HELICAL

REPORT & ACCOUNTS 2016

STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

FINANCIAL CALENDAR

Year ended 31 March 2016	Annual General Meeting to be held on 25 July 2016
Final ordinary dividend payable	29 July 2016
Half year ending 30 September 2016	Results and interim ordinary dividend announced November 2016 Interim ordinary dividend payable December 2016
Year ending 31 March 2017	Results and final dividend announced May 2017 Final ordinary dividend payable July 2017

STRATEGIC REPORT

WHAT WE DO

Helical Bar plc is a UK focused property investment and development company.

We aim to deliver market-leading returns by acquiring high-yielding investment properties, applying a rigorous approach to asset management and deploying limited equity into development situations which have the potential to be highly profitable.

Our portfolio is primarily targeted towards London for capital growth and development profits and the regions for high yielding investment assets.

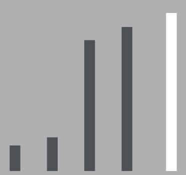
THE BOWER, OLD STREET, LONDON EC1

FINANCIAL HIGHLIGHTS

TOTAL PROPERTY RETURN

+10%

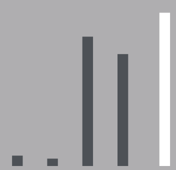
2016	£170.6m
2015	£155.3m
2014	£140.1m
2013	£35.9m
2012	£27.5m



PROFIT BEFORE TAX

+37%

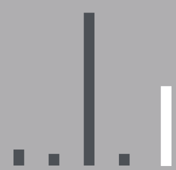
2016	£120.1m
2015	£87.4m
2014	£101.7m
2013	£5.0m
2012	£7.4m



EPRA EARNINGS PER SHARE

+613%

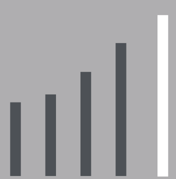
2016	17.1p
2015	2.4p
2014	33.3p
2013	2.4p
2012	3.4p



SEE-THROUGH PORTFOLIO VALUE

+21%

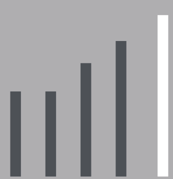
2016	£1,240.0m
2015	£1,021.4m
2014	£801.7m
2013	£626.4m
2012	£572.7m



NET ASSETS

+20%

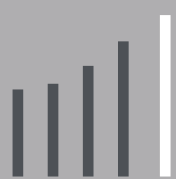
2016	£486.2m
2015	£404.4m
2014	£340.5m
2013	£253.8m
2012	£253.7m



EPRA NET ASSET VALUE PER SHARE

+20%

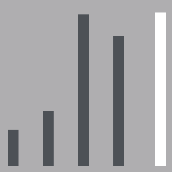
2016	461p
2015	385p
2014	313p
2013	264p
2012	250p



FINANCIAL HIGHLIGHTS

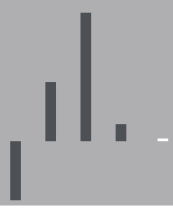
PORTFOLIO RETURN – IPD

2016	**21.7%**
2015	20.4%
2014	23.8%
2013	8.6%
2012	5.6%



TOTAL SHAREHOLDER RETURN

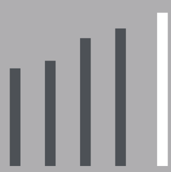
2016	**1.0%**
2015	7.6%
2014	61.1%
2013	28.4%
2012	(-28.4%)



TOTAL DIVIDEND DECLARED PER SHARE

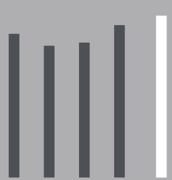
+13%

2016	**8.17p**
2015	7.25p
2014	6.75p
2013	5.55p
2012	5.15p



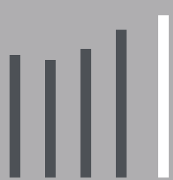
SEE-THROUGH LOAN TO VALUE

2016	**55%**
2015	52%
2014	46%
2013	45%
2012	49%



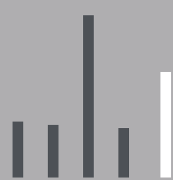
SEE-THROUGH NET ASSET VALUE GEARING

2016	**125%**
2015	113%
2014	99%
2013	90%
2012	95%



INTEREST COVER RATIO

2016	**5.4x**
2015	2.5x
2014	8.3x
2013	2.7x
2012	2.8x




C|Space

HELICAL'S PORTFOLIO

DEVELOPMENT STOCK
15.1% £187.3m

LONDON OFFICES
1.5% £18.0m

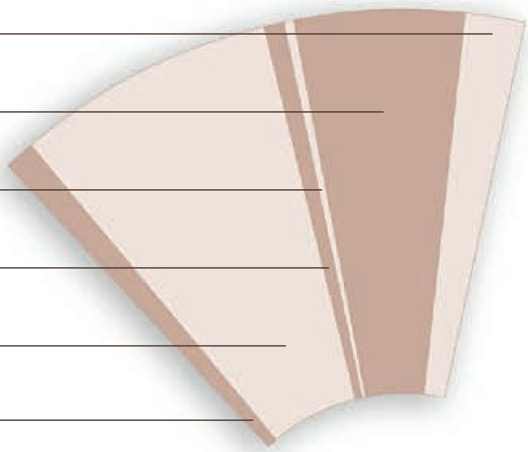
LONDON RESIDENTIAL
4.8% £60.0m

REGIONAL OFFICES
0.1% £1.0m

REGIONAL RETAIL
0.7% £8.1m

RETIREMENT VILLAGES
7.3% £91.6m

LAND
0.7% £8.6m



INVESTMENT PROPERTIES
84.9% £1,052.7m

LONDON OFFICES
47.8% £593.2m

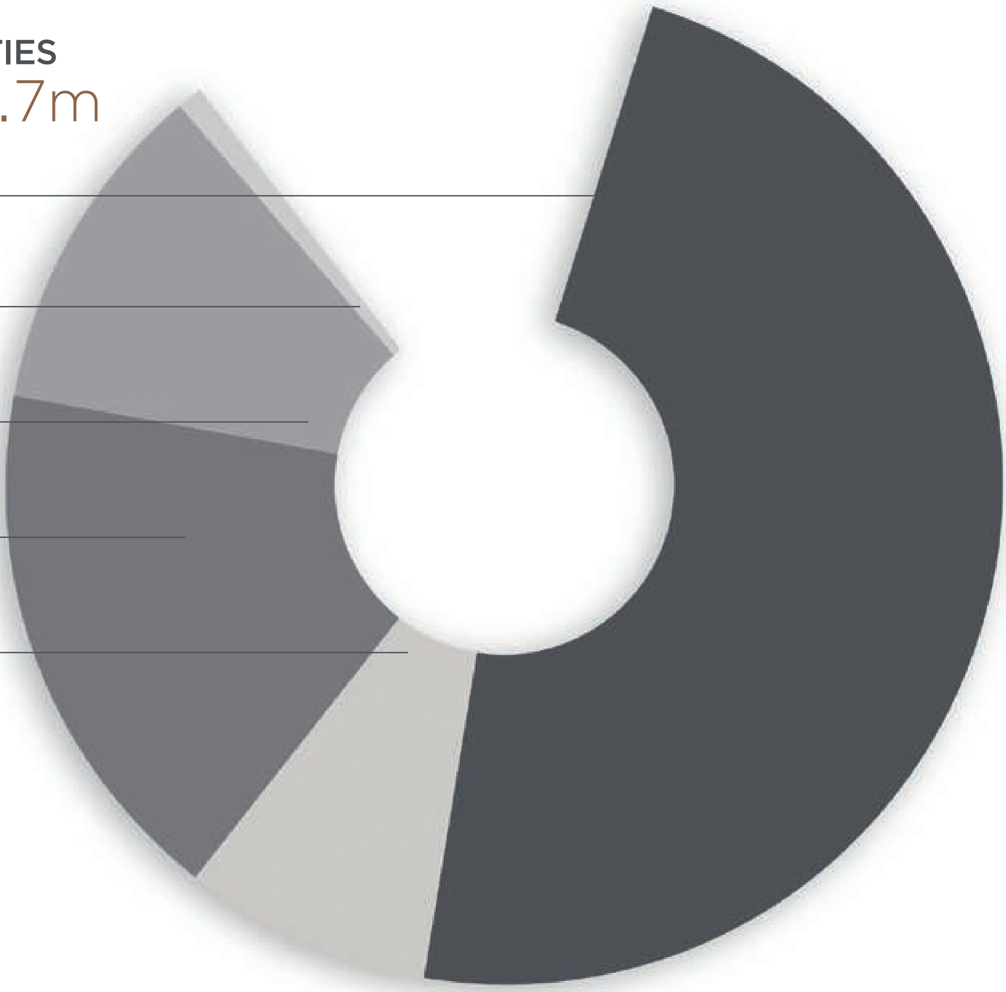
RETIREMENT VILLAGES
1.0% £11.9m

REGIONAL RETAIL
10.8% £134.5m

REGIONAL INDUSTRIAL/LOGISTICS
17.0% £210.5m

REGIONAL OFFICES
8.3% £102.5m

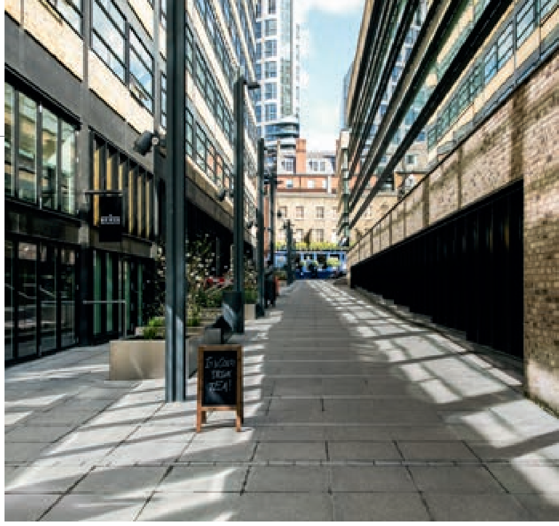
LAND
0.0% £0.1m



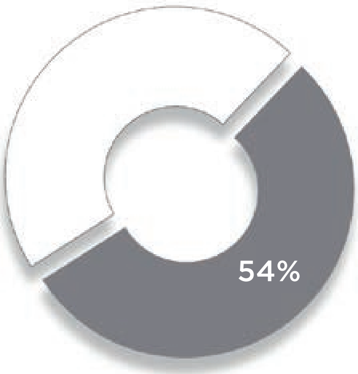
TOTAL PORTFOLIO BY FAIR VALUE
£1,240.0m

C SPACE, LONDON EC1

OPERATIONAL HIGHLIGHTS
LONDON PORTFOLIO



The London portfolio represents 54% of the total property portfolio and is well positioned to provide future valuation surpluses whilst being highly reversionary.



BELOW **SHEPHERDS BUILDING**, SHEPHERDS BUSH W14

TOP **THE BOWER**, OLD STREET EC1
MIDDLE **ONE KING STREET**, HAMMERSMITH W6
BOTTOM **BARTS SQUARE**, EC1

OPERATIONAL HIGHLIGHTS
LONDON PORTFOLIO

18.8% VALUATION INCREASE OF LONDON INVESTMENT PORTFOLIO
(2015: 9.2%), now valued at £593m (56% of total investment portfolio).

Lettings at The Bower EC1, Shepherds Building W14, C-Space EC1 and One King Street W6

INCREASED CONTRACTED GROSS RENTS ON LONDON PORTFOLIO TO £23.6M
(2015: £8.7m) compared to an ERV of £45.4m (2015: £28.1m).

AT ONE BARTHOLOMEW CLOSE EC1, THE SITE WAS SOLD FOR £102.4M
and the 213,000 sq ft office development forward funded, releasing £34m cash to Helical.

OFFICES AT THE BOWER EC1 ACQUIRED FOR £248M
(with Helical reinvesting its existing one third ownership). Joint venture partner Crosstree acquired the retail parade for £23m and Empire House sold for £20.65m in November 2015, a 38% premium to 31 March 2015 book value.

- First phase 100% let
- Second phase under construction

AT BARTS SQUARE EC1, 102 RESIDENTIAL UNITS EXCHANGED AT 23 MAY 2016
(31 March 2015: 56 units) and two reserved on phase 1 of 144 units.

POWER ROAD STUDIOS W4, ACQUIRED FOR £34M.

MAJOR REFURBISHMENT COMMENCED AT CHARTERHOUSE SQUARE EC1
increasing the office space to 38,500 sq ft with 5,100 sq ft of retail, with delivery in early 2017.

AT DRURY LANE & DRYDEN STREET WC2 A RESOLUTION TO GRANT PLANNING WAS ISSUED
for a residential led scheme of 68 apartments.

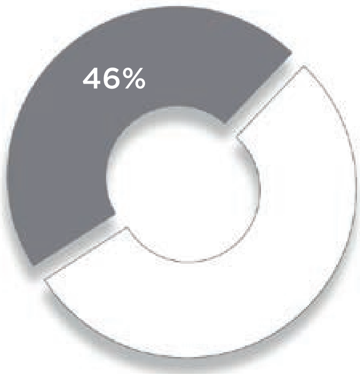
BELOW **C-SPACE**, 37-45 CITY ROAD EC1

TOP **23-28 CHARTERHOUSE SQUARE**, SMITHFIELD EC1

BOTTOM **THE LOOM**, WHITECHAPEL, E1

OPERATIONAL HIGHLIGHTS
REGIONAL PORTFOLIO

The Regional portfolio represents 46% of the total property portfolio and provided 71% of the net rental income for the year.



CONTRACTED GROSS RENTS ON REGIONAL INVESTMENT PORTFOLIO OF £32.4M.

REGIONAL INVESTMENT PORTFOLIO INCREASED WITH THE PURCHASE OF £89M OF HIGH YIELDING INDUSTRIAL/LOGISTICS WAREHOUSES.

3.0% VALUATION INCREASE ON REGIONAL OFFICES.

REGIONAL INVESTMENT PORTFOLIO NOW COMPRISES 22% OFFICES, 13% IN TOWN RETAIL, 17% RETAIL PARKS, 46% INDUSTRIAL/LOGISTICS AND 2% OTHER.

SALE OF 16 REGIONAL ASSETS COMPRISING EIGHT INDUSTRIAL UNITS, THREE REGIONAL OFFICES AND FIVE RETAIL ASSETS FOR £67M IN TOTAL.

TOP **CHURCHGATE & LEE HOUSE**, MANCHESTER
LEFT **CROW LANE**, NORTHAMPTON
RIGHT **VIKING INDUSTRIAL ESTATE**, JARROW

OPERATIONAL HIGHLIGHTS
FINANCING

SEE-THROUGH LOAN TO VALUE OF 40% (2015: 34%) **ON A SECURED BASIS AND 55% OVERALL** (2015: 52%).

AVERAGE MATURITY OF THE GROUP'S SHARE OF DEBT OF 4.5 YEARS (2015: 4.3 years) **AT AN AVERAGE COST OF 4.2%** (2015: 4.1%).

GROUP'S SHARE OF CASH AND UNDRAWN BANK FACILITIES OF £193M (2015: £229m).

AGREED A NEW £200M BANK FACILITY TO FUND THE PURCHASE AND DEVELOPMENT OF THE BOWER, LONDON EC1.

THE BOWER, OLD STREET, LONDON EC1

CHIEF EXECUTIVE'S STATEMENT

EPRA NAV INCREASE

19.7%

EPRA EPS

17.1p

GROWTH IN CONTRACTED RENTAL INCOME

£12.7m

INCREASE IN TOTAL DIVIDEND

12.7%

TOTAL PROPERTY RETURN

£170.6m

IPD PROPERTY RETURN

21.7%

I am extremely proud to announce today's record results which show rental levels, investment gains, pre-tax profits, shareholders' funds and EPRA net asset value per share all at the highest level in Helical's 32 year history as a real estate company. These results clearly demonstrate that our strategy of targeting London for capital growth and development profits and the regions for higher yielding investment assets provides the most appropriate allocation of resources to enable us to meet our long term objectives.

The greatest proportion of our performance this year has come from London where we have increased our portfolio weighting, primarily with the purchase of The Bower EC1. We also increased our weighting in industrial assets whilst reducing our exposure to retail. We sold our Polish assets and continue to deliver on our retirement village programme.

Within the investment portfolio we have a strong and diverse tenant profile. We have increased contracted rents by £12.7m (29% increase) from new lettings and by capturing some of the reversionary potential of the portfolio and expect this growth to continue. Our London investment portfolio remains highly reversionary and its inherent value will be unlocked through the completion of our redevelopment and refurbishment programme and the letting of the vacant and remaining reversionary space. London continues to outperform the rest of the UK and our strategy is to increase our London holdings.

We now have an investment portfolio poised for future earnings growth which, if supported by a benign economic background, should lead to substantial capital appreciation.

PERFORMANCE

We measure our performance at both portfolio and Company level, seeking to outperform in the medium and long term relevant sector indices and our peer group.

EPRA earnings per share increased from 2.4p to 17.1p, reflecting growing net rental income and increased development profits. On a like-for-like basis, the investment portfolio increased by 14.9% (11.1% including sales and purchases) contributing to an overall growth in the portfolio to £1,240m (2015: £1,021m). The unleveraged return of our property portfolio, as measured by IPD, was 21.7% (2015: 20.4%), compared to 11.4% (2015: 17.5%) for the benchmark index. These investment gains contributed to an increase in EPRA net asset value per share, up 19.7% to 461p (2015: 385p). Since the start of 2016, the listed real estate sector has been affected by concerns over global economic issues and the forthcoming referendum on our membership of the European Union. Despite this, we achieved a positive Total Shareholder Return for the year to 31 March 2016 of 1.0% (2015: 7.6%), compared to the sector index which fell by 6.4% (2015: increase of 22.8%).

CHIEF EXECUTIVE'S STATEMENT

RESULTS FOR THE YEAR

The profit before tax for the year to 31 March 2016 was £120.1m (2015: £87.4m), the highest in the Group's history. Total Property Return increased by 10% to £170.6m (2015: £155.3m) and included growing net rents of £43.4m, an increase of 12% on 2015 (£38.6m), and development profits of £27.5m (2015: £17.6m). The gain on sale and revaluation of the investment portfolio contributed £99.7m (2015: £96.6m) and there were no trading profits (2015: £2.5m).

Net finance costs of £22.6m were lower than in 2015 (£24.8m), however the income statement was adversely affected by falls in expected future interest rates which led to a £6.9m (2015: £8.4m) charge arising from the valuation of the Group's derivative financial instruments. The valuation of the Group's Convertible Bond provided a credit of £0.5m (2015: charge of £3.3m). Recurring administration costs were marginally higher at £10.7m (2015: £10.2m). Performance related awards, reflecting the success of the Group's activities in the year were £13.3m (2015: £13.4m). National Insurance costs on remuneration, including performance related awards, were £2.1m (2015: £3.0m).

These results allow the Board to continue its progressive dividend policy and to recommend to shareholders a final dividend of 0.72p which, together with the two interim dividends paid to date of 7.45p takes the total dividend for the year to 8.17p (2015: 7.25p), an overall increase of 12.7%.

THE LONDON PORTFOLIO

The London investment and development portfolio continues to contribute the greater proportion of capital growth and development profits. In the year to 31 March 2016, London provided c. 80% of the total property return of £170.6m (2015: £155.3m).

Since 2010 we have steadily acquired property in two "clusters"; the Tech Belt districts of Farringdon, Shoreditch, Aldgate and through to Whitechapel and the West London districts of Hammersmith, Shepherds Bush and Chiswick.

The East

At The Bower EC1, we have acquired the outstanding 2/3rd interest from our joint venture partner Crosstree Real Estate Partners LLP ("Crosstree"), of the buildings known as The Warehouse (122,858 sq ft of offices, 5,404 sq ft of restaurant use) and The Studio (18,283 sq ft of offices, 4,894 sq ft of restaurant use). Construction work on these two buildings was completed in November 2015 and both are fully let at average office rents of £55.00 psf and £43.85 psf respectively. In addition, we have acquired The Tower at 207 Old Street, a 179,000 sq ft refurbishment and extension of the existing building on which work has commenced and is due for completion Q1 2018. At £248m, this purchase is our largest ever acquisition and strongly reaffirms our belief in the London office market. The remaining buildings at The Bower, being Empire House and the retail parade, were sold by the joint venture to Standard Life and Crosstree respectively.

At Barts Square EC1, our scheme in joint venture with The Baupost Group LLC, we have now exchanged contracts for sale at an average of £1,580 psf on 102 of the 144 residential units with a further two units reserved in phase 1 of the development which is due for completion in summer 2017. The office development of 212,858 sq ft at One Bartholomew Close EC1 has been forward funded with clients of Ashby Capital, is currently under construction and is due for completion in July 2018.

Our 272,426 sq ft office development at One Creechurch Place EC3, equity funded with our joint venture partner HOOPP (Healthcare of Ontario Pension Plan) is expected to complete in September 2016. C-Space EC1 completed its refurbishment in October 2015 and is 75% let at an average rent of £56 psf. At 23-28 Charterhouse Square EC1 we have commenced construction works, due to complete in Q1 2017 on a refurbishment which will comprise 38,500 sq ft of offices and 5,100 sq ft of retail/restaurant use. Our 112,000 sq ft listed building at The Loom, Whitechapel E1 is now undergoing a comprehensive refurbishment and is due for completion in September 2016.

The West

There has been substantial growth in rents at our West London properties. At Shepherd's Building W14 we have completed the lease renewal and increased the space let to our largest tenant Endemol, increasing the rent by £1.25m pa, with average rents for the building now £45.75 psf. At One King Street W6 following the completion of the refurbishment works, we have achieved a benchmark rent for the area of £55.00 psf. We have added to our portfolio with the acquisition of Power Road Studios W4, 62,000 sq ft of offices over five buildings acquired for £34m.

THE REGIONAL PORTFOLIO

The regional investment and development portfolio provides a growing stream of net rents from a high yielding investment portfolio while contributing development profits from our retirement village and retail development programmes.

The regional investment portfolio increased to £460m at 31 March 2016 (2015: £420m) with the addition of 13 distribution warehouses and a regional office for an aggregate £94m, offset by the sale of eight distribution warehouses, five retail assets and three regional offices for £67m. Regional assets contributed £31.0m of net rental income during the year (2015: £30.7m) which is expected to continue to grow with contracted rents on the portfolio of £32m and an ERV of £36m. Net gains on the sale and revaluation of the regional portfolio contributed £6.7m (2015: £18.8m).

Our regional development exposure is limited to our retirement village and out-of-town retail development programmes and our Scottish Power project in Glasgow, where balance sheet risk is limited. At our retirement village development programme we continued the construction of units at Durrants Village Horsham, Millbrook Village Exeter and Maudslay Park Great Alne, near Stratford-upon-Avon. During the year we completed the clubhouse at Durrants Village and sold 33 residential units at the three schemes (2015: 25 units). In our retail development programme, we have completed our scheme at Shirley, West Midlands and continue to make progress on our scheme at Truro. Subsequent to the year end we forward funded a 79,750 sq ft out-of-town retail development at Cortonwood with a client of Aberdeen Asset Management. The Scottish Power project is pre-let and pre-sold and due for completion in September 2016. As part of the overall deal Helical takes on three existing Scottish Power sites which are surplus to requirements. One has been sold and good progress is being made on the business plans for the other two.

CHIEF EXECUTIVE'S STATEMENT

FINANCE

The Group has expanded its activities significantly in the last three years, seeking to increase shareholder funds through the generation and retention of increased net rental streams, development profits and valuation surpluses. This growth has been financed through an increase in secured debt borrowed primarily from UK high street banks and, since 2013, through the use of unsecured debt in the form of a retail bond and a convertible bond. In assessing the needs of the business the Company is conscious that it needs to manage any risks inherent in this leveraged approach to growing the business. It seeks to do this through the use of unsecured debt (23% of total debt), by increasing the maturity of its debt profile and by hedging its interest rate exposure. In addition, the Group's debt profile includes borrowings in respect of residential and retirement village developments which are expected to be repaid as sales complete.

In pursuing this strategy, the Group has increased the average debt maturity to 4.5 years (2015: 4.3 years), with no secured loan repayable before November 2019, whilst marginally increasing the average cost of debt at 4.2% (2015: 4.1%). The Group continues to retain a significant level of liquidity with cash and unutilised bank facilities of £193m (2015: £229m) to fund capital works on its portfolio.

BOARD CHANGES

As previously announced with our half year results, I will be handing over the reins of the Company to Gerald Kaye, our senior development director for the last 22 years, and I will stand to be elected as Non-Executive Chairman, at the 2016 Annual General Meeting. At that AGM, Nigel McNair Scott, our current Chairman, former Finance Director and my close friend and confidant, will retire after 30 years on the Board. Nigel has proved to be a constant source of advice, support and wisdom during his time at Helical and I wish him a long and happy retirement.

The AGM will also see the retirement of Andrew Gulliford, a Non-Executive director for the last ten years. Andrew has also proved to be a tremendous support to the Board and his contribution is greatly appreciated. With these two planned departures we have sought to strengthen the Board with the addition of two new independent Non-Executive Directors and were delighted to be able to announce the appointments of Susan Clayton and Richard Cotton earlier this year.

OUTLOOK

Since 2012, we have targeted an income producing investment portfolio representing at least 75% of our total property assets and a development programme of the remaining 25% which is capable of producing exceptional profits. We have now exceeded our original targets and, as we complete the current development programme over the next three years, our objectives are clear. We seek to:

- Complete and let our London office schemes at The Bower, One Creechurch Place, One Bartholomew Close and 23-28 Charterhouse Square;
- Complete the residential scheme at Barts Square and sell the remaining units;
- Take forward our London schemes in Hammersmith and Drury Lane and at the appropriate time restock the London development pipeline to enable us to continue to create capital growth and development profits;
- Capture the reversion in our investment portfolio; and,
- Maintain and grow a sustainable investment income surplus.

We aim to do this against a background of increasing uncertainty, exacerbated by the imminent possibility of the UK voting to leave the European Union. However, with substantially increased contracted rents on our portfolio and having de-risked our two largest London office developments at One Creechurch Place EC3 and One Bartholomew Close EC1, Helical is well placed to deal with any headwinds that may come its way.

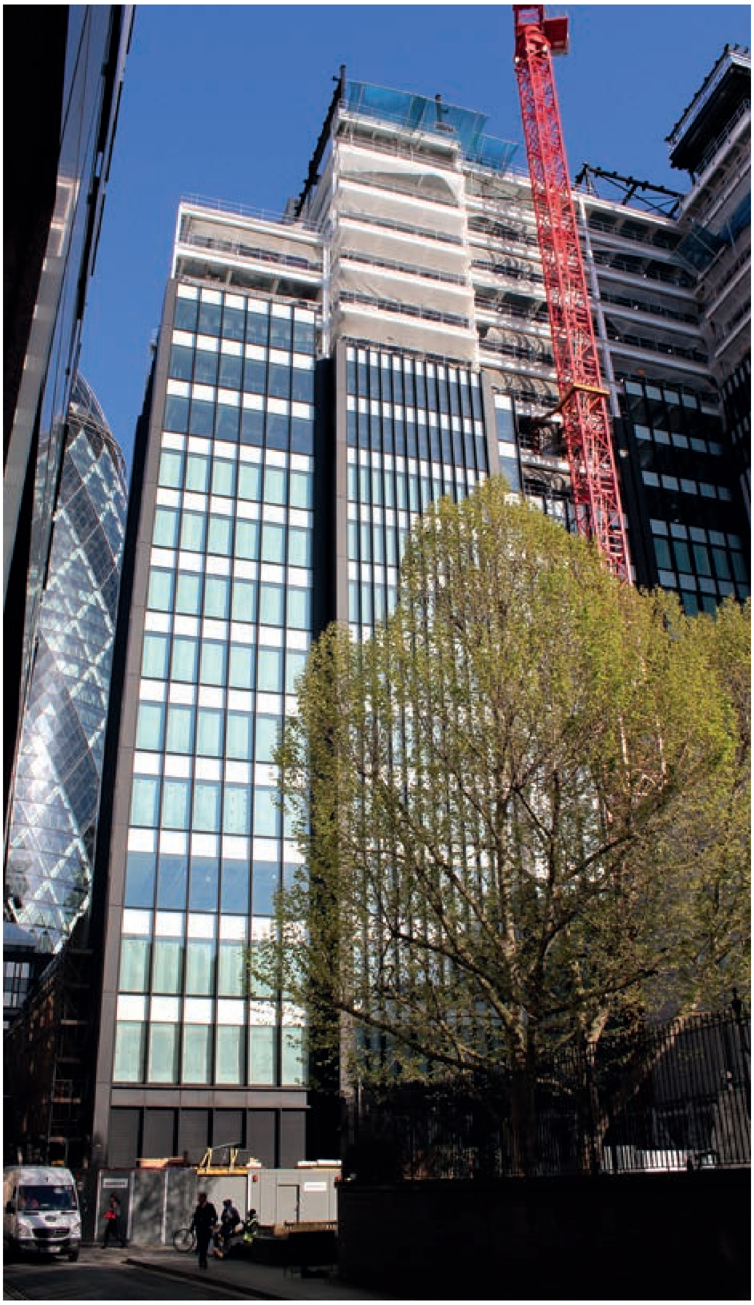
Finally, this will be my last Chief Executive's Statement after nearly 32 years with the Company. I joined the Board on the 21 August 1984 when the equivalent share price was around one pence per share giving a market capitalisation of circa £800,000 and with Helical Bar plc a steel company making reinforcement bars for the construction industry. I joined the Company to change things. A quick sale of the steel business followed by over 30 years as an entrepreneurial property company, Helical has grown to have a current market capitalisation of over £460m having distributed £276m to shareholders during that period. I now look forward to becoming Chairman and leave the Company in the excellent hands of my successor, Gerald Kaye, and the wider executive team who have an average tenure with the Company of a mere 19 years! I look forward to continuing both on the Board and as the Company's largest shareholder and am confident that Helical's outperformance will continue.

Michael Slade
Chief Executive

16 June 2016

CHIEF EXECUTIVE'S STATEMENT

LEFT **ONE CREECHURCH PLACE**, LONDON EC1
TOP AND BOTTOM **THE BOWER**, OLD STREET, LONDON EC1



OUR STRATEGY

Helical is a UK focused property company investing in London for capital growth and development profits and the regions for income.

LOCATE ASSETS

LOCATE ASSETS WITH SIGNIFICANT DEVELOPMENT OR ASSET MANAGEMENT POTENTIAL within select locations or asset classes.

We use our knowledge of the market and our extensive network of contacts to seek out assets where we see the potential to add significant value. Our development schemes are focused on delivering innovative and modern space, whilst retaining local character. We target areas where we anticipate strong growth. Our asset management opportunities focus on maximising income through attracting and maintaining a balanced and diverse portfolio of tenants and driving increases in the rental value through refurbishment programmes that make intelligent use of space and deliver high yielding assets.

STRUCTURE AND FUNDING

USE OUR OWN CAPITAL COMBINED WITH EXTERNAL DEBT where we see value in holding the 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.

MANAGE THE PROJECT on behalf of a partner, sharing in the profit on the successful sale or letting, with minimal equity invested.

When the Group identifies assets that it intends to develop or asset manage and hold for the longer term, it uses its own capital combined with appropriate external debt.

Where we see significant potential to create profit in the short to medium term and are keen to limit our equity commitment and risk exposure, we look to bring in a partner. Our approach to working with our partners includes:

- Co-investing alongside a larger partner where we have a minority equity stake, whilst receiving a "waterfall" payment whereby we obtain a greater profit share than the percentage of our investment, depending upon the profitability of the project. This strategy is used for the developments at Barts Square, London EC1 and One Creechurch Place, London EC3.
- Managing the development process from site acquisition, through construction to letting or sale. In these structures we do not own the asset, committing no or minimum equity. Our return is linked to the profitability of the development, allowing us to potentially benefit from a significant profit that reflects our contribution to the project's success. We are using this strategy in the development of the office at One Bartholomew Close, London EC1.

OUR STRATEGY

DEVELOP, LET & ASSET MANAGE

We actively MANAGE OUR ASSETS THROUGHOUT THEIR DEVELOPMENT, working with trusted contractors and focusing on quality, efficiency and safety.

We look to LET OUR PROPERTIES to diverse tenants who are financially robust.

Through clever ASSET MANAGEMENT we drive the rental value forward while maximising occupancy.

We actively manage our assets from inception to completion. Our close involvement allows us to continue to develop and improve the design whilst being able to rapidly respond to challenges as they arise. Key to this is working closely with trusted contractors who share our values and are focused on quality, health and safety, sustainability and consideration for the local community.

Building strong relationships with our tenants and having a good understanding of their business, combined with a detailed knowledge of the market, is fundamental to our approach to maximising rental value and maintaining a high level of occupancy. We actively look to redevelop space where we can see the opportunity to better meet market demands, allowing us to drive rental value and help secure the future of the asset.

EXIT

EXIT through sale at the right point in the market or upon completion of projects, recycling capital into new opportunities or repayment of finance.

Determining the most appropriate time to sell an asset is critical in crystallising value. We look to dispose of a property when we believe future market growth is limited, where we have limited opportunity to add further value or when we see greater value elsewhere. Our view of the market and the availability of other opportunities determines whether we reinvest the equity into new properties, repay debt or return capital to shareholders.

PERFORMANCE

We measure our performance using a number of financial and non-financial key performance indicators ("KPIs").

We incentivise management to outperform the Group's competitors by setting appropriate levels for performance indicators against which rewards are measured. We also design our remuneration packages to align management's interests with shareholders' aspirations. Key to this is the monitoring and reporting against identifiable performance targets and benchmarks.

EPRA NAV

461p

EPRA NAV CAGR (3 YEARS)

20.4%

IPD UNLEVERAGED RETURN

21.7%

TOTAL SHAREHOLDER RETURN (3 YEARS)

20.5%

AVERAGE EMPLOYEE SERVICE

7.6years

EPRA NET ASSET VALUE PER SHARE (PENCE)

A property company's share price should reflect growth in net assets per share. Our Group's main objective is to maximise growth in assets from increases in investment portfolio values and from retained earnings from other property related activities. Net asset value per share represents the share of net assets attributable to each ordinary share. Whilst the basic and diluted net asset per share calculations provide a guide to performance, the property industry prefers to use an EPRA adjusted net asset per share to represent the fair value of net assets on an ongoing long term basis. The adjustments necessary to arrive at this figure are shown in note 34 of the financial statements.

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

INVESTMENT PROPERTY DATABANK

The Investment Property Databank ("IPD") produces a number of independent benchmarks of property returns which are regarded as the main industry indices.

IPD has compared the ungeared performance of Helical's total property portfolio against that of portfolios within IPD for the last 20 years. The Group's annual performance target is to exceed the top quartile of the IPD database, which it has consistently achieved. Helical's ungeared performance for the year to 31 March 2016 was 21.7% (2015: 20.4%) compared to the IPD median benchmark of 11.4% (2015: 17.5%) and upper quartile benchmark of 13.0% (2015: 19.6%).

Helical's portfolio unleveraged returns to 31 March 2016 as shown opposite:

- HELICAL
- IPD

Source: Investment Property Databank.

TOTAL SHAREHOLDER RETURN

Total Shareholder Return is a measure of the return on investment for shareholders. The table demonstrates this return compared to various indices. Over one, three, ten, fifteen, twenty and twenty five years Helical's Total Shareholder Return exceeded that of the Listed Retail Estate Sector Index.

- HELICAL BAR PLC Growth over all periods to 31/03/16
- UK EQUITY MARKET Growth in FTSE All-Share Return Index over all periods to 31/03/16
- LISTED REAL ESTATE SECTOR INDEX Growth in FTSE 350 Real Estate Super Sector Return Index over all periods to 31/03/16. For data prior to 30 September 1999 FTSE All Share Real Estate Sector Index has been used
- DIRECT PROPERTY - MONTHLY DATA Growth in Total Return of IPD UK Monthly Index (All Property) over all periods to 31/03/16

Source: Thomson Reuters Datastream.

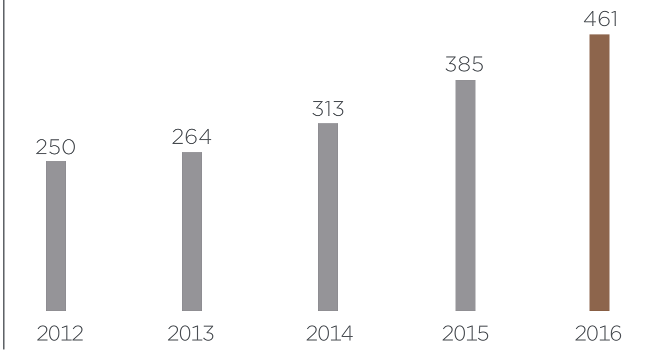
AVERAGE LENGTH OF EMPLOYEE SERVICE (YEARS)

High levels of staff retention remain a key feature of Helical's business. The Group retains a highly skilled and experienced team. Opposite is the average length of service of the Group's head office employees.

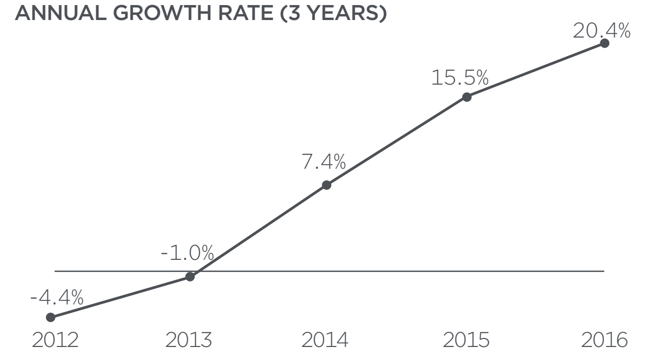
The principal driver for the fall in average length of employee service is the increased employee numbers due to the growth of the business.

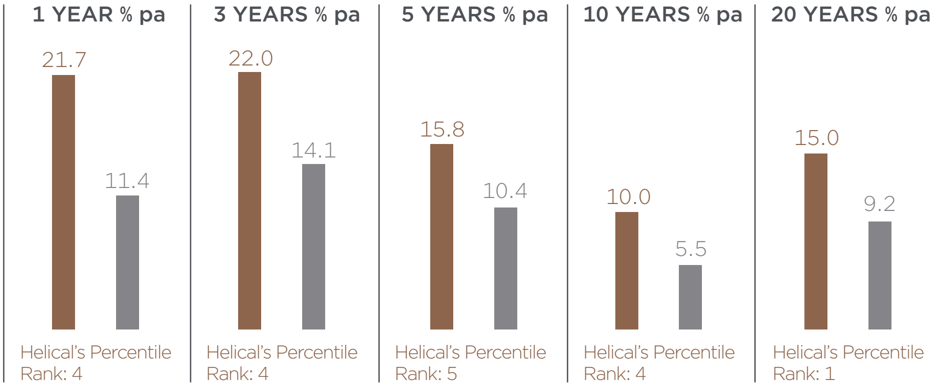
PERFORMANCE

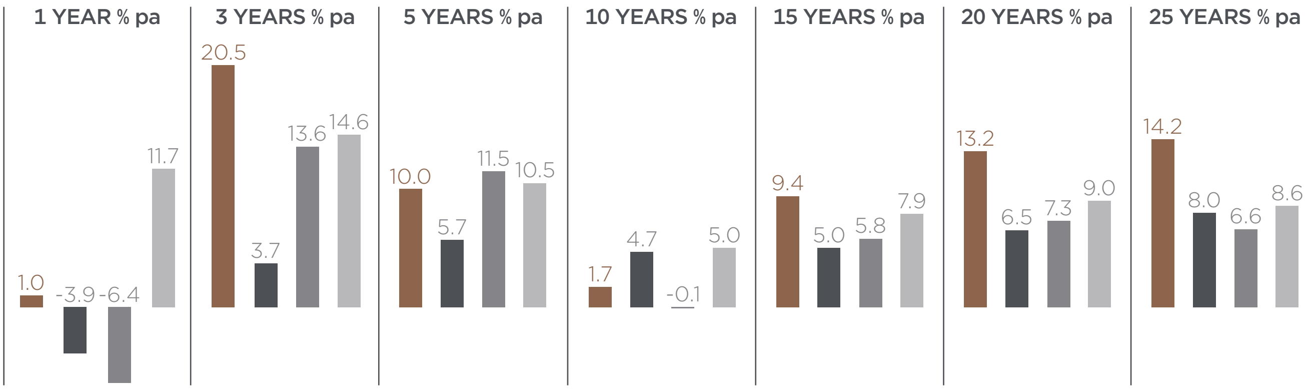
EPRA NET ASSET VALUE PER SHARE (p)



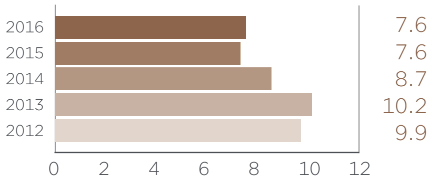
EPRA NET ASSET VALUE COMPOUND ANNUAL GROWTH RATE (3 YEARS)



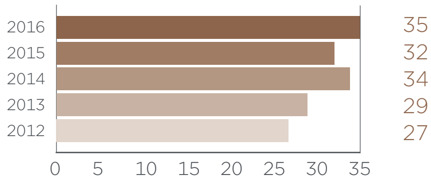




AVERAGE LENGTH OF EMPLOYEE SERVICE (YEARS)



AVERAGE EMPLOYEE NUMBERS



HELICAL'S PROPERTY PORTFOLIO

TOTAL PROPERTY PORTFOLIO

£1,240m

TOTAL PROPERTY RETURN

£170.6m

85%

HELD AS INVESTMENT PROPERTIES

INVESTMENT PORTFOLIO BY ASSET STATUS

HELICAL'S PROPERTY PORTFOLIO

TOTAL PORTFOLIO BY FAIR VALUE

	Investment £m	%	Development £m	%	Total £m	%
London offices	593.2	47.8	18.0	1.5	611.2	49.3
London residential	-	-	60.0	4.8	60.0	4.8
Total London	**593.2**	**47.8**	**78.0**	**6.3**	**671.2**	**54.1**
Regional offices	102.5	8.3	1.0	0.1	103.5	8.4
Regional industrial/logistics	210.5	17.0	-	-	210.5	17.0
Regional retail	134.5	10.8	8.1	0.7	142.6	11.5
Retirement villages	11.9	1.0	91.6	7.3	103.5	8.3
Land	0.1	-	8.6	0.7	8.7	0.7
Total Regional	**459.5**	**37.1**	**109.3**	**8.8**	**568.8**	**45.9**
TOTAL	**1,052.7**	**84.9**	**187.3**	**15.1**	**1,240.0**	**100.0**

INVESTMENT PORTFOLIO BY ASSET STATUS

	Income producing £m	%	Major projects £m	%	Total £m	%
London offices	414.6	39.4	178.6	17.0	593.2	56.4
London residential	-	-	-	-	-	-
Total London	**414.6**	**39.4**	**178.6**	**17.0**	**593.2**	**56.4**
Regional offices	97.8	9.3	4.7	0.4	102.5	9.7
Regional industrial/logistics	210.5	20.0	-	-	210.5	20.0
Regional retail	134.5	12.8	-	-	134.5	12.8
Retirement villages	11.9	1.1	-	-	11.9	1.1
Land	-	-	0.1	-	0.1	-
Total Regional	**454.7**	**43.2**	**4.8**	**0.4**	**459.5**	**43.6**
TOTAL	**869.3**	**82.6**	**183.4**	**17.4**	**1,052.7**	**100.0**

Income producing assets are those assets where the majority of the space is let. Major projects are those assets that are being developed or substantially refurbished.

TRADING AND DEVELOPMENT PORTFOLIO

	Book value £m	Fair value £m	Surplus £m	Fair value %
London offices	14.0	18.0	4.0	9.6
London residential	56.0	60.0	4.0	32.0
Total London	**70.0**	**78.0**	**8.0**	**41.6**
Regional offices	0.2	1.0	0.8	0.5
Regional retail	8.1	8.1	-	4.3
Retirement villages	83.6	91.6	8.0	48.9
Land	5.9	8.6	2.7	4.7
Total Regional	**97.8**	**109.3**	**11.5**	**58.4**
TOTAL	**167.8**	**187.3**	**19.5**	**100.0**

HELICAL'S PROPERTY PORTFOLIO

THE LONDON PORTFOLIO

54%
OF TOTAL PORTFOLIO

18.8%
VALUATION INCREASE IN INVESTMENT ASSETS

80%
OF TOTAL PROPERTY RETURN

OFFICES AT THE BOWER ACQUIRED FOR
£248m

London's economy continues to outperform the rest of the UK and the proportion of our assets located in the Capital now represents 56% of our investment portfolio. London's population is expected to grow by one million in the next ten years and 175,000 new office jobs are expected to be created by 2020. London is a leading technology centre and there is a "war for talent" which is driving demand for high quality office space. London continues to attract overseas capital as it has a liquid and transparent property market with a long established rule of law.

Our strategy is to increase our London holdings, focusing on select areas where we see strong tenant demand and growth potential, such as the "Tech Belt" that runs from Kings Cross through Old Street and Shoreditch to Whitechapel and in West London, in particular Hammersmith, Shepherds Bush and Chiswick. Our London portfolio comprises income producing multi-let offices, office refurbishments and developments and residential development schemes.

ONE CREECHURCH PLACE, CITY OF LONDON EC3

HELICAL'S PROPERTY PORTFOLIO
THE LONDON PORTFOLIO

THE WEST

HELICAL'S PROPERTY PORTFOLIO
THE LONDON PORTFOLIO

THE EAST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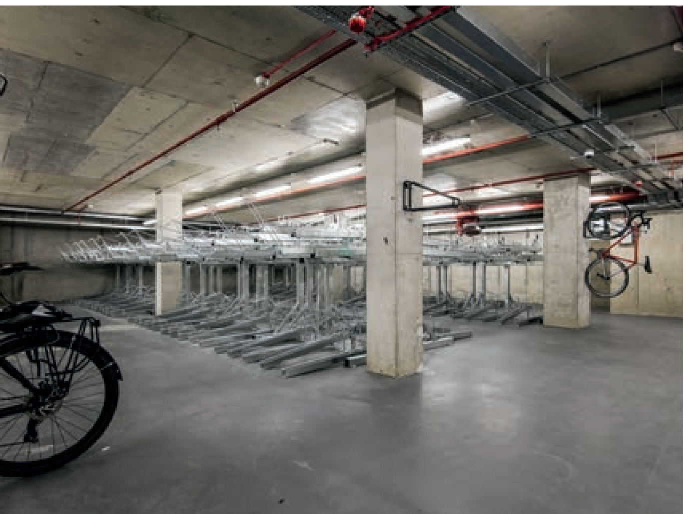


HELICAL'S PROPERTY PORTFOLIO

THE LONDON PORTFOLIO

THE EAST

THE BOWER

OLD STREET EC1

This 3.12 acre asset was acquired in November 2012 for £60.8m in joint venture with Crosstree Real Estate Partners LLP. The site is in the heart of an area which has become a "creative halo", a district of London which is a hub for technology, media and telecommunications companies and which is benefitting from substantial investment in infrastructure. A planning consent has been implemented to increase the floor space on the site by 116,000 sq ft, to refurbish existing areas and significantly upgrade the public realm with the creation of a new pedestrian street.

On 20 January 2016, Helical acquired The Warehouse and The Studio (211 Old Street) and The Tower (207 Old Street) from the joint venture for £248m.

211 Old Street EC1

Building work started on phase 1 in January 2014 comprising The Warehouse, 128,262 sq ft, and The Studio, 23,177 sq ft, and was completed in November 2015.

Phase 1 is fully let:

	Total sq ft	Rent £psf
The Warehouse		
Offices	122,858	50.25-67.50 (55.00 average)
Restaurants	5,404	
	128,262	
The Studio		
Offices	18,283	40.00-45.00 (43.85 average)
Restaurants	4,894	
	23,177	

207 Old Street EC1

Comprising The Tower, phase 2 of the redevelopment of The Bower commenced in January 2016 and will deliver 171,000 sq ft of office space and 7,500 sq ft of retail/restaurant. It is due for completion in Q1 2018.

183-213 Old Street EC1

This retail parade comprises 55,724 sq ft fully let to tenants including Gymbox, Co-op Food Store, Argos, Peacock and the Post Office generating c. £915,000 rents. The parade was acquired from the joint venture by Crosstree for £23m in January 2016.

Empire House, City Road EC1

Empire House, fully let to Z Hotels and restaurant Ceviche, was sold during the year to Standard Life Investments for £20.65m, a premium of 38% to the 31 March 2015 value.

BARTS SQUARE
CITY OF LONDON EC1

In joint venture with The Baupost Group LLC we own the freehold interest in land and buildings at Bartholomew Close, Little Britain and Montague Street, a 3.2 acre site adjacent to the new Barts Hospital and just south of Smithfield Market. Existing buildings are let to the NHS on a number of short term leases that expire in 2016.

Planning consent has been implemented for a comprehensive redevelopment of 19 buildings to provide a total of 236 residential apartments, three office buildings of 213,000 sq ft, 23,000 sq ft and 10,200 sq ft, 20,600 sq ft of retail/A3 at ground floor as well as major public realm improvements, which will be incorporated into the wider Smithfield Area Strategy being worked up by the City of London.

PHASE 1 – Residential/offices/retail

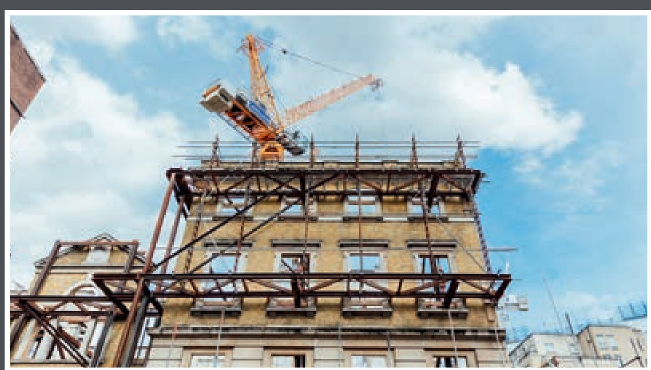
Phase 1 of the redevelopment of Barts Square comprises 144 residential units, 8,800 sq ft of retail space, 23,000 sq ft of new offices behind retained facades and public realm improvements. The demolition of buildings in Bartholomew Close and Little Britain commenced in January 2015, with the retention of various facades behind which the buildings are being demolished. Completion of phase 1 is expected in summer 2017. Contracts have been exchanged for the sale of 102 residential units for a total value of c. £132m at an average £1,580 psf, with a further two units under offer.

PHASE 2 One Bartholomew Close – Offices

One Bartholomew Close was sold to clients of Ashby Capital LLP ("Ashby") for £102.4m in August 2015, releasing £34m of cash to Helical. The demolition of the existing building and the construction of a new 12 storey office block of 212,858 sq ft, commenced in January 2016. The building is due to be completed in July 2018. Ashby's clients finance the development costs and when the building is completed and successfully let the joint venture will be entitled to receive a profit share payment. Helical Bar is the development manager for delivery of the project.

PHASE 3 – Residential/retail

Phase 3 of the redevelopment of the site, involving the demolition of Queen Elizabeth II Building, 62 Bartholomew Close, 42-44 Little Britain and 45-47 Little Britain, is expected to commence after vacant possession of these buildings is obtained in November 2016. In their place, 92 residential units and 11,800 sq ft of retail space will be constructed, with completion due in early 2019.



HELICAL'S PROPERTY PORTFOLIO
THE LONDON PORTFOLIO
THE EAST

23-28 CHARTERHOUSE SQUARE

SMITHFIELD EC1

In January 2016, Helical was granted a new 155 year leasehold interest in 23-28 Charterhouse Square, London EC1 by the Governors of Sutton's Hospital in Charterhouse for £16m. Helical has received planning for and commenced a major refurbishment of the existing building, which will increase the current 34,000 sq ft to 38,500 sq ft of offices, with the addition of a new sixth floor, and add 5,100 sq ft of retail/restaurant. The completed building is expected to be delivered in early 2017.

C-SPACE

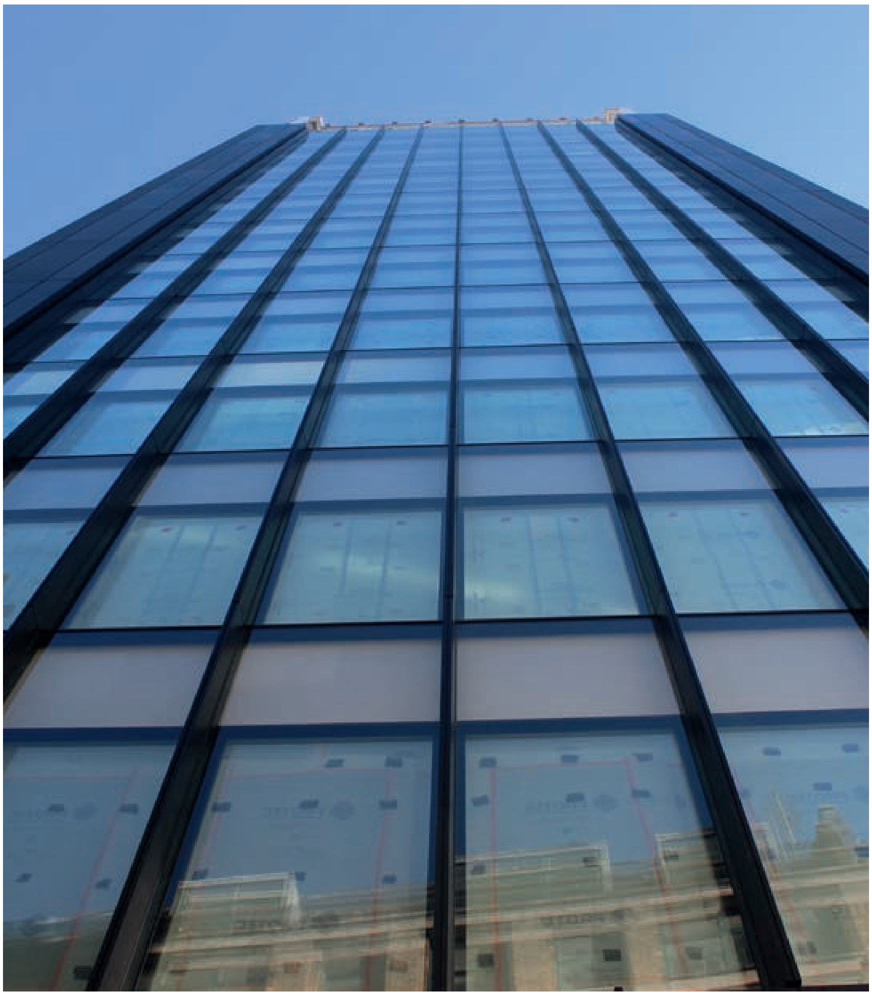
37-45 CITY ROAD EC1

Helical acquired C-Space in June 2013. Planning consent was obtained for a complete refurbishment of the building which increased the previous existing 50,000 sq ft office building to 62,000 sq ft. The works, which were completed in October 2015, involved an additional floor and extensions to the third floor, a landscaped courtyard and entrance "pavilion" to the rear and full height glazing to the raised ground floor. 75% of the space was pre-let to MullenLowe (formerly DLKW Lowe) the creative agency, and only the top floor and half of the third floor remain available.

ONE CREECHURCH PLACE

CITY OF LONDON EC3

One Creechurch Place, London EC3, is a landmark City office scheme in the heart of the insurance sector in London. In May 2014, Helical signed a joint venture agreement with HOOPP (Healthcare of Ontario Pension Plan) to redevelop the site. Under the terms of the joint venture, HOOPP and Helical will jointly fund the project on a 90:10 split, with Helical acting as development manager for which it will receive a promote payment depending on the successful outcome of the scheme. It is anticipated the completed development will have a capital value of c. £250m. The new building, comprising 272,000 sq ft NIA of offices and 2,227 sq ft of retail, is expected to be completed in September 2016.



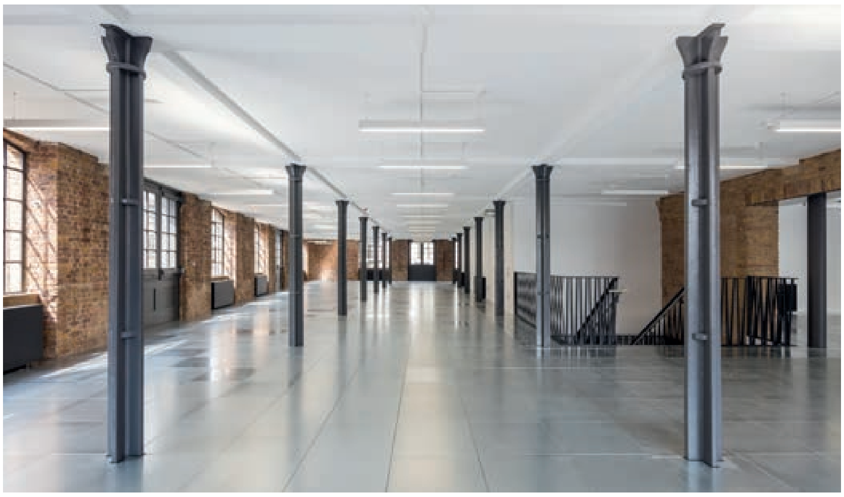
HELICAL'S PROPERTY PORTFOLIO
THE LONDON PORTFOLIO
THE EAST

CHART HOUSE
ISLINGTON N1

Chart House is a 10,500 sq ft office building in Islington. There is currently planning consent for an additional floor of residential on top of the building. This building is 100% let.

THE LOOM
WHITECHAPEL E1

This 112,000 sq ft listed building was acquired in 2013 and Helical has secured planning consent for a comprehensive refurbishment/reconfiguration of the common parts to include a new entrance/reception, showers, bike store, refurbishment of c. 25,000 sq ft of offices, including the creation of a single 11,000 sq ft unit and 4,000 sq ft of café and restaurants. The works are underway and are due for completion in July 2016.



In addition to our holdings in East London we have a scheme in Covent Garden WC2.

DRURY LANE & DRYDEN STREET
LONDON WC2

The existing buildings, which are in office and retail use, sit on an island site of approximately 0.5 acres. Approximately half of the site, adjacent to Dryden Street, sits within the Covent Garden Conservation Area. In July 2015, contracts were exchanged with Diageo Pension Fund (a fund managed by Savills Investment Management) for the conditional acquisition of the Drury Lane site. The contract is conditional on Helical securing planning consent. A planning application for the residential led scheme of 68 apartments was submitted in August 2015 and resolution to grant consent was issued at a planning committee in April 2016.

HELICAL'S PROPERTY PORTFOLIO

THE LONDON PORTFOLIO

THE WEST

SHEPHERDS BUILDING

SHEPHERDS BUSH W14

This 151,000 sq ft multi-let office building close to the Westfield London shopping centre maintains an occupancy approaching 100%, as it has for eight consecutive years. We have completed a renewal of existing leases to Endemol, who have also taken additional space and are the largest tenant in the building, increasing the total contracted rent roll by £1.27m and securing their occupation of the building until December 2026, with a tenant break option in 2021. The average contracted rent for the building is now £45.75 psf with total contracted net rent of £6.68m compared to a passing net rent of £4.38m.

ONE KING STREET

HAMMERSMITH W6

One King Street, Hammersmith W6, is a 39,000 sq ft building acquired in 2012 comprising 26,000 sq ft of offices and 13,000 sq ft of retail. Refurbishment of the fourth floor and the addition of a fifth floor of offices on top of the building has completed, providing 3,500 sq ft of additional space. The fourth and fifth floors have been let to Orion Healthcare at a headline rent of £52.50 psf and £55.00 psf and the building is now fully let with total contracted rent of £1.8m.

POWER ROAD STUDIOS

CHISWICK W4

Helical acquired this asset in December 2015 for £34.2m at a NIY of 4.4%. The site comprises 62,000 sq ft of offices across five buildings and is multi let to a wide range of predominantly media tenants. Recent lettings have been concluded at a rent of £38 psf compared to an average rental of £24 psf at acquisition. Studies are currently underway to determine how best to add further office space to the site which at two acres has substantial potential.

HELICAL'S PROPERTY PORTFOLIO
THE LONDON PORTFOLIO
THE WEST

KING STREET
HAMMERSMITH W6

King Street, Hammersmith W6, is a Council led regeneration project which is being carried out in a 50/50 joint venture with Grainger plc. Planning permission for the scheme has been granted for 196 apartments, a three-screen cinema, new retail and restaurant space and replacement offices for the Council. A minor amendment to the existing planning approval has been submitted and work is expected to commence in 2017.

THE POWERHOUSE
CHISWICK W4

Helical acquired this 43,325 sq ft office and recording studios by way of sale and leaseback. The Powerhouse is a listed building on Chiswick High Road and is fully let on a long lease to Metropolis Music Group.

SALES

ENTERPRISE HOUSE
PADDINGTON W2

Enterprise House, Paddington W2, is a freehold building adjacent to Paddington Station in London comprising 45,000 sq ft of offices. The building was acquired in 2013 on a sale and lease-back agreement from Network Rail, which holds a 20 year lease without breaks, for c. £31m representing a 5.7% yield generating annual rental income of £1.8m. In October 2015, the asset was sold to a private overseas buyer for £43m, a premium of 10% to the 31 March 2015 valuation, crystallising an IRR in excess of 100%.

ARTILLERY LANE
BISHOPSGATE E1

Artillery Lane, Bishopsgate, E1, is an office building in the City of London. Acquired for £6.8m in 2013 the property was sold to Standard Life in October 2015 for £15.1m following the completion of works which provided 17,000 sq ft of newly refurbished offices.


TOOTAL - BROADHURST - LEE - Co. Lmd.
TOOTAL · BROADHURST ·
LEE · Co. Ltd.
1896
NEW CAMPUS
S ON THE 3rd FLOOR

HELICAL'S PROPERTY PORTFOLIO

THE REGIONAL PORTFOLIO

46%
OF TOTAL PORTFOLIO

71%
OF NET RENTAL INCOME

95%
LET

Our regional portfolio contributed 71% of our net rental income from tenants in diverse sectors and geographical locations. The £568.8m regional portfolio comprises £210.5m of industrial/logistics (37% of the portfolio), £103.5m of offices (18%), £142.6m of retail comprising £76.9m of retail warehousing and £65.7m of in-town retail, mainly the Morgan Quarter, Cardiff (in aggregate 25%), £103.5m in our retirement village development programme (18%) and £8.7m of land (2%).

Our approach to regional investment is to acquire assets where occupational demand is robust throughout the property cycle and the barriers to new supply are high. Successfully picking the sectors and assets with these attributes will ensure strong cash flows and rental growth. In general, yields for regional assets are higher than those in London and these assets are acquired to provide significant cash flow for the Group. We anticipate that income will become an increasingly important part of total returns as yield compression slows and, as such, we focus our attention on areas where we believe the occupational market remains robust.

CHURCHGATE AND LEE HOUSE, MANCHESTER

HELICAL'S PROPERTY PORTFOLIO
THE REGIONAL PORTFOLIO

ST VINCENT STREET, GLASGOW
Office development

PORTBURY, BRISTOL
Industrial/logistics

CHURCHGATE & LEE HOUSE, MANCHESTER
Offices

THE GLASHAUS, COBHAM
Offices

WIENERBERGER HOUSE, CHEADLE
Offices

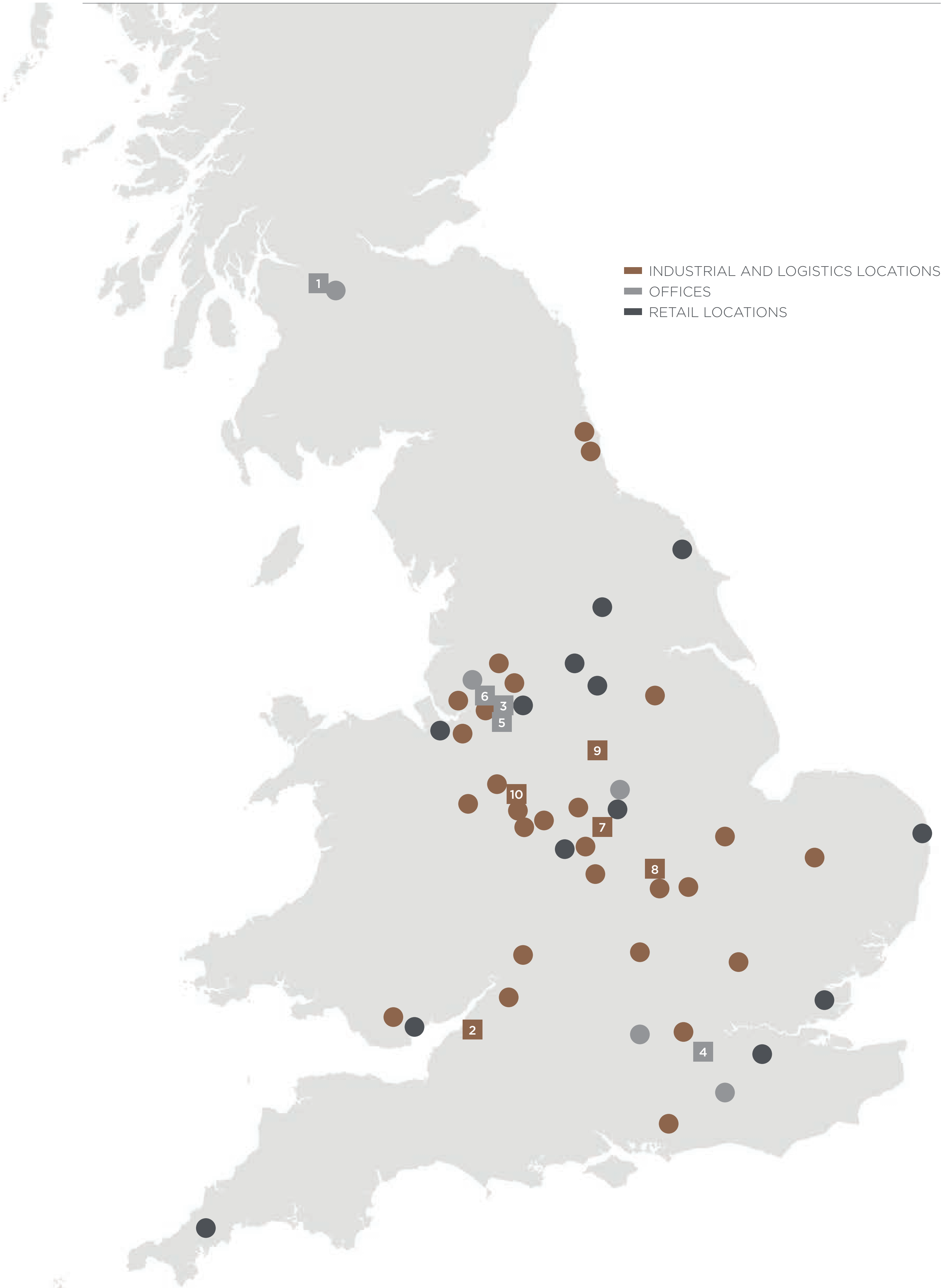
DALE HOUSE, MANCHESTER
Offices

JACKNELL ROAD, HINCKLEY
Industrial/logistics

CROW LANE, NORTHAMPTON
Industrial/logistics

COTES WAY, ALFRETON
Industrial/logistics

OPAL WAY, STONE
Industrial/logistics


INDUSTRIAL AND LOGISTICS LOCATIONS
OFFICES
RETAIL LOCATIONS
1
2
3
4
5
6
7
8
9
10

HELICAL'S PROPERTY PORTFOLIO

THE REGIONAL PORTFOLIO

REGIONAL OFFICES

Our regional office investment portfolio comprises nine assets valued at £102.5m, with over 60% of value in Manchester. Other assets are located in Crawley, Glasgow, Reading, Cobham, Castle Donington and Cheadle. During the year we sold three assets for £11.2m, a 16% premium to book value.

We now have three offices in Manchester having acquired Fountain Court, 31 Booth Street earlier this year. Manchester is a city with a diverse, thriving and growing economy and is widely regarded as England's second city and the centre of the "Northern Powerhouse".

CHURCHGATE & LEE HOUSE,
MANCHESTER

Helical acquired Churchgate and Lee House, two interlinked office buildings comprising 248,000 sq ft of offices, in March 2014. We have refurbished the reception, café and a number of office floors and continue to reposition the asset as floors become vacant. We have concluded 14,000 sq ft of new lettings in the year, including letting a refurbished second floor Churchgate suite at £16.50 psf, with a further 19,300 sq ft since year end. The building is now 92% occupied.

ST VINCENT STREET,
GLASGOW

In partnership with local development partner, Dawn Developments Ltd, Helical is the development manager for the construction of the new headquarters building for Scottish Power at St Vincent Street, Glasgow. The completed building will comprise c. 220,000 sq ft of prime office space in the heart of the City's commercial district. Funded by M&G Investments, the scheme is under construction and all works, including Scottish Power's fit out, are due to be completed by Autumn 2016. As part of the overall deal, Helical took on three existing Scottish Power sites which were surplus to requirements. We have received planning permission for a change of use of the grounds of Cathcart House to 158 residential units and are in discussions with a number of parties in relation to a sale. At Yoker, we have exchanged contracts, subject to planning, with a supermarket operator to sell the site, and we sold the site at Falkirk during the year.

HELICAL'S PROPERTY PORTFOLIO
THE REGIONAL PORTFOLIO
REGIONAL OFFICES AND INDUSTRIAL/LOGISTICS

DALE HOUSE
MANCHESTER

Dale House is a 42,000 sq ft office building situated in the Northern Quarter of Manchester. It is 85% let to a number of tenants with an average rent of £12.00 psf and was acquired in March 2015 for £7.4m. The property is a long term hold with plans to refurbish the building over time and move rents upwards as the location improves.

FOUNTAIN COURT
31 BOOTH STREET, MANCHESTER

This vacant office located in the prime city core was acquired in January 2016 for £4.7m. Refurbishment of this 25,349 sq ft building is underway and we anticipate having it available to let before the end of 2016.

REGIONAL INDUSTRIAL/ LOGISTICS

Helical has 36 distribution and light industrial units located around major UK transport networks, a net increase of five units with 13 acquisitions (£89m) being offset by sales of eight units with (£28m) at a small premium to book value. These units generally have few bespoke features making them straightforward to re-let if vacancies occur with minimal capital expenditure required. The majority of the assets are single let. Significant assets within the portfolio include a 256,000 sq ft distribution warehouse let to Sainsbury's in Yate, Bristol, a 203,000 sq ft facility in Leighton Buzzard, Bedfordshire, a 210,000 sq ft distribution warehouse in Northampton and a 183,000 sq ft distribution warehouse let to the Royal Mail in Chester.

HELICAL'S PROPERTY PORTFOLIO

THE REGIONAL PORTFOLIO

RETAIL

Our retail assets total £142.6m, 11.5% of our portfolio (31 March 2015: £171.7m). This part of the portfolio includes a prime retail asset in Cardiff, eight retail parks (one of which has been sold since the year end), one retail unit and a number of pre let and/or prefunded retail developments.

The retail market is undergoing major structural changes with high profile companies going into administration. There is a continued migration of customers and retailers to prime centres where the leisure offer and quality of environment are a big driver of footfall which is benefitting our most substantial retail holding in Cardiff.

During the year, five retail properties were sold for a total of £27.0m. At the year end the portfolio consisted of assets in Cardiff, Ellesmere Port, Great Yarmouth, Harrogate, Huddersfield, Leicester, Scarborough, Sevenoaks, Southend and Stockport. Harrogate has been sold since the year end at its book value.

THE MORGAN QUARTER AND ROYAL ARCADES, CARDIFF

Tenant demand for the property is strong and rents are steadily increasing. The creative quarter office refurbishment is now largely complete generating £116,000 of rent from previously unusable space, with a further c. £80,000 of rent to follow as the remainder of the new space is let.

The Morgan Quarter was originally purchased in 2005 and comprised the David Morgan Department Store and two Victorian Arcades. The main ground floor retail units fronting The Hayes, a prime fashion pitch in Cardiff, have been completely reconfigured and they are now let to tenants such as White Stuff, Urban Outfitters, Molton Brown, Jack Wills and Fred Perry.

HELICAL'S PROPERTY PORTFOLIO
THE REGIONAL PORTFOLIO
RETAIL

PARKGATE
SHIRLEY, WEST MIDLANDS

The shopping centre at Parkgate, Shirley, where Helical has a 50% interest, was completed in 2014 and the 80,000 sq ft Asda, which had been pre-sold to the food-store, together with a number of other retailers have all opened successfully for trade. The space beyond the food-store is let to occupiers such as B&M, Peacocks, Poundland, Pizza Express, JD Wetherspoon, Prezzo, Shoe Zone and Shirley Library.

A second phase of high density residential is being progressed on a 10 acre site opposite the Parkgate scheme. Terms have been agreed with a care home provider, a residential developer and a supermarket operator for a petrol filling station. Planning consent has been achieved subject to a S106 Agreement.

TRURO
Helical has entered into a Conditional Purchase Agreement on the six acre Truro City Football Club site which has planning consent, subject to a S106 Agreement, for a 78,000 sq ft non-food retail park. The scheme proposals provide for the relocation of the football club and we anticipate starting on site in summer 2017.

CORTONWOOD
This 79,750 sq ft retail park has been 95% pre-let to tenants including Outfit, H&M, New Look, River Island and Marks and Spencer. The scheme has been forward funded with clients of Aberdeen Asset Management and construction on site has started with completion due in June 2017.

POLAND
During the year, we completed the sale of our 50% share in the 720,000 sq ft retail development at Europa Centralna, Gliwice, Poland, to our joint venture partners, clients of Standard Life, in accordance with a pre-arranged contractual exit two years post completion of the scheme. The sale, at book value, reduced gross property assets by £41m and reduced net debt by £26m. In July 2015, we also completed the sale of our 103,000 sq ft retail development at Wroclaw, Poland at €17m, a small premium to book value. The sale of these two assets completed the exit of our joint venture in Poland.

HELICAL'S PROPERTY PORTFOLIO

THE REGIONAL PORTFOLIO

RETIREMENT VILLAGES

Our retirement village portfolio consists of four villages. We design each of the villages with an active, independent retirement in mind and the communities that we create are the ideal place to live a social and varied lifestyle. Each private, age-exclusive retirement community is centred around a residents' clubhouse, and feature many amenities including an indoor pool and gym, landscaped gardens, bar, restaurant and library. With an increasing UK population over 65 years old, and a severe under supply in retirement housing, this sector creates significant opportunities for investors and developers. This year has seen us bring the management of this portfolio entirely in house which has led to an increase in sales rates.

1 BRAMSHOTT PLACE

LIPHOOK, HAMPSHIRE

This village is situated amongst natural parkland near the village of Liphook on the border of Hampshire, West Sussex and Surrey. The village features a selection of two and three bedroom cottages and one, two and three bedroom apartments arranged around a residents' clubhouse. All 151 units in Phase 1-3 have been completed and sold. Phase 4 will commence in 2016 with the construction of 40 additional cottages. Enabling works have commenced on site with completion due in June 2018.

HELICAL'S PROPERTY PORTFOLIO
THE REGIONAL PORTFOLIO
RETIREMENT VILLAGES

2 DURRANTS VILLAGE
FAYGATE, WEST SUSSEX

Durrants Village is set within 30 acres of private parkland in the hamlet of Faygate, near Horsham in West Sussex. The village features a selection of cottages and apartments. Phase 2 of the construction completed in January 2016 with 105 units located around the residents' clubhouse. Phase 3 consists of an additional 50 units towards the front of the site and construction is due to commence in late 2016 with completion in early 2019. Sales are progressing at a good rate with 51 units sold and an additional 24 reserved.

3 MILLBROOK VILLAGE
EXETER, DEVON

Millbrook Village is nestled close to the river in the heart of the historic cathedral city of Exeter. The village features a selection of two and three bedroom cottages and one, two and three bedroom apartments. The site will comprise 164 units once completed. The clubhouse will include a restaurant and bar, games room, gym, cinema and a swimming pool. The build programme is well advanced with 43 units currently completed with more units becoming available for sale at regular three month intervals. We anticipate that the village will be fully constructed by early 2018. Contracts have been exchanged on 14 units with an additional 13 units reserved.

4 MAUDSLAY PARK
GREAT ALNE, WARWICKSHIRE

Maudslay Park is set in 90-acres of parkland in the Warwickshire village of Great Alne, near Stratford-upon-Avon. The village will comprise 150 units with a mixture of cottages and apartments built around the central clubhouse facility. Following the administration of our main contractor, progress was delayed last year. We have now appointed a new main contractor and we anticipate the first units will be available for sale at the start of 2017.

ASSET MANAGEMENT

£12.7m
INCREASE IN CONTRACTED RENTAL INCOME

ERV
£81.0m

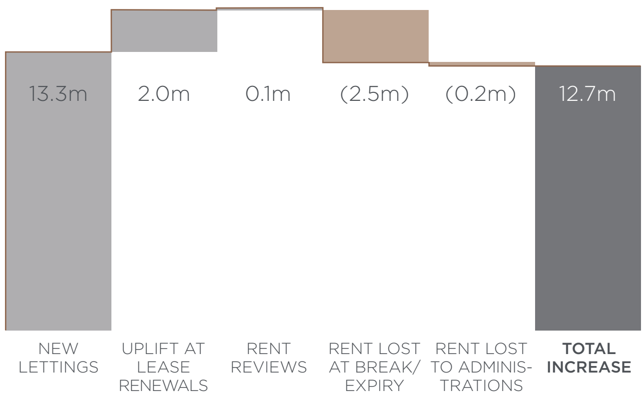
WEIGHTED AVERAGE UNEXPLAINED LEASE TERM
6.3years

Asset management is a critical component in driving Helical's performance. Through having intelligent business plans and by maximising the combined skills of our management team, we are able to create value in our assets without relying on market movements.

During the year contracted income increased by £12.7m as a result of new lettings and rent reviews, net of any losses from breaks and lease expiries (2015: £1.1m). With notable contributions from some regional assets, in particular Churchgate and Lee House in Manchester, the majority of these rental increases come from our London assets. The completion and letting of phase 1 at The Bower EC1 and C-Space EC1 contributed £10.5m of new lettings, while the renewal of the Endemol lease in the Shepherds Building W14 added a further £1.3m to the rent roll. The London portfolio remains highly reversionary and this value will continue to be unlocked through refurbishment and leasing activities.

There was significant activity within the investment portfolio with 165 lease events.

Contracted rent (£)



	Fair value weighting %	Passing rent £m	%	Contracted rent £m	%	ERV £m	%	ERV change since March 2015 %
London offices	49.3	11.2	26.7	23.6	42.1	45.4	56.0	7.6
London residential	4.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total London	**54.1**	**11.2**	**26.7**	**23.6**	**42.1**	**45.4**	**56.0**	**7.6**
Regional offices	8.4	6.5	15.6	7.0	12.6	8.8	10.9	2.8
Regional industrial/logistics	17.0	15.0	35.7	15.9	28.3	16.7	20.6	1.1
Regional retail	11.5	9.2	22.0	9.5	17.0	10.1	12.5	3.5
Retirement villages	8.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Land	0.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Regional	**45.9**	**30.7**	**73.3**	**32.4**	**57.9**	**35.6**	**44.0**	**2.2**
TOTAL	**100.0**	**41.9**	**100.0**	**56.0**	**100.0**	**81.0**	**100.0**	**4.4**

THE MORGAN ARCADE, CARDIFF

ASSET MANAGEMENT

CAPITAL EXPENDITURE

We have a planned development and refurbishment programme to drive the rental value and secure the future of our assets.

Property	Capex Budget (Helical Share) £m	Remaining spend (Helical share) £m	Current total space sq ft	Refurbished space sq ft	New space sq ft	Completion date
207 Old Street, London EC1	91.0	85.0	114,000	114,000	65,000	Mar 2018
Barts Square, London EC1	88.7	76.8	-	-	236,000	Mar 2019
One Creechurch Place, London EC1	9.7	2.6	-	-	273,000	Sept 2016
King Street, London W6	55.0	55.0	-	-	300,000	Dec 2021
Charterhouse Square, London EC1	15.0	13.0	34,000	34,000	9,600	Mar 2017
Drury Lane, London WC2	75.0	74.0	-	-	80,000	Jun 2019
The Loom, London EC1	10.0	2.0	112,000	37,500	-	July 2016
Booth St, Manchester	2.3	2.0	25,500	25,500	-	Dec 2016

Retirement Villages

Property	Capex Budget £m	Remaining spend £m	Total number of units	Completed units	Under construction	Completion date
Millbrook Village, Exeter	40.1	19.2	164	29	88	Mar 2018
Durrants Village, Faygate	41.0	12.4	156	105	0	Feb 2019
Maudslay Park, Great Alne	57.5	49.9	150	5	0	Dec 2020
Bramshott Place, Liphook	15.9	15.6	40	0	0	Jun 2018
TOTAL	**154.5**	**97.1**	**510**	**139**	**88**	

PORTFOLIO YIELDS

	EPRA topped up NIY %	Reversionary %
London offices	2.50	6.14
Regional offices	5.92	7.48
Regional industrial/logistics	6.42	7.20
Regional retail	6.12	6.50
TOTAL	**3.97**	**6.60**

CAPITAL VALUES, VACANCY RATES AND UNEXPIRED LEASE TERMS

	Capital value psf £	Vacancy rate %	WAULT Years
London offices	656	19.3	7.1
London residential	n/a	n/a	n/a
Total London	**656**	**19.3**	**7.1**
Regional offices	197	6.5	5.6
Regional industrial/logistics	56	5.9	5.3
Regional retail	183	0.2	6.1
Total Regional	**93**	**5.0**	**5.6**
TOTAL	**180**	**7.1**	**6.3**

ASSET MANAGEMENT

VALUATION MOVEMENTS

	Val change inc capex, sales & purchases %	Val change inc capex, excl sales & purchases %	Investment portfolio weighting 2016 %	Investment portfolio weighting 2015 %
London offices	18.8	30.8	56.4	46.9
Total London	**18.8**	**30.8**	**56.4**	**46.9**
Regional offices	3.0	2.0	9.7	13.1
Regional industrial/logistics	1.1	2.8	20.0	18.5
Regional retail	(0.3)	0.0	12.8	20.1
Retirement villages	4.9	4.9	1.1	1.4
Total Regional	**1.1**	**1.2**	**43.6**	**53.1**
TOTAL	**11.1**	**14.9**	**100.0**	**100.0**

LEASE EXPIRIES OR TENANT BREAK OPTIONS

	Year to 2017	Year to 2018	Year to 2019	Year to 2020	Year to 2021
% of rent roll	5.4	11.1	11.3	9.3	3.9
Number of leases	88	95	79	32	22
Average rent per lease (£)	31,652	59,707	73,463	149,346	90,768

We have a strong rental income stream and a diverse tenant base, with the largest tenant in the portfolio accounting for only 7.1% of the rent roll. The top 10 tenants account for 30.4% of the total rent roll and the tenants come from a variety of industries.

Rank	Tenant	Tenant Industry	Rent £m	Rent Roll %
1	Endemol UK Ltd	Media	4.0	7.1
2	MullenLowe Ltd	Marketing Communications	2.6	4.6
3	Gopivotal (UK) Limited	Technology	2.0	3.6
4	Farfetch UK Ltd	Online Retail	1.9	3.4
5	DSG Retail Limited	Retail	1.3	2.3
6	Sainsbury's Supermarkets Ltd	Food retail	1.2	2.2
7	CBS Interactive Limited	Media	1.0	1.9
8	B&M Retail Limited	Retail	1.0	1.8
9	Allegis Group Limited	Recruitment	1.0	1.8
10	Economic Solutions Ltd	Employment and Skills Training	1.0	1.7
TOTAL			**17.0**	**30.4**

FINANCIAL REVIEW

PROFIT BEFORE TAX

£120m

EPRA EPS

17.1p

EPRA NAV

461p

CASH AND UNDRAWN BANK FACILITIES

£193m

AVERAGE DEBT MATURITY

4.5years

AVERAGE COST OF DEBT

4.2%

Helical aims to deliver market leading returns by committing to projects with the potential for substantial capital growth and by deploying limited equity into development situations which have the potential to be highly profitable.

Risks associated with our development programme are mitigated through limited equity exposure, options, forward funding, conditional contracts and joint ventures with major UK and global institutions. We have an active asset management programme for the investment portfolio with a clear strategy of increasing net operating income.

Our aim is to have a stable platform with all recurring operational and finance costs and dividends fully covered by revenue streams from our investment portfolio. Gearing is used on a tactical basis throughout the property cycle, being raised to accentuate property performance when property returns are judged to materially outperform the cost of debt and lowered when seeking to reduce exposure to the property cycle.

SEE-THROUGH ANALYSIS

Since 2010 Helical has held a significant proportion of its property assets in joint ventures with partners that provide the majority of the equity required to purchase the assets, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account under IFRS 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 stakeholders 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.

In this review and elsewhere in this statement, we have incorporated the separate components into a more detailed "see-through" analysis of our property portfolio and debt profile and the associated income streams and financing costs to assist in providing a more comprehensive overview of the Group's activities. This see-through analysis can be found in Appendix 1.

RESULTS FOR THE YEAR

For the third year running we are delighted to be able to report on excellent results with record pre-tax profits of £120m in the year to 31 March 2016 (2015: £87m). Continued rental growth, good development profits and strong valuation surpluses arose from of the implementation of our London development and asset management strategies.

The Group's real estate portfolio, including its share of assets held in joint venture, increased to £1,240m (2015: £1,021m) largely the result of acquiring the remaining 2/3rd share of The Bower, London EC1, plus substantial gains on sales and revaluation of the investment portfolio.

The continued expansion of the Group's activities has resulted in an increase in its loan to value to 55% (2015: 52%) and an increase in see-through net gearing to 140% (2015: 132%). The Group lengthened its borrowings profile, repaying short term facilities and extending existing secured loans. These actions enabled the Group to extend its overall debt maturity profile to 4.5 years (2015: 4.3 years) with a weighted average cost of debt marginally increasing to 4.2% (2015: 4.1%).

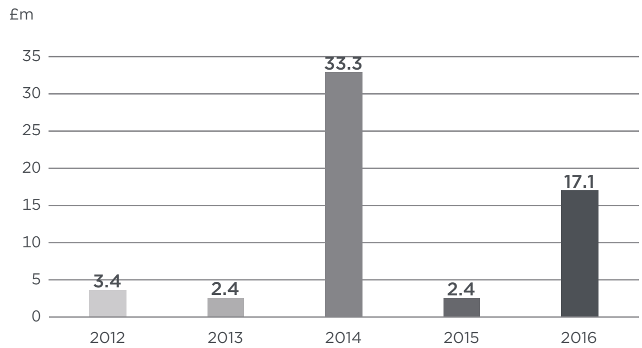
FINANCIAL REVIEW

At 31 March 2016, the Group had unutilised bank facilities of £106m and £87m of cash. These facilities are primarily available to fund phase 2 of the Group's redevelopment of The Bower, London EC1, its retirement village development programme and the phase 1 construction works at Barts Square, London EC1.

EPRA EARNINGS PER SHARE

EPRA earnings per share were 17.1p (2015: 2.4p), reflecting the Group's share of net rental income of £43.4m (2015: £38.6m) and development profits of £27.5m (2015: £17.6m) but excluding gains on sale and revaluation of investment properties of £99.7m (2015: £96.6m) and trading profits of £nil (2015: £2.5m).

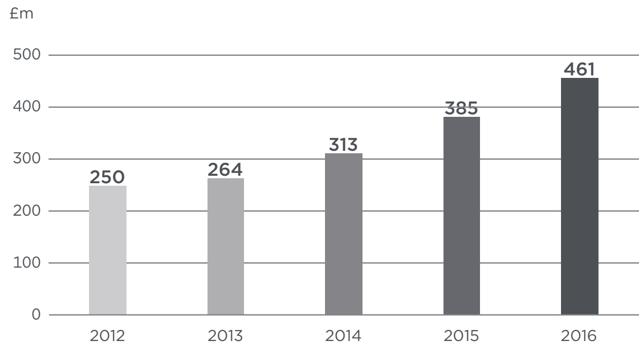
EPRA earnings per share



EPRA NET ASSET VALUE

EPRA net asset value per share increased by 19.7% to 461p per share (2015: 385p). This increase arose principally from a total comprehensive income (retained profits) of £110.3m (2015: £74.9m) less dividends paid of £14.4m (2015: £7.9m) and reflecting a reduction in the surplus on valuation of the trading and development stock to £19.4m (2015: £36.2m).

EPRA NAV per share

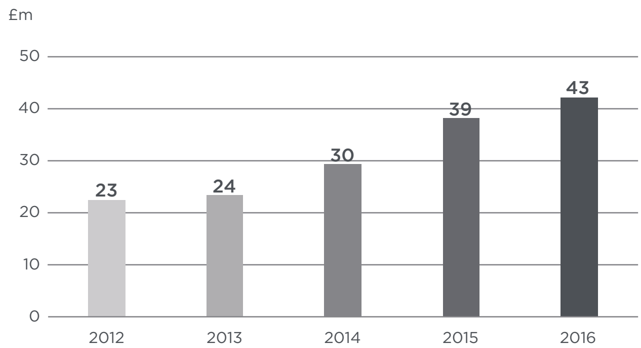


INCOME STATEMENT

RENTAL INCOME AND PROPERTY OVERHEADS

Gross rental income receivable by the Group in respect of wholly owned properties increased by 19% to £45.5m (2015: £38.3m) reflecting the growth in the investment portfolio and the partial capture of its reversionary potential. In the joint ventures, gross rents fell from £6.1m to £1.8m reflecting the sale of Clyde Shopping Centre in March 2015. Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures fell significantly from £5.4m to £3.4m reflecting the rotation out of management intensive secondary shopping centres to high yielding distribution warehouses, regional offices and out-of-town retail parks. After taking account of net rents payable to our profit share partners of £0.5m (2015: £0.3m), see-through net rents increased by 12.4% to £43.4m (2015: £38.6m).

Net rental income



DEVELOPMENT PROFITS

Developments profits increased by 56% from £17.6m to £27.5m on a see-through basis. The main contributor was in respect of the development management fees of £23.2m crystallised by the acquisition of The Bower, London EC1. We also received development management fees of £3.7m in respect of the development at the Scottish Power headquarters in Glasgow and at One Creechurch Place, London EC3. Our retirement village programme contributed £0.4m of profits. In our joint ventures we recognised £3.2m of development profit on our schemes at Leisure Plaza and Shirley. Set against these profits was a write-down of £0.9m against a site in Telford and £1.8m against our retail development programme.

SHARE OF RESULTS OF JOINT VENTURES

The results of the joint ventures include our share of The Bower, London EC1 until it was acquired and fully consolidated in January 2016; our development schemes at Barts Square, London EC1; One Creechurch Place, London EC3; Shirley Town Centre, West Midlands; Leisure Plaza and C.4.1, both Milton Keynes; and King Street, London W6. Detailed analysis of our share of these joint ventures is provided in note 19 to this report and in the see-through analysis in Appendix 1. In the year under review, net rents of £1.3m (2015: £4.4m) were received, offset by net finance costs of £3.7m (2015: £3.6m). Gains on the sale or revaluation of the investment assets of £43.9m (2015: £27.2m) arose primarily in respect of The Bower, London EC1 and Barts Square, London EC1. Net of taxes, our joint ventures contributed £50.5m (2015: £27.5m).

FINANCIAL REVIEW

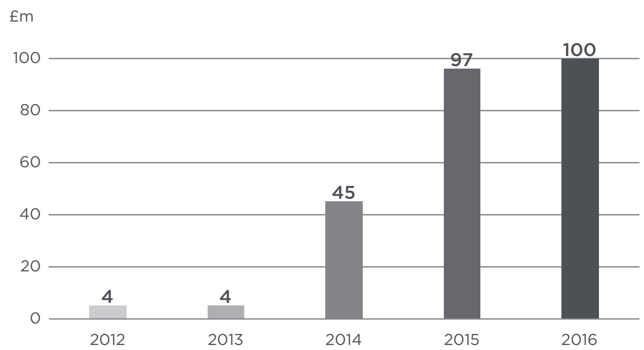
GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

During the year we sold two London assets, Enterprise House W2, a 45,000 sq ft office building let to Network Rail for 20 years and Artillery Lane E1, a 17,000 sq ft refurbished office building, for total gross proceeds of £57m, a small premium to book value. In the regions we sold eight industrial units, three offices and five retail assets, a total of 16 regional assets, for £67m at a small net premium to book value.

The valuation of our investment portfolio reflected our increased exposure to London offices where we generated an increase of 18.8% overall and 30.8% on a like-for-like basis. The regions contributed 1.1% overall and 1.2% on a like-for-like basis. In total, the investment portfolio showed a valuation increase of 11.1%, or 14.9% on a like-for-like basis.

The total impact on our financial statements of the gain on sale and revaluation of our investment portfolio was a net gain of £99.7m (2015: £96.6m).

Net gain on sale and revaluation of investment properties



ADMINISTRATION COSTS

Administration costs, before performance related awards, increased by 5% from £10.2m to £10.7m. This increase arose from employing a greater number of asset managers, development executives and in the finance team as the portfolio increased and we move through the delivery phase of the development programme.

Performance related share awards and bonus payments, before National Insurance costs, were £13.3m (2015: £13.4m). Of this amount, the £6.7m (2015: £6.4m) charge for share awards under the Performance Share Plans is expensed through the Income Statement but added back to Shareholders' Funds through the Statement of Changes in Equity. The £6.6m (2015: £6.9m) charge for bonus payments comprises £5.5m (2015: £5.8m) which will be paid in June 2016 and £1.1m (2015: £1.1.m) which will be paid in deferred shares to be held for a minimum of three years. In addition, National Insurance of £2.1m (2015: £3.0m) has been accrued in the year.

	2016 £000	2015 £000
Administration Costs	**10,717**	10,156
Share awards	**6,666**	6,432
Directors and senior executives' bonuses	**6,633**	6,920
NIC on share awards and bonuses	**2,087**	3,022
Total	**26,103**	26,530

FINANCE COSTS, FINANCE INCOME AND DERIVATIVE FINANCIAL INSTRUMENTS

Interest payable on secured bank loans including our share of loans on assets held in joint ventures, but before capitalised interest, increased to £20.2m (2015: £16.7m). Interest payable in respect of the unsecured Retail and Convertible Bonds was £8.8m (2015: £8.0m). The continued fall in medium and long term interest rate projections at 31 March 2016 contributed to a charge of £6.9m (2015: £8.4m) on the derivative financial instruments which have been valued on a mark to market basis. Capitalised interest increased from £3.6m to £4.9m as development schemes progressed. Other interest payable reduced to £3.7m from £6.3m (which includes £2.8m of costs incurred in issuing the Convertible Bond). Total finance costs increased from £27.3m to £27.8m. Finance income earned was £5.1m (2015: £2.5m).

TAXATION

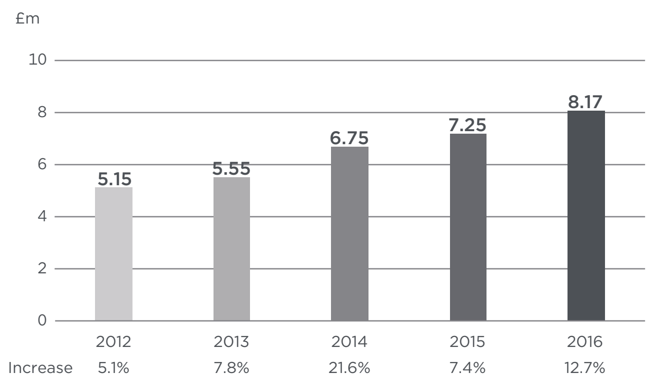
Helical pays corporation tax on its net rental income, trading and development profits and realised chargeable gains, after offset of administration and finance costs.

The deferred tax charge for the year is principally derived from the revaluation surpluses recognised in the year offset by the recognition of tax losses which the Group believes will be utilised against profits in the foreseeable future.

DIVIDENDS

Helical follows a progressive dividend policy increasing its dividends in line with its results, whilst retaining the majority of funds generated for investment in growing the business. The interim dividend paid on 30 December 2015 of 2.30p was an increase of 9.5% on the previous interim dividend of 2.10p. On 4 April 2016, the Company paid a second interim of 5.15p and together with the final dividend of 0.72p payable on 29 July 2016, this is an increase of 14.0% on the previous year (2015: 5.15p). In total, the dividend paid or payable in respect of the results for the year to 31 March 2016 is 8.17p (2015: 7.25p), an increase of 12.7%. Since 2013 the compound annual growth rate of the Company's dividends has been 13.8%.

Pence per share



FINANCIAL REVIEW

BALANCE SHEET

INVESTMENT PORTFOLIO

Sales of £55m of London assets and £64m of regional assets provided funds, net of loan repayments, for £377m of acquisitions. Included in these acquisitions was the purchase of The Bower EC1, from the joint venture with Crosstree, where the existing cash equity and share of profits to date remained invested in the scheme. The acquisition was funded through new bank finance of £200m, of which £149.5m was drawn down to complete the purchase with the remaining facility available to fund the redevelopment of The Tower at 207 Old Street EC1. Revaluation surpluses of £53.5m (£0.3m attributable to our profit share partners) and £2.3m in our joint ventures contributed to an increase in the overall size of the investment portfolio on a see-through basis to £1,053m (2015: £790m).

	Wholly owned £000	In joint venture £000	See-through £000
Valuation at 31 March 2015	701,521	88,305	789,826
Acquisitions	376,899	-	376,899
Capital Expenditure	28,234	16,260	44,494
Disposals	(119,385)	(96,687)	(216,072)
Transfer from stock	-	1,358	1,358
Revaluation Surplus - Helical	53,508	2,316	55,824
- Profit Share Partners	323	-	323
Valuation at 31 March 2016	**1,041,100**	**11,552**	**1,052,652**

DEBT AND FINANCIAL RISK

In seeking to finance Helical's recent expansion, the Group has used a combination of new secured facilities, whose purpose and terms reflect the nature of the assets charged to the lenders, and unsecured bonds which have provided the firepower to acquire many of the assets which have contributed to the recent growth in shareholders' funds. The composition of the Group's debt structure has significantly changed since 31 March 2014 with unsecured debt now representing 23% of debt drawn at 31 March 2016.

In total, Helical's outstanding debt at 31 March 2016 of £778m (2015: £675m) had an average maturity of 4.5 years (2015: 4.3 years) and a weighted interest cost of 4.2% (2015: 4.1%).

Debt profile at 31 March 2016 – excluding the effect of arrangement fees

	Total facility £000's	Total utilised £000's	Available facility £000's	Net LTV %	Weighted average interest rate %	Average maturity Years
Investment facilities	568,635	509,331	59,304	-	3.8	5.0
Development facilities	65,000	50,501	14,499	-	5.5	4.0
Total wholly owned	**633,635**	**559,832**	**73,803**	**-**	**4.0**	**4.8**
In joint ventures	58,035	35,302	22,733	-	3.4	3.7
Total secured debt	**691,670**	**595,134**	**96,536**	**40.2**	**3.9**	**4.7**
Retail Bond	80,000	80,000	-	-	6.0	4.2
Convertible Bond	100,000	100,000	-	-	4.0	3.2
Working capital	10,000	-	10,000	-	-	-
Fair Value of Convertible Bond	2,747	2,747	-	-	-	
Total unsecured debt	**192,747**	**182,747**	**10,000**	**-**	**4.9**	**3.7**
Total debt	**884,417**	**777,881**	**106,536**	**55.0**	**4.2**	**4.5**

FINANCIAL REVIEW

SECURED DEBT

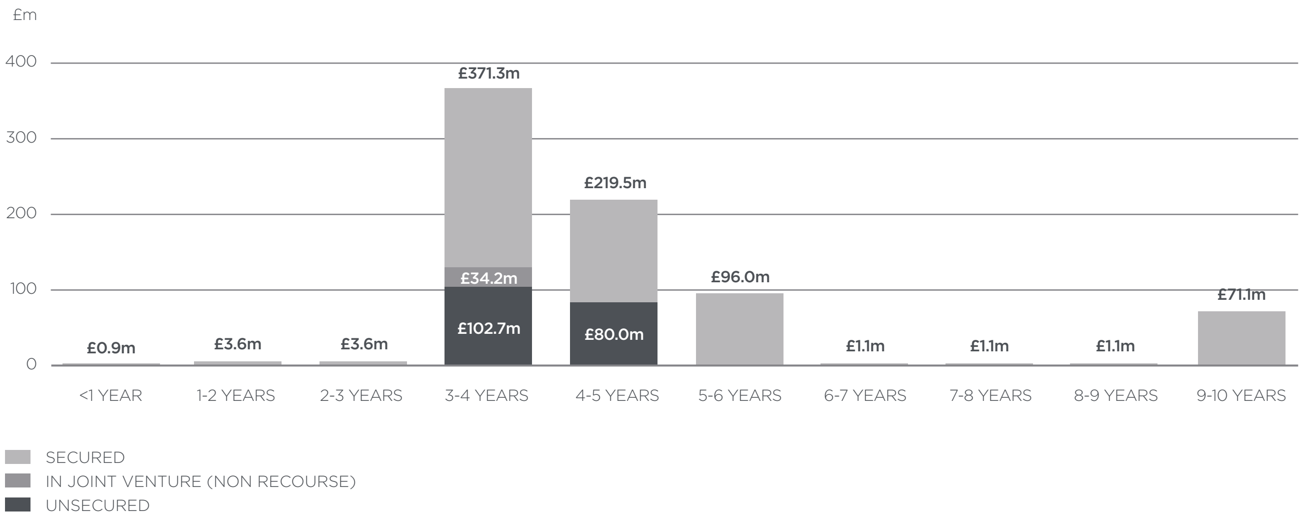
The Group arranges its secured investment and development facilities to suit its business needs as follows:

- **Investment facilities**
  We have £190m of revolving credit facilities which enable the group to acquire, refurbish, reposition and hold significant parts of our investment portfolio. We have used these facilities to finance our regional portfolio. Our London investment assets are primarily held in £380m of term loan secured facilities which, where appropriate, allow us to finance refurbishment projects. The value of the Group's properties secured in these facilities at 31 March 2016 was £945m (2015: £639m) with a corresponding loan to value of 54% (2015: 58%). The average maturity of the Group's investment facilities at 31 March 2016 was 5.0 years (2015: 4.6 years) with a weighted average interest rate of 3.8% (2015: 3.7%).
- **Development facilities**
  These facilities finance the redevelopment of The Tower at The Bower, Old Street, London EC1 and the construction of the retirement villages at Durrants Village, Horsham; Maudslay Park, Great Alne; and Milbrook Village, Exeter. The average maturity of the Group's development facilities at 31 March 2016 was 4.0 years (2015: 2.0 years) with a weighted average interest rate of 5. 5% (2015: 3.7%).
- **Joint venture facilities**
  We hold a number of investment and development properties in joint venture with third parties and include in our reported figures 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 2016 was 3.7 years (2015: 3.0 years) with a weighted average interest rate of 3.4% (2015: 4.5%).

UNSECURED DEBT

The Group's unsecured debt, including the Convertible Bond at its mark to market valuation, is £182.7m (2015: £183.9m) as follows:

- **Retail Bond**
  In June 2013, the Group raised £80m from the issue of an unsecured Retail Bond with a 6.00% coupon. This bond is repayable in June 2020.
- **Convertible Bond**
  In June 2014, the Group raised £100m from the issue of a listed unsecured Convertible Bond with a 4.0% coupon, repayable in June 2019, or, subject to certain conditions, convertible at the option of the bond holders into ordinary shares, unless a cash settlement option is exercised by the Company. The initial conversion price has been set at £4.9694 per share, representing a 35% premium above the price on the day of the issue and a premium of 59% above the Company's EPRA net asset value per share at 31 March 2014. The value of the Bond at 31 March 2016, as determined by the listed market price, was £102.7m (2015: £103.3m).
- **Short term working capital facilities**
  These facilities provide access to additional working capital for the Group.



FINANCIAL REVIEW

CASH AND CASH FLOW

At 31 March 2016, the Group had £193m (2015: £229m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures as well as £153m (2015: £131m) 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 £674.6m to £777.9m during the year to 31 March 2016. After deducting cash balances of £86.8m (2015: £136.3m) and unamortised refinancing costs of £9.3m (2015: £6.4m), net borrowings increased from £531.9m to £681.8m. The gearing of the Group, including in joint ventures, increased from 132% to 140%. Including EPRA adjustments to IFRS shareholders' funds, the see-through net asset value gearing increases from 113% to 125%. This gearing measure, the ratio of see-through net borrowings to EPRA net asset value, represents a longer term view of gearing than the standard measure.

	2016	2015
See-through gross borrowings	£777.9m	£674.6m
See-through cash balances	£86.8m	£136.3m
Unamortised refinancing costs	£9.3m	£6.4m
See-through net borrowings	£681.8m	£531.9m
Shareholders' funds	£486.2m	£404.3m
EPRA shareholders' funds	£546.8m	£469.1m
See-through gearing - IFRS	140%	132%
See-through gearing - EPRA	125%	113%

HEDGING

At 31 March 2016, the Group had £635.5m (2015: £500.2m) of fixed rate debt with an average effective interest rate of 4.2% (2015: 4.4%) and £107.1m (2015: £103.4m) of floating rate debt with an average effective interest rate of 3.9% (2015: 2.8%). In addition, the Group has £157m of interest rate caps at an average of 4.0% (2015: £143.2m at 4.0%), all of which expire within 12 months. In our joint ventures, the Group's share of fixed rate debt was £nil (2015: £23.3m) with an effective rate of nil% (2015: 6.8%) and £35.3m (2015: £47.9m) of floating rate debt with an effective rate of 3.4% (2015: 3.3%).

	2016 £m	%	2015 £m	%
Fixed rate debt				
- Secured borrowings	452.8	3.9	316.9	4.1
- Retail Bond	80.0	6.0	80.0	6.0
- Convertible Bond	100.0	4.0	100.0	4.0
- Fair value of Convertible Bond	2.7	-	3.3	-
Total	635.5	4.2	500.2	4.4
Floating rate debt				
- Secured	107.1	3.9	103.4	2.8
Total	742.6	4.2	603.6	4.1
In joint ventures				
- Fixed rate	-	-	23.3	6.8
- Floating rate	35.3	3.4	47.9	3.3
Total borrowings	777.9	4.2	674.8	4.2

INTEREST COVER

In assessing the results of the Group for each financial year, Helical considers its interest cover as a measure of its performance and its ability to finance its annual interest payments from its net operating income, before revaluation gains or losses on the investment portfolio and net realisable provisions on the trading and development stock. In the year to 31 March 2016, this interest cover was 5.4 times (2015: 2.5 times).

	2016	2015
See-through net operating income	£121.3m	£62.7m
See-through net finance costs	£22.6m	£24.8m
Interest cover	5.4x	2.5x

Tim Murphy
Finance Director

15 June 2016

VIEW LOOKING SOUTH FROM ONE CREECHURCH PLACE, LONDON EC3

PRINCIPAL RISKS REVIEW

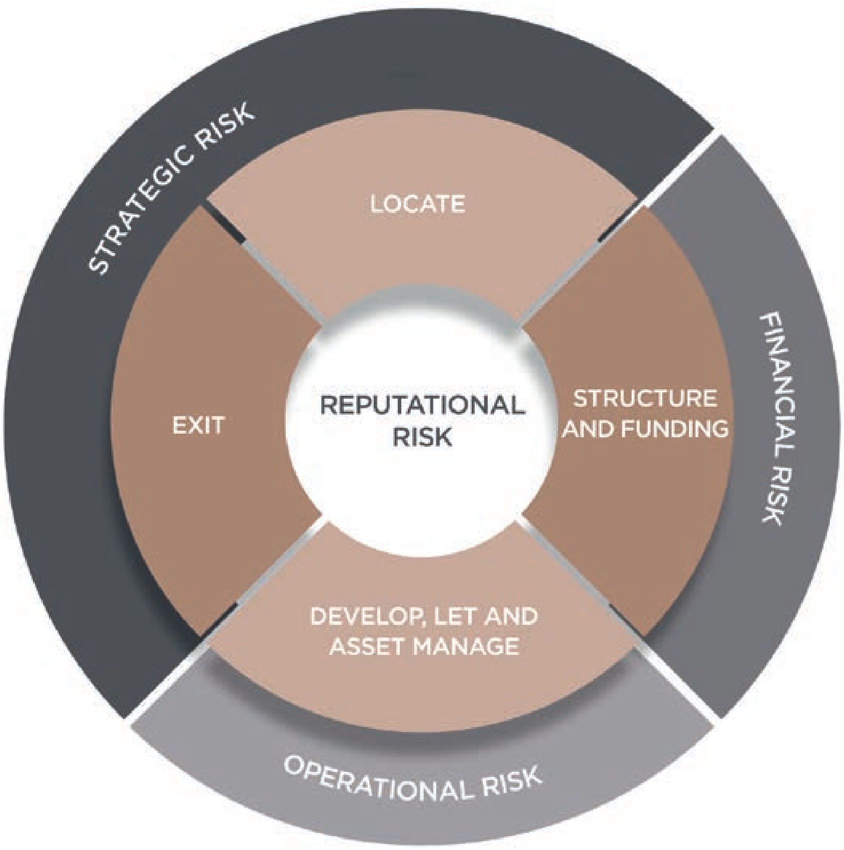
Risk is an integral part of any group's business activities and Helical's ability to identify, assess, monitor and manage each risk to which it is exposed is fundamental to its financial stability, current and future financial performance and reputation. As well as seeing changes in our internal and external environment as potential risks, we also see them as being opportunities which can drive performance.

Risk management starts at Board level where the Directors set the overall risk appetite of the Group and the risk management strategies. Helical's management runs the business within these guidelines and part of its role is to act within these strategies and to report to the Board on how they are being operated.

The Group's risk appetite and risk management strategies are continually assessed by the Board to ensure that they are appropriate and consistent with the Group's overall strategy and with external market conditions. The effectiveness of the Group's risk management strategy is reviewed every six months by the Audit Committee and by the full Board.

The Board has ultimate responsibility for risk within the business. However, the small size of our team and our flat management structure allows the Executive Directors to have close contact with all aspects of the business and allows us to ensure that the identification and management of risks and opportunities is part of the mindset of all decision makers at Helical.

The principal risks faced by the Group, and the steps taken by the Group to mitigate these risks, are as follows:



PRINCIPAL RISKS REVIEW

STRATEGIC RISKS

Strategic risks are external risks that could prevent the Group delivering its strategy. These risks principally impact our decision to purchase or exit from a property asset.

Risk	Risk description	Mitigation/action
The Group's strategy is inconsistent with the market.	Changing market conditions could hinder the Group's ability to buy and sell properties envisioned in its strategy. The location, size and mix of properties in the Helical 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 is greater. The Group carries out significant development projects over several years and is therefore exposed to fluctuations in the market over time.	Management constantly monitors the market and makes changes to the Group's strategy in light of market shifts. The Group's management is highly experienced and has a good track record of calling the property market. Due to the Group's small management team, changes in strategy can be implemented quickly. Management carefully reviews the risk profile of individual developments and builds properties in several phases to minimise the exposure to reduced demand for particular asset classes or geographical locations over time. The Group limits the number of speculative developments it does on its own balance sheet.
Property values decline/reduced tenant demand for space.	The property portfolio is at risk of revaluation falls through changes in market conditions, including under-performing sectors or locations and lack of tenant demand.	The Group's property portfolio is diverse in asset type, location and tenant industries, reducing over-exposure to one sector. 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 for the changing market.
Political risk	There is a risk that regulatory and tax changes could adversely affect the market in which the Group operates and changes in legislation could lead to delays in receiving planning permission.	Management seeks advice from experts to ensure continued monitoring of upcoming regulatory and tax changes and to understand the potential impact on the Group. It maintains good relationships with planning consultants and local authorities.

FINANCIAL RISKS

Financial risks are those that could prevent the Group from funding its chosen strategy, both in the long and short term.

Risk	Risk description	Mitigation/action
Availability of bank borrowing and cash resources	The inability to roll over existing facilities or take out new borrowing would impact on 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 opportunities as they arise.	The Group maintains a good relationship with many established lending institutions and borrowings are spread across a number of these. Funding requirements are regularly reviewed by management, who 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.
Breach of loan and bond covenants	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 analysis to assess the likelihood of future breaches based on significant changes in property values or rental income.
Increase in cost of borrowing	The Group is at risk of increased interest rates on unhedged borrowings.	The Group hedges the interest rates on the majority of its borrowings, effectively fixing the rates over several years.

PRINCIPAL RISKS REVIEW

OPERATIONAL RISKS

Operational risks are internal risks that could prevent the Group from delivering its strategy.

Risk	Risk description	Mitigation/action
Employment and retention of key personnel	The Group's continued success is reliant on its management and staff and successful relationships with its joint venture partners.	The senior management team is very experienced and the average length of service is high. The Nominations Committee and Board regularly review succession planning issues and remuneration is set to attract and retain high calibre staff. The Group has well established relationships with joint venture partners.
Inability to asset manage, develop and let property assets	The Group relies on external parties when asset managing, developing and letting its properties, including planning consultants, contractors, architects, project managers, marketing agencies, lawyers and managing agents.	The Group has a highly experienced team managing its properties. It seeks to maintain excellent relationships with its specialist professional advisors. Management actively monitors these parties to ensure they are delivering the required quality on time.
Health and safety / Bribery and corruption risk	The nature of the Group's operations and markets expose it to potential health and safety and bribery and corruption risks.	The Group updates its Health and Safety policy annually, which is approved by the Board. The Group engages an external health and safety consultant to review contractor contracts prior to appointment to ensure they have appropriate policies and procedures in place, then monitors the adherence to policies throughout the project. The Executive Committee reviews the report by the external consultant every month and the Board reviews them at every meeting. The internal asset managers carry out regular site visits. The Group's Anti-bribery policy is updated annually and projects with greater exposure to bribery and corruption are monitored closely. The Group avoids doing business in high risk territories.

REPUTATIONAL RISKS

Reputational risks are those that could affect the Group in all aspects of its strategy.

Risk	Risk description	Mitigation/action
Poor management of stakeholder relations	The Group risks suffering from 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.	The Group believes that by successfully delivering its strategy and mitigating its strategic, financial and operational risks its strong reputation will be protected. 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.

PRINCIPAL RISKS REVIEW

VIABILITY STATEMENT

The Directors have assessed the viability of the Group for a period of five years to March 2021, being the period for which the Board regularly reviews forecasts and which encompasses the lifetime of the Group's major development projects. The Board does consider the future performance of the Group beyond the five years but a longer timeframe involves less certainty over the forecasting assumptions.

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 reviews the principal risks of the Group twice a year, reassessing the severity of each risk and determining the Group's proposed response;
- The five year forecasts for the Group are updated and reviewed by the Board on a quarterly basis; and
- Management reviews the short term (three-four months) cash requirements of the Group on a weekly basis and cash balances and movements are monitored daily.

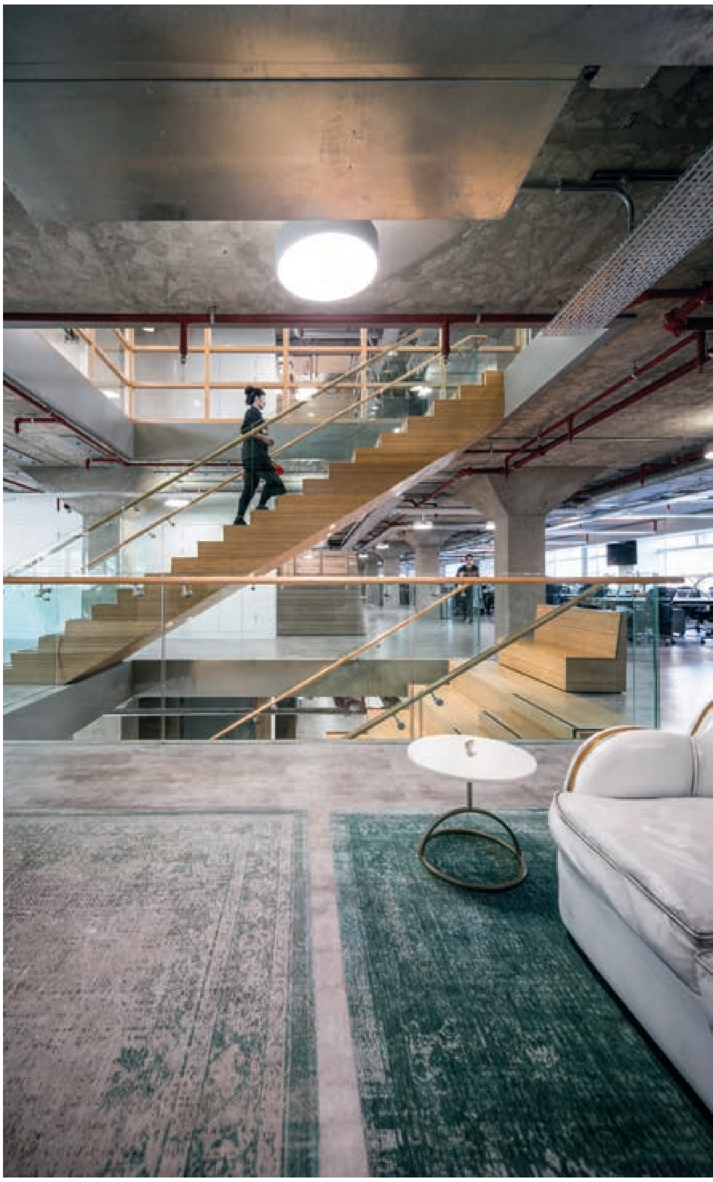
In making their assessment, the Board considers the principle risks and then assesses the potential impacts in severe, but plausible, downside scenarios together with the likely effectiveness of mitigating actions that the Group would have at its disposal.

The most relevant risks and the potential impact of them on the viability of the Group are considered to be:

- A significant reduction in the fair value of the Group's property portfolio, which could result in the Group breaching loan covenants and being required to repay a proportion of borrowings;
- A lack of demand from tenants as the Group's development properties near practical completion, which could reduce the Group's levels of rental income and profitability; and
- An inability to maintain sufficient levels of rental income, which could present a short term liquidity risk for the Group.

The Group subjected the five year cashflow forecasts to sensitivity analysis in which it assessed the impact of significant reductions to the property portfolio fair value and associated rental income on the Group's loan covenants. Management also modelled the rental income profile of the Group, taking into account expected changes to leases and contracted rents, comparing expected income over a five year period with the loan covenant requirements in order to determine points of potential pressure.

Based on the outcomes of the procedures outlined above and other matters considered by the Board, it has 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 of their assessment.



TOP **CREATIVE QUARTER**, CARDIFF
MIDDLE **THE BOWER**, OLD STREET, LONDON EC1
BOTTOM **ONE BARTHOLOMEW CLOSE**, LONDON EC1

CORPORATE RESPONSIBILITY

Helical implements responsible environmental and social practices across its direct business, via partners, contractors and suppliers and through its joint venture activities.

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

MANAGING CORPORATE RESPONSIBILITY

Each year Helical reviews and updates its environmental management system, which has been in place since 2003. The environmental management system, which is available on the Company website, is embedded within the operations of Helical. Key elements of the system include:

- 'Environment' and 'Corporate Responsibility' policies which set out the Group's high-level commitment across a number of impact areas. These are reviewed annually at Board level and are implemented by the senior management team;
- Annual (and ongoing) performance targets to enable Helical to focus its efforts throughout the year on measurable, yet achievable, performance goals. This year Helical has continued to report on energy and water consumption at the larger managed multi-let assets, and measured performance against quantitative targets set in 2015. In addition, the proportion of waste recycled has been measured at managed assets and Group owned developments projects;
- Key Performance Indicators (KPIs) to help Helical monitor progress towards these targets and to ensure they are able to report in line with investor disclosure requirements, notably FTSE4Good. It should be acknowledged that the particular business model of the buying and selling of assets means that absolute performance measures can be difficult to compare year on year, hence this year the reporting against selected intensity (resource consumption) and like for like KPIs is being used;
- Checklists to assist in applying minimum sustainability requirements across its development activities. Helical has developed a sustainability project management checklist to ensure that sustainability issues are incorporated into all decisions throughout the development lifecycle. In addition, an Environmental Impact Checklist is issued to individual contractors in order to address corporate goals at the construction stage; and
- Effective use of internal audit and review through quarterly meetings of key Helical personnel, external corporate responsibility advisors and principal managing agents to ensure effective delivery of the objectives and targets.

The management system has been designed specifically to reflect the flexibility of Helical's business model. It also reflects the key role that Helical's partners play in delivering enhanced sustainability outcomes in all its business ventures, be they developments/refurbishments or in the management of individual multi-let assets.

REVIEW OF PROGRESS IN THE YEAR TO 31 MARCH 2016

The benefits of managing environmental and social impacts include increased ability to secure planning consent, improved marketability of assets to prospective tenants, reduced operating costs of assets, mitigating the risk of future legislation and regulation, and enhanced corporate reputation. We outline below the progress in relation to each of Helical's Corporate Responsibility impact areas.

ENVIRONMENT

The Group's corporate commitments to environmental issues are outlined in the Group's Environmental Policy which can be found on the Company website. The policy details Helical's commitments across a range of impact areas and its development and property management activities. The Group set itself a number of targets to guide its Corporate Responsibility. These targets address a range of impacts arising from development and property management activities, including resource use and waste production, pollution, biodiversity, timber sourcing, tenant engagement, flood risk and sustainable design and construction. A full list of these targets can be found on the Group website. The performance against the key targets is summarised below:

- Previously, year on year improvement targets have been reported for the Head Office. Following the relocation of the Head Office to 5 Hanover Square in August 2014, year on year data has been collated for energy. However, as the office is a serviced let property, waste and water consumption data are not available going forward;
- The Group's managed multi-let offices continue to improve energy and water efficiency through the implementation of low and no cost measures. The specific target for 2016 was to achieve a 2% improvement against the 2015 baseline. For this year, only those properties that can be compared on a like – for- like have been included: The Hub, Glasgow, Shepherds Building, London W14 and Churchgate and Lee House, Manchester. The Loom, London E1 and The Morgan Quarter, Cardiff, data cannot be compared year on year due to partial refurbishment taking place during 2015;
- Of those that can be compared, Shepherds Building, London W14 has shown a drop in energy consumption of 18%, although this can be partially attributed to the closure of the café for part of the year. Water consumption increased by 6% with the addition of new showers in the common parts. The Hub, Glasgow has shown a small decrease in electricity consumption and a 5% decrease in water consumption but a 22% increase in gas consumption attributable to boiler down time in the prior year. Churchgate and Lee House, Manchester is difficult to assess in terms of year on year performance as there have been a number of issues with metering resulting in a large increase in electricity consumption. Gas consumption, however, has shown a 17% reduction;
- The Group's retail portfolio has been reduced over the year with only The Morgan Quarter, Cardiff and Parkgate, Shirley retained to enable year on year comparison. Of these, The Morgan Quarter, Cardiff has shown a 13% decrease in electricity consumption through implementing a successful awareness raising programme for staff regarding the role they can play in reducing costs and lessening environmental impact. Parkgate, Shirley has shown a 59% increase which is attributed to increased occupancy and a malfunctioning meter. With respect to water consumption year on year comparison is not possible at The Morgan Quarter, Cardiff due to the impact of the ongoing refurbishment work and at Parkgate, Shirley water consumption is not monitored;

THE BOWER, OLD STREET, LONDON EC1

CORPORATE RESPONSIBILITY

- The Group continues to offer recycling facilities at the larger of its managed assets. Where data is available Helical comfortably exceeded its ongoing target of a recycling rate of at least 35% at the majority of properties and achieved 80% at the Hub, Glasgow. The exceptions were Parkgate, Shirley and Churchgate and Lee House, Manchester which will be reviewed in the forthcoming year;
- One of Helical's ongoing targets is to proactively engage with tenants to encourage improvements in the efficient use of the buildings. Individual property managers have engaged with tenants to try to see if there are ways in which efficiency initiatives can be introduced and, particularly, to encourage increased recycling within the portfolio;
- In compliance with legal requirements, the Group undertook an audit of its operations in accord with Energy Savings Opportunity Scheme (ESOS) and is currently implementing the key findings where potential payback savings have been identified. Given the nature of the portfolio, the focus of improvements is in the core managed multi-let buildings which have the largest energy consumption. Examples of the initiatives that are being pursued include a rolling programme of upgrading to LED lighting in The Hub, Glasgow and Shepherds Building, London W14 and a £75,000 capital spend on a new boiler system at The Hub, Glasgow; and
- An ongoing objective is to improve the effectiveness of building management systems (BMS) and the use of smart meters. Of the larger multi-let buildings all have an operating BMS with the exception of The Loom, London E1.

Helical has maintained its registration with the Carbon Reduction Commitment Energy Efficiency Scheme (CRC). The confirmed purchased allowance for year to 31 March 2015 was 9,447 tonnes. The projected allowance for the year to 31 March 2016 is in the order of 7,974 tonnes based on the current reported emissions for the portfolio as a whole. The Group has again reported to the Carbon Disclosure Project in the year and achieved an improvement in its disclosure, scoring 86%, above the index average of 84%. In line with the mandatory requirement for reporting its greenhouse gas emissions, Helical has provided a separate disclosure in this report.

Helical presents its utility consumption performance for multi-let buildings under management as well as the Head Office (where data availability permits) below. As previously, the data provision focuses on energy consumption that is the responsibility of the landlord within common parts, vacant space and during refurbishment. Buildings that have been sold during the reporting year are not reported.

HEAD OFFICE AND MULTI-LET OFFICES

	Electricity 2014-15 kWh	**Electricity 2015-16 kWh**	Gas 2014-15 kWh	**Gas 2015-16 kWh**	Water 2014-15 m^3	**Water 2015-16 m^3**
5 Hanover Square, London W1S [1]	51,397[1]	**100,142**	N/A	**N/A**	N/A	**N/A**
11-15 Farm St (until August 2014)	44,820	**N/A**	10,182	**N/A**	190	**N/A**
Shepherds Building, London W14	559,366	**458,228**	No gas	**No gas**	6,387	**6,773**
The Hub, Glasgow	171,868	**170,840**	659,465	**805,203**	5,569	**5,283**
Churchgate & Lee House, Manchester	445,713[2]	**706,951**	32,622[2]	**27,225**	12,994[2]	**11,556**
The Loom, London E1	266,449	**167,362**	No gas	**No gas**	5,137	**5,162**
Creative Quarter, Cardiff	46,223	**64,697**	No gas	**No gas**	143	**202**

Notes:

N/A refers to data not available or not applicable
'No gas' refers to assets where gas is not used on site

[1] refers to part year occupancy due to office move
[2] restated figure for 2014-15

RETAIL

	Electricity 2014-15 kWh	**Electricity 2015-16 kWh**	Gas 2014-15 kWh	**Gas 2015-16 kWh**	Water 2014-15 m^3	**Water 2015-16 m^3**
Parkgate, Shirley	38,616	**61,365**	No gas[1]	**No gas[1]**	N/A	**N/A**
Morgan Quarter, Cardiff	335,978	**293,181**	No gas	**No gas**	374	**116**

Notes:

'No gas' refers to assets where gas is not used on site within landlord control

N/A refers to data not available at time of reporting e.g. inaccessible water meters or property not in Helical's ownership for full year

CORPORATE RESPONSIBILITY

WASTE

Multi-let offices

	Waste segregated on site 2014-15 %	**Waste segregated on site 2015-16 %**	Weight of waste diverted from landfill 2014-15 tonnes	**Weight of waste diverted from landfill 2015-16 tonnes**
Shepherds Building, London W14	60	**60**	126	**133**
The Hub, Glasgow	61	**80**	N/A	**35**
Churchgate & Lee House, Manchester	12[1]	**12**	129	**115**
The Loom, London E1	50	**53**	N/A	**88**
Creative Quarter, Cardiff[1]	N/A	**N/A**	N/A	**N/A**

[1] restated figure for 2014-15
N/A refers to data not available or not applicable

Retail

	Waste segregated on site 2014-15 %	**Waste segregated on site 2015-16 %**	Waste diverted from landfill 2014 - 15 tonnes	**Waste diverted from landfill 2015-16 tonnes**
Parkgate Shirley	N/A	**23**	N/A	**24**
Morgan Quarter, Cardiff	33.25	**50**	30	**23**

N/A refers to data not available or not applicable

The suitability of the targets will be reviewed against the performance for the reporting year and revised accordingly to ensure that they remain challenging yet achievable.

The specific target set by Helical is to reduce energy consumption by 2% per annum in the principal managed assets. As discussed earlier in this section of the report, year on year performance is variable across the portfolio and complicated by the changing nature of the portfolio through acquisition and divestment, increasing occupancy and ongoing refurbishment of the component assets.

CONSTRUCTION SITE PERFORMANCE

As part of the ongoing refurbishment and development programme, a number of key performance indicators are also measured and recorded for the Group's schemes above a £500,000 project value threshold. During the reporting year, this encompassed eighteen commercial and residential schemes and the performance is summarised below.

BREEAM / Considerate Constructors Scheme (CCS)

In accordance with Helical's corporate objectives, five out of the eligible six commercial developments are registered under the BREEAM scheme to meet a minimum of BREEAM Very Good. The Bower, Old Street London EC1, One Creechurch Place, London EC3, St Vincent Street, Glasgow and 23-28 Charterhouse Square, London EC1 have indicated that they are expecting to achieve an 'Excellent' rating. Of the twelve developments registered with CCS, all are above the minimum requirement for compliance and the majority are above the current industry average of 35.4/50 (for the year to March 2016), with four schemes scoring in excess of 40.

Energy and water consumption

Eleven of the sites monitor purchased water and energy consumption and have set themselves reduction targets over the course of the project. The remaining seven developments report purchased water and energy use through the managed buildings data set.

	Electricity 2015-16 kWh	**Gas 2015-16 kWh**	**Water 2015-16 m^3**
Total	1,244,736	37	13,300

Resource use

A strong performance is shown by all sites that reported against the key performance indicator for sourcing sustainable timber. All sites which used timber sourced 100% from certified sustainable sources.

CORPORATE RESPONSIBILITY

Waste

Eleven out of eighteen developments have implemented a Site Waste Management Plan and the majority of these divert more than 85% of waste disposal from landfill, well in excess of the corporate target of 50% diversion from landfill.

Biodiversity

Biodiversity improvement is included within Helical's schemes where feasible and during the reporting period this applied to nine of the eighteen schemes. To encourage biodiversity in urban areas, features such as green and brown roofs, bat boxes and bird boxes are included at C-Space, London EC1, The Bower Old Street, London EC1, One King Street, London W6, One Creechurch Place, London EC3 and St Vincent Street, Glasgow. Biodiversity improvement at the Durrants Retirement Village includes enhancing the wildlife area closest to the Mill Race, the provision of a bat house and the installation of additional bat boxes on retained trees. At Millbrook Retirement Village biodiversity enhancement includes the provision of a new otter holt and associated habitat, in addition to preserving the existing otter holt.

Sustainable travel

The majority of the Group's developments are within 650m of a bus service and/or within 1000m of a rail station and for the reporting year eleven developments include cycle provisions on site to maximise sustainable travel options.

Climate change and flood risk

It is a Group objective to ensure that Sustainable Drainage Systems (SuDS) are included into the design to mitigate against flooding. Half of the developments assessed have incorporated SuDS where appropriate.

Site management

There have been no prosecutions or fines for environmental pollution incidents reported on the operational sites during the reporting period. Certified Environmental Management Systems (EMS) are implemented where appropriate to the size and capital value of the developments. This applied to two thirds of the projects during the reporting period.

GREENHOUSE GAS (GHG) EMISSIONS REPORTING

For the reporting year to 31 March 2016 the 2014 UK Government's Conversion Factors for Company Reporting has been followed. Greenhouse gas emissions are reported using the following parameters to determine what is included within the reporting boundaries.

- Scope 1 – direct emissions includes any gas data for landlord controlled parts and fuel use for Group owned vehicles. Fugitive emissions from air conditioning are included where it is Helical's responsibility within the managed portfolio, providing the data is available.
- Scope 2 – indirect energy emissions includes purchased electricity throughout the Group operations within landlord controlled parts. Electricity used in refurbishment projects has been recorded separately where appropriate. In the majority of cases the electricity consumed is recorded for the individual properties as part of the data collection for the management of common parts, and contractors have been required to collect project specific data.

The table below highlights that overall GHG emissions have decreased by 33% year on year. The reason for this is primarily due to selling a number of larger multi-let properties during the reporting period and the diversity of the portfolio. Data for last year has been restated due to metering and billing issues at a number of properties. For Scope 1 this represents a reduction of 120 tonnes and for Scope 2 a reduction of 138 tonnes.

Due to the changing portfolio, only three multi-let office buildings and one shopping centre can report on carbon intensity. At Churchgate and Lee House, Manchester, The Hub, Glasgow and Shepherds Building, London W14 the average carbon intensity equates to 0.09 tCO2e/m2, whilst The Morgan Quarter, Cardiff has a carbon intensity of 0.02 tCO2e/m2. These levels are consistent with last year's performance.

Greenhouse gas emissions (tonnes CO2e) are set out below for the year:

	Year ended 31 March 2015 tonnes	**Year ended 31 March 2016 tonnes**
Scope 1: Direct emissions	727	**570**
Scope 2: Indirect emissions	3,741	**2,408**
Total All Scopes	4,468	**2,978**

The specific target set by Helical is to reduce energy consumption by 2% per annum in the principal managed assets. As discussed earlier in this section of the report, year on year performance is variable across the portfolio and complicated by the changing nature of the portfolio through acquisition and divestment, increasing occupancy and ongoing refurbishment of the component assets.

CORPORATE RESPONSIBILITY

EMPLOYEES

As at 31 March 2016, Helical had 32 permanent and 3 temporary employees (8.5% of the staff), based at the Group's head office in London. In addition, there were 5 employees in the Polish subsidiary and 48 full and part-time employees of the retirement village companies acquired in December 2015. The information set out below is in respect of the head office only.

Gender diversity of the Board and the Company as at 31 March 2016 is set out below:

	Male	Female
Board (including Non-Executive Directors)	92%	8%
Executives	56%	44%
All employees	47%	53%

Helical continues to enforce its equal opportunities, harassment and sexual discrimination policies. We also continue to monitor compliance with its anti-bribery and whistle blowing policies. There have been no incidents to report against these policies to date.

A high level of staff retention remains a key feature of the business. Helical has retained a highly skilled and experienced team and the table below shows a breakdown of staff by length of service:

	Total number of staff as at 31 March 2016	Average length of service (years)
Executive directors	5	21.1
Executives	16	4.9
All employees	32	7.6

Helical's staff retention levels not only reflect competitive remuneration and benefits packages but also its commitment to enhancing the professional and personal skills of its team by supporting employee training and development, by means of training courses, seminars and mentoring where appropriate. As in previous years, Helical continues to evaluate training needs in line with business objectives. There are no human rights issues of which the Board are aware that are considered relevant to the Group.

COMMUNITY AND SOCIAL INITIATIVES

Helical takes a strong interest in community issues. Community engagement is an on-going concern throughout the development process, from planning until development completion and operation.

The following examples from The Morgan Quarter, Cardiff demonstrate how community engagement has benefited the communities that we work with over the past year:

- During November and December 2015, The Morgan Quarter, Cardiff ran Trading Places - a collaborative project between the Further Education Enterprise Hub and First Campus in partnership with The Morgan Quarter Cardiff, NatWest, EE and the Higher Education Enterprise Hub, which aims to develop entrepreneurial skills and attitudes through practical experiences among college students in South East Wales. The "Apprentice"-style challenge aimed to give students some real life enterprise and industry experience and offer an insight into the world of retail including exposure to essential business skills such as communication, negotiation and decision making. It culminated in a three day final with the winning applicants from each of the six participating colleges spending the first two days at the University of South Wales developing a sales strategy, sourcing products and designing their retail space. On the third day, with support and guidance from academics and industry experts, the students launched a pop up shop in The Morgan Quarter, Cardiff putting all of their knowledge and skills into practice; and
- The Morgan Quarter, Cardiff also ran 'Morgan Quarter Memories' - a community-based project capturing the reminiscences of people who had been involved with the centre over the years to show what effect the scheme has had on people's lives. Interviews with five people with particularly captivating stories were filmed by Liana Stewart, a Cardiff born and raised local film producer with strong local community links and her own special memories of the Morgan Arcades. The project attracted a wide ranging media response, including being featured on the local TV station Made in Cardiff. The success of the project was recognised by the winning of a Purple Apple Award.

At the 2016 Cardiff Life Awards (the city's most prestigious, high profile and sought after business awards), The Morgan Quarter, Cardiff was awarded a Special Recognition Award for its contribution to supporting independent business in Cardiff. Other community and social activities during the year included:

- Helical's continued membership of The Aldgate Partnership (TAP"), formed in 2014 to help drive a powerful agenda for change. Membership of the group currently includes landowners, commercial occupiers, and developers. TAP works in partnership with its members to develop Aldgate as 'One Location', delivering a range of interventions to support community development and develop a premier business hub with high quality public realm and environment that produces a safe, convenient and inspiring destination for all employees, residents and visitors.

CHARITABLE ACTIVITIES

During the year to 31 March 2016 Helical donated £36,300 to charities including LandAid, The Lord Mayor's Appeal, Muscular Dystrophy UK and Great Ormond Street Hospital. The Group's principal charitable activity is to raise money for LandAid (the official charity of the property industry) and a total of £11,420 was donated to LandAid during the year. In addition to this, £10,376 was raised during the annual LandAid day on 15 October, when a number of Helical Directors and staff, dressed as popular science fiction characters, toured the streets of Mayfair by pedibus and collected donations from fellow members of the property industry.

Alongside the Group's formal charitable activities, Helical employees fundraise for charities on a personal basis and, where appropriate, the Group will make donations to help the staff reach their fundraising goals.

CORPORATE RESPONSIBILITY

HEALTH & SAFETY

Helical has a corporate culture that is committed to the prevention of injuries and ill health to its employees or others that may be affected by its activities and the Group's Health & Safety policy reflects this commitment. The Board of Directors and senior staff 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 2016 to reflect the latest legislative and regulatory developments. Training of Helical staff in the updated Health and Safety Policy and supporting CDM requirements has been undertaken during the reporting year. The Group's Health & Safety policy can be found on the Company website and a summary of performance for the eighteen active sites is below.

Helical has delivered over two million man hours of construction during the year (an increase of 115% over the previous year) with no fatalities or major accidents and only 13 RIDDOR reportable incidents. Overall Health and Safety performance using Lost Time Accident Frequency Rate is a 29% improvement over last year. 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.

Only one RIDDOR incident occurred in the year across the managed portfolio.

	No of RIDDOR Reportable	No of Lost Time accidents	No of Fatalities	No of hours worked	Accident Frequency Rate for Lost Time Accidents [LTAFR]	RIDDOR Incident Frequency Rate [RIFR]
2014 - 2015	7	15	0	1,186,224	1.26	0.59
2015 - 2016	13	23	0	2,557,524	0.90	0.51

SUPPLIERS

Fair treatment of suppliers remains a key priority for Helical and the Group's policy is to settle all agreed liabilities within the terms established with suppliers.

As required under the Modern Slavery Act, Helical will publish a statement later this year describing the steps taken during the year to prevent slavery and human trafficking within the Group's supply chains and business. There will be a link to the statement on the homepage of the Company website.

The Strategic Report contained on pages 1-68, was approved by the Board on 15 June 2016.

On behalf of the Board

Michael Slade
Chief Executive

GOVERNANCE

CHAIRMAN'S REVIEW

Dear Shareholder,

This Annual Report reflects on a record year for Helical with pre-tax profits, shareholders' funds and our total property portfolio at their highest level in the Company's history as a real estate company.

The greatest proportion of this performance has come from our London portfolio, which now constitutes over 54% of our total portfolio. These results reflect a balance between a high yielding regional investment portfolio and a London investment and development programme providing both capital and rental growth.

COMPOSITION OF THE BOARD

As Chairman of the Nominations Committee, I have reported in detail on page 79 of this Annual Report regarding the present and proposed future constitution of your Board of Directors.

Having been on the Board of Helical for over 30 years, the last four as Chairman, I intend to retire from the Board and will not be seeking re-election at this year's Annual General Meeting ("AGM"). My fellow Non-Executive Director, Andy Gulliford, who has served on the Board for over 10 years will also retire from the Board at the same time. I would very much like to thank him for his expert advice and support to the Board over the years.

Chief Executive Officer ("CEO"), Mike Slade, joined the Board of Helical Bar plc in 1984, and has turned this previously small engineering company into a highly successful real estate company. He has led the Company for nearly 32 years and is the Company's largest shareholder but has indicated that he wishes to step down as Chief Executive. I am, however, pleased that Mike has accepted the request of the Nominations Committee to continue his close involvement with the Group and to stand for election at the 2016 AGM as Non-Executive Chairman following my retirement. On behalf of the Board I would like to thank Mike for his outstanding contribution to the business during his long tenure as Chief Executive and am delighted that he will continue to be part of Helical's future as Non-Executive Chairman.

Gerald Kaye, Development Director of the Company since 1994, will stand for election as Chief Executive of the Company at the AGM. Gerald has delivered many highly profitable schemes during his career with Helical which have played an integral part in delivering strong returns for the Company's shareholders over the last 22 years. Gerald is highly respected within the property industry and I am confident he will lead this Company with distinction.

I share the Board's view that the appointments of Gerald and Mike to their new roles are in the best interests of the Company and its shareholders.

Following the changes announced in November and as Mike Slade will not be regarded as an independent Chairman, the Nominations Committee engaged a firm of external consultants to carry out an extensive search for two new independent Non-Executive Directors. The Committee wanted to appoint candidates with expertise in the property or financial sectors, who could challenge the Board effectively and who would complement the remaining independent Non-Executive Board members. I am extremely pleased that two exceptional candidates, Susan Clayton and Richard Cotton, were identified and subsequently appointed and I am confident that they will be valuable additions to the Board. Immediately following the AGM, the Board will consist of a Chairman, four Executive Directors and five independent Non-Executive Directors.

MAJOR DECISIONS

The Board meeting agendas during the year contained many issues including:

- Consideration and approval of significant property acquisitions and disposals, most notably the acquisition of Crosstree's 66.7 per cent interest in The Bower, Old Street, London EC1;
- A review of the Group's corporate, property and financial strategy; and
- Changes to the composition of the Board as outlined above.

ANNUAL STRATEGY REVIEW

In April 2016, the Board considered the Executive Directors Annual Strategy Review of the business examining the economic, geopolitical, societal and environmental risks affecting the business. This review reaffirmed the Company's principal objective of combining investment and development activity to ensure maximum shareholder returns whilst managing risks appropriately.

BOARD EVALUATION

In order that we may implement our strategy successfully, the Board annually evaluates its own performance and that of its committees and Directors. This evaluation concluded that the Board and its committees continue to operate effectively. As Helical is currently not in the FTSE 350 the Code does not require the Company to undertake the Board evaluation process externally. However, for the year to 31 March 2017 the Board has committed to appoint an external consultant to conduct its Board evaluation process.

INVESTOR RELATIONS

We have an extensive programme of meetings and presentations with shareholders throughout the year with the majority of these taking place in the periods following our annual and half year results. Either the Chief Executive, Michael Slade or the CEO Designate, Gerald Kaye, and the Finance Director, Tim Murphy, attend the majority of meetings with the remaining Executive Directors, Duncan Walker and Matthew Bonning-Snook, also attending as appropriate.

The Senior Independent Director, Richard Gillingwater, and I are available to meet shareholders if they wish to discuss any matters with us.

It has been a privilege to serve on this exceptional Company's Board for 30 years and to be Chairman for 4 years. I shall be sad to relinquish my association with such a dynamic and successful team of people after so long. However, I believe that the Company, the executives and the portfolio of developments and investment properties are poised for a successful future. This success should be further enhanced by a new Chairman, new Chief Executive and a refreshed Board.

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

Nigel McNair Scott
Chairman

15 June 2016

GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE[1]	NOMINATIONS COMMITTEE[1]	AUDIT COMMITTEE	REMUNERATION COMMITTEE	VALUATIONS COMMITTEE
Gerald Kaye - *Chairman*	Richard Gillingwater - *Chairman*	Richard Grant - *Chairman*	Michael O'Donnell - *Chairman*	Susan Clayton - *Chairman*
Matthew Bonning-Snook	Susan Clayton	Susan Clayton	Susan Clayton	Gerald Kaye
Tim Murphy	Richard Cotton	Richard Cotton	Richard Cotton	Duncan Walker
Duncan Walker	Richard Grant	Richard Gillingwater	Richard Gillingwater	
	Michael O'Donnell	Michael O'Donnell	Richard Grant	

[1] Proposed membership of committees following the 2016 AGM.

The Board of Helical is collectively responsible for providing the leadership of the Company within a framework of controls and reporting structures which assist in pursuing its strategic aims and business objectives. Following the 2016 AGM, it will comprise the Chairman, the Chief Executive, five Non-Executive Directors and three Executive Directors. The Board delegates operational responsibilities to an Executive Committee and governance responsibilities to Nominations, Audit, Remuneration and Valuations Committees whilst retaining overall responsibility for the running of the Company.

LEADERSHIP

Following the proposed changes to the Board noted above and subject to shareholder support for all of the Directors standing for election or re-election at the 2016 AGM, the Chairman of the Company will be Michael Slade. The Chief Executive will be Gerald Kaye and the three Executive Directors will be Matthew Bonning-Snook, Tim Murphy (Finance Director) and Duncan Walker. The Non-Executive Directors will be Richard Gillingwater (Senior Independent Director), Susan Clayton, Richard Cotton, Richard Grant and Michael O'Donnell. All the current Directors, except for Nigel McNair Scott and Andy Gulliford, who intend to retire from the Board, will offer themselves for election or re-election at the 2016 AGM.

Biographies of all Directors and details of their shareholdings in the Company are on pages 74 to 75 and 102 respectively.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

The Chairman and the Chief Executive are responsible for the leadership of the Company. The Chairman's primary responsibility is to lead the Board and ensure its effectiveness, whilst the Chief Executive is responsible for running the Company's business. The division of responsibilities is clearly established at Helical, is set out in writing and is approved by the Board.

BOARD RESPONSIBILITIES

The main purpose of the Board is to create and deliver the long term success of the Group and returns for its shareholders. The Board is collectively responsible for providing the entrepreneurial leadership of the Group within a framework of controls and reporting structures which assist the Group in pursuing its strategic aims and business objectives. The Board sets the Group's strategic aims, ensures that the necessary financial and human resources are in place for the Group to meet its objectives and also reviews management performance. The Board sets the Group's values and standards and ensures that the Group's obligations to its shareholders and others are understood and met.

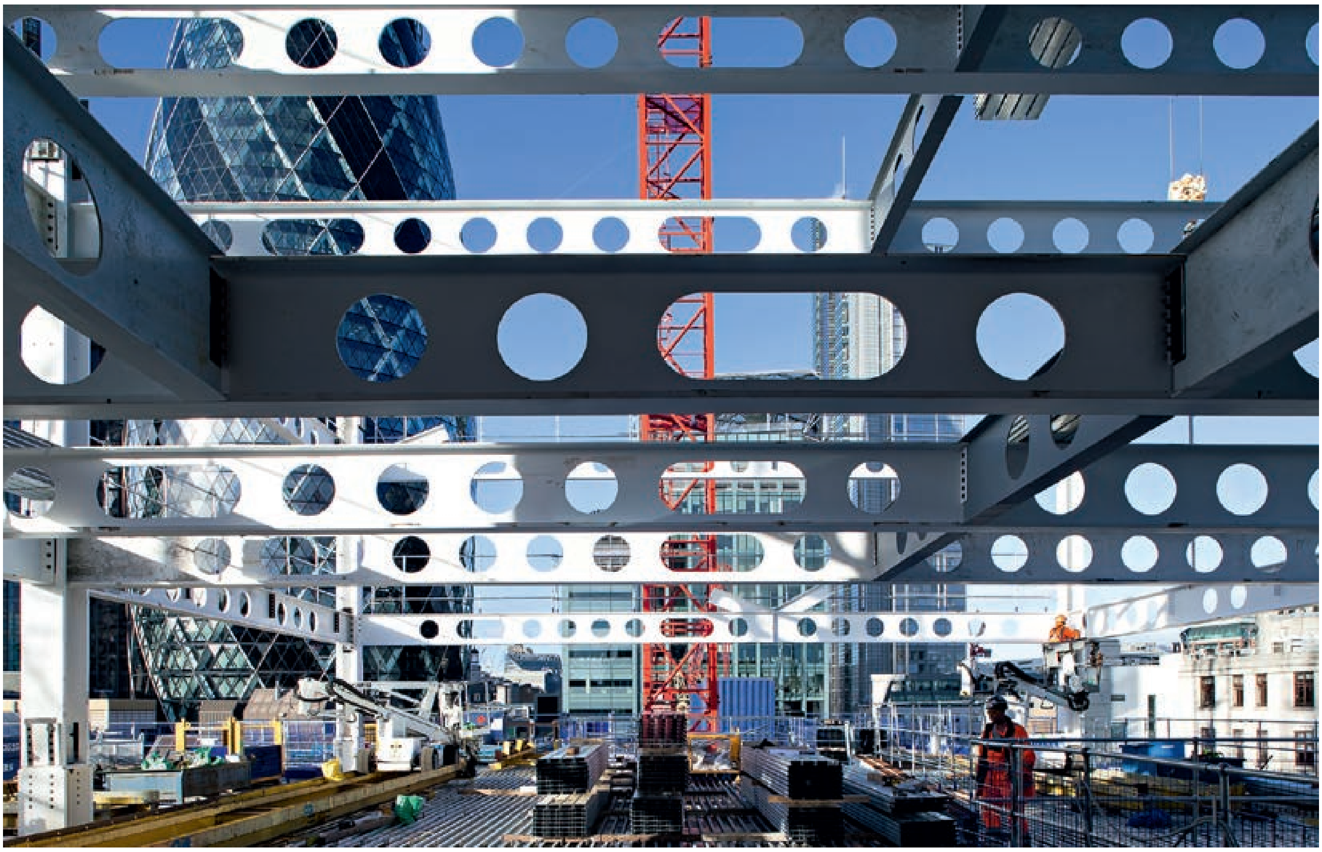
All Directors take decisions objectively in the interests of the Group. As part of their roles as members of the Board, Non-Executive Directors constructively challenge and help develop proposals on strategy and the risk appetite of the Group. Non-Executive Directors scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of the Executive Directors and have a prime role in appointing and, where necessary, removing Executive Directors. In conjunction with the Nominations Committee, the Board considers succession planning of Board members and senior management. In addition to Boardroom discussions, the Chairman maintains contact with other Non-Executive Directors by telephone and at least annually, will hold meetings with the Non-Executive Directors without the Executive Directors present. Richard Gillingwater (Senior Independent Director) holds meetings of the independent Non-Executive Directors separately from the rest of the Board at least once a year to ensure that any issues may be discussed without the presence of a non-independent Director.

The Board has a schedule of matters specifically reserved to it for decision. The Board controls the business but delegates day-to-day responsibility to the executive management. An Executive Committee, comprising all the Executive Directors, meets regularly to discuss the development of strategy, to review and implement proposed transactions, to review policies and procedures (including health and safety), to monitor budget and financial performance and to assess risk. The full Board reviews all minutes of proceedings at Executive Committee meetings and receives reports from the Executive Committee Chairman at every Board meeting.

GOVERNANCE STRUCTURE

However, there are a number of matters which are required to be or, in the interests of the Group, should only be, decided by the Board as a whole. A summary of the schedule of matters reserved for the Board is set out below:

- **Strategy and management** - responsibility for the overall management of the Group; approval of the Group's long-term strategic aims and objectives; approval of annual operating and capital expenditure budgets; oversight of the Group's operations and review of performance; extension of the Group's activities into new business areas; approval of major capital projects and projects outside the normal course of business; any decision to cease to operate all or any material part of the Group's business;
- **Structure and capital** - changes to the Group's capital structure; major changes to the Group's corporate structure; changes to the Group's management and control structure; changes to the Group's listing or plc status;
- **Financial reporting and controls** - approval of half yearly report, approval of interim and final results announcements; approval of annual report and accounts, including the directors' report, corporate governance statement and the directors' remuneration report; approval of dividend policy; approval of significant changes in accounting policies or practices; approval of treasury policies; approval of material unbudgeted capital or operating expenditures;
- **Internal controls** - ensuring maintenance of a sound system of control and risk management;
- **Contracts** - approval of major capital projects; approval of contracts above limits of authority delegated by the Board;
- **Communication** - approval of resolutions and corresponding documentation to be put to shareholders in general meeting; approval of all circulars and listing particulars;
- **Board membership and other appointments to senior management** - appointment and removal of the Company Secretary; membership of Board committees following recommendations from the Nominations Committee;
- **Corporate governance matters** - including Directors' performance evaluations and review of the Company's corporate governance arrangements;
- **Remuneration** - determine the remuneration policy for the Chairman, Executive Directors, Company Secretary and other senior executives following recommendation from the Remuneration Committee; determine the remuneration of the Non-Executive Directors subject to the Articles of Association and shareholder approval as appropriate; and
- **Approval of policies** - including anti-bribery policy; anti-slavery policy; whistleblowing procedures; equal opportunities policy; diversity policy; share dealing code; health and safety policy; environmental and corporate social responsibility policy; charitable donations policy.



ONE CREECHURCH PLACE, LONDON EC3

BOARD OF DIRECTORS

CHAIRMAN
NIGEL MCNAIR SCOTT

Nigel McNair Scott, MA FCA FCT, joined the Board as a non-executive director in 1985 and was subsequently appointed Finance Director in 1987. He was appointed Chairman of the Company after the 2012 AGM and chairs the Nominations Comittee. Nigel intends to retire from the Board at the 2016 AGM. He is Chairman of Reaction Engines Limited, a former Chairman of Avocet Mining plc and a former director of Johnson Matthey plc and Govett Strategic Investment Trust.

CHIEF EXECUTIVE/CHAIRMAN DESIGNATE
MICHAEL SLADE

Michael Slade, BSc (Est Man) FRICS FSVA, joined the Board as an executive director in 1984 and was appointed Chief Executive in 1986. Mike will step down as an executive director and stand for election as Non-Executive Chairman at the AGM on 25 July 2016. He is President of Land Aid, the property industry charity, a Fellow of the College of Estate Management, Fellow of Wellington College, a Trustee of Purley Park charity and Sherborne School Foundation and Vice Admiral of the Marie Rose Trust.

CEO DESIGNATE
GERALD KAYE

Gerald Kaye, BSc (Est Man) FRICS, was appointed to the Board as an executive director in 1994 and is jointly responsible for the Group's development activities. Gerald will stand for election as Chief Executive at the AGM on 25 July 2016. He 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.

FINANCE DIRECTOR
TIM MURPHY

Tim Murphy, BA (Hons) FCA, joined the Group in 1994 and became Finance Director of the Company in 2012. Prior to joining Helical, he worked for accountants Grant Thornton and KPMG. He has responsibility for financial strategy and reporting, treasury and taxation.

DIRECTOR
MATTHEW BONNING-SNOOK

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). He is jointly responsible for the Group's development activities.

DIRECTOR
DUNCAN WALKER

Duncan Walker, MA (Hons) (Oxon), PG Dip Surveying, joined the Group in 2007 and was appointed to the Board as an executive director in 2011. Prior to joining Helical, Duncan led Edinburgh House Estate's investment team. He is responsible for the Group's investment portfolio.

BOARD OF DIRECTORS

SENIOR INDEPENDENT DIRECTOR
RICHARD GILLINGWATER

Richard Gillingwater, CBE, is the non-executive Chairman of Henderson Group plc and of SSE plc. He was, until 2013, Dean of Cass Business School. Prior to this he was Chief Executive and later Chairman of the Shareholder Executive, after a career in investment banking at Kleinwort Benson and then at BZW/Credit Suisse First Boston. He has also been a non-executive director of P&O, Debenhams, Tomkins, Qinetiq Group, Kidde Hiscox and Morrisons. Richard is the Senior Independent Director of Helical and is a member of the Nominations, Audit and Remuneration Committees.

CHAIRMAN OF THE AUDIT COMMITTