms as their experience and contribution increases	• N/A
Annual bonus	• Provides focus on delivering returns from the Group's property portfolio • Rewards and helps retain key Executive Directors and is aligned with the Group's risk profile • Maximum bonus only payable for achieving demanding targets	• Payable in cash (two thirds) and deferred shares (one third) unless the shareholding guideline has been met, in which case the annual bonus will be payable in cash up to 100% of salary and in deferred shares from 100% to 150% of salary • Non-pensionable • Dividend equivalent payments (in cash or in shares) may be payable on deferred shares	• 150% of salary pa for all Executive Directors	• Performance normally measured over one year • No more than 20% of an award vests at threshold performance • The majority of the bonus potential will be based on portfolio and financial targets (e.g. Total Property Return and/or Total Accounting Return) and a minority will be based on strategic and/or ESG objectives • Malus and clawback provisions apply

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Long-term incentive awards	• Aligned to main strategic objective of delivering long-term value creation • Aligns Executive Directors' interests with those of Shareholders • Rewards and helps retain key Executives and is aligned with the Group's risk profile	• Discretionary annual grant of conditional share awards under the 2014 PSP Scheme • Executive Directors are required to retain PSP shares acquired, net of shares sold to pay tax liabilities arising on vesting, for at least two years after vesting • Dividend equivalent payments (in cash or in shares) may be payable	• 250% of salary pa for all Executive Directors	• Performance normally measured over three years • 10% of an award vests at threshold performance • Performance targets will be based on portfolio, financial and/or share price (e.g. net asset value per share, Total Property Return and/or Total Shareholder Return) • Malus and clawback provisions apply
Pensions	• There is no Group pension scheme for Directors and no contributions are payable to Directors' own pension schemes	• N/A	• N/A	• N/A
Other benefits	• Provide insured benefits to support the individual and their family during periods of ill health, accidents or death • Cars or car allowances and fuel allowances to facilitate effective travel	• Benefits provided through third party providers • Insured benefits include: private medical cover, life assurance and permanent health insurance • Other benefits may be provided where appropriate	• N/A	• N/A
Share ownership guidelines	• To provide alignment of interests between Executive Directors and Shareholders	• Executive Directors are required to build and maintain a specified shareholding through the retention of the post-tax shares received on the vesting of awards	• N/A	• Current Executive Directors are required to hold a shareholding equal to or in excess of 500% of basic salary • New Executive Directors are required to build up a shareholding equal to or in excess of 250% of basic salary, within five years of appointment
Non-Executive Director fees	• Reflects time commitments and responsibilities of each role and fees paid by similarly sized companies • The remuneration of the Non-Executive Directors is determined by the Executive Board	• Cash fees paid monthly • Fees are reviewed on a regular basis • Benefits may be provided where appropriate • Fixed three-year contracts with three-month notice periods	• No minimum or maximum fee increase is operated • Fee increases may be guided by the average increase awarded to Executive Directors and other employees and/or general movements in the market • Increases may be above this level if there is an increase in the scale, scope or responsibility of the role	• N/A

In addition to the above, Executive Directors may also participate in any all-employee share arrangement operated by the Company, up to prevailing HMRC limits.

Compliance with the 2018 UK Corporate Governance Code ("Code")

The Remuneration Committee has ensured that the provisions of the Code have been taken into account in its decisions during the year and in the preparation of this Report.

The Code states that pension provision for Directors is aligned with that provided for the wider workforce. As the Directors do not receive pensions from the Group, this provision is not relevant to Helical.

The Code also suggests that post-employment shareholding provisions operate to ensure that Directors who leave the Group are not able to immediately liquidate their shareholdings. The Group's Remuneration Policy ("Policy") incorporates provisions restricting the sale of certain share entitlements, post-employment.

The Committee has considered the six factors set out in Provision 40 of the Code and ensured that its Policy and this Report are consistent with these factors:

- **Clarity and simplicity** – The Policy is designed to simplify remuneration arrangements and provide clarity between remuneration and the performance of the Group. In addition, this Report is designed to assist the reader in understanding how the Policy is being implemented.
- **Risk** – The Policy contains provisions for malus and clawback and permits the use of negative discretion by the Committee to ensure that the outcomes of the performance related pay components of total remuneration can be adjusted in the light of overall performance and Shareholder experience. Executive Directors are required to build substantial shareholdings in the Company to further ensure that their personal interests are aligned with those of Shareholders.
- **Predictability** – The range of potential award outcomes for the performance related pay components are set out in this Report. In addition to assessing the range between the minimum and maximum values of remuneration packages, it also highlights the impact of share price growth on the maximum awards.
- **Proportionality** – The Policy sets out clear links between the potential rewards available to Executive Directors, the implementation of the Group's business strategy and the performance outcomes that generate Shareholder value. Stretching targets are set by the Committee which retains the ability to adjust remuneration outcomes where these do not truly reflect the Group's underlying performance. With a significant element of remuneration being performance-related and in the form of equity subject to holding periods, the interests of the Executive Directors and Shareholders are aligned.
- **Alignment to Culture** – Helical's strategy, Values and Purpose have evolved over the years. Our Executive Directors, along with our wider workforce, are continually looking to deliver on our strategy whilst acting in accordance with our Values and our Culture. The remuneration packages available to them are aligned with the strategy and designed to incentivise them to deliver value to our Shareholders.

Finally, the Committee has considered a number of matters as set out in Paragraph 41 of the Code as part of its overall oversight of remuneration at the Company. Specifically, the Committee is satisfied that the level of remuneration provided to the Directors is appropriate, both by comparison to the Company's peer group within the real estate industry (against which remuneration is benchmarked) and also in the context of the level of remuneration of the wider workforce – a team of experienced professionals of whom a significant number are incentivised in similar ways to the Directors.

The Committee also considered whether the Policy operated as intended in the light of the Company's performance and quantum. The Policy measures a range of performance metrics that are aligned to the Company's strategy with the remuneration outcomes being assessed against these. The ability of the Committee to exercise negative discretion (as has been applied twice in the last five years) when the experience of Shareholders does not match the performance metrics, demonstrates that the necessary checks and balances in place are operating as intended.

The Company regularly seeks feedback from the workforce through a variety of methods as explained on pages 84 and 85. Through these methods, the Company engages with its workforce on remuneration matters where appropriate.

Recruitment Policy

In considering the structure of the Board, the balance between Executive Directors and independent Non-Executive Directors and the skills, knowledge and experience required to ensure the Board functions in accordance with the Group's objectives, the Committee will seek to apply the following principles in relation to the remuneration of new Directors, whether by internal promotion or external appointment:

Element	Policy
Salary	The salary of newly appointed Executive Directors would reflect the individual's experience and skills, taking into account internal comparisons. On initial appointment and depending on experience, salaries would generally be set at a level lower than benchmarked for that role to allow for pay increases to market levels subject to satisfactory progress and contribution.
Benefits	Benefits would be as currently provided and periodically reviewed, being car or car allowance, car fuel allowance, private medical cover, permanent health insurance and life assurance.
Pension	There is no Group pension scheme for Directors and no contributions are payable to Directors' own pension schemes.
Annual bonus	Annual bonus arrangements under the terms of the 2018 Annual Bonus Scheme will be made in accordance with the terms of that scheme, with the Committee retaining the right to pro-rate any bonus payable in respect of the year of appointment.
Long-term incentives	Annual awards under the terms of the 2014 PSP will be made in accordance with the terms of that Plan.
Share Incentive Plan	In line with that of existing Executive Directors.
Shareholding guideline	Newly appointed Executive Directors will be expected to build up a shareholding in the Company of 250% of salary out of shares purchased and/or shares vesting through the Group's Annual Bonus Scheme and Performance Share Plan, within five years of their appointment.
Buy-out awards	Should it be deemed necessary to compensate a new Director for loss of bonus or incentives from a previous employer, the Committee may structure the remuneration of such Director to buy-out any such bonus or incentives on a like-for-like basis in respect of currency (i.e. cash versus shares), timing and performance targets. Where possible such buy-out will be structured within the Company's existing incentive arrangements but the Committee has the discretion to implement the exemption under rule 9.4.2 of the Listing Rules.
Non-Executive Directors	Newly appointed Non-Executive Directors will be paid fees at a level consistent with existing Non-Executive Directors. Fees would be paid pro-rata in the year of appointment.

How employee pay is taken into account and compared with the Remuneration Policy of Executive Directors

All permanent employees of the Group, including Executive Directors, receive a basic remuneration package including basic salary, private medical cover, permanent health insurance, life assurance and membership of the Share Incentive Plan. In addition, Directors and senior management are entitled to the use of company cars or the payment of a car allowance and a car fuel allowance. There is no Group pension scheme for Directors and no contributions are payable into Directors' own pension schemes. For all permanent employees below Board level, the Company pays pension contributions of 12.5% in respect of all employees' pension arrangements. Whilst employees below Board level are not entitled to participate in the Annual Bonus Scheme, discretionary bonuses are paid to employees on an individual basis depending on their performance and contribution.

The Performance Share Plan is available to all employees but is primarily utilised to incentivise Executive Directors and senior management. In determining executive remuneration, the Committee considers the overall remuneration of all the Group's employees and, other than in exceptional circumstances, seeks to award increases in salaries at levels below those made to other staff and within its own guidelines. The remaining remuneration is weighted towards performance related awards. The Committee does not consult with the Group's employees when drawing up its Remuneration Policy.

Leaver Policy

On termination of employment each Director may be entitled to a payment in lieu of notice of basic salary and other contractual entitlements i.e. provision of a car, health and life insurance etc. The Group may make payments in lieu of notice as one lump sum or in instalments, at its own discretion. If the Group chooses to pay in instalments the Director is obliged to seek alternative income over the relevant period and to disclose the amount of alternative income received by the Group. Instalment payments will be reduced by any alternative income.

Under the Annual Bonus Scheme 2018, participants will not normally be entitled to receive any payment under the scheme following cessation of employment and shall immediately cease to have any interests, benefits, rights and/or entitlements under the scheme howsoever arising on the date of such cessation except where good leaver status applies (i.e. death; injury; disability; redundancy; retirement; sale or transfer of employing company or business outside the Group; or any other reason permitted by the Committee). For good leavers, individuals would cease to accrue amounts in respect of any period after cessation of employment but would receive any amounts previously deferred into shares under the terms of the Annual Bonus Scheme 2018.

Any share-based entitlements granted to an Executive Director under the Group's share plans will be determined based on the relevant plan rules. For awards granted under the 2014 PSP, awards held by good leavers will vest on the normal vesting date subject to performance conditions and time pro-rating, unless the Committee determines that awards should vest at cessation and/or time pro-rating should not apply.

Finally, the following post cessation shareholding guidelines will apply to leavers:

- Unvested deferred annual bonus and PSP share awards will be treated in line with the good leaver/bad leaver provisions presented in the Shareholder approved Remuneration Policy; and
- Shares to the value of 250% of salary to be retained for two years, post cessation. Such shares to be out of those delivered from deferred bonuses and PSP awards which are granted after the 2021 AGM.

Helical Annual Bonus Scheme 2018
Gerald Kaye, Tim Murphy and Matthew Bonning-Snook participate in the Annual Bonus Scheme 2018, which was approved by Shareholders at the 2018 AGM. This scheme provides annual bonuses based on the performance of the property portfolio, the Group and the individual Directors and is aligned with Shareholders' interests with appropriate hurdles and Shareholder protections.

The main features of the Annual Bonus Scheme 2018, as amended during the 2021 review of the Remuneration Policy and to be implemented for the year to 31 March 2023, are as follows:

- 40% of the maximum annual bonus will be payable if the Total Accounting Return ("TAR") of the Group (growth in EPRA NTA plus dividends), calculated annually, is or exceeds 10%, with 20% of this part of the award paid out if the TAR lower threshold target is set at 5% and 10% of this part of the award paid out if the TAR lower threshold is set between 2.5% and 5%;
- 30% of the maximum annual bonus will be payable if the Total Property Return ("TPR") of the Group's property portfolio matches or exceeds the performance of the MSCI Central London Offices Capital Growth Index ("Index") plus 4.50%, with 20% of this part of the award paid out if the performance matches the performance of the Index;
- 30% of the maximum annual bonus will be payable if strategic and ESG objectives, to be determined by the Committee and reported on retrospectively each year, are met.

The Committee will regularly review the threshold and maximum TPR and TAR targets to ensure they remain appropriate to the Group's strategy and market conditions.

Shareholder protections
- Annual bonus payments to individual Directors will be restricted in any financial year to 150% of salary;
- Until the minimum shareholding guideline of 500% of salary for current Executive Directors and 250% of salary for new Executive Directors is met, two thirds of any payment is made in cash after the relevant year end and one third is deferred for three years into Helical plc shares. Once the minimum shareholding guideline is met, any bonus payment is normally made in cash up to 100% of salary and in deferred shares from 100% to 150% of salary;
- The Committee has a general negative discretion surrounding bonus payments and, to the extent there is a low or no bonus payable on the financial measures, it will retain the discretion to reduce (including to zero) the payment under the strategic and ESG targets;
- The scheme will operate malus and clawback provisions, whereby amounts deferred, or the net of tax amounts paid, may be recovered or withheld in the event of a misstatement of results, an error being made in assessing the calculation, in the event of gross misconduct, serious reputational damage and corporate failure; and
- The Committee will have discretion to award annual bonuses in deferred shares (in full or in part) irrespective of an Executive Director's shareholding guidelines, although it is expected that this discretion would only be used in exceptional circumstances.

Other matters
Awards may be satisfied through shares purchased in the market or by new issue or treasury shares. Where new issue or treasury shares are used, the standard 5% in ten-year dilution limit will apply.

Performance Share Plan 2014
Performance conditions for awards granted under the terms of the Performance Share Plan 2014 will be weighted and measured over three years as follows:

NET ASSET VALUE GROWTH		RELATIVE TSR		TPR VERSUS MSCI INDEX	
Annual compound increase	**% of award vesting**	**Ranking after three years**	**% of award vesting**	**Ranking after three years**	**% of award vesting**
10% pa or more	37.50	Upper quartile or above	37.50	Upper quartile or above	25.0
5% pa to 10% pa	Pro-rata from 3.75 and 37.50	Median to upper quartile	Pro-rata from 3.75 and 37.50	Median to upper quartile	Pro-rata from 2.5 and 25.0
5% pa	3.75	Median	3.75	Median	2.5
Below 5% pa	nil	Less than median	nil	Less than median	nil

1 Net asset value growth – the fully diluted triple 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 and changes in issued share capital).
2 Relative TSR – the comparator group for awards granted will be those companies included in the FTSE 350 and Small Cap Indices, excluding agencies.
3 TPR versus MSCI Index – the Total Property Return of the Group's property portfolio will be compared to the MSCI Central London Offices Total Return Index.
4 Share awards will lapse in full where net asset value per share (having added back dividends and changes in issued share capital) does not increase over the three-year period or the Total Property Return falls below the MSCI median, the growth in triple net asset value is below 5.0% pa and the relative TSR is below the median over the three-year period.

Executive Directors' dates of appointment and service contracts
All service contracts are available for inspection at the registered offices of the Company. Original dates of appointment to the Board are as follows:

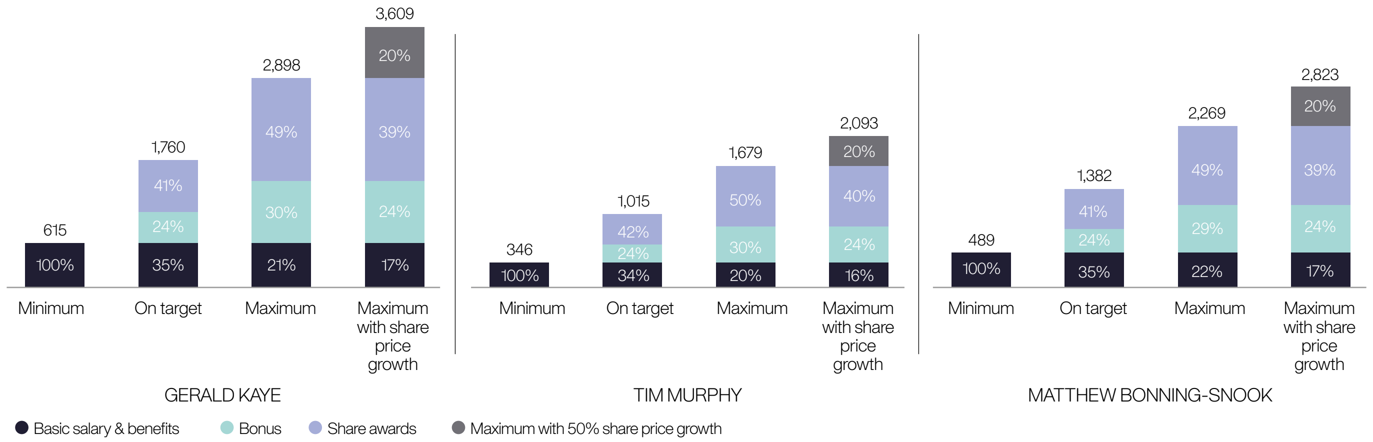
Executive Director	Notice period	Date of first employment	Board appointment	Date of current contract
Gerald Kaye	6 months	6 March 1994	28 September 1994	25 July 2016
Tim Murphy	6 months	1 March 1994	24 July 2012	25 July 2016
Matthew Bonning-Snook	6 months	13 March 1995	1 August 2007	25 July 2016

Reward scenarios
The charts below show how the composition of the Executive Directors' remuneration packages varies under four different performance scenarios, namely, at minimum (i.e. fixed pay), target (assumed to be 50% of the maximum incentive levels), maximum levels, all assuming no share price appreciation, and the maximum levels assuming 50% share price appreciation across the performance period of long-term incentive awards.

The charts are based on:

- Salary levels effective 1 April 2022;
- An approximated annual value of benefits (no pension is provided);
- A 150% of salary maximum annual bonus (with target assumed to be 50% of the maximum);
- A 250% of salary award under the 2014 PSP in line with the normal maximum award (with target assumed to be 50% of the maximum) plus shares awarded under the Helical Bar 2002 Share Incentive Plan; and
- In the final column of each chart, share appreciation of 50% across the three-year performance period of the awards made under the Performance Share Plan 2014.

VALUE OF REMUNERATION PACKAGES AT DIFFERENT LEVELS OF PERFORMANCE
£'000



Non-Executive Directors
Non-Executive Directors are appointed by a Letter of Appointment and their remuneration is determined by the Executive Board. Current Letters of Appointment, setting out the terms of appointment, operate from 1 April 2015 or, if later, the date of appointment. The appointment of Non-Executive Directors is terminable on three months' notice. Non-Executive Directors are not eligible to participate in any new share awards made under the terms of the Group's bonus or share award schemes. In exceptional circumstances, where an Executive Director becomes a Non-Executive Director, ongoing participation in awards previously made in bonus and share schemes will be subject to the rules of those schemes and to the discretion of the Committee.

Non-Executive Directors' letters of appointment

Non-Executive Director	Board appointment	Commencement date of current term
Richard Cotton – Board Chairman and Chair of the Nominations Committee*	1 March 2016	1 March 2016
Sue Clayton – Senior Independent Director and Chair of the Property Valuations Committee*	1 February 2016	1 February 2016
Sue Farr – Chair of the Remuneration Committee	5 June 2019	5 June 2019
Joe Lister – Chair of the Audit and Risk Committee	1 September 2018	1 September 2018

* With effect from 2022 AGM.

Peer group

The Remuneration Committee determined a peer group of companies at the start of the Policy for benchmarking purposes (albeit with some caution, given the variances in size and nature of operations in the sector and more general risk of pay inflation where too great a reliance is placed on published data) and as a reference point in ensuring that performance targets are appropriately stretching and when reviewing the Group's relative performance.

The peer group set at the start of the Policy was as follows:

Capital & Counties Properties plc;	LondonMetric Property plc;
Capital & Regional plc;	McKay Securities plc;
Derwent London plc;	NewRiver REIT plc;
Great Portland Estates plc;	Shaftesbury plc; and
Hammerson plc;	Workspace Group plc.

1 McKay Securities were acquired by Workspace Group plc on 6 May 2022.

Annual Report on Remuneration

This part of the Directors' Remuneration Report explains how the Group has implemented the Remuneration Policy in the year to 31 March 2022 and how the Policy is intended to be implemented in the year to 31 March 2023.

Application of the Remuneration Policy in the year to 31 March 2022

Work of the Committee during the year

The Committee's work during the year under review included the following:

Fixed pay

- The annual salary review for the Executive Directors and wider workforce.
- The review of the fees paid to the Non-Executive Chairman.

Performance related pay

- The approval of annual bonuses for the year ended 31 March 2021;
- The review of bonus targets for the year ended 31 March 2022;
- The setting of targets for the PSP awards which were granted in June 2021; and
- The approval of the vesting of PSP awards in June 2021 which were originally granted in June 2018.

Other matters

- The Committee concluded its review of the Group's Remuneration Policy ("Policy") and sought approval of the new Policy at the 2021 AGM; and
- The Committee updated its terms of reference for the latest developments in good practice.

Total remuneration in the year to 31 March 2022

This section has been subject to audit unless otherwise stated.

Balance of fixed versus variable pay (unaudited)

In line with its Policy, the Committee seeks to ensure that the balance of remuneration provides a basic salary and performance related bonuses and share awards that reward absolute performance and outperformance relative to the Group's peer group. In the year to 31 March 2022, the balance of fixed versus variable pay on an actual basis for the Executive Directors in office throughout the year compared to the maximum payable was as follows:

	Actual £000	Share of total %	Maximum £000	Share of total %
Basic salaries and benefits-in-kind	1,412	23	1,412	20
Annual Bonus Scheme 2018	1,902	31	1,957	28
Deferred bonus dividend equivalent shares	91	1	91	1
Share awards	2,737	45	3,621	51
	6,142	**100**	**7,081**	**100**

Note: Share awards reflect the market value of shares that are expected to vest (actual) or could vest (maximum) in respect of the three-year performance period to 31 March 2022 in accordance with the terms of the Performance Share Plan 2014, plus the shares awarded under the terms of the Share Incentive Plan.

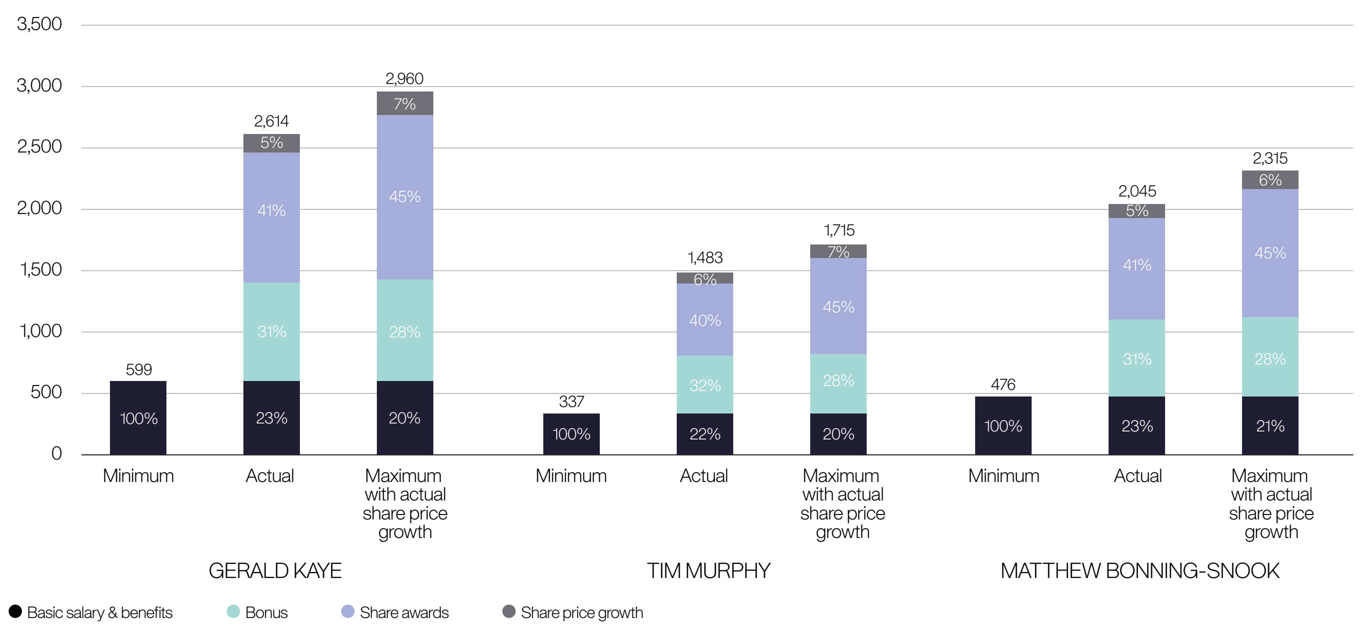
Annual total remuneration compared to the 2022 potential (unaudited)

The following bar charts show the actual remuneration earned by the Executive Directors against the minimum and maximum scenarios for the year.

The elements of remuneration have been categorised into three components: (i) basic salary and benefits; (ii) annual bonus (including deferred bonus); and (iii) share awards.

We have shown the actual and maximum scenarios with the impact of the actual share price appreciation over the three years to 31 March 2022 (three-month average).

VALUE OF REMUNERATION PACKAGES AT DIFFERENT LEVELS OF PERFORMANCE
£'000



Directors' remuneration

Total remuneration in respect of the Directors in the year to 31 March 2022 was as follows:

	Fixed			Variable					
Year to 31 March 2022	Basic salary/fees £000	Benefits[1] £000	Sub-total £000	Annual cash bonus £000	Deferred bonus shares £000	Share[3,4] awards £000	Share Incentive Plan[2] £000	Sub-total £000	Total £000
Executive Directors									
Gerald Kaye	553	46	599	553	253	1,202	7	2,015	2,614
Tim Murphy	322	15	337	322	147	670	7	1,146	1,483
Matthew Bonning-Snook	430	46	476	430	197	935	7	1,569	2,045
	1,305	**107**	**1,412**	**1,305**	**597**	**2,807**	**21**	**4,730**	**6,142**
Non-Executive Directors									
Richard Grant	150	–	150	–	–	–	–	–	150
Sue Clayton	58	–	58	–	–	–	–	–	58
Richard Cotton	70	–	70	–	–	–	–	–	70
Sue Farr	58	–	58	–	–	–	–	–	58
Joe Lister	58	–	58	–	–	–	–	–	58
	394	**–**	**394**	**–**	**–**	**–**	**–**	**–**	**394**
Total	**1,699**	**107**	**1,806**	**1,305**	**597**	**2,807**	**21**	**4,730**	**6,536**

1 Benefits include the provision of a car, fuel allowance, private medical cover, life assurance and permanent health insurance. Significant individual benefits include £23,000 and £22,000 car benefit for Gerald Kaye and Matthew Bonning-Snook respectively.
2 The Share Incentive Plan figure relates to the free and matching shares awarded under the Helical Bar 2002 Share Incentive Plan, details of which are on pages 128 to 129.
3 Value of PSP awards based on average share price over three months to 31 March 2022 of 415.77p. Dividend equivalent shares awarded to Directors on 9 August 2021 under the terms of the Annual Bonus Scheme 2018 are included at their vesting price of 456.50p.
4 The PSP award values include share price appreciation totalling £152,000 for Gerald Kaye, £88,000 for Tim Murphy and £118,000 for Matthew Bonning-Snook.

Total remuneration in respect of the Directors in the year to 31 March 2021 was as follows:

	Fixed			Variable					
Year to 31 March 2021	Basic salary/fees £000	Benefits[1] £000	Sub-total £000	Annual cash bonus £000	Deferred bonus shares £000	Share[3,4] awards £000	Share Incentive Plan[2] £000	Sub-total £000	Total £000
Executive Directors									
Gerald Kaye	545	45	590	493	–	1,144	7	1,644	2,234
Tim Murphy	317	11	328	287	–	650	7	944	1,272
Matthew Bonning-Snook	424	44	468	383	–	892	7	1,282	1,750
	1,286	**100**	**1,386**	**1,163**	**–**	**2,686**	**21**	**3,870**	**5,256**
Non-Executive Directors									
Richard Grant	150	–	150	–	–	–	–	–	150
Sue Clayton	58	–	58	–	–	–	–	–	58
Richard Cotton	70	–	70	–	–	–	–	–	70
Sue Farr	55	–	55	–	–	–	–	–	55
Joe Lister	58	–	58	–	–	–	–	–	58
	391	**–**	**391**	**–**	**–**	**–**	**–**	**–**	**391**
Total	**1,677**	**100**	**1,777**	**1,163**	**-**	**2,686**	**21**	**3,870**	**5,647**

1 Benefits include the provision of a car, fuel allowance, private medical cover, life assurance and permanent health insurance. Significant individual benefits include £25,000 and £22,000 car benefit for Gerald Kaye and Matthew Bonning-Snook respectively.
2 The Share Incentive Plan figure relates to the free and matching shares awarded under the Helical Bar 2002 Share Incentive Plan, details of which are on pages 128 to 129.
3 PSP awards are included at their actual vesting values in June 2021 of 430.50p. The table included in the 2021 Financial Statements included share awards at the average share price over the three months to 31 March 2021 of 387.63p. Dividend shares awarded to Directors on 29 June 2020 under the terms of the Annual Bonus Scheme 2018 are included at their actual vesting price of 320.00p.
4 The PSP award values include share price appreciation totalling £141,000 for Gerald Kaye, £82,000 for Tim Murphy and £110,000 for Matthew Bonning-Snook.

Determination of annual bonus outcome

The table below sets out the financial measures and strategic objectives and their respective outcomes under the terms of the Annual Bonus Scheme 2018. These measures apply to all Executive Directors equally and provide each Director with a percentage payout of their maximum bonus, capped at 150% of basic salary. This is set out in the second table below.

Metric	Performance condition	Weighting	Threshold target	Stretch target	Outcome	% of bonus payable
TPR	**Total Property Return v MSCI Central London Offices Capital Growth Index** 20% of the maximum bonus available pays out if the Group's TPR matches the performance of the Index increasing pro-rata to 100% for matching or exceeding the Index plus 3.25%.	35.00%	4.7%	7.9%	10.7%	35.00%
TAR	**Total Accounting Return** 20% of the maximum bonus available pays out if the Group's TAR, adjusted for performance related awards and calculated annually, exceeds 2.50% increasing pro-rata to 100% for a TAR of 10.0% or greater.	40.00%	2.50%	10.00%	12.7%	40.00%
Strategic and ESG	**1. Pipeline of schemes/projects** Seek to acquire at least one significant high-quality project in the year which complements the existing portfolio, and which is consistent with the Group's strategy and long-term plans.	10.00%			Achieved	10.00%
	2. ESG Make tangible progress in implementing the Company's sustainability strategy and improvements towards best practice, for a company of Helical's size, in ESG matters – GRESB Target 4* (versus 3* awarded in 2021) – EPRA Sustainability BPR Target Gold (versus Silver awarded in 2021) – Full alignment with TCFD	10.00%			Achieved	10.00%
	3. Overheads Base target, fixed costs no greater than budgeted amount of £9,726,555. Stretch target, fixed costs no greater than last year's actual of £9,275,585.	5.00%			Partially achieved	2.14%
Total		**100.00%**				**97.14%**

Total Property Return

The annual performance of the Group's property portfolio is measured by MSCI, an independent company that produces industry benchmarks of portfolio returns. For the annual bonus, MSCI measures the performance of Helical's property portfolio and we compare the results to an MSCI benchmark, the Central London Offices Capital Growth Index, for the financial year. In the year to 31 March 2022, the portfolio produced a return of 10.7%, as measured by MSCI. The return exceeded both the threshold and stretch targets of 4.7% and 7.9% and, accordingly, the maximum amount of bonus payable under this performance condition is awarded.

Total Accounting Return

The Total Accounting Return of the Group for the year to 31 March 2022, adjusted for performance related awards, and neutralised for Helical's conversion to a REIT from 1 April 2022, was 12.7%, exceeding both the threshold and stretch targets of 2.5% and 10.0% respectively. Accordingly, the maximum amount of bonus payable under this performance condition is awarded.

Strategic and ESG

In the year to 31 March 2022, the Group acquired 100 New Bridge Street, EC4, satisfying the first strategic performance condition. The Group improved its ESG scores measured by GRESB and EPRA and achieved full alignment with the Task Force on Climate-related Financial Disclosures, satisfying the ESG performance condition. The third performance condition sought to contain fixed overheads to a level between that incurred in the last financial year and the budgeted amount for the year to 31 March 2022. The Group was partially successful containing fixed overheads to £9,598,418.

The total annual bonus for the year ended 31 March 2022 is set out below:

Executive Director	Basic salary £000	Maximum bonus payable (150% basic salary) £000	Bonus outcome %	Bonus payable £000	Cash £000	Deferred shares £000
Gerald Kaye	553	829	97%	806	553	253
Tim Murphy	322	483	97%	469	322	147
Matthew Bonning-Snook	430	645	97%	627	430	197

All Executive Directors satisfy the minimum shareholding guideline of 500% of salary and bonuses up to 100% of their base salaries are eligible to be paid in cash.

PSP awards vesting in 2022

The PSP award granted on 3 June 2019 will vest after 3 June 2022. The expected vesting percentage is as follows:

Metric	Performance condition	Weighting	Threshold target	Stretch target	Actual	% vesting
NAV (fully diluted triple net)	**Net asset value growth** 10% of this part of an award vests for pre-dividend compound NAV growth of 5.0% pa increasing pro-rata to 100% of this part of an award vesting for pre-dividend compound NAV growth of 12.5% pa	33.33%	6.25%*	13.59%*	7.59%	8.80%
TPR	**Total Property Return v MSCI Central London Offices Total Return Index** 10% of this part of an award vests for median ranking increasing pro-rata to 100% of this part of an award vesting for upper quartile or above performance	33.33%	Median 3.22%	Upper quartile 5.32%	9.09%	33.33%
TSR	**Total Shareholder Return** 10% of this part of an award vests for median ranking increasing pro-rata to 100% of this part of an award for upper quartile or above performance	33.33%	Median -18.5%	Upper quartile 10.2%	33.8%	33.33%
Total		**100.0%**				**75.46%**

* The threshold and stretch targets have been increased from 5.00% and 12.50% to reflect the increase in RPI over 3.0% during the period.

Based on the above and given that the net asset value per share (having added back dividends) increased over the three-year performance period, details of the shares awarded and the expected value at vesting are as follows:

Executive Director	Number of shares at grant	Number of shares expected to lapse	Number of shares expected to vest	Estimated value at vesting[1] £'000
Gerald Kaye	366,896	90,037	276,859	1,151
Tim Murphy	213,517	52,398	161,119	670
Matthew Bonning-Snook	285,379	70,033	215,346	895

1 The share price used to calculate the expected value at vesting was 415.77p, based on the average share price over the three months to 31 March 2022. The actual result was neutralised for Helical's conversion to a REIT from 1 April 2022.

PSP awards vested in 2021

The share awards presented in the remuneration table for the year to 31 March 2021 on page 124 are based on the 2014 PSP awards granted on 31 May 2018. The three-year performance period to 31 March 2021 showed that the net asset value per share, calculated in accordance with the terms of the 2014 PSP, had increased by 6.0% pa, above the minimum threshold of 5.00% but below the maximum threshold of 12.50%. During this three-year period the total return of Helical's property portfolio, as determined by MSCI IPD, was 8.9% compared to the upper quartile of the MSCI Annual March Universe Total Return Index which showed a return of 4.8%. The TSR of the Company during the period was 25.2% compared to the median of minus 27.4% and upper quartile of 4.1%. Therefore, 73.99% of the shares vested in total. The share price used to calculate the expected value at vesting for the 2018 PSP awards in the 2021 Annual Report was 387.63p (based on the average share price over the three months to 31 March 2021). The actual share price at vesting on 2 June 2021 was 430.50p and the comparative figures reflect these actual vesting share prices.

Payments for loss of office (audited)

No payments were made to Directors in the year for loss of office or to past Directors.

Statement of implementation of the Remuneration Policy for the year to 31 March 2023

This Annual Report on Remuneration is required, under the provisions of the Act, to include a statement on the implementation of the Remuneration Policy in the year to 31 March 2023. To assist Shareholders to understand the Group's overall remuneration, we have included this information in the Implementation of the Remuneration Policy section on pages 114 to 115 above.

Other remuneration matters

This section is unaudited unless stated otherwise.

Advisors to the Committee

The Committee consults the Chief Executive and Chief Financial Officer about its proposals and has access to professional advice from FIT Remuneration Consultants LLP ("FIT"), a member of the Remuneration Consultants Group, which is responsible for developing and maintaining the Code of Conduct for Consultants to Remuneration Committees of UK listed companies. FIT is independent of both the Group and its Directors and, as such, the Committee is satisfied that the advice received was objective and independent. Terms of reference for the remuneration consultants, which provided no other services to the Company, are available from the Company Secretary on request. Fees paid to FIT in the year to 31 March 2022 amounted to £21,128 (2021: £45,152). Fees are charged on a time plus disbursements basis.

Relative importance of the spend on pay

The table below compares the expenditure and percentage change in that expenditure between 2021 and 2022 to the other key financial metrics of distributions to Shareholders and the net asset value of the Group.

	2022 £000	2021 £000	Change %
Staff costs	9,233	8,364	10.4%
Distributions to Shareholders[1]	13,639	12,309	10.8%
Net asset value of the Group	687,043	608,161	13.0%

1 In respect of the financial year to which they relate.

Shareholder voting at the last AGM

Details of the 2021 advisory Annual Report on Remuneration vote and the 2021 binding Remuneration Policy vote were as follows:

	Issued	For	%	Against	%	Withheld	Total
2021 Annual Report on Remuneration	122,099,814	98,671,359	99.2	760,550	0.8	1,650,086	101,081,995
2021 Remuneration Policy	122,099,814	95,598,663	96.1	3,833,246	3.9	1,650,086	101,081,995

The Committee was pleased to note the level of Shareholder support for the Annual Report on Remuneration and the Remuneration Policy last year.

Directors' shareholdings (audited)

	Legally owned 31.3.21	Legally owned 31.3.22	Share Incentive Plan unrestricted 31.3.22	Beneficially held total 31.3.22	Deferred shares 31.3.22	Share Incentive Plan restricted 31.3.22	PSP awards unvested 31.3.22
Executive Directors							
Gerald Kaye	2,062,803	2,274,691	46,515	2,321,206	227,414	19,875	1,063,418
Tim Murphy	607,816	686,166	25,597	711,763	124,776	16,990	618,899
Matthew Bonning-Snook	1,273,845	1,430,888	46,082	1,476,970	160,752	19,816	827,190
Non-Executive Directors							
Richard Grant	15,000	30,000	–	30,000	–	–	–
Richard Cotton	25,000	37,000	–	37,000	–	–	–
Sue Clayton	–	14,000	–	14,000	–	–	–
Sue Farr[1]	6,000	9,111	–	9,111	–	–	–
Joe Lister	3,200	9,350	–	9,350	–	–	–

1 The shareholding of Sue Farr is held by a connected person.

The three Executive Directors of Helical have an average length of service of over 27 years and have built up a shareholding during that time of circa 4.5m shares with a market value at 31 March 2022 of circa £18.75m at the weighted average share price for the three months to 31 March 2022 of 415.77p.

Directors' share interests and shareholding guidelines (audited)

Executive Director	Salary[1] £	Share ownership guideline[2] £	Value of beneficially held shares[3] £	Ratio of shares held to salary %
Gerald Kaye	552,920	2,765,000	9,651,000	1,745
Tim Murphy	321,800	1,609,000	2,959,000	920
Matthew Bonning-Snook	430,100	2,151,000	6,141,000	1,428

1 Salaries as at 31 March 2022.
2 Share ownership guideline is 500% of salary.
3 Value based on the average share price for the three months to 31 March 2022 of 415.77p.

PSP awards granted in the year (audited)

The following conditional awards were granted on 2 June 2021 at 430.10p under the terms of the 2014 PSP:

	Basis of award (% of salary)	Share awards number	Face value of award £000	Vesting at threshold	Vesting at maximum	Performance period
Gerald Kaye	250%	316,641	1,362	10%	100%	3 years to 31 March 2024
Tim Murphy	250%	184,288	793	10%	100%	3 years to 31 March 2024
Matthew Bonning-Snook	250%	246,309	1,059	10%	100%	3 years to 31 March 2024

Details of the performance targets attached to the awards are set out on page 120.

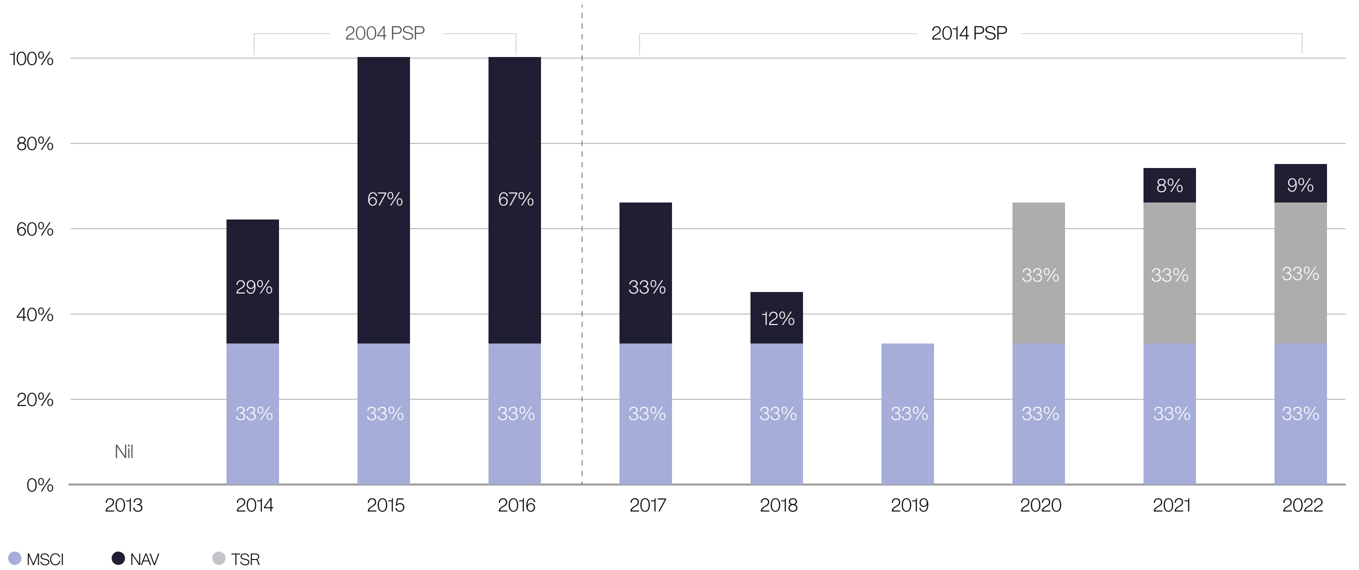
The total number of awards made to Directors under the terms of the 2014 PSP which have not yet vested are as follows:

Executive Director	Shares awarded 03.06.19 at 362.5p	Shares awarded 10.06.20 at 358.5p	Shares awarded 02.06.21 at 430.1p	Total shares awarded
Gerald Kaye	366,896	379,881	316,641	1,063,418
Tim Murphy	213,517	221,094	184,288	618,899
Matthew Bonning-Snook	285,379	295,502	246,309	827,190

It is currently expected that 75% of the shares awarded on 3 June 2019, 66% of the shares awarded on 10 June 2020 and 41% of the shares awarded on 2 June 2021 will vest.

Vesting of PSP awards over the last ten years (unaudited)

Awards to Executive Directors, in office during each year and excluding leavers, which have vested or are expected to vest in accordance with the terms of the 2004 and 2014 PSPs in the last ten years are as follows:



The 2004 PSP operated with two vesting conditions. The TSR condition was added to the 2014 PSP.

Helical 2002 approved Share Incentive Plan (audited)

Under the terms of this Plan, employees of the Group are given annual awards of free shares with a value of £3,600 and participants are allowed to purchase additional shares up to a value of £1,800, to be matched in a ratio of 2:1 by the Company. 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 during the period and as at 31 March 2022, were as follows:

Executive Director	2 June 2021 at 430.50p	10 June 2021 at 445.00p	9 August 2021 at 456.50p	20 September 2021 at 447.50p	20 December 2021 at 445.00p	5 January 2022 at 450.00p	16 March 2022 at 400.00p
Gerald Kaye	836	303	1,038	303	303	421	336
Tim Murphy	836	303	660	303	303	269	336
Matthew Bonning-Snook	836	303	1,030	303	303	418	336

Shares allocated to, or purchased on behalf of, the Directors, which remain in their ownership at 31 March 2022, were as follows:

Executive Director	Unrestricted	Restricted	As at 31 March 2022
Gerald Kaye	46,515	19,875	66,390
Tim Murphy	25,597	16,990	42,587
Matthew Bonning-Snook	46,082	19,816	65,898

1 Unrestricted shares are those shares allocated to Directors that have met their minimum five-year ownership qualifying period.
2. Restricted shares are those shares allocated to Directors that have not met their minimum five-year ownership qualifying period.

Shares held by the Trustees of the Plan at 31 March 2022 were 620,496 (2021: 560,496).

Helical annual bonus scheme – deferred shares (audited)

Under the terms of the Annual Bonus Scheme 2018, one third of annual bonuses awarded to scheme participants each year are deferred for three years into Helical plc shares, unless an Executive Director satisfies the minimum shareholding guideline, in which case bonus payments up to 100% of salary are payable in cash with the remainder in deferred shares. Deferred shares awarded under the terms of this scheme, which vested during the year to 31 March 2022 and which are expected to be awarded in June 2022, are as noted in the table below:

Executive Director	Deferred shares 1 April 2021	2021 bonus award 28 June 2021	2018 award vesting 9 August 2021	Deferred shares 31 March 2022	Expected 2022 award	Dividend shares awarded on 2018 award vesting
Gerald Kaye	343,057	–	(115,643)	227,414	60,781	11,250
Tim Murphy	124,776	–	–	124,776	35,375	–
Matthew Bonning-Snook	250,707	–	(89,955)	160,752	47,280	8,751

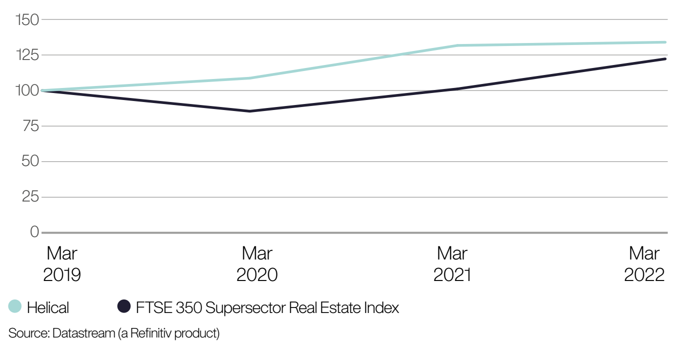
Share price performance and Total Shareholder Return (TSR)

The market price of the ordinary shares of Helical plc at 31 March 2022 was 411.00p (2021: 413.50p). This market price varied between 374.00p and 497.00p and averaged 439.09p during the year.

The Total Shareholder Returns for a holding in the Group's shares in the three and ten years to 31 March 2022 compared to a holding in the FTSE 350 Supersector Real Estate Index are shown in the graphs below. This index has been chosen because it includes the majority of listed real estate companies.

TSR – three years to 31 March 2022

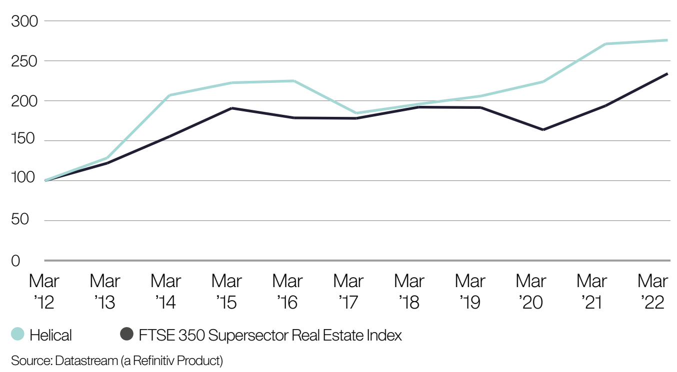
The graph below showing the relative performance of Helical during the three years to 31 March 2022 matches the performance period for the 2019 PSP award granted on 3 June 2019 and which will vest on 3 June 2022.



This graph shows the value, by 31 March 2022, of £100 invested in Helical on 31 March 2019, compared with the value of £100 invested in the FTSE 350 Supersector Real Estate Index.

TSR – ten years to 31 March 2022

The graph below shows the base position, at 31 March 2012, from which subsequent performance is measured, as required by the Regulations.



This graph shows the value, by 31 March 2022, of £100 invested in Helical on 31 March 2012, compared with the value of £100 invested in the FTSE 350 Supersector Real Estate Index.

Remuneration of the Chief Executive

Comparing the ten-year TSR of the Company, set out above, to the remuneration of the Chief Executive, the table below presents single figure remuneration for the Chief Executive over the period, since 1 April 2012, together with past annual bonus pay-outs and the vesting of long-term incentive share awards:

Year ended	Name	Total remuneration £000	Annual bonus (% of max pay-out)	PSP (% of max vesting)
31 March 2022	Gerald Kaye	2,614	97	75
31 March 2021	Gerald Kaye	2,234	60	74
31 March 2020	Gerald Kaye	2,316	76[1]	66
31 March 2019	Gerald Kaye	1,732	91	33
31 March 2018	Gerald Kaye	2,209	75[2]	46
31 March 2017	Gerald Kaye	2,635[3]	100	66
31 March 2016	Michael Slade	3,867	100	100
31 March 2015	Michael Slade	5,534	100	100
31 March 2014	Michael Slade	3,343	100	62
31 March 2013	Michael Slade	1,523	65	–

1 85% before the application of negative discretion by the Committee.
2 100% before the application of negative discretion by the Committee.
3 The total remuneration of Gerald Kaye includes the period whilst he was an Executive Director but prior to his appointment as CEO on 25 July 2016.

Comparison of changes in the remuneration of the Board to the Group's other employees

The percentage change in the remuneration of each member of the Board and for the average of all other employees in the Group, between 2021 and 2022 and between 2020 and 2021, was as follows:

	2021-2022			2020-2021		
	Base salary/fees	Benefits	Annual bonus	Annual salary/fees	Benefits	Annual bonus
Executive Directors						
Gerald Kaye	1.5%	0.9%	63.4%	0.0%	-23.2%	-20.8%
Tim Murphy	1.5%	29.9%	63.4%	0.0%	-46.7%	-22.6%
Matthew Bonning-Snook	1.5%	5.7%	63.4%	0.0%	4.0%	-17.9%
Non-Executive Directors						
Richard Grant[2]	0.0%	n/a	n/a	17.2%	n/a	n/a
Richard Cotton	0.0%	n/a	n/a	0.0%	n/a	n/a
Sue Clayton	0.0%	n/a	n/a	0.0%	n/a	n/a
Sue Farr[3]	5.6%	n/a	n/a	41.0%	n/a	n/a
Joe Lister[4]	0.0%	n/a	n/a	5.5%	n/a	n/a
Average of all other employees	5.0%	8.1%	-5.9%	0.8%	7.6%	-5.0%

1 The remuneration of Directors used to calculate the percentage change in base salary/fees, benefits and share incentive plan and annual bonus, is taken from the tables of Directors' remuneration on page 124.
2 The percentage increase in the fees payable to Richard Grant reflects his appointment as Chairman at the 2019 AGM.
3 The percentage increase in the fees payable to Sue Farr reflects her first full year as a member of the Board since her appointment on 5 June 2019 and her appointment as Chair of the Remuneration Committee at the 2020 AGM.
4 The percentage increase in the fees payable to Joe Lister reflects his appointment as Chair of the Audit and Risk Committee at the 2019 AGM.

Gender Pay Gap reporting

The Group falls below the threshold for mandatory Gender Pay Gap reporting. Due to the low number of employees, which could result in distortions of data, the Board does not believe it appropriate to voluntarily report. Notwithstanding this, the Board firmly believes in pay equality for equal work and is mindful of both the legal and moral obligations to ensure that employees are remunerated in a fair manner regardless of gender.

Chief Executive pay ratio

As Helical has fewer than 250 employees, there is no requirement to disclose the Chief Executive pay ratio. However, given the Committee's commitment to transparency and good governance, this information is provided on a voluntary basis.

The table below compares the 2021 and 2022 single total figure of remuneration for the Chief Executive, as shown in the table on page 124, with the Group's other employees paid at the 25th, 50th and 75th percentiles:

Remuneration	CEO pay	Other employees Total remuneration £	Other employees Salary £
Year ended 31 March 2022			
25th percentile	28:1	93,042	64,035
50th percentile	20:1	128,120	70,000
75th percentile	7:1	378,253	148,625
Year ended 31 March 2021			
25th percentile	27:1	80,124	58,375
50th percentile	23:1	93,618	70,000
75th percentile	7:1	290,860	137,813

This is the second year we have published our pay ratios, which have been calculated under Option A. All non-salary remuneration has been included. Joiners, leavers and employees on statutory leave (e.g. maternity) have been excluded from this comparison.

Total pay and benefits have been calculated on the same basis as for the Chief Executive single figure shown on page 124 and include annual salary, taxable benefits, free and matching shares allocated under the terms of the Group's Share Incentive Plan, annual bonuses awarded, taxable share awards vesting under the terms of the Group's Performance Share Plan, and employer pension contributions to employees' pension arrangements.

Approved by the Board on 24 May 2022 and signed on its behalf.

Sue Farr
Chair of the Remuneration Committee

Strategic Report
A review of the Group's business during the year, the principal and emerging risks and uncertainties it faces as well as future prospects and developments are included in the Strategic Report on pages 48 to 55 which should be read in conjunction with this report.

Results and dividends
The results for the year are set out in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income on page 141. An interim dividend of 2.90p (2020: 2.70p) was paid on 31 December 2021 to Shareholders on the Shareholder register on 3 December 2021. A final dividend of 8.25p (2021: 7.40p) per share is recommended for approval at the Annual General Meeting ("AGM") to be held on 14 July 2022 and, if approved, will be paid on 29 July 2022 to Shareholders on the register on 24 June 2022. The total ordinary dividend declared and paid in the year of 10.30p (2021: 8.70p) per share amounted to £12,583,000 (2021: £10,528,000).

Corporate governance
During the year ended 31 March 2022 the Group has consistently applied the Principles of good corporate governance contained in the 2018 UK Corporate Governance Code (the "Code"), and has complied with all the Provisions of the Code in full, with the exception of Provision 19 relating to the Chairman's tenure on the Board (please see page 103 for explanation). The application of the Code's Principles can be evidenced in the context of the particular circumstances of the Group and how the Board has set the Group's Purpose and strategy, met objectives and achieved outcomes through the decisions it has taken. The Code can be viewed in full at www.frc.org.uk. Please see page 93 of the Corporate Governance Report for more detail.

Directors
The Directors who held office during the year and up to the date of this report are listed alongside their biographical details on pages 90 to 92. All the Directors, with the exception of Richard Grant, will be offering themselves for re-election at the AGM on 14 July 2022 and their continuing contribution to the Group's long-term sustainable success is explained within each individual Director's biography. Details of Directors' remuneration, including their interests in share awards, and its alignment with the Group's strategy and the promotion of long-term sustainable success are set out in the Directors' Remuneration Report on pages 110 to 131. Details of the Directors' interests in the ordinary shares of the Company are shown on page 127.

Going concern
In accordance with Provision 30 of the Code, the Board is required to report on whether it considers it appropriate to adopt the going concern basis of accounting. In considering this requirement, the Directors took into account the matters set out in the Group's Viability Statement on pages 48 to 49. Having due regard to the matters referenced in Note 1 to the financial statements, the Directors were able to conclude that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least the next 12 months, and have continued to adopt the going concern basis of accounting when preparing the financial statements for the year ended 31 March 2022.

Directors' conflict of interest
Under the Companies Act 2006 (the "Act"), Directors are subject to a statutory duty to avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. As is permissible under the Act, the Company's Articles of Association allow the Board to consider, and if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. Directors are required to notify the Company of any conflict or potential conflict of interest under an established procedure and any conflicts or potential conflicts are noted at each Board meeting. In accordance with the Code Provision 7, the Board has a well-established process for the management of conflicts of interests.

Directors' liability insurance and indemnity
The Group maintains Directors' and Officers' Liability Insurance which is subject to annual renewal. To the extent permitted by UK law, the Group also indemnifies the Directors against legal proceedings brought in connection with the execution of their duties as Company Directors.

Political donations
The Company's policy with regard to political donations is to ensure that Shareholder approval is sought before making any such payments. No Shareholder approval has been sought and, accordingly, the Company made no political donations in the year to 31 March 2022.

Financial instruments, capitalised interest and long-term incentive schemes
The information required in respect of financial instruments, as required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, is shown in Note 36. Interest capitalised on the Group property portfolio is shown in Notes 14 and 20. Long-term incentive schemes are explained in the Directors' Remuneration Report on pages 112 to 131.

Change of control
Certain agreements between the Company or its subsidiaries and entities including lending banks, joint venture partners and development partners contain termination rights to take effect in the event of a change of control of the Group. Given the commercial sensitivity of these agreements, the Directors will not be disclosing specific details in this report. The Company's Employee Share Incentive Plan, Annual Bonus Scheme and Performance Share Plan contain provisions relating to the vesting and exercise of options or share awards in the event of a change of control of the Company.

Substantial shareholdings
As at 13 May 2022, 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 Helical plc.

Fund Manager/Owner	Shares	% at 13/05/2022
Janus Henderson Investors	10,944,643	8.95%
Mr Michael E. Slade & Mrs Heather I. Slade	10,261,239	8.39%
Baillie Gifford	10,010,161	8.18%
BlackRock	7,867,695*	6.43%*
Schroder Investment Management	6,783,326	5.55%
Jupiter Asset Management	6,330,352	5.18%
Dimensional Fund Advisors	5,189,094*	4.24%*
Goldman Sachs International	4,631,897	3.79%
Vanguard Group	4,419,253	3.61%
M&G Investments	3,868,107	3.16%

* Shareholding as at 2 May 2022

Key stakeholders
In line with section 172 of the Companies Act 2006, the Directors act to promote the success of the Company for the benefit of its Shareholders. However, the Board also places a great emphasis on the importance of the views and interests of its other key stakeholders. For details of our stakeholder engagement mechanisms and the consideration given to stakeholder views and interests when decision making, including the outcomes of such engagement, please see pages 80 and 85.

Culture, employment and environmental matters
The corporate Culture of the Group, articulated through the Helical Purpose and Values, is discussed on pages 78 and 80 of the Strategic Report. As part of its leadership responsibilities, the Board continually monitors the Culture of the business. The role of the designated workforce engagement Non-Executive Director is key with respect to the monitoring of the Helical Culture and more information about this role can be found in the Workforce engagement section on pages 84 and 85. For details of all the methods used by the Board to monitor and sustain the Culture of Helical during the reporting period, please see page 80 of the Strategic Report.

The Board recognises the importance of having a diverse workforce and an inclusive environment in which they can work. Details of the Group's Diversity and Inclusion Policy can be found on pages 100 and 102.

All employee candidates are considered fairly and without prejudice or discrimination and the Group affords equal opportunities to all its employees, irrespective of sex, race, colour, disability, sexual orientation, religious beliefs or marital status (please see details of our Employment Policy on page 102).

Information in respect of the Group's employment and environmental matters as well as greenhouse gas reporting is contained in the Sustainability Report on pages 56 to 73.

Post balance sheet events
Details of post balance sheet events are set out in Note 33 to the financial statements.

Group structure
Details of the Group's subsidiary undertakings are disclosed in Note 39 to the financial statements.

Share capital
Details of the Company's issued share capital are shown in Note 27 to the financial statements. Up until 21 March 2022, the Company's share capital consisted of both ordinary shares and deferred shares. However, to be eligible for REIT status, the Company can have only one class of shares. Therefore, in order to meet this condition, the Company sought Shareholder approval to buy-back and cancel the deferred shares at the EGM on 21 March 2022. Approval was duly granted by Shareholders and the deferred share class was cancelled with effect from the date of the meeting. For more information on the EGM and the voting results, please visit our website: https://www.helical.co.uk/investors/agm-gms/

There are no restrictions on the transfer of shares in the Company other than those specified by law or regulation (for example: insider trading laws) and pursuant to the Listing Rules of the Financial Conduct 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 2022 Annual General Meeting ("AGM") specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the meeting. There are no restrictions on voting rights other than as specified by the Company's Articles of Association.

Purchase of own shares
The Company was granted authority at the 2021 AGM to make market purchases of its own ordinary shares. No ordinary shares were purchased under this authority during the year and up to the date of this report. The authority will expire at the conclusion of the 2022 AGM, at which a resolution will be proposed to renew this authority.

Amendment of Articles of Association
The Company's Articles of Association ("Articles") 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.

In connection with the REIT conversion (see also page 76), the Company sought Shareholder approval to amend its Articles to insert provisions to afford the Company additional powers with respect to dividends (or making any other distribution) to a Substantial Shareholder. The updated Articles were put to the Shareholders for approval at the EGM on 21 March 2022 and were approved by a 99.9% majority.

Annual General Meeting
It is intended that the Annual General Meeting of the Company will be held on 14 July 2022 at 9:00 am at the Company's registered offices located at 5 Hanover Square, London W1S 1HQ. The special business at the 2022 AGM will include resolutions dealing with the authority to restate and extend the life of the Company's employee share incentive plan for a further ten years to 24 July 2023, the authority to issue shares, the disapplication of pre-emption rights, the authority for the Company to purchase its own shares and the authority to call General Meetings on not less than 14 clear days' notice. The Notice of Meeting, containing explanations of all the resolutions to be proposed at that meeting, is enclosed with this Annual Report and can be found on the Group's website at www.helical.co.uk

Auditor
The Company's Auditor, Deloitte LLP, have expressed its willingness to continue in office and resolutions to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the 2022 AGM. The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group's Auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

By Order of the Board

James Moss FCA
Company Secretary

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 are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards ("IFRSs") as issued by the IASB. The Directors have also chosen to prepare the parent Company financial statements under United Kingdom adopted international accounting standards in conformity with the Companies Act 2006. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

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

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Strategic Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 24 May 2022 and is signed on its behalf by:

Gerald Kaye
Chief Executive Officer

24 May 2022

Tim Murphy
Chief Financial Officer

24 May 2022

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Helical plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the Parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards 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.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Company Balance Sheets;
- the Consolidated and Company Statements of Changes in Equity;
- the Consolidated and Company Cash Flow Statements; and
- the related notes 1 to 39.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted International Accounting Standards and, as regards the Parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the year are disclosed in note 6 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • Investment property valuation Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £11.3m which was determined on the basis of 1% of the total assets.
Scoping	We performed an audit of the financial statements of the Parent Company and the Group, including the Group's Joint Ventures.
Significant changes in our approach	There have been no significant changes to our approach in the current year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Challenging of the judgements and assumptions applied by management in their going concern assessment and associated forecasts of financial performance and financial position, assessing the reasonableness of assumptions regarding uncertain cash inflows and the timing and quantum of cash outflows;
- Testing of the mechanical accuracy of the model utilised;
- Assessing the appropriateness of management's sensitivities in their severe downside scenario cash flow forecast;
- Evaluating the key loan documentation to understand the principal terms, including financial covenants, and assessment review of the Group's existing and forecast compliance with these (including testing of the mechanical accuracy of management's covenant calculations and consistency with the contractual definitions);
- Assessing the appropriateness of the headroom available on covenants and comparison of management's projections with market information available associated with future income and property assets values; and
- Evaluating the appropriateness of the disclosures in the financial statements around going concern and the clarity of the process undertaken by management in concluding on the appropriateness of the assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Investment property valuation	
Key audit matter description	At 31 March 2022, the Group held wholly owned investment property valued at £938.8m (31 March 2021: £740.2m). Investment properties are held at fair value on the Group Balance Sheet. During the year, a net valuation gain of £33.3m (31 March 2021: £19.4m) was recorded as well as additions of £165.5m (31 March 2021: £13.1m). Investment property valuation represents the most significant area of estimation and judgement within the Group financial statements, which is why we consider this to be a key audit matter as well as a potential fraud risk. The valuation of the portfolio is a significant judgement area that is underpinned by a number of assumptions including property yields and estimated future rental income. Our key audit matter in relation to the valuation of the investment property portfolio is focussed on the assumptions applied in the determination of the valuation, including property yields and estimated future rental income, where these fall outside of a range which we would expect to be applied in line with Red Book guidance. In addition, given the size of the portfolio and the judgements involved, we consider there to be a risk that the inputs used in the data (including rental income, purchaser's costs and occupancy) supplied to the Group's external valuers for the valuation process (specifically the accuracy and completeness of this data) may potentially be manipulated by management in order to fraudulently misstate the valuation. See also key sources of estimation uncertainty in note 38, the investment properties in note 14 of the financial statements and the Audit and Risk Committee Report on page 106.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls in the investment property valuation process and tested relevant key controls. Management's process for challenging the appropriateness of property valuations has been assessed. We held meetings with the external valuers appointed by management to value the property portfolio. With the involvement of our internal real estate valuation specialists we challenged the significant judgements and assumptions applied in their valuation model. We further assessed the movements in the key judgements and benchmarked the inputs against market data. We assessed the changes made to key valuation input assumptions at a macro-level in light of the potential impact on the properties held by the Group and benchmarked these against changes being made in the wider market and against relevant market evidence including specific property sales and other external data. We analysed the individual property valuations to understand significant movements against prior year and comparative market evidence considered by the Group's external valuers. We tested the integrity of data and information pertaining to rental income, purchaser's costs and occupancy provided by management to external valuers and utilised in the valuation. We assessed the valuation methodology being used and considered any departures from the Red Book guidance. We have also tested the integrity of the model which is used by the external valuer. We compared the property specific assumptions made to assess whether there is consistency within the portfolio as well as consistency with related assumptions used in other estimates. We have assessed the competence, objectivity, and capabilities of the external valuers. As part of our disclosures testing, we have assessed the appropriateness of the disclosures made in the financial statements and considered if the specific disclosures in relation to the estimation, included those around key sources of estimation uncertainty in note 14, are considered reasonable.
Key observations	Based on our audit work, we are satisfied that the judgements and assumptions used in arriving at the fair value of the Group's property portfolio are appropriate and supported by the evidence obtained during the audit.

6. Our application of materiality

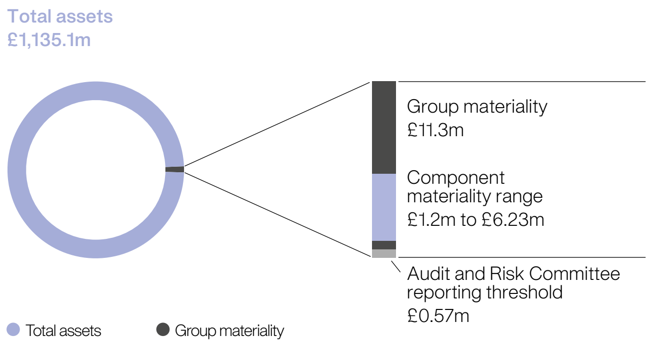
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£11.3m (2021: £10.0m) £2.27m (2021: £1.70m) for balances affecting the income statement excluding valuation gains and tax	£6.23m (2021: £5.70m)
Basis for determining materiality	1% of total assets (2021: 1% of total assets) The lower materiality used for balances impacting the income statement, excluding valuation gains and tax, was determined with reference to 5% of the previous three years' average profit before tax, as well as consideration of the consistency of the % applied compared to other financial statement measures, including revenue and net assets (2021: 5% of previous three years' average profit before tax).	1% of total assets (2021: 1% of total assets)
Rationale for the benchmark applied	Total assets is the most appropriate benchmark because it appropriately reflects the valuation of investment property which is of key interest to the users of the financial statements. Average profit before tax ("PBT") is deemed an appropriate benchmark for items impacting the income statement as these are more sensitive to the users of the financial statements.	Total assets is the most appropriate benchmark due to the Parent Company being a holding company.

TOTAL SHAREHOLDER RETURN



6.2. Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	70% (2021: 70%) of Group materiality	70% (2021: 70%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the low number of corrected and uncorrected misstatements identified in prior periods, as well as the quality of the Group's control environment; and the absence of material changes in the business.	

6.3. Error reporting threshold
We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.57m (2021: £0.50m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. We have audited the material balances which support the Group's financial statements.

We performed an audit of the financial statements of the Parent Company and Group, which includes the audits of joint ventures. Our audit approach covers 100% of the Group's revenue and profit before tax, and net assets.

The materiality range for the Barts LP Group and Charterhouse Street Group joint ventures is £1.2m to £5.1m (2021: £1.6m to £3.0m).

All work has been performed by the Group engagement team.

7.2 Our consideration of the control environment
From our understanding of the Group and after assessing relevant controls, we tested controls in respect of the investment property cycle. Whilst we did not take controls reliance, we assessed and tested the relevant controls relating to the valuation of investment property given the significance to the Group.

In addition, we have obtained an understanding of the relevant controls such as those relating to the financial reporting cycle.

With the involvement of our IT specialists, we obtained an understanding of the IT environment. We did not test the general IT controls and we did not place reliance on IT controls.

7.3. Our consideration of climate-related risks
In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group continues to develop its assessment of climate-related risks and resilience of the Group and its properties under different climate scenarios, as explained in the Strategic Report on pages 2 to 85.

As a part of our audit, we have held discussions with management to understand the process of identifying and assessing climate-related risks, the process for managing the identified risks and the determination of mitigating actions as well as the impact on the Group's financial statements. Management has assessed that there is currently no material impact arising from climate change on the judgements and estimates that have been made in the preparation of the financial statements (see note 38).

We performed our own assessment of the potential impact of climate change on the Group's financial statements and did not identify any reasonably possible risks of material misstatement. Our procedures also included evaluating the appropriateness of disclosures included in the financial statements and reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets.
- results of our enquiries of management and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team and relevant internal specialists, including real estate and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the accuracy and potential manipulation of the assumptions applied in determining the valuation of the property portfolio. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's Health and Safety Regulations and Equal Opportunities, Environmental Laws, Disability Rights, Building regulations, construction safety and planning restrictions, Employment Law and the Landlord and Tenant Act.

11.2. Audit response to risks identified
As a result of performing the above, we identified investment property valuation as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reading minutes of meetings of those charged with governance, and enquiring on any correspondence with HMRC.

in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate;
- the Directors' statement on fair, balanced and understandable;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- the section describing the work of the Audit and Risk Committee.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 12 June 2018 to audit the financial statements for the year ending 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 4 years, covering the years ending 31 March 2019 to 31 March 2022.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the Annual Financial Report has been prepared using the single electronic format specified in the ESEF RTS.

Georgina Robb, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

24 May 2022

Consolidated Income Statement

For the year to 31 March 2022

	Notes	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Revenue	3	**51,146**	38,596
Cost of sales	3	**(14,228)**	(12,987)
Net property income	4	**36,918**	25,609
Share of results of joint ventures	18	**20,708**	2,352
Gross profit before net gain on sale and revaluation of investment properties		**57,626**	27,961
Loss on sale of investment properties	5	**(45)**	(1,341)
Revaluation of investment properties	14	**33,311**	19,387
Gross profit		**90,892**	46,007
Administrative expenses	6	**(16,768)**	(14,416)
Operating profit		**74,124**	31,591
Finance costs	8	**(19,234)**	(14,079)
Finance income	8	**6**	58
Change in fair value of derivative financial instruments	36	**17,996**	2,938
Profit before tax		**72,892**	20,508
Tax on profit on ordinary activities	9	**16,002**	(2,631)
Profit for the year		**88,894**	17,877
Earnings per share	13		
Basic		**72.8p**	14.8p
Diluted		**71.4p**	14.5p

All the activities of the Group are from continuing operations.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Profit for the year	**88,894**	17,877
Total comprehensive income for the year	**88,894**	17,877

Consolidated Balance Sheet

At 31 March 2022

	Notes	Group 31.3.22 £000	Group 31.3.21 £000
Non-current assets			
Investment properties	14	**938,797**	740,207
Owner occupied property, plant and equipment	16	**4,631**	5,362
Investment in joint ventures	18	**100,604**	79,953
Other investments	19	**306**	–
Derivative financial instruments	36	**11,104**	171
		1,055,442	825,693
Current assets			
Land and developments	20	**2,089**	448
Corporation tax receivable		**338**	–
Trade and other receivables	21	**48,453**	40,427
Cash and cash equivalents	22	**28,807**	154,448
		79,687	195,323
Total assets		**1,135,129**	1,021,016
Current liabilities			
Trade and other payables	23	**(43,986)**	(46,764)
Lease liability	24	**(658)**	(634)
Corporation tax payable		**–**	(655)
		(44,644)	(48,053)
Non-current liabilities			
Borrowings	25	**(396,633)**	(336,703)
Derivative financial instruments	36	**(538)**	(7,601)
Lease liability	24	**(6,271)**	(6,929)
Deferred tax liability	10	**–**	(13,569)
		(403,442)	(364,802)
Total liabilities		**(448,086)**	(412,855)
Net assets		**687,043**	608,161
Equity			
Called-up share capital	27	**1,223**	1,478
Share premium account		**112,654**	107,990
Revaluation reserve		**197,627**	164,316
Capital redemption reserve		**7,743**	7,478
Other reserves		**291**	291
Retained earnings		**367,505**	326,608
Total equity		**687,043**	608,161

The financial statements were approved by the Board and authorised for issue on 24 May 2022.

Tim Murphy
Chief Financial Officer

Company number 156663

Company Balance Sheet

At 31 March 2022

	Notes	Company 31.3.22 £000	Company 31.3.21 Restated £000	Company 31.3.20 Restated £000
Non-current assets				
Owner occupied property, plant and equipment	16	**4,631**	5,362	6,007
Investment in subsidiaries	17	**210,341**	208,583	208,272
Amounts owed by group undertakings	21	**405,616**	293,223	299,893
		620,588	507,168	514,172
Current assets				
Trade and other receivables	21	**655**	712	422
Cash and cash equivalents	22	**1,797**	68,026	56,918
		2,452	68,738	57,340
Total assets		**623,040**	575,906	571,512
Current liabilities				
Trade and other payables	23	**(188,759)**	(145,893)	(180,994)
Lease liability	24	**(658)**	(634)	(611)
Borrowings	25	**–**	–	(5,000)
		(189,417)	(146,527)	(186,605)
Non-current liabilities				
Lease liability	24	**(4,082)**	(4,740)	(5,374)
Deferred tax liability	10	**–**	(244)	(219)
		(4,082)	(4,984)	(5,593)
Total liabilities		**(193,499)**	(151,511)	(192,198)
Net assets		**429,541**	424,395	379,314
Equity				
Called-up share capital	27	**1,223**	1,478	1,465
Share premium account		**112,654**	107,990	103,522
Capital redemption reserve		**7,743**	7,478	7,478
Other reserves		**1,987**	1,987	1,987
Retained earnings		**305,934**	305,462	264,862
Total equity		**429,541**	424,395	379,314

The profit in the year for the Company was £13,054,000 (2021: £51,128,000).

The financial statements were approved by the Board and authorised for issue on 24 May 2022.

Tim Murphy
Chief Financial Officer

Company number 156663

Consolidated Cash Flow Statement

For the year to 31 March 2022

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Cash flows from operating activities				
Profit before tax	**72,892**	20,508	**11,440**	51,907
Depreciation	**766**	791	**766**	791
Revaluation surplus on investment properties	**(33,311)**	(19,387)	**–**	–
Loss on sale of investment properties	**45**	1,341	**–**	–
Letting cost amortised	**226**	19	**–**	–
Profit on sale of plant and equipment	**(11)**	(14)	**(11)**	(14)
Net financing costs	**19,228**	14,021	**755**	577
Change in fair value of derivative financial instruments	**(17,996)**	(2,938)	**–**	–
Share-based payments charge	**3,843**	2,031	**–**	–
Share of results of joint ventures	**(20,708)**	(2,352)	**–**	–
Impairment of investments	**–**	–	**5,806**	6,294
Dividends received from subsidiaries	**–**	–	**(20,893)**	(60,415)
Cash inflows/(outflows) from operations before changes in working capital	**24,974**	14,020	**(2,137)**	(860)
Change in trade and other receivables	**(7,926)**	(2,554)	**(110,679)**	944
Change in land and developments	**(1,641)**	404	**–**	–
Change in trade and other payables	**5,941**	3,758	**53,870**	16,893
Cash inflows/(outflows) generated from operations	**21,348**	15,628	**(58,946)**	16,977
Finance costs	**(18,335)**	(12,902)	**(1,060)**	(590)
Finance income	**6**	58	**5**	13
Tax received	**13**	1,219	**13**	1,227
	(18,316)	(11,625)	**(1,042)**	650
Net cash generated from/(used by) operating activities	**3,032**	4,003	**(59,988)**	17,627
Cash flows from investing activities				
Additions to investment property	**(174,057)**	(16,306)	**–**	–
Purchase of other investments	**(306)**	–	**–**	–
Net (costs)/proceeds from sale of investment property	**(45)**	113,207	**–**	–
Investment in joint ventures and subsidiaries	**(3,323)**	(7,414)	**(7,569)**	(3,150)
Dividends from joint ventures	**3,381**	10,266	**–**	6,066
Dividends from subsidiaries	**–**	–	**9,894**	2,355
Sale of plant and equipment	**44**	23	**44**	23
Purchase of owner occupied property, plant and equipment	**(68)**	(156)	**(68)**	(155)
Net cash (used by)/generated from investing activities	**(174,374)**	99,620	**2,301**	5,139
Cash flows from financing activities				
Borrowings drawn down	**190,000**	12,339	**–**	–
Borrowings repaid	**(131,150)**	(25,000)	**–**	(5,000)
Lease liability payments	**(631)**	(610)	**(634)**	(611)
Sale of own shares	**54**	25	**–**	–
Shares issued	**10**	13	**4,674**	4,481
Equity dividends paid	**(12,582)**	(10,528)	**(12,582)**	(10,528)
Net cash generated from/(used by) financing activities	**45,701**	(23,761)	**(8,542)**	(11,658)
Net (decrease)/increase in cash and cash equivalents	**(125,641)**	79,862	**(66,229)**	11,108
Cash and cash equivalents at start of year	**154,448**	74,586	**68,026**	56,918
Cash and cash equivalents at end of year	**28,807**	154,448	**1,797**	68,026

Consolidated and Company Statements of Changes In Equity

At 31 March 2022

Group	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2020	1,465	103,522	171,464	7,478	291	314,469	598,689
Total comprehensive income	–	–	–	–	–	17,877	17,877
Revaluation surplus	–	–	19,387	–	–	(19,387)	–
Realised on disposals	–	–	(26,535)	–	–	26,535	–
Issued share capital	13	4,468	–	–	–	–	4,481
Performance Share Plan	–	–	–	–	–	2,031	2,031
Performance Share Plan – deferred tax	–	–	–	–	–	66	66
Share settled Performance Share Plan	–	–	–	–	–	(3,335)	(3,335)
Share settled bonus	–	–	–	–	–	(1,145)	(1,145)
Profit on sale of shares	–	–	–	–	–	25	25
Dividends paid	–	–	–	–	–	(10,528)	(10,528)
At 31 March 2021	**1,478**	**107,990**	**164,316**	**7,478**	**291**	**326,608**	**608,161**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**88,894**	**88,894**
Revaluation surplus	**–**	**–**	**33,311**	**–**	**–**	**(33,311)**	**–**
Issued share capital	**10**	**4,610**	**–**	**–**	**–**	**–**	**4,620**
Performance Share Plan	**–**	**–**	**–**	**–**	**–**	**3,223**	**3,223**
Performance Share Plan – deferred tax	**–**	**–**	**–**	**–**	**–**	**(1,325)**	**(1,325)**
Share settled Performance Share Plan	**–**	**–**	**–**	**–**	**–**	**(3,591)**	**(3,591)**
Deferred bonus shares	**–**	**–**	**–**	**–**	**–**	**620**	**620**
Share settled bonus	**–**	**–**	**–**	**–**	**–**	**(1,031)**	**(1,031)**
Profit on sale of shares	**–**	**54**	**–**	**–**	**–**	**–**	**54**
Cancelled deferred shares	**(265)**	**–**	**–**	**265**	**–**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(12,582)**	**(12,582)**
At 31 March 2022	**1,223**	**112,654**	**197,627**	**7,743**	**291**	**367,505**	**687,043**

For a breakdown of Total Comprehensive Income see the Consolidated Statement of Comprehensive Income.

The adjustment against retained earnings of £3,223,000 (31 March 2021: £2,031,000) adds back the share-based payments charge in accordance with IFRS 2 *Share Based Payments*.

There were net transactions with owners of £10,012,000 (31 March 2021: £8,405,000) made up of the Performance Share Plan credit of £3,223,000 (31 March 2021: £2,031,000) and related deferred tax charge of £1,325,000 (31 March 2021: credit of £66,000), dividends paid of £12,582,000 (31 March 2021: £10,528,000), issued share capital of £10,000 (31 March 2021: £13,000) and corresponding share premium of £4,610,000 (31 March 2021: £4,468,000), share settled Performance Share Plan awards charge of £3,591,000 (31 March 2021: £3,335,000), the share settled bonus awards charge of £1,031,000 (31 March 2021: £1,145,000), deferred bonus shares of £620,000 (31 March 2021: £nil) and profit on sale of shares of £54,000 (31 March 2021: £25,000).

Company	Share capital £000	Share premium £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2020	1,465	103,522	7,478	1,987	264,862	379,314
Total comprehensive income	–	–	–	–	51,128	51,128
Issued share capital	13	4,468	–	–	–	4,481
Dividends paid	–	–	–	–	(10,528)	(10,528)
At 31 March 2021	**1,478**	**107,990**	**7,478**	**1,987**	**305,462**	**424,395**
Total comprehensive income	**–**	**–**	**–**	**–**	**13,054**	**13,054**
Issued share capital	**10**	**4,664**	**–**	**–**	**–**	**4,674**
Dividends paid	**–**	**–**	**–**	**–**	**(12,582)**	**(12,582)**
Cancelled deferred shares	**(265)**	**–**	**265**	**–**	**–**	**–**
At 31 March 2022	**1,223**	**112,654**	**7,743**	**1,987**	**305,934**	**429,541**

Total Comprehensive Income is made up of the profit after tax of £13,054,000 (2021: £51,128,0000).

Included within changes in equity are net transactions with owners of £7,908,000 (2021: £6,047,000) being dividends paid of £12,582,000 (2021: £10,528,000) and issued share capital and corresponding share premium of £4,674,000 (2021: £4,481,000).

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/deficit 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/Company.

1. Basis of Preparation

Helical plc (the Company) is a public company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England. The address of the Company's registered office is shown on page 189. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic Report on pages 2 to 85.

These financial statements have been prepared using the recognition and measurement principles of International Accounting Standards in conforming with the Companies Act 2006.

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 and derivative financial instruments. The measurement bases and principal accounting policies of the Group are set out in Note 38. These accounting policies are consistent with those applied in the year to 31 March 2021, as amended to reflect any new standards.

Amendments to standards and interpretations which are mandatory for the year ended 31 March 2022 are detailed below however none of these have had a material impact on the financial statements:

- Amendment to IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 (effective for periods beginning on or after 1 April 2021); and Amendments to IFRS 9 and IFRS 7 Interest Rate Benchmark Reform (effective for periods beginning on or after 1 January 2020).

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

- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (effective for periods beginning on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018-2020 (effective for periods beginning on or after 1 January 2022);
- Amendments to IFRS 3 Reference to the Conceptual Framework (effective for periods beginning on or after 1 January 2022);
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract (effective for periods beginning on or after 1 January 2022);
- IFRS 17 Insurance Contracts (effective for periods beginning on or after 1 January 2023);
- Amendments to IFRS 17 Insurance Contracts (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (effective for periods beginning on or after 1 January 2023); and
- Amendments to IAS 8 Definition of Accounting Estimates (effective for periods beginning on or after 1 January 2023).

Going Concern

The Directors have considered the appropriateness of adopting the going concern basis in preparing the financial statements. Their assessment is based on forecasts for the next 12 month period, with sensitivity testing undertaken to replicate severe but plausible downside scenarios related to the principal risks and uncertainties associated with the business.

The key assumptions used in the review are summarised below:

- The Group's rental income receipts were modelled for each tenant on an individual basis;
- Existing loan facilities remain available;
- Certain property disposals are assumed in line with the individual asset business plans; and
- Free cash is utilised where necessary to repay debt/cure bank facility covenants.

Compliance with the financial covenants of the Group's main debt facility, its £400m Revolving Credit Facility, was the Directors' key area of review, with particular focus on the following three covenants:

- Loan to Value ("LTV") – the ratio of the drawn loan amount to the value of the secured property as a percentage;
- Loan to Rental Value ("LRV") – the ratio of the loan to the projected contractual net rental income for the next 12 months; and
- Projected Net Rental Interest Cover Ratio ("ICR") – the ratio of projected net rental income to projected finance costs.

The April 2022 compliance position for these covenants is summarised below:

Covenant	Requirement	Actual
LTV	<65%	46%
LRV	<12.0x	10.0x
ICR	>150%	313%

The results of this review demonstrated the following:

- The forecasts show that all bank facility financial covenants will be met throughout the review period, with headroom to withstand a 61% fall in contracted rental income;
- The Group could withstand receiving no rental income during the going concern period (excluding the impact on income covenants);
- Property values could fall by 47% before loan to value covenants come under pressure;
- Whilst the Group has a WAULT of 5.6 years, in a downside scenario whereby all tenants with lease expiries or break options in the going concern period exercise their breaks or do not renew at the end of their lease, and with no vacant space let or re-let, the rental income covenants would be met throughout the review period; and
- Additional asset sales could be utilised to generate cash to repay debt, materially increasing covenant headroom.

Based on this analysis, the Directors have adopted the going concern basis in preparing the accounts for the year ended 31 March 2022.

2. Revenue from Contracts with Customers

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Development property income	**7,490**	1,700
Service charge income	**8,304**	8,841
Other income	**28**	48
Total revenue from contracts with customers	**15,822**	10,589

The total revenue from contracts with customers is the revenue recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*. This reflects the development property income, the service charge income and other revenue in Note 3.

Impairments of contract assets recognised in the year to 31 March 2022 amounted to £5,000 (2021: £140,000).

3. Segmental Information

IFRS 8 *Operating Segments* 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,
- development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

Revenue	**Investment Year ended 31.03.22 £000**	**Development Year ended 31.03.22 £000**	**Total Year ended 31.03.22 £000**	Investment Year ended 31.03.21 £000	Development Year ended 31.03.21 £000	Total Year ended 31.03.21 £000
Gross rental income	**35,324**	**–**	**35,324**	28,007	–	28,007
Development property income	**–**	**7,490**	**7,490**	–	1,700	1,700
Service charge income	**8,304**	**–**	**8,304**	8,841	–	8,841
Other revenue	**28**	**–**	**28**	48	–	48
Revenue	**43,656**	**7,490**	**51,146**	36,896	1,700	38,596

Major customers
For the year ending 31 March 2022, the Group had three tenants (2021: two) that contributed 10% or more to the gross rental income. The balances detailed below represent the approximate contribution by each major tenant.

Tenant 1: £6,560,000 (2021: £nil)

Tenant 2: £3,960,000 (2021: £3,300,000)

Tenant 3: £3,730,000 (2021: £3,900,000)

Cost of sales	Investment Year ended 31.03.22 £000	Development Year ended 31.03.22 £000	Total Year ended 31.03.22 £000	Investment Year ended 31.03.21 £000	Development Year ended 31.03.21 £000	Total Year ended 31.03.21 £000
Rents payable	(169)	–	(169)	(232)	–	(232)
Property overheads	(4,069)	–	(4,069)	(2,810)	–	(2,810)
Service charge expense	(8,304)	–	(8,304)	(8,841)	–	(8,841)
Development cost of sales	–	(3,864)	(3,864)	–	(1,018)	(1,018)
Development sales expenses	–	(107)	(107)	–	(4)	(4)
Reversal of provision/(provision)	–	2,285	2,285	–	(82)	(82)
Cost of sales	(12,542)	(1,686)	(14,228)	(11,883)	(1,104)	(12,987)

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 other income £28,000 (2021: £48,000), revenue from services of £7,490,000 (2021: £1,700,000), service charge income of £8,304,000 (2021: £8,841,000) and rental income of £35,324,000 (2021: £28,007,000).

Profit before tax	Investment Year ended 31.03.22 £000	Development Year ended 31.03.22 £000	Total Year ended 31.03.22 £000	Investment Year ended £000	Development Year ended 31.03.21 £000	Total Year ended 31.03.21 £000
Net property income	31,114	5,804	36,918	25,013	596	25,609
Share of results of joint ventures	20,603	105	20,708	4,389	(2,037)	2,352
Gain on sale and revaluation of investment properties	33,266	–	33,266	18,046	–	18,046
Segmental profit/(loss)	84,983	5,909	90,892	47,448	(1,441)	46,007
Administrative expenses			(16,768)			(14,416)
Finance costs			(19,234)			(14,079)
Finance income			6			58
Change in fair value of derivative financial instruments			17,996			2,938
Profit before tax			72,892			20,508

Net assets	Investment 31.03.22 £000	Development 31.03.22 £000	Total 31.03.22 £000	Investment 31.03.21 £000	Development 31.03.21 £000	Total 31.03.21 £000
Investment properties	938,797	–	938,797	740,207	–	740,207
Land and developments	–	2,089	2,089	–	448	448
Investment in joint ventures	96,157	4,447	100,604	74,165	5,788	79,953
	1,034,954	6,536	1,041,490	814,372	6,236	820,608
Owner occupied property, plant and equipment			4,631			5,362
Other investments			306			–
Derivative financial instruments			11,104			171
Trade and other receivables			48,453			40,427
Corporation tax receivable			338			–
Cash and cash equivalents			28,807			154,448
Total assets			1,135,129			1,021,016
Total liabilities			(448,086)			(412,855)
Net assets			687,043			608,161

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

4. Net Property Income

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Gross rental income	35,324	28,007
Head rents payable	(169)	(232)
Property overheads	(4,069)	(2,810)
Net rental income	31,086	24,965
Development property income	7,490	1,700
Development cost of sales	(3,864)	(1,018)
Sales expenses	(107)	(4)
Reversal of provision/(provision)	2,285	(82)
Development property profit	5,804	596
Other revenue	28	48
Net property income	36,918	25,609

Property overheads include lettings costs, vacancy costs and bad debt provisions. The amounts above include gross rental income from investment properties of £35,324,000 (2021: £28,007,000) and net rental income from investment properties of £31,086,000 (2021: £24,965,000). Included within Gross rental income above is £5,638,000 (2021: reduction of £389,000) of accrued income for rent free periods.

5. Loss on Sale of Investment Properties

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Net (costs)/proceeds from the sale of investment properties	(45)	113,207
Book value (Note 14)	–	(111,883)
Tenants' incentives on sold investment properties	–	(2,665)
Loss on sale of investment properties	(45)	(1,341)

6. Administrative Expenses

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Administrative expenses	16,768	14,416
Operating profit is stated after the following items that are contained within administrative expenses:		
Depreciation – Owner occupied property, plant and equipment	766	791
Share-based payments charge	3,223	2,031
Staff costs	9,233	8,364
Auditor's remuneration:		
Audit fees		
Payable to the Company's auditor for the audit of Parent Company and consolidated financial statements	210	194
Payable to the Company's auditor for the audit of Company's subsidiaries	92	82
Audit related assurance services	63	59
Other non-audit services	10	9
Operating lease costs	206	268

7. Staff Costs

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Staff costs during the year:		
Wages and salaries	7,194	6,722
Social security costs	1,747	1,355
Other pension costs	292	287
	9,233	8,364

Details of the remuneration of Directors amounting to £6,536,000 (2021: £5,647,000) are included in the Directors' Remuneration Report on pages 110 to 131. Included within wages and salaries are Directors' bonuses of £1,902,000 (2021: £1,163,000) as discussed in the Directors' Remuneration Report on pages 110 to 131.

Other pension costs relate to payments to individual pension plans.

The average monthly number of employees of the Group during the year was 28 (2021: 29), all of whom are UK head office staff employed by Helical Services Limited, a subsidiary of the Group. There were averages of five (2021: five) management, seven (2021: seven) Property Executives and 16 (2021: 17) administrative staff.

Within administrative costs is the share-based payments charge for the year of £3,223,000 (2021: £2,031,000) which is not included in the staff costs above. The amount of the share-based payments charge relating to share awards made to Directors is £2,148,000 (2021: £1,410,000).

8. Finance Costs and Finance Income

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Interest payable on bank loans and overdrafts	(10,169)	(10,697)
Other interest payable and similar charges	(3,179)	(3,382)
Cancellation of loans	(5,886)	–
Finance costs	(19,234)	(14,079)
Interest receivable and similar income	6	58
Finance income	6	58

No interest has been capitalised in the year to 31 March 2022 (2021: £nil).

9. Tax on Profit on Ordinary Activities

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
The tax charge is based on the profit for the year and represents:		
United Kingdom corporation tax at 19% (2021: 19%)		
Group corporation tax	–	(1,218)
Adjustment in respect of prior years	1,146	365
Use of tax losses	(38)	–
Current tax credit/(charge)	1,108	(853)
Deferred tax		
Capital allowances	4,540	(398)
Tax losses	(1,024)	(794)
Unrealised chargeable gains	13,512	338
Other temporary differences	(2,134)	(924)
Deferred tax credit/(charge)	14,894	(1,778)
Total tax credit/(charge) for the year	16,002	(2,631)

Factors Affecting the Tax Charge for the Year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK.

The differences are explained below:

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Profit on ordinary activities before tax	72,892	20,508
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(13,849)	(3,896)
Effect of:		
Net income/(expenses) not taxable/(deductible) for tax purposes	52	(237)
Capital allowances claims and adjustments not recognised through deferred tax	1,273	591
Tax movements on share awards	1,281	171
Operating profit of joint ventures	3,935	447
Current tax charge adjustment in respect of prior periods	1,146	365
Tax losses not recognised through deferred tax	(1,068)	–
Movement on sale and revaluation not recognised through deferred tax	6,329	93
Chargeable gain in excess of profit or loss on investment property	–	(165)
Movement on derivatives not recognised through deferred tax	3,373	–
Release of deferred tax liability on conversion to a UK REIT	13,569	–
Payment for use of tax losses	(39)	–
Total tax credit/(charge) for the year	16,002	(2,631)

The Group became a UK REIT on 1 April 2022. As a result, the deferred tax assets and liabilities associated with the Group's property business were released. The majority of the liability released related to unrealised revaluation gains on the Group's investment properties. In addition, deferred tax assets totalling £4,402,000 recognised at 31 March 2021 were released on the basis that it is no longer probable that sufficient taxable profits will be generated in the non-property business in the future against which these assets could be offset.

Under IAS 12 Income Taxes, deferred tax provisions are made for the tax that would potentially be payable on the realisation of investment properties and other assets at book value. Other temporary differences include 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. On release of the deferred tax asset, a charge of £1,325,000 (2021: credit of £66,000) in respect of future tax relief for share awards has been recognised in reserves in accordance with IAS 12 Income Taxes. Together with the credit through the Consolidated Income Statement, this movement explains the change in the deferred tax liability for the year.

The Group contains entities with tax losses for which no deferred tax asset is recognised. The total unrecognised losses amount to approximately £13,901,000 (31 March 2021: £6,454,000). Following the Group's conversion to a REIT, a deferred tax asset has not been recognised because the entities in which the losses have been generated either do not have forecast taxable profits or the losses have restrictions on their use whereby their utilisation is considered to be unlikely.

10. Deferred Tax

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

	31.3.22 Group £000	31.3.21 Group £000	31.3.22 Company £000	31.3.21 Company £000
Capital allowances	–	(4,540)	–	(244)
Tax losses	–	1,024	–	–
Unrealised chargeable gains	–	(13,512)	–	–
Other temporary differences	–	3,459	–	–
Deferred tax liability	–	(13,569)	–	(244)

11. Dividends Paid and Payable

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Attributable to equity share capital		
Ordinary		
Interim paid 2.90p per share (2021: 2.70p)	3,547	3,274
Prior year final paid 7.40p per share (2020: 6.00p)	9,035	7,254
	12,582	10,528

A final dividend of 8.25p, if approved at the AGM on 14 July 2022, will be paid on 29 July 2022 to Shareholders on the register on 24 June 2022. This final dividend, amounting to £10,092,000, has not been included as a liability as at 31 March 2022, in accordance with IFRS.

12. 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 profit for the year of the Company was £13,054,000 (2021: £51,128,000).

13. 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.

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

The EPRA earnings per share is 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 earnings and weighted average number of shares used in the calculations are set out below:

	Year ended 31.3.22 000	Year ended 31.3.21 000
Ordinary shares in issue	122,325	121,266
Weighting adjustment	(241)	(282)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	122,084	120,984
Weighted average ordinary shares issued on share settled bonuses	662	719
Weighted average ordinary shares to be issued under Performance Share Plan	1,700	1,434
Weighted average ordinary shares in issue for calculation of diluted earnings per share	124,446	123,137

	£000	£000
Earnings used for calculation of basic and diluted earnings per share	88,894	17,877
Basic earnings per share	72.8p	14.8p
Diluted earnings per share	71.4p	14.5p

	£000	£000
Earnings used for calculation of basic and diluted earnings per share	88,894	17,877
Net gain on sale and revaluation of investment properties		
– subsidiaries	(33,266)	(18,046)
– joint ventures	(18,473)	(5,870)
Tax on profit on disposal of investment properties	–	4,936
(Gain)/loss on movement in share of joint ventures	(820)	767
Fair value movement on derivative financial instruments	(17,996)	(2,938)
Expense on cancellation of loans	5,886	–
Deferred tax on adjusting items	(17,844)	1,075
Earnings/(loss) used for calculations of EPRA earnings/(loss) per share	6,381	(2,199)
EPRA earnings/(loss) per share	5.2p	(1.8)p

The earnings/loss used for the calculation of EPRA earnings/(loss) per share includes net rental income and development property profits/losses but exclude investment and trading property gains.

14. Investment Properties

Group	Freehold 31.3.22 £000	Leasehold 31.3.22 £000	Total 31.3.22 £000	Freehold 31.3.21 £000	Leasehold 31.3.21 £000	Total 31.3.21 £000
Book value at 1 April	544,125	196,082	740,207	657,261	162,312	819,573
Additions at cost	164,574	931	165,505	5,393	7,756	13,149
Disposals	–	–	–	(111,883)	–	(111,883)
Letting cost amortisation	(54)	(172)	(226)	(8)	(11)	(19)
Revaluation surplus	28,262	5,049	33,311	(6,638)	26,025	19,387
Book value at 31 March	736,907	201,890	938,797	544,125	196,082	740,207

Investment properties are stated at fair value as at 31 March 2022 as follows:

Group	Freehold 31.3.22 £000	Leasehold 31.3.22 £000	Total 31.3.22 £000	Freehold 31.3.21 £000	Leasehold 31.3.21 £000	Total 31.3.21 £000
Book value at 31 March	736,907	201,890	938,797	544,125	196,082	740,207
Lease incentives and letting costs included in trade and other receivables	15,843	8,993	24,836	16,450	2,365	18,815
Head leases capitalised	–	(2,133)	(2,133)	–	(2,147)	(2,147)
Fair value at 31 March	752,750	208,750	961,500	560,575	196,300	756,875

Cumulative interest capitalised in respect of the refurbishment of investment properties at 31 March 2022 amounted to £13,102,000 (31 March 2021: £13,102,000). Interest capitalised during the year in respect of the refurbishment of Investment properties amounted to £nil (31 March 2021: £nil).

Investment properties with a total fair value of £930,350,000 (31 March 2021: £729,425,000) were held as security against borrowings.

All of the Group's properties are Level 3, as defined by IFRS 13 *Fair Value Measurement*, in the fair value hierarchy as at 31 March 2022 and there were no transfers between levels during the year. Level 3 inputs used in valuing the properties are those which are unobservable, as opposed to Level 1 (inputs from quoted prices) and Level 2 (observable inputs either directly, i.e. as prices, or indirectly, i.e. derived from prices).

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer.

Valuation Methodology

The fair value of the Group's investment property as at 31 March 2022 was determined by independent external valuers at that date, except for investment properties valued by the Directors. The valuations are in accordance with the RICS Valuation – Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties.

Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields as discussed below. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property.

The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation outputs, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

The reversionary yield is the return received from an asset once the estimated rental value has been captured on today's assessment of market value.

There are interrelationships between all the inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions.

A sensitivity analysis was performed to ascertain the impact of a 25 and 50 basis point shift in the equivalent yield and a 5% and 2.5% shift in ERVs for the wholly owned investment portfolio:

	Group 31.3.22 £000	Total change in portfolio value %	Total change in portfolio value £000
Equivalent yield	4.63%		
+ 50 bps		(13.0)	(124,684)
+ 25 bps		(6.8)	(65,598)
- 25 bps		7.6	73,419
- 50 bps		16.2	155,947
ERV	£70.02psf		
+ 5.00%		5.6	53,550
+ 2.50%		2.8	26,703
- 2.50%		(2.8)	(26,705)
- 5.00%		(5.5)	(53,249)

The investment properties have been valued at 31 March 2022 as follows:

	Group 31.3.22 £000	Group 31.3.21 £000
Cushman & Wakefield LLP	961,350	756,725
Directors' valuation	150	150
	961,500	756,875

15. 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 31.3.22 £000	Group 31.3.21 £000
Not later than one year	33,357	26,182
Later than one year but not more than two years	37,163	23,204
Later than two years but not more than three years	28,902	26,220
Later than three years but not more than four years	27,380	23,481
Later than four years but not more than five years	25,605	23,133
More than five years	94,616	115,145
	247,023	237,365

The Company has no operating lease arrangements as lessor.

16. Owner Occupied Property, Plant and Equipment

Group	Leasehold property and improvements 31.3.22 £000	Plant and equipment 31.3.22 £000	Total 31.3.22 £000	Leasehold property and improvements 31.3.21 £000	Plant and equipment 31.3.21 £000	Total 31.3.21 £000
Cost at 1 April	7,138	571	7,709	7,138	712	7,850
Additions at cost	–	68	68	–	155	155
Disposals	–	(84)	(84)	–	(296)	(296)
Cost at 31 March	7,138	555	7,693	7,138	571	7,709
Depreciation at 1 April	2,020	327	2,347	1,352	491	1,843
Provision for the year	669	97	766	668	123	791
Eliminated on disposals	–	(51)	(51)	–	(287)	(287)
Depreciation at 31 March	2,689	373	3,062	2,020	327	2,347
Net book amount at 31 March	4,449	182	4,631	5,118	244	5,362

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

All leasehold property and improvements and plant and equipment relate to the Company.

Included within leasehold property and improvements is a right of use asset with a net book value of £3,501,000 (31 March 2021: £4,022,000).

17. Investment in Subsidiaries

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Cost at 1 April	–	–	241,457	250,726
Additions	–	–	7,569	3,641
Disposals	–	–	(10,005)	(12,910)
Cost at 31 March	–	–	239,021	241,457
Impairment at 1 April	–	–	32,874	42,454
Impaired during the year	–	–	5,806	3,329
Disposals	–	–	(10,000)	(12,909)
Impairment at 31 March	–	–	28,680	32,874
Net book amount at 31 March	–	–	210,341	208,583

A list of all the Company's subsidiary undertakings, all of which have been consolidated, are shown in Note 39 to the financial statements.

Helical (OS Holdco) Jersey Limited, a 100% subsidiary of Helical plc, settled £4,900,000 of its intercompany loan with Helical plc by issuing shares. As at 31 March 2022, this amount is disclosed as "Investment in subsidiaries", with disclosure being in "Amounts owed from group undertakings" in the prior year.

18. Investment in Joint Ventures

Summarised consolidated Income Statements	Investment 31.3.22 £000	Development 31.3.22 £000	Total 31.3.22 £000	Investment 31.3.21 £000	Development 31.3.21 £000	Total 31.3.21 £000
Revenue	226	9,269	9,495	99	25,925	26,024
Gross rental income	226	91	317	99	57	156
Property overheads	(130)	(45)	(175)	(112)	(19)	(131)
Net rental income	96	46	142	(13)	38	25
Gain/(loss) on revaluation of investment properties	18,323	150	18,473	6,445	(22)	6,423
Loss on sale of investment properties	–	–	–	(553)	–	(553)
Development property gain/(loss)	–	764	764	–	(948)	(948)
Gross profit/(loss)	18,419	960	19,379	5,879	(932)	4,947
Administrative expenses	(227)	(68)	(295)	(300)	(132)	(432)
Operating profit/(loss)	18,192	892	19,084	5,579	(1,064)	4,515
Interest payable on bank loans and overdrafts	(2,124)	(283)	(2,407)	(560)	(603)	(1,163)
Other interest payable and similar charges	(181)	–	(181)	(156)	–	(156)
Interest capitalised	2,142	–	2,142	514	–	514
Finance income	–	–	–	2	3	5
Profit/(loss) before tax	18,029	609	18,638	5,379	(1,664)	3,715
Tax credit/(charge)	1,666	(417)	1,249	(223)	(373)	(596)
Profit/(loss) after tax	19,695	192	19,887	5,156	(2,037)	3,119
Adjustment for Barts Square economic interest[1]	909	(88)	821	(767)	–	(767)
Share of results of joint ventures	20,604	104	20,708	4,389	(2,037)	2,352

1 This is an adjustment to reflect the impact of the consolidation of a joint venture at its economic interest of 46.0% (2021: 47.0%) rather than its actual ownership interest of 33.3%.

Summarised consolidated balance sheets	Investment 31.3.22 £000	Development 31.3.22 £000	Total 31.3.22 £000	Investment 31.3.21 £000	Development 31.3.21 £000	Total 31.3.21 £000
Non-current assets						
Investment properties	138,435	1,610	140,045	85,325	1,492	86,817
Owner occupied property, plant and equipment	–	40	40	–	41	41
	138,435	1,650	140,085	85,325	1,533	86,858
Current assets						
Land and developments	–	8,349	8,349	–	16,545	16,545
Trade and other receivables	2,275	252	2,527	8,144	(6,483)	1,661
Deferred tax	172	–	172	–	–	–
Cash and cash equivalents	536	3,938	4,474	3,022	4,759	7,781
	2,983	12,539	15,522	11,166	14,821	25,987
Current liabilities						
Trade and other payables	(8,298)	(1,764)	(10,062)	(4,605)	(2,493)	(7,098)
Borrowings	–	–	–	(3,287)	(8,168)	(11,455)
	(8,298)	(1,764)	(10,062)	(7,892)	(10,661)	(18,553)
Non-current liabilities						
Trade and other payables	(402)	(6)	(408)	(401)	(7)	(408)
Borrowings	(39,585)	–	(39,585)	(8,014)	–	(8,014)
Lease liability	(4,744)	–	(4,744)	(4,584)	–	(4,584)
Deferred tax	–	(297)	(297)	(1,528)	106	(1,422)
	(44,731)	(303)	(45,034)	(14,527)	99	(14,428)
Net assets before acquisition costs	88,389	12,122	100,511	74,072	5,792	79,864
Acquisition costs	93	–	93	89	–	89
Net assets	88,482	12,122	100,604	74,161	5,792	79,953

The fair value of the investment properties at 31 March 2022 is as follows:

	Total 31.3.22 £000	Total 31.3.21 £000
Book value at 31 March	140,045	86,817
Lease incentives and letting costs included in trade and other receivables	166	120
Head leases capitalised	(4,391)	(4,421)
Fair value at 31 March	135,820	82,516

The Directors' valuation of land and developments shows a surplus of £nil (31 March 2021: £nil) above book value.

Dividends of £3,381,000 were received from joint venture companies during the year (2021: £10,266,000). The joint venture companies are private companies, therefore no quoted market prices are available for their shares.

The cost of the Company's investment in joint ventures was £nil (31 March 2021: £nil).

The Group has two material joint ventures (31 March 2021: two). The full results and position of these joint ventures are set out below, of which we have included our share in the above table.

Summarised Income Statement	Barts LP Group 31.03.22 £000	Charterhouse Street Group 31.03.22 £000	Other 31.03.22 £000	Total £000 31.03.22	Our share 31.03.22 £000	Our share 31.03.21 £000
Revenue	20,461	–	–	20,461	9,495	26,024
Gross rental income	690	–	–	690	317	156
Property overheads	(376)	–	(4)	(380)	(175)	(131)
Net rental income/(costs)	314	–	(4)	310	142	25
Development gain/(loss)	1,479	–	167	1,646	764	(948)
Gain on revaluation of investment properties	1,112	35,922	–	37,034	18,473	6,423
Loss on sale of investment properties	–	–	–	–	–	(553)
Administrative expenses	(420)	(192)	(14)	(626)	(295)	(432)
Finance costs	(739)	(4,134)	–	(4,873)	(2,407)	(1,163)
Interest capitalised	–	4,285	–	4,285	2,142	514
Lease liability interest	–	(362)	–	(362)	(181)	(156)
Finance income	–	–	–	–	–	5
Profit before tax	1,746	35,519	149	37,414	18,638	3,715
Tax (charge)/credit	(995)	(3,135)	(32)	(4,162)	1,249	(596)
Adjustment for Barts Square economic interest[1]	821	–	–	821	821	(767)
Profit after tax	1,572	32,384	117	34,073	20,708	2,352

1 This adjustment reflects the impact of the consolidation of a joint venture at its economic interest of 46.0% (2021: 47.0%) rather than its actual ownership interest of 33.3%.

Summarised balance sheet	Barts LP Group 31.03.22 £000	Charterhouse Street Group 31.03.22 £000	Other 31.03.22 £000	Total 31.03.22 £000	Our share 31.03.22 £000	Our share 31.03.21 £000
Non-current assets						
Investment properties	29,140	253,282	–	282,422	140,045	86,817
Owner occupied property, plant and equipment	88	–	–	88	40	41
	29,228	253,282	–	282,510	140,085	86,858
Current assets						
Land, development and trading properties	18,150	–	–	18,150	8,349	16,545
Trade and other receivables	1,888	3,280	34	5,202	2,527	1,661
Cash and cash equivalents	9,121	1	561	9,683	4,474	7,781
	29,159	3,281	595	33,035	15,350	25,987
Current liabilities						
Borrowings	–	–	–	–	–	(11,455)
Trade and other payables	(5,005)	(15,475)	(46)	(20,526)	(10,062)	(7,098)
	(5,005)	(15,475)	(46)	(20,526)	(10,062)	(18,553)
Non-current liabilities						
Borrowings	–	(79,171)	–	(79,171)	(39,585)	(8,014)
Lease liability	–	(9,488)	–	(9,488)	(4,744)	(4,584)
Trade and other payables	–	(800)	(16)	(816)	(408)	(408)
Deferred tax	(272)	(6,594)	–	(6,866)	(125)	(1,422)
	(272)	(96,053)	(16)	(96,341)	(44,862)	(14,428)
Net assets before acquisition costs	53,110	145,035	533	198,678	100,511	79,864
Acquisition costs	–	186	–	186	93	89
Net assets	53,110	145,221	533	198,864	100,604	79,953

At 31 March 2022 the Group and the Company had legal interests in the following joint venture companies:

	Country of incorporation	Class of share capital held	Proportion held Group	Proportion held Company	Nature of business
Barts, L.P.	United States	n/a	33%	–	Investment
Barts One Limited	Jersey	Ordinary	33%	–	Investment
Barts Two Limited	Jersey	Ordinary	33%	–	Investment
Barts Close Office Limited	Jersey	Ordinary	33%	–	Investment
Barts Square First Office Limited	Jersey	Ordinary	33%	–	Investment
Barts Square Active One Limited	Jersey	Ordinary	33%	–	Investment
Barts Square First Residential Limited	Jersey	Ordinary	33%	–	Investment
Barts Square First Limited	United Kingdom	Ordinary	33%	–	Development
Barts Square Land One Limited	United Kingdom	Ordinary	33%	–	Development
OBC Development Management Limited	United Kingdom	Ordinary	33%	–	Development
Old Street Holdings LP	Jersey	n/a	33%	–	Investment
Abbeygate Helical (Leisure Plaza) Limited	United Kingdom	Ordinary	50%	50%	Development
Abbeygate Helical (C4.1) LLP	United Kingdom	n/a	50%	50%	Development
Shirley Advance LLP	United Kingdom	n/a	50%	–	Development
Haslucks Green Limited	United Kingdom	Ordinary	50%	–	Development
Charterhouse Place Limited	United Kingdom	Ordinary	50%	–	Investment
Charterhouse Street Limited	Jersey	Ordinary	50%	–	Investment

There are a number of companies which are accounted for as joint ventures where the Group has an equity interest of less than 50%. This typically occurs where the Group's joint venture partner is providing a greater share of finance into the Company, with the Group contributing a greater share towards the day-to-day management of the underlying project. Key business decisions require unanimous agreement from the Group and its partner, therefore management judges that both parties control the entity equally and it is therefore considered appropriate to account for our interest as a joint venture.

Under the Barts Square joint venture agreement the Group is entitled to varying returns dependent upon the performance of the development. Whilst the Group holds a 33.3% legal share in the Barts Square group, it has accounted for its share at 46.0% (2021: 47.0%) to reflect its expected economic interest in the joint venture.

19. Other Investments

Group	Total 31.3.22 £000	Total 31.3.21 £000
Book value at 1 April	–	–
Acquisitions	306	–
At 31 March	306	–

On 6 August 2021, the Group entered into a commitment of £1,000,000 to invest in the Pi Labs European PropTech venture capital fund ("Fund") of which £306,000 was invested during the year. The Fund is focused on investing in the next generation of proptech businesses.

The fair value of the Group's investment is based on the net asset value of the Fund, representing Level 2 fair value measurement as defined in IFRS 13 Fair Value Measurement.

20. Land and Developments

Group	Total 31.3.22 £000	Total 31.3.21 £000
At 1 April	448	852
Acquisitions and construction costs	2,913	220
Disposals	(3,557)	(804)
Reversal of provision	2,285	180
At 31 March	2,089	448

The Directors' valuation of land and developments shows a surplus of £302,000 (31 March 2021: £578,000) above book value. This surplus has been included in the EPRA net asset value (Note 34).

No interest has been capitalised or included in land and developments.

Land and developments with carrying values totalling £nil (31 March 2021: £nil) were held as security against borrowings.

The Company had £nil (31 March 2021: £nil) of land and developments.

21. Trade and Other Receivables

Due within 1 year	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 Restated £000	Company 31.3.21 Restated £000	Company 31.3.20 Restated £000
Trade receivables	18,807	17,426	–	–	–
Amounts owed by joint venture undertakings	495	427	28	9	151
Other receivables	267	117	50	75	75
Prepayments	4,310	4,597	577	628	196
Accrued income	24,574	17,860	–	–	–
	48,453	40,427	655	712	422

Included within accrued income are lease incentives of £22,965,000 (31 March 2021: £17,179,000).

Due after 1 year	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 Restated £000	Company 31.3.21 Restated £000	Company 31.3.20 Restated £000
Amounts owed by group undertakings	–	–	405,616	293,223	299,893
	–	–	405,616	293,223	299,893

Receivables	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Fully performing	41,150	34,022	405,694	293,307
Past due < 3 months	1,277	1,003	–	–
Past due > 3 months	1,716	805	–	–
Total receivables being financial assets	44,143	35,830	405,694	293,307
Total receivables being non-financial assets	4,310	4,597	577	628
Total receivables	48,453	40,427	406,271	293,935

Past due receivables not impaired relate to a number of independent customers for whom there is no recent history of default. Against trade receivables, Helical held £14,677,000 of rental deposits at 31 March 2022 (31 March 2021: £12,779,000).

Movements in the loss allowance of trade receivables are as follows:

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Gross receivables being financial assets	45,529	36,780	414,169	301,637
Provisions for receivables impairment	(1,386)	(950)	(8,475)	(8,330)
Net receivables being financial assets	44,143	35,830	405,694	293,307
Receivables written-off during the year as uncollectable	705	612	–	–

The following table shows the movement in lifetime Estimated Credit Loss ("ECL") that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	Group £000	Company £000
Balance as at 31 March 2020	114	–
Net remeasurement of loss allowance	836	–
Amounts written off	–	–
Amounts recovered	–	–
Balance as at 31 March 2021	**950**	**–**
Net remeasurement of loss allowance	**(391)**	**–**
Amounts written off	**827**	**–**
Amounts recovered	**–**	**–**
Balance as at 31 March 2022	**1,386**	**–**

Included in total receivables being financial assets above are contract balances and receivables from contracts with customers, as defined by IFRS 15 *Revenue from Contracts with Customers*, as follows:

Contract assets from contracts with customers	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
At 1 April	268	681	–	–
Additions	530	256	–	–
Received during the year	(268)	(669)	–	–
At 31 March	530	268	–	–

Receivables from contracts with customers	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
At 1 April	2,505	181	–	–
Additions	–	2,414	–	–
Received during the year	(1,498)	(90)	–	–
At 31 March	1,007	2,505	–	–

Contract assets are typically recognised when the Group recognises revenue on partial completion of performance obligations, ordinarily the construction and letting of buildings in its role as development manager. Receivables are recognised when the Group has an unconditional right to consideration. Cash is typically received once a building is practically complete and a large proportion of the lettable area is subject to leases; this may occur in tranches.

22. Cash and Cash Equivalents

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Cash held at managing agents	10,589	3,289	3	7
Restricted cash	3,978	72,878	81	81
Cash deposits	14,240	78,281	1,713	67,938
	28,807	154,448	1,797	68,026

Restricted cash is made up of cash held by solicitors and cash in restricted bank accounts.

23. Trade and Other Payables

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Trade payables	23,122	24,194	1,117	526
Social security costs and other taxation	3,867	1,786	–	–
Amounts owed to subsidiary undertakings	–	–	186,052	143,701
Other payables	90	93	768	397
Accruals	7,418	14,023	822	1,269
Deferred income	9,489	6,668	–	–
	43,986	46,764	188,759	145,893

24. Lease Liability

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Current lease liability	658	634	658	634
Non-current lease liability	6,271	6,929	4,082	4,740

Included within lease liability are £658,000 (31 March 2021: £634,000) of current and £4,082,000 (31 March 2021: £4,740,000) of non-current lease liabilities which relate to the long leasehold of the Group's head office.

Finance lease obligations in respect of the Group's leasehold properties are payable as follows:

	Minimum lease payments 31.3.22 £000	Interest 31.3.22 £000	Present value of minimum lease payments 31.3.22 £000	Minimum lease payments 31.3.21 £000	Interest 31.3.21 £000	Present value of minimum lease payments 31.3.21 £000
Not later than one year	922	(30)	892	922	(31)	891
Later than one year but not more than five years	3,689	(401)	3,288	3,689	(406)	3,283
More than five years	16,420	(13,671)	2,749	17,342	(13,953)	3,389
	21,031	(14,102)	6,929	21,953	(14,390)	7,563

The lease liabilities relate to the lease of the Group's head office and to ground rents payable in respect of the head lease at 25 Charterhouse Square, EC1 (the lease term is 155 years). The associated assets of £3,501,000 (31 March 2021: £4,022,000) and £2,133,000 (31 March 2021: £2,147,000) are shown in Note 16 and Note 14, respectively.

25. Borrowings

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Current borrowings	–	–	–	–
Borrowings repayable within:			–	
one to two years	–	–	–	–
two to three years	100,000	49,705	–	–
three to four years	296,633	286,998	–	–
four to five years	–	–	–	–
Non-current borrowings	396,633	336,703	–	–
Total borrowings	396,633	336,703	–	–

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 fair value of £930,350,000 (31 March 2021: £729,425,000). 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 £39,585,000 (31 March 2021: £19,469,000).

26. Financing and Derivative Financial Instruments

The policies for dealing with liquidity and interest rate risk are noted in our Principal Risks on pages 46 to 55.

	Group 31.3.22 £000	Group 31.3.21 £000
Due after more than one year	396,633	336,703
Due within one year	–	–
	396,633	336,703

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2022 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.22 £000	Group 31.3.21 £000
Expiring in one year or less	70,000	10,000
Expiring in more than one year but not more than two years	–	–
Expiring in more than two years but not more than three years	–	–
Expiring in more than three years but not more than four years	–	190,000
Expiring in more than four years but not more than five years	–	–
Expiring in more than five years	–	–
	70,000	200,000

Interest rates – Group	%	Expiry	Group 31.3.22 £000	%	Expiry	Group 31.3.21 £000
Fixed rate borrowings:						
swap rate plus bank margin	3.180	Apr 2024	50,000	3.030	Apr 2024	50,000
swap rate plus bank margin	2.620	Aug 2024	50,000	2.480	Aug 2024	50,000
swap rate plus bank margin	2.600	Aug 2024	50,000	2.450	Aug 2024	50,000
swap rate plus bank margin	3.510	Jun 2026	50,000	3.370	Jun 2026	50,000
swap rate plus bank margin	2.600	Jul 2026	50,000	–	–	–
swap rate plus bank margin	2.540	Jul 2026	50,000	–	–	–
fixed rate plus margin	–	–	–	3.480	Dec 2024	71,000
fixed rate plus margin	–	–	–	3.210	Dec 2024	9,750
Weighted average	2.841	Jul 2025	300,000	3.149	Jan 2025	280,750
Floating rate borrowings	3.522	May 2025	100,000	4.242	Sep 2023	60,400
Unamortised finance costs			(3,367)			(4,447)
Total borrowings	3.011	May 2025	396,633	3.343	Jul 2024	336,703

Floating rate borrowings bear interest at rates based on SONIA.

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

Instrument – Group	Value £000	%	Start	Expiry
Current:				
cap	35,000	1.640	Sep 2021	Jul 2023
cap	35,000	1.650	Oct 2021	Jul 2023
cap	35,000	1.650	Oct 2021	Jul 2023
cap	40,000	1.659	Jan 2020	Jul 2023

At 31 March 2022 the Company had no interest rate swaps, caps or floors (31 March 2021: nil).

Gearing	Group 31.3.22 £000	Group 31.3.21 £000
Total borrowings	396,633	336,703
Cash	(28,807)	(154,448)
Net borrowings	367,826	182,255

Net borrowings excludes the Group's share of borrowings in joint ventures of £39,585,000 (31 March 2021: 19,469,000) and cash of £4,474,000 (31 March 2021: £7,821,000). All borrowings in joint ventures are secured.

	Group 31.3.22 £000	Group 31.3.21 £000
Net assets	687,043	608,161
Gearing	54%	30%

27. Share Capital

	31.3.22 £000	31.3.21 £000
Authorised	39,577	39,577

The authorised share capital of the Company is £39,577,000 divided into ordinary shares of 1p each.

Allotted, called up and fully paid:	31.3.22 £000	31.3.21 £000
122,325,413 (31 March 2021: 121,265,170) ordinary shares of 1p each	1,223	1,213
212,145,300 deferred shares of 1/8p each	–	265
	1,223	1,478

	Shares in issue 31.3.22 Number	Share capital 31.3.22 £000	Shares in issue 31.3.21 Number	Share capital 31.3.21 £000
Ordinary shares				
At 1 April	121,265,710	1,213	119,977,581	1,200
Issued share capital	1,059,703	10	1,288,129	13
At 31 March	122,325,413	1,223	121,265,710	1,213
Deferred shares				
At 1 April and 31 March	–	–	212,145,300	265

The deferred shares of 1/8p each were cancelled during the year.

Capital Management

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, share premium, retained earnings, revaluation reserve and other reserves (2022: £679,300,000, 2021: £600,683,000). The Group continually monitors its gearing level to ensure that it is appropriate. Gearing increased from 30% to 54% in the year resulting from the acquisition of property and the corresponding drawdown of loan facilities.

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 gave 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. In advance of the Group becoming a REIT from 1 April 2022, this option was taken on 21 March 2022. As such, there were no deferred shares at 31 March 2022.

28. Share Options

At 31 March 2022 and 31 March 2021 there were no unexercised options over new ordinary 1p shares in the Company.

29. Share-Based Payments

The Group provides share-based payments to employees in the form of Performance Share Plan (PSP) awards and a Share Incentive Plan. The Group uses a combination of the Black-Scholes and stochastic valuation models and the resulting value is amortised through the Consolidated Income Statement over the vesting period of the share-based payments. Details of the performance criteria are set out on page 126.

Performance Share Plan awards	2022 Awards	2022 Weighted average award value	2021 Awards	2021 Weighted average award value
Outstanding at beginning of year	3,639,802	359p	3,779,873	332p
Awards vested during year	(834,104)	324p	(930,334)	271p
Awards lapsed during the year	(299,426)	324p	(482,913)	271p
Awards made during the year	1,094,464	362p	1,273,176	342p
Outstanding at end of year	3,600,736	355p	3,639,802	359p

All awards have an exercise price of £nil (2021: £nil).

The weighted average share price at the date of exercise for the share options exercised during the year was 430.50p (2021: 358.5p).

The PSP awards outstanding at 31 March 2022 had a weighted average remaining contractual life of one year and two months.

The fair value of the awards made in the year to 31 March 2022 was £3,960,000 (2021: £3,776,000). These were granted on 2 June 2021.

The inputs into the Black-Scholes and stochastic models of valuation of the PSP awards made in the year to 31 March 2022 were as follows:

	2022	2021	2020
Weighted average share price	362.0p	342.0p	362.5p
Weighted average exercise price	–	–	–
Expected volatility	31%	35%	30%
Expected life	3 years	3 years	3 years
Risk free rate	0.14%	(0.04)%	0.52%
Expected dividends	0.00%	0.00%	0.00%

The Group recognised a charge of £3,223,000 (2021: £2,031,000) during the year in relation to share-based payments.

Volatility is measured by calculating the standard deviation of the natural logarithm of share price movements for the period prior to the date of grant which is commensurate with the remaining length of the performance period.

At the Balance Sheet date there were no exercisable awards. There is a two-year holding period for vested awards for Directors.

30. Changes in Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those whose cash flows were, or future cash flows will be, classified in the Consolidated and Company Cash Flow Statements as cash flows from financing activities.

	Group £000	Company £000
At 1 April 2020	348,184	5,000
Financing cash flows	(12,661)	(5,000)
Other changes	1,180	–
At 31 March 2021	**336,703**	**–**
Financing cash flows	**58,850**	**–**
Other changes	**1,080**	**–**
At 31 March 2022	**396,633**	**–**

Financing cash flows comprise borrowings drawn down and repaid in the Consolidated and Company Cash Flow Statements. Other changes include the rolling up of interest and the change in unamortised refinancing costs.

31. Contingent Liabilities

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.

There were no other contingent liabilities at 31 March 2022 for the Group or the Company (31 March 2021: £nil).

32. Capital Commitments

The Group has a commitment of £nil (31 March 2021: £4,400,000) in relation to development contracts which are due to be completed in the year to March 2023. A further £13,100,000 (31 March 2021: £45,600,000) relates to the Group's share of commitments in joint ventures.

33. Post Balance Sheet Events

In May 2022, The Group exchanged contracts for the sale of Trinity, Manchester for £34,550,000.

34. Net Assets Per Share

	Group 31.3.22 £000	Number of shares 000	pence	Group 31.3.21 £000	Number of shares 000	pence
IFRS net assets	687,043	122,325		608,161	121,266	
Adjustments:						
deferred shares	–			(265)		
Basic net asset value	687,043	122,325	562	607,896	121,266	501
share settled bonus		662			718	
dilutive effect of the Performance Share Plan		1,657			1,519	
Diluted net asset value	687,043	124,644	551	607,896	123,503	492
Adjustments:						
fair value of financial instruments	(10,565)			7,431		
deferred tax	503			18,348		
fair value of land and developments	302			578		
real estate transfer tax	73,155			56,877		
EPRA net reinstatement value	750,438	124,644	602	691,130	123,503	560
real estate transfer tax	(36,656)			(24,862)		
deferred tax	(503)			(7,605)		
EPRA net tangible asset value	713,279	124,644	572	658,663	123,503	533

	Group 31.3.22 £000	Number of shares 000	pence	Group 31.3.21 £000	Number of shares 000	pence
Diluted net assets	687,043	124,644	551	607,896	123,503	492
Adjustments:						
surplus on fair value of stock	302			578		
fair value of fixed rate loan	–			(9,622)		
EPRA net disposal value	687,345	124,644	551	598,852	123,503	485

The net asset values per share have been calculated in accordance with guidance issued by the European Public Real Estate Association ("EPRA").

The adjustments to the net asset value comprise the amounts relating to the Group and its share of joint ventures.

The calculation of EPRA net tangible asset value includes a real estate transfer tax adjustment which adds back the benefit of the saving of the purchaser's costs that Helical expects to receive on sales of asset owning corporate vehicles, rather than direct asset sales.

The calculation of EPRA net disposal value/triple net asset value per share reflects the fair value of all the assets and liabilities of the Group at 31 March 2022. One of the loans held by the Group in the prior year was at a fixed rate and therefore not at fair value. The adjustment of £9,622,000 as at 31 March 2021 was the increase from book to fair value.

35. Related Party Transactions

At 31 March 2022 and 31 March 2021 the following amounts were due from the Group's joint ventures:

	31.3.22 £000	31.3.21 £000
Charterhouse Street Limited	405	400
Barts Square companies	79	16
Shirley Advance LLP	8	8
Old Street Holdings LP	3	3

An accounting and corporate services fee of £50,000 (2021: £50,000) was charged by the Group to the Barts Square companies. In addition, a development management, accounting and corporate services fee of £1,380,000 (2021: £850,000) was charged by the Group to the Charterhouse Place Limited group.

All balances are repayable on demand. No provisions have been recognised in respect of amounts owed from joint ventures.

At 31 March 2022 and 31 March 2021 there were the following balances between the Company and its subsidiaries:

	31.3.22 £000	31.3.21 £000
Amounts due from subsidiaries	405,616	293,223
Amounts due to subsidiaries	186,052	143,701

	31.3.22 £000	31.3.21 £000
Management charges receivable	972	1,992
Distributions from subsidiaries and joint ventures	20,893	60,415

Management charges receivable relate to the performance of management services for its subsidiaries.

During the year Helical plc issued 1,059,703 shares at a value of £4,620,000 (2021: 1,288,129 shares at a value of £4,481,000) to satisfy the obligation of its subsidiary, Helical Services Limited, in relation to Performance Share awards and Deferred Bonus awards.

All of these transactions, and the Balance Sheet date 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 21. Amounts owed to subsidiaries by the Company are identified in Note 23.

The Group considers that key management personnel are the Directors. The compensation paid or payable to key management (including associated Employer's NIC) is:

	31.3.22 £000	31.3.21 £000
Salaries and other short-term employee benefits	3,557	3,347
Value of share awards	3,936	2,785
	7,493	6,132

The total dividends paid to Directors of the Group in the year were £432,258 (2021: 374,639).

36. Financial Instruments

Categories of Financial Instruments

Financial assets in the Group include derivative financial assets and available-for-sale assets which are designated as "Fair value through the Profit or Loss". Financial assets also include trade and other receivables and cash and cash equivalents, all of which are included within financial assets measured at amortised cost.

Financial liabilities classed as "Fair value through the Profit or Loss" include derivatives and those liabilities designated as such. Financial liabilities also include secured bank loans and overdrafts, trade and other payables and provisions, all of which are classified as financial liabilities at amortised cost.

Financial Assets and Liabilities by Category

The financial instruments of the Group as classified in the financial statements can be analysed under the following categories.

Financial assets	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Measured at amortised cost	73,288	190,278	407,491	361,333
Fair value through the Profit or Loss	11,104	171	–	–
Total financial assets	84,392	190,449	407,491	361,333

These financial assets are included in the Balance Sheet within the following headings:

Balance Sheet	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Corporation tax receivable	338	–	–	–
Trade and other receivables, including amounts due to group undertakings	44,143	35,830	405,694	293,307
Cash and cash equivalents	28,807	154,448	1,797	68,026
Derivative financial asset	11,104	171	–	–
Total financial assets	84,392	190,449	407,491	361,333

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

The carrying value of the trade and other receivables and cash and cash equivalents is not deemed to be materially different from their fair value.

Financial liabilities	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Fair value through the Profit or Loss	572	7,635	–	–
Measured at amortised cost	434,158	383,198	193,499	151,267
Total financial liabilities	434,730	390,833	193,499	151,267

The financial liabilities are included in the Balance Sheet within the following headings:

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Trade and other payables	30,630	38,966	188,759	145,893
Borrowings – non-current	396,633	336,703	–	–
Lease liability	6,929	7,563	4,740	5,374
Derivative financial instruments	538	7,601	–	–
Total financial liabilities	434,730	390,833	193,499	151,267

The carrying value of trade and other payables and borrowings is not deemed to be materially different from the fair value as at 31 March 2022. During the year the Group repaid a fixed rate loan whose fair value was £9,622,000 greater than its carrying value as at 31 March 2021. Financial liabilities are stated in accordance with IAS 32 *Financial Instruments: Presentation*.

The Group and Company financial instruments that are measured subsequent to initial recognition at fair value are interest rate swaps, caps and floors, and those designated on initial recognition.

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 13 categorises financial assets and liabilities as being valued in three 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; and

Level 3: values cannot be derived from observable market data.

Assets and liabilities measured at fair value are classified as below:

Level 1: None;

Level 2: Derivative financial instruments (Note 36); and

Level 3: Investment property (Note 14).

There were no transfers between categories in the current or prior year.

Derivative financial instruments	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Interest rate caps	925	115	–	–
Interest rate floors	–	(910)	–	–
Interest rate swaps	9,641	(6,635)	–	–
	10,566	(7,430)	–	–

The Group's movement in the fair value of the derivative financial instruments in the year was a gain of £17,996,000 (2021: £2,938,000) due to interest rate caps, floors and swaps.

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 their financial position, past experience and other factors. It is Group policy to assess the financial viability of potential tenants where their rent roll is individually significant before entering into lease agreements. This review involves the latest available set of financial statements, other publicly available financial information and management accounts where appropriate. The covenant strength of each tenant is determined based on this information and a deposit or guarantee is sought if necessary. The Group's tenants are spread across a wide variety of industries, reducing the Group's risk to any individual industry. The Group works closely with its agents, who advise where a loss allowance is required for individual tenants, based on their credit control procedures.

Credit risk also exists due to cash and cash equivalents and deposits with banks and other financial institutions. The cash is held with reputable banking institutions and in client accounts with solicitors and managing agents and therefore credit risk is considered low.

As at 31 March 2022 the Group had total credit risk exposure, excluding cash, of £44,481,000, all of which is financial assets held at amortised cost. The quantitative disclosures of trade and other receivables credit risk is shown in Note 21.

The Group has a small number of other debtors that are financial assets. Each is considered on an individual basis and involves the Group's detailed knowledge of the counterparties involved in order to assess the likelihood of non-recoverability. All these debtors are deemed to be recoverable.

The amounts owed to the Company are considered on an individual basis by assessing the subsidiaries' and joint ventures' ability to repay the debt at the point at which it is repayable. The Group considers the net assets of the debtor, taking into account any potential uplifts to fair value of investments, land and developments in making its assessment.

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

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.

The Group 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 debt facilities, see Notes 25 and 26.

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

	Group 31.3.22 £000	Group 31.3.21 £000	Company 31.3.22 £000	Company 31.3.21 £000
Payable within 3 months	35,313	39,546	188,963	144,558
Payable between 3 months and 1 year	13,261	11,655	614	614
Payable between 1 and 3 years	26,828	70,883	1,637	1,637
Payable after 3 years	400,404	294,870	3,068	6,955
Total contracted liabilities	475,806	416,954	194,281	153,764

At 31 March 2022 the Group had £70,000,000 (31 March 2021: £200,000,000) of undrawn borrowing facilities, £31,000,000 (31 March 2021: £28,080,000) of uncharged property assets and cash balances of £28,807,000 (31 March 2021: £154,448,000). The above contracted liabilities assume that no loans are extended beyond their current facility expiry date. Management believes that these facilities, together with anticipated sales and the renewal of some of these loan facilities, mean that the Group can meet its contracted liabilities as they fall due.

Market Risk
The Group 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. The Group does this by using a number of derivative financial instruments including interest rate swaps and interest rate caps and floors. 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 26.

In the year to 31 March 2022, if interest rates had moved by 0.5%, this would have resulted in the following movement to net profits and equity due to movements in interest charges and mark-to-market valuations of derivatives.

	Group impact on results 31.3.22 £000	Group impact on equity 31.3.22 £000	Company impact on results 31.3.22 £000	Company impact on equity 31.3.22 £000
0.5% increase – increase in net results and equity	5,728	5,728	169	169
0.5% decrease – decrease in net results and equity	(5,704)	(5,704)	(169)	(169)

Foreign Currency Exchange Risk
The Group and Company have no material exposure to movements in foreign currency rates.

37. Restatement

During the year, the Group received a letter from the Financial Reporting Council ("FRC") concerning its review of the Group's Annual Report and Accounts for the year end 31 March 2021. The FRC highlighted the requirement to present amounts owed from subsidiary undertakings as current only where they are expected to be received within twelve months or within the Company's normal operating cycle. In response, a review of the relevant items in the Company Balance Sheet was undertaken and it was concluded that the amounts owed from subsidiary undertakings should be presented as non-current assets and the prior year Company Balance Sheet restated accordingly. The restatement has not impacted the Net Assets of the Company or its profit for the year. The change in presentation has no impact on the results of the Group. The review conducted by the FRC was based solely on the Group's published 2021 Annual Report and Accounts and does not provide any assurance that the Report and Accounts are correct in all material respects.

Company	As previously reported 31.3.21 £000	Adjustment £000	Restated balance 31.3.21 £000
Non-current assets			
Amounts owed by group undertakings	–	293,223	293,223
Current assets			
Trade and other receivables	293,935	(293,223)	712

Company	As previously reported 31.3.20 £000	Adjustment £000	Restated balance 31.3.20 £000
Non-current assets			
Amounts owed by group undertakings	–	299,893	299,893
Current assets			
Trade and other receivables	300,315	(299,893)	422

38. Principal Accounting Policies

Basis of Consolidation
The Group Financial Statements consolidate those of Helical plc (the "Company") and all of its subsidiary undertakings (together the "Group") drawn up to 31 March 2022. Subsidiary undertakings are entities for which the Group has power over the investee, is exposed to or has the rights to variable returns and has the ability to control those returns. 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 contractually controlled jointly by the Group and by other ventures independent of the Group, where both parties are exposed to variable returns but neither has control over those returns. This exists where unanimous agreement of the investee's relevant activities is required. They 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 ("Income Statement") and the Group's share of the joint venture's net assets is 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.

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.

The Consolidated Financial Statements are presented in sterling which is also the functional currency of the Parent Company.

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.

Service charge income
Service charge income relates to expenditure that is directly recoverable from tenants and is recognised as revenue in the period to which it relates.

Sale of goods
Assets, such as trading properties, development sites and completed developments, are regarded as sold at the point at which the customer has control of the goods. This occurs on completion of the contract for sale. Measurements of revenue arising from the sale of such assets are derived from the transaction price as determined by IFRS 15 *Revenue from Contracts with Customers*.

Construction contracts and development management services
The Group has contracts to develop and let properties for third parties. Where two or more contracts are entered into at or near the same time with the same customer, the contracts are combined and accounted for as a single contract. An arrangement may involve the construction and letting of a third party property or the sale and subsequent construction and letting of a property. The construction and letting of a property are considered to be separate performance obligations. Where an arrangement also involves the sale of an asset, this is an additional distinct performance obligation. The initial sale of a site to a customer is recognised as a sale of goods in accordance with IFRS 15, where the sale of land is not conditional on the construction of the buildings and is not reversible in the event that the building is not constructed.

Ordinarily, the Group return includes both fixed and variable consideration. These constitute the transaction price. Variable consideration is estimated as the amount of consideration to which the Group would be entitled in exchange for transferring goods or services. This is done on an expected value basis. This estimate is constrained to the extent that it is highly probable that a significant reversal of the amount of revenue recognised will not occur when the uncertainty is removed.

The fixed and variable consideration are allocated to the relevant performance obligations in proportion to their estimated stand-alone selling prices. Revenue is recognised either over time or at a point in time, depending on the terms of the contract. The proportion of the transaction price allocated to construction is recognised at any given reporting date in proportion to the costs certified to date as a percentage of the total expected construction costs. The proportion of the transaction price allocated to the letting of the property is recognised at any given reporting date in proportion to the area subject to leases as a percentage of the total lettable space.

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.

Deferred income
Money received in advance of the provision of goods or services is held in the balance sheet until the income can be recognised in the Income Statement.

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 110 to 131. The fair values 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. The Group uses a combination of the Black-Scholes and stochastic valuation models and the resulting value is amortised through the Income Statement over the vesting period of the share-based payments.

For the Performance Share Plan and Share Incentive Plan awards, where market conditions apply, the expense is allocated to the Income Statement evenly over the vesting period.

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.

The amount charged to the Income Statement is credited to the Retained Earnings reserve.

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 5 Hanover Square, London W1S 1HQ 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	– Over the term of the lease
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 timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Group 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 timing 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 timing 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 timing difference; and

b) it is probable that the timing 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 subsequently at fair value adjusted for the carrying value of lease incentive and letting cost receivables. 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 Property*, 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 14.

Investment properties are derecognised on completion of sale.

Included in investment property are right of use assets relating to leasehold investment property.

Land and Developments
Land and developments 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 either based on the interest paid (where a project has a specific loan) or calculated using the Group's weighted average cost of borrowings (where there are no specific borrowings for the project). Interest is capitalised from the date of commencement of the development work until date of practical completion.

Held for Sale Investments
Investments are defined as held for sale when the Group intends to sell the investment and if sale is highly probable. Such held for sale investments are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell.

Financial Assets
Financial assets do not carry any interest and are stated initially at fair value and subsequently at amortised cost as reduced by appropriate loss allowances. The loss allowance is based on the lifetime expected credit losses associated with the financial asset. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or on transfer of the asset and of the associated risks and rewards to another party.

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, cash held at solicitors, cash in blocked accounts 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. The Group derecognises trade and other payable liabilities when they are extinguished, which occurs when the obligation associated with the liability is discharged, cancelled or expires.

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, in accordance with IFRS 9, and subsequently at amortised cost. Embedded derivatives contained within the borrowing agreements are treated in accordance with IFRS 9, which includes consideration of whether embedded derivatives require bifurcation.

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.

Gains or losses on extinguishing debt are recognised in the Income Statement in the period in which they occur.

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 swaps, caps and floors 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.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Further information on the categorisation of financial instruments can be found in Note 36.

Leases
The Group has leases for which it must account from the position of both a lessee and a lessor.

Group as lessee
The Group assesses whether a contract is, or, contains a lease, at inception of a contract based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has also elected to apply the following practical expedients:

- to account for each lease component and any non-lease components as a single arrangement;
- the exemption not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less; and
- leases of low value assets.

The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is presented as a separate line in the Consolidated and Company Balance Sheets. The right-of-use asset is initially measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. This will be assessed annually in line with IAS 36 *Impairment of Assets*.

Group as lessor
Leases to tenants where substantially all the risks and rewards of ownership are retained by the Group as the lessor are classified as operating leases. Payments made under operating leases, including prepayments, and net of any incentives provided by the Group, are charged to the Income Statement on a straight-line basis over the period of the lease.

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 Per Share
Earnings per share have been calculated in accordance with IAS 33 *Earnings per Share* and the best practice recommendations of EPRA.

Use of Judgements And Estimates
To be able to prepare accounts according to the accounting principles, management must make estimates and assumptions that affect the assets and liabilities and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and other assumptions that management and the Board of Directors believe are reasonable under the particular 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 critical judgement and estimates that may significantly impact the Group's earnings and financial position are:

Significant Judgements
The key area is discussed below:

- Consideration of the nature of joint arrangements. In the context of IFRS 10 *Consolidated Financial Statements*, this involves consideration of where the control lies and whether either party has the power to vary its returns from the arrangements. In particular, significant judgement is exercised where the shareholding of the Group is not 50% (Note 18).

Key Sources Of Estimation Uncertainty
The key area is discussed below:

- Valuation of investment properties. Discussion of the sensitivity of these valuations to changes in the equivalent yields and rental values is included in Note 14.

39. Subsidiary and Related Undertakings

The Company's subsidiary and related undertakings are listed below. Except where otherwise indicated all undertakings are incorporated, registered and operate in the United Kingdom at 5 Hanover Square, London, W1S 1HQ.

The share capital of each of the companies, where applicable, is comprised of ordinary shares unless otherwise stated.

	Company	Direct/Indirect	Ultimate %
	ACTIVE SUBSIDIARIES		
1	207 OLD STREET UNIT TRUST[1]	Indirect	100%*
2	211 OLD STREET UNIT TRUST[1]	Indirect	100%*
3	AYCLIFFE & PETERLEE DEVELOPMENT COMPANY LIMITED	Direct	100%
4	AYCLIFFE & PETERLEE INVESTMENT COMPANY LIMITED	Direct	100%
5	CPP INVESTMENTS LIMITED	Indirect	100%
6	EMBANKMENT PLACE (LP) LIMITED[4]	Direct	100%
7	FARRINGDON EAST (JERSEY) LIMITED[1]	Indirect	100%
8	FPM 100 NEW BRIDGE STREET LIMITED	Indirect	100%
9	G2 ESTATES LIMITED	Direct	100%
10	HB SAWSTON NO 3 LIMITED	Direct	100%
11	HELICAL BICYCLE 1 LIMITED	Direct	100%
12	HELICAL BICYCLE 2 LIMITED	Indirect	100%
13	HELICAL (CHART) LIMITED	Direct	100%
14	HELICAL (CHURCHGATE) LIMITED	Indirect	100%
15	HELICAL (CS HOLDINGS) JERSEY LIMITED[1]	Direct	100%
16	HELICAL (CS) JERSEY LIMITED[1]	Indirect	100%
17	HELICAL (DALE HOUSE) LIMITED	Direct	100%
18	HELICAL (LB) LIMITED	Direct	100%
19	HELICAL (NQ) LIMITED	Direct	100%
20	HELICAL (OS HOLDCO) JERSEY LIMITED[1]	Indirect	100%
21	HELICAL (POWER ROAD) LIMITED	Direct	100%
22	HELICAL (WHITECHAPEL) LIMITED	Indirect	100%
23	HELICAL BAR (DRURY LANE) LIMITED	Direct	100%
24	HELICAL BAR (ST VINCENT STREET) LIMITED	Direct	100%
25	HELICAL BAR (WALES) LIMITED	Indirect	100%
26	HELICAL BAR DEVELOPMENTS LIMITED	Direct	100%
27	HELICAL FARRINGDON EAST (JERSEY) LIMITED[1]	Direct	100%
28	HELICAL FINANCE (AV) LIMITED	Direct	100%
29	HELICAL FINANCE (RBS) LIMITED	Direct	100%
30	HELICAL JERSEY HOLDINGS LIMITED[1]	Direct	100%
31	HELICAL JERSEY INVESTMENT HOLDINGS LIMITED[1]	Direct	100%
32	HELICAL OLD STREET JERSEY HOLDINGS LIMITED[1]	Direct	100%
33	HELICAL OLD STREET JERSEY LIMITED[1]	Indirect	100%
34	HELICAL PROPERTIES LIMITED	Direct	100%
35	HELICAL PROPERTIES INVESTMENT LIMITED	Direct	100%
36	HELICAL RETAIL LIMITED	Direct	100%
37	HELICAL SERVICES LIMITED	Direct	100%
38	METROPOLIS PROPERTY LIMITED	Indirect	100%
39	OLD STREET UNITHOLDER NO 1 LIMITED[1]	Indirect	100%
40	OLD STREET UNITHOLDER NO 2 LIMITED[1]	Indirect	100%

	Company	Direct/Indirect	Ultimate %
	ACTIVE JOINT VENTURES AND JOINT OPERATIONS		
1	ABBEYGATE HELICAL (C4.1) LLP	Direct	50%
2	ABBEYGATE HELICAL (LEISURE PLAZA) LIMITED	Direct	50%
3	BARTS CLOSE OFFICE LIMITED[1]	Indirect	33%
4	BARTS ONE LIMITED[1]	Indirect	33%
5	BARTS SQUARE ACTIVE ONE LIMITED[1]	Indirect	33%
6	BARTS SQUARE FIRST LIMITED	Indirect	33%
7	BARTS SQUARE FIRST OFFICE LIMITED[1]	Indirect	33%
8	BARTS SQUARE FIRST RESIDENTIAL LIMITED[1]	Indirect	33%
9	BARTS SQUARE LAND ONE LIMITED	Indirect	33%
10	BARTS TWO LIMITED[1]	Indirect	33%
11	BARTS, L.P.[3]	Indirect	33%
12	HASLUCKS GREEN LIMITED	Indirect	50%
13	OBC DEVELOPMENT MANAGEMENT LIMITED	Indirect	33%
14	SHIRLEY ADVANCE LLP	Indirect	50%
15	CHARTERHOUSE PLACE LIMITED	Indirect	50%
16	CHARTERHOUSE STREET LIMITED[2]	Indirect	50%

	Company	Direct/Indirect	Ultimate %
	DORMANT SUBSIDIARIES AND JOINT VENTURES		
1	HB SAWSTON NO. 1 LIMITED	Direct	100%
2	HB SAWSTON NO. 2 LIMITED	Direct	100%
3	HB SAWSTON NO. 4 LIMITED	Direct	100%
4	HELICAL (HAILSHAM) LIMITED	Indirect	100%
5	HELICAL (SEVENOAKS) LIMITED	Direct	100%
6	HELICAL (WEST LONDON) LIMITED	Direct	100%
7	HELICAL BAR (CITY INVESTMENTS) LIMITED	Indirect	100%
8	HELICAL BAR DEVELOPMENTS (SOUTH EAST) LIMITED	Direct	100%
9	HELICAL BAR LIMITED	Direct	100%
10	HELICAL BAR TRUSTEES LIMITED	Direct	100%
11	HELICAL GROUP LIMITED	Direct	100%
12	HELICAL REGISTRARS LIMITED	Direct	100%
13	HGCI (HOLDCO) LIMITED	Indirect	100%
14	HGCI INTERMEDIATE LIMITED	Indirect	100%**
15	OLD STREET HOLDINGS GP LIMITED[2]	Indirect	33%
16	OLD STREET HOLDINGS L.P.[2]	Indirect	33%
17	OLD STREET UNITHOLDER LIMITED[2]	Indirect	33%
18	ROPEMAKER PARK MANAGEMENT COMPANY LIMITED	Indirect	100%**
19	SCBP MANAGEMENT COMPANY LIMITED	Indirect	75%
20	BAYLIGHT DEVELOPMENTS LIMITED	Indirect	100%
21	HELICAL (SHEPHERDS) LIMITED	Indirect	100%

Registered offices:
1 1 Waverley Place, Union Street, St Helier, Jersey JE4 8SG.
2 IFC 5, St Helier, Jersey, JE1 1ST.
3 c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States.
4 c/o Dentons, 1 George Square, Glasgow G2 1AL.

Notes:
* No shares in issue in the Unit Trusts. The registered office address is that of the appropriate trustee.
** Limited by Guarantee.

All appendices are unaudited.

Helical holds a significant proportion of its property assets in joint ventures with partners that provide a significant equity contribution, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account for our share of the net results and net assets of joint ventures in limited detail in the Income Statement and Balance Sheet. Net asset value per share, a key performance measure used in the real estate industry, as reported in the financial statements under IFRS, does not provide Shareholders with the most relevant information on the fair value of assets and liabilities within an ongoing real estate company with a long-term investment strategy.

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures' results into a "see-through" analysis of our property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

See-Through Net Rental Income

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures is shown in the table below:

		Year ended 31.3.22 £000	Year ended 31.3.21 £000
Gross rental income	– subsidiaries	35,324	28,007
	– joint ventures	317	156
Total gross rental income		35,641	28,163
Rents payable	– subsidiaries	(169)	(232)
Property overheads	– subsidiaries	(4,069)	(2,810)
	– joint ventures	(175)	(131)
See-through net rental income		**31,228**	**24,990**

See-Through Net Development Property Profits/(Losses)

Helical's share of development property profits/(losses) from property assets held in subsidiaries and in joint ventures is shown in the table below:

		Year ended 31.3.22 £000	Year ended 31.3.21 £000
In parent and subsidiaries		3,519	678
In joint ventures		764	(948)
Total gross development property profit/(loss)		4,283	(270)
Reversal of provision/(provision)	– subsidiaries	2,285	(82)
See-through development property profits/(losses)		**6,568**	**(352)**

See-Through Net Gain on Sale and Revaluation of Investment Properties

Helical's share of the net gain on sale and revaluation of investment properties held in subsidiaries and in joint ventures is shown in the table below:

		Year ended 31.3.22 £000	Year ended 31.3.21 £000
Revaluation surplus on investment properties	– subsidiaries	33,311	19,387
	– joint ventures	18,473	6,423
Total revaluation surplus		51,784	25,810
Net loss on sale of investment properties	– subsidiaries	(45)	(1,341)
	– joint ventures	–	(553)
Total net loss on sale of investment properties		(45)	(1,894)
See-through net gain on sale and revaluation of investment properties		**51,739**	**23,916**

See-Through Administration Expenses

Helical's share of the administration expenses incurred in subsidiaries and joint ventures is shown in the table below:

		Year ended 31.3.22 £000	Year ended 31.3.21 £000
Administration expenses	– subsidiaries	9,598	9,276
	– joint ventures	295	432
Total administration expenses		9,893	9,708
Performance related awards, including NIC	– subsidiaries	7,170	5,140
Total performance related awards, including NIC		7,170	5,140
See-through administration expenses		**17,063**	**14,848**

See-Through Net Finance Costs

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings, bonds and cash deposits in subsidiaries and in joint ventures is shown in the table below:

		Year ended 31.3.22 £000	Year ended 31.3.21 £000
Interest payable on bank loans and overdrafts	– subsidiaries	10,169	10,697
	– joint ventures	2,407	1,319
Total interest payable on bank loans and overdrafts		12,576	12,016
Other interest payable and similar charges	– subsidiaries	9,065	3,382
	– joint ventures	181	–
Interest capitalised	– joint ventures	(2,142)	(514)
Total finance costs		19,680	14,884
Interest receivable and similar income	– subsidiaries	(6)	(58)
	– joint ventures	–	(5)
See-through net finance costs		**19,674**	**14,821**

See-Through Property Portfolio

Helical's share of the investment and development property portfolio in subsidiaries and joint ventures is shown in the table below:

		31.3.22 £000	31.3.21 £000
Investment property fair value	– subsidiaries	961,500	756,875
	– joint ventures	135,820	82,516
Total investment property fair value		1,097,320	839,391
Land and development property	– subsidiaries	2,089	448
	– joint ventures	8,349	16,545
Total land and development property		10,438	16,993
Land and development property surplus	– subsidiaries	302	578
Total land and development property at fair value		10,740	17,571
See-through property portfolio		**1,108,060**	**856,962**

See-Through Net Borrowings

Helical's share of borrowings and cash deposits in parent and subsidiaries and joint ventures is shown in the table below:

		31.3.22 £000	31.3.21 £000
Gross borrowings more than one year	– subsidiaries	396,633	336,703
Total gross borrowings in parent and subsidiaries		396,633	336,703
Gross borrowings less than one year	– joint ventures	–	11,455
Gross borrowings more than one year	– joint ventures	39,585	8,014
Total gross borrowings in joint ventures		39,585	19,469
Cash and cash equivalents	– subsidiaries	(28,807)	(154,448)
	– joint ventures	(4,474)	(7,781)
Total Cash and cash equivalents		(33,281)	(162,229)
See-through net borrowings		402,937	193,943

See-Through Gearing and Loan to Value

	31.3.22 £000	31.3.21 £000
See-through property portfolio	1,108,060	856,962
See-through net borrowings	402,937	193,943
Net assets	687,043	608,161
See-through gearing	58.6%	31.9%
See-through loan to value	36.4%	22.6%

Appendix 2 – Total Accounting Return and Total Property Return

Total Accounting Return

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Brought forward IFRS net assets	608,161	598,689
Carried forward IFRS net assets	687,043	608,161
Increase in IFRS net assets	78,882	9,472
Dividends paid	12,582	10,528
Total Accounting Return	91,464	20,000
Total Accounting Return percentage	15.0%	3.3%

Total Accounting Return on EPRA Net Tangible Assets

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Brought forward EPRA net tangible assets	658,663	640,424
Carried forward EPRA net tangible assets	713,279	658,663
Increase in EPRA net tangible assets	54,616	18,239
Dividends paid	12,582	10,528
Total Accounting Return on EPRA net tangible assets	67,198	28,767
Total Accounting Return percentage on EPRA net tangible assets	10.2%	4.5%

Total Property Return

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
See-through net rental income	31,228	24,990
See-through development property profits/(losses)	6,568	(352)
See-through revaluation surplus	51,784	25,810
See-through net loss on sale of investment properties	(45)	(1,894)
Total Property Return	89,535	48,554

Income Statements

	Year ended 31.3.22 £000	Year ended 31.3.21 £000	Year ended 31.3.20 £000	Year ended 31.3.19 £000	Year ended 31.3.18 £000
Revenue	**51,146**	38,596	44,361	44,175	175,596
Net rental income	**31,086**	24,965	27,838	24,599	36,329
Development property profit/(loss)	**3,519**	678	2,076	2,564	(1,961)
Reversal of provisions/(provisions)	**2,885**	(82)	1,198	(4,345)	(2,213)
Share of results of joint ventures	**20,708**	2,352	13,396	(3,217)	3,196
Other operating income	**28**	48	88	–	111
Gross profit before gain on investment properties	**57,626**	27,961	44,596	19,601	35,462
(Loss)/gain on sale of investment properties	**(45)**	(1,341)	(1,272)	15,008	13,567
Revaluation surplus on investment properties	**33,311**	19,387	38,351	44,284	23,848
Fair value movement of available-for-sale assets	**-**	–	–	144	1,385
Administrative expenses excluding performance related awards	**(9,598)**	(9,276)	(10,524)	(10,858)	(11,023)
Performance related awards (including NIC)	**(7,170)**	(5,140)	(6,191)	(5,895)	(1,742)
Finance costs	**(19,234)**	(14,079)	(16,100)	(17,407)	(37,438)
Finance income	**6**	58	1,345	983	4,303
Change in fair value of derivative financial instruments	**17,996**	2,938	(7,651)	(3,322)	4,029
Change in fair value of Convertible Bond	**–**	–	468	865	(1,559)
Foreign exchange gains/(losses)	**–**	–	8	53	(10)
Profit before tax	**72,892**	20,508	43,030	43,456	30,822
Tax on profit on ordinary activities	**16,002**	(2,631)	(4,313)	(836)	(4,537)
Profit after tax	**88,894**	17,877	38,717	42,620	26,285

Balance Sheets

	31.3.22 £000	31.3.21 £000	31.3.20 £000	31.3.19 £000	31.3.18 £000
Investment portfolio at fair value	**961,500**	756,875	836,875	791,250	802,134
Land, trading properties and developments	**2,089**	448	852	2,311	6,042
Group's share of investment properties held by joint ventures	**135,820**	82,516	76,809	25,382	22,623
Group's share of land, trading and development properties held by joint ventures	**8,349**	16,545	34,164	56,935	76,474
Group's share of land and development property surpluses	**302**	578	578	578	2,328
Group's share of total properties at fair value	**1,108,060**	856,962	949,278	876,456	909,601
Net debt	**367,826**	182,255	273,598	227,712	325,121
Group's share of net debt of joint ventures	**35,111**	11,688	24,933	40,861	37,733
Group's share of net debt	**402,937**	193,943	298,531	268,573	362,854
Net assets	**687,043**	608,161	598,689	567,425	533,894
EPRA net tangible assets value	**713,279**	658,663	640,424	597,321	561,644*
Dividend per ordinary share paid	**10.30p**	8.70p	10.20p	9.60p	8.70p
Dividend per ordinary share declared	**11.15p**	10.10p	8.70p	10.10p	9.50p
EPRA earnings/(loss) per ordinary share	**5.2p**	(1.8)p	7.6p	(8.4)p	(7.0)p
EPRA net tangible assets per share	**572p**	533p	524p	494p	468p*

* EPRA net asset value.

London Portfolio – Investment Properties

Property	Description	Area sq ft (NIA)	Vacancy rate at 31.3.22 %	Vacancy rate at 31.3.21 %
Completed properties				
The Warehouse & Studio, The Bower, EC1	Multi-let office building	151,439	**0.0**	0.0
The Tower, The Bower, EC1	Multi-let office building	182,193	**5.3**	0.0
The Loom, E1	Multi-let office building	108,600	**20.1**	14.8
Kaleidoscope, EC1	Single-let over-station office building	88,581	**0.0**	0.0
25 Charterhouse Square, EC1	Multi-let office building	42,921	**4.4**	26.0
55 Bartholomew, EC1	Multi-let office building	10,976	**23.1**	67.2
The Power House, W4	Single-let recording studios/office building	21,268	**0.0**	0.0
		605,978	**6.9**	5.8
Development pipeline				
33 Charterhouse Street, EC1	Office development	205,369	**n/a**	n/a
100 New Bridge Street, EC4	Single-let office building	167,026	**0.0**	n/a
		978,373	**6.7**	**10.5**

London Portfolio – Development Properties

Address	Description	Area sq ft (NIA)	Unsold apartments at 31.3.22	Unsold apartments at 31.3.21
Barts Square, EC1	236 Residential apartments and 8 retail/leisure units	216,717	**14**	28

Manchester Offices

Address	Description	Area sq ft (NIA)	Vacancy rate at 31.3.22 %	Vacancy rate at 31.3.21 %
Trinity	Multi-let office building	58,533	**23.9**	54.1

The European Public Real Estate Association ("EPRA") Best Practice Recommendations set out a number of EPRA Performance Measures ("EPMs") to aid comparability in reporting across property companies. The principal EPMs applicable to the Group are set out below:

EPRA performance measure	Definition	Note	31.3.22	31.3.21
EPRA Earnings/(losses) per share	Earnings/(losses) per share from operational activities.	13	5.2p	(1.8)p
EPRA NTA	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax, but excludes assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded.	34	572p	533p
EPRA NAV	Net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	34	543p	514p
EPRA NDV/EPRA NNNAV	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	34	551p	485p
EPRA NIY	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.		3.50%	3.21%
EPRA Topped Up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		4.45%	4.59%
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.		4.89%	7.89%
EPRA Cost Ratios (including direct vacancy costs)	Administrative and operating costs (including vacancy costs) divided by the gross rental income.		53.26%	60.03%
EPRA Cost Ratios (excluding direct vacancy costs)	Administrative and operating costs (excluding vacancy costs) divided by the gross rental income.		49.24%	57.20%
EPRA LTV	Debt divided by market value of the property		36.90%	24.02%

The note references provide the calculation of the associated measure. Other measures are calculated as follows:

EPRA Net Initial Yield and EPRA Topped Up Net Initial Yield			31.3.22 £000	31.3.21 £000
Investment property at fair value		– subsidiaries	961,500	756,875
		– joint ventures	135,820	82,516
Less:	Property under construction	– joint ventures	(122,250)	(69,250)
	Undeveloped land		(100)	(100)
Completed property portfolio			974,970	770,041
Allowance for estimated purchases' costs of 6.8%			66,298	52,363
Gross up completed property portfolio			1,041,268	822,404
Passing rent net of head rents			36,423	26,413
EPRA NIY			3.50%	3.21%
Add:	Contracted rent uplift		9,906	11,322
	Topped up annualised net rents		46,329	37,735
	EPRA Topped Up NIY		4.45%	4.59%

EPRA Vacancy Rate	31.3.22 £000	31.3.21 £000
ERV of vacant space	2,854	3,371
ERV of total portfolio	58,419	42,720
EPRA Vacancy Rate	4.89%	7.89%

EPRA Cost Ratios	31.3.22 £000	31.3.21 £000
Administrative expenses	16,768	14,416
Property overheads (including ground rents payable)	4,238	3,042
Head rents payable	(169)	(232)
Development management fees	(2,239)	(892)
Share of joint ventures' expenses	295	432
EPRA costs including direct vacancy costs	18,893	16,766
Direct vacancy costs	(1,425)	(790)
EPRA costs excluding direct vacancy costs	17,468	15,975
Gross rental income	35,324	28,007
Head rents payable	(169)	(232)
Share of joint ventures' rental income less head rents	317	156
Adjusted gross rental income	35,472	27,931
EPRA cost ratio including direct costs	53.3%	60.0%
EPRA cost ratio excluding direct costs	49.2%	57.2%

EPRA LTV		31.3.22 £000	31.3.21 £000
Borrowings	– subsidiaries	396,633	336,703
	– joint ventures	39,585	19,469
Net (receivables)/payables	– subsidiaries	–	6,337
	– joint ventures	7,535	5,437
Cash	– subsidiaries	(28,807)	(154,448)
	– joint ventures	(4,474)	(7,781)
Net debt		410,472	205,717
Investment properties	– subsidiaries	961,500	756,875
	– joint ventures	135,820	82,516
	– stock	10,740	17,174
Net receivables	– subsidiaries	4,467	–
	– joint ventures	–	–
Total property value		1,112,527	856,565
LTV		36.90%	24.02%

Below is a table setting out in greater detail the types of capital expenditure made by the Group during the year:

	Year ended 31.3.22 £000	Year ended 31.3.21 £000
Acquisitions	160,000	–
Existing portfolio	5,520	36,030
Total capital expenditure	165,520	36,030

There was one (2021: none) new investment property purchased during the year, 100 New Bridge Street, EC4. All of the expenditure on the existing portfolio was made on the London portfolio.

C

Capital value (psf)
The open market value of the property divided by the area of the property in square feet.

Company or Helical or Group
Helical plc and its subsidiary undertakings.

Compound Annual Growth Rate (CAGR)
The annualised average growth rate.

D

Diluted figures
Reported amounts adjusted to include the effects of potential shares issuable under the Director and employee remuneration schemes.

E

Earnings per share (EPS)
Profit after tax divided by the weighted average number of ordinary shares in issue.

EPRA
European Public Real Estate Association.

EPRA earnings per share
Earnings per share adjusted to exclude gains/losses on sale and revaluation of investment properties and their deferred tax adjustments, the tax on profit/loss on disposal of investment properties, trading property profits/losses, movement in fair value of available-for-sale assets and fair value movements on derivative financial instruments, on an undiluted basis. Details of the method of calculation of the EPRA earnings per share are available from EPRA (see Note 13).

EPRA net assets per share
Diluted net asset value per share adjusted to exclude fair value surplus 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.

EPRA net disposal value per share
Represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax (see Note 34).

EPRA net reinstatement value per share
Net asset value adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 34).

EPRA net tangible assets per share
Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax, but excludes assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 34).

EPRA topped-up NIY
The current annualised rent, net of costs, topped-up for contracted uplifts, expressed as a percentage of the fair value of the relevant property.

Estimated rental value (ERV)
The market rental value of lettable space as estimated by the Group's valuers at each Balance Sheet date.

EPRA total accounting return
The growth in EPRA net tangible asset value of the Company plus dividends paid in the year, expressed as a percentage of EPRA net tangible asset value at the start of the year (see Appendix 2).

G

Gearing
Total borrowings less short-term deposits and cash as a percentage of net assets.

I

Initial yield
Annualised net passing rents on investment properties as a percentage of their open market value.

L

Like-for-like valuation change
The valuation gain/loss, net of capital expenditure, on those properties held at both the previous and current reporting period end, as a proportion of the fair value of those properties at the beginning of the reporting period plus net capital expenditure.

M

MSCI INC. (MSCI IPD)
MSCI INC. is a company that produces independent benchmarks of property returns using its Investment Property Databank (IPD).

N

Net asset value per share (NAV)
Net assets divided by the number of ordinary shares at the Balance Sheet date (see Note 34).

P

Passing rent
The annual gross rental income being paid by the tenant.

R

Reversionary yield
The income/yield from the full estimated rental value of the property on the market value of the property grossed up to include purchaser's costs, capital expenditure and capitalised revenue expenditure.

S

See-through/Group share
The consolidated Group and the Group's share in its joint ventures (see Appendix 1).

See-through net gearing
The see-through net borrowings expressed as a percentage of net assets (see Appendix 1).

T

Total Accounting Return
The growth in the net asset value of the Company plus dividends paid in the year, expressed as a percentage of net asset value at the start of the year (see Appendix 2).

Total Property Return
The total of net rental income, trading and development profits and net gain on sale and revaluation of investment properties on a see-through basis (see Appendix 2).

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 year expressed as a percentage of the share price at the beginning of the year.

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.

U

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.

W

WAULT
The total contracted rent up to the first break, or lease expiry date, divided by the contracted annual rent.

Website
The report and financial statements, a list of properties held by the Group, Company presentations, press releases, the financial calendar and other information on the Group are available on our website at **www.helical.co.uk**

Registrar
All general enquiries concerning holdings of ordinary shares in Helical plc should be addressed to the Company's Registrar:

Link Group
Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL

Telephone: 0371 664 0300*

From outside the UK +44 371 664 0300

Website: **www.linkgroup.eu/**

Email: shareholderenquiries@linkgroup.co.uk

* Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

E-communication
Shareholders and all interested parties may choose to be alerted about press releases, regulatory news updates and financial calendar updates by subscribing to the alert service in the "Regulatory News" area of our website.

Shareholders may inform us how they wish to receive statutory communications from the Company, including annual reports and notices of general meetings, via the Shareholder portal. Further to a letter of deemed consent sent to Shareholders on 5 April 2017, Shareholders are notified by post by default when notices, documents and information from the Company are available on the website at **www.helical.co.uk**. If you wish to be notified by email each time the Company places a statutory document on its website or if you would like to receive printed copies of statutory documents in the post, please go to **www.signalshares.com**. Once you have registered, click on the "Manage your Account" link and follow the on-screen instructions.

Payment of dividends
UK 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. Shareholders who would like their future dividends to be paid in this way should complete a mandate instruction available from the Registrar or register their mandate at: **www.signalshares.com**. Under this arrangement dividend confirmations 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, please 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 plc shares.

For further details, contact the Company's Registrar (on 0371 664 0381* or email shares@linkgroup.co.uk) or complete an application form online at: www.signalshares.com.

* Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

For participants in the DRIP, key dates of forthcoming dividends can be found on the Financial Calendar page in the "Investors" section of the website www.helical.co.uk

Share dealing service
An online and telephone share dealing service is available to our Shareholders through Link Share Deal.

For further information on this service or to buy and sell shares online, please visit **www.linksharedeal.com** or call 0371 664 0445*.

* Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.00am – 4.30pm Monday to Friday excluding public holidays in England and Wales.

ShareGift
Shareholders with a small number of shares, which are uneconomical to sell, may wish to consider donating them to a charity, free of charge through ShareGift (registered charity 1052686). For further information please visit **www.sharegift.org**, call 020 7930 3737 or write to ShareGift, PO Box 72253, London, SW1P 9LQ / help@sharegift.org

Dividends
Dividends declared and/or paid during the year to 31 March 2022 were as follows:

Dividend	Record date 2021	Payment date 2021	Amount
2020-21 Final	25 June	26 July	7.40p
2021-22 Interim	3 December	31 December	2.90p

Dividend payment dates in 2022 will be as follows:

Dividend	Record date 2022	Payment date 2022	Amount
2021-22 Final	24 June	29 July	8.25p
2022-23 Interim	December	December	TBC[1]

1 The amount of the 2022–23 interim dividend will be announced in November 2022.

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. It is not just the novice investor who 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 investment advice, offers to buy shares at a discount or offers of free reports into Helical.

If you receive unsolicited investment advice:

- Exercise caution and never disclose personal details;
- Obtain the correct name of the person and organisation and make a record of any other information they give you, such as a telephone number, address or website address;
- Check that they are properly authorised by the FCA (Financial Conduct Authority) before getting involved. This can be checked at fca.org.uk/consumers. If you deal with an unauthorised firm you will not be eligible to receive payment under the Financial Services Compensation Scheme;
- Get impartial advice before handing over any money;
- If the caller persists, hang up;
- Inform us on 020 7629 0113 (email: reception@helical.co.uk) or our Registrars, Link Asset Services, on 0371 664 0300 (email: enquiries@linkgroup.co.uk). Whilst we are not able to investigate such incidents ourselves we will record the details and will liaise with the FCA; and
- Report the suspected fraud to the FCA either by calling: 0800 111 6768 or by completing an online form at: **www.fca.org.uk/consumers/report-scam-unauthorised-firm.**

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

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Registered in England and Wales No. 156663

Calendar 2022–2023

2022	
23 June 2022	Ex-dividend date for final ordinary dividend
24 June 2022	Record date for final ordinary dividend
8 July 2022	Last day for DRIP elections
14 July 2022	Annual General Meeting
29 July 2022	Final ordinary dividend payable
November 2022[1]	Half Year Results and interim ordinary dividend announced
December 2022[2]	Ex-dividend date for interim ordinary dividend
December 2022[2]	Registration qualifying date for interim ordinary dividend

2023	
May 2023	Announcement of Full Year Results to 31 March 2023

Notes
1 The announcement date of the Half Year Results will be confirmed in October 2022.
2 Dates for the potential interim dividend will be confirmed in the Half Year Results Announcement.

Advisors

Registrars	Link Group
Bankers	Barclays Bank PLC HSBC Bank PLC The Royal Bank of Scotland PLC National Westminster Bank PLC Wells Fargo Bank N.A., London Branch Allianz Debt Fund SCSp SICAV-SIF
Financial advisors	Lazard & Co., Ltd
Joint stockbrokers	Peel Hunt LLP Numis Securities Limited
Auditors	Deloitte LLP
Corporate solicitors	Clifford Chance LLP Mishcon de Reya LLP

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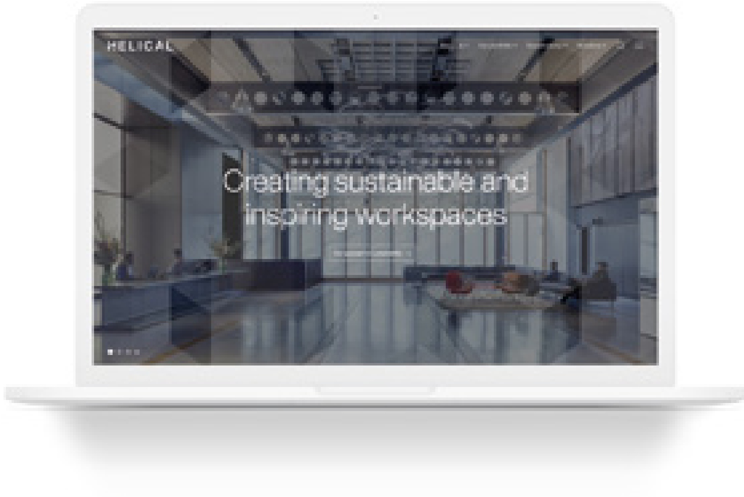

Find out more online
Please see our newly launched website for more information on how we bring our strategy to life.

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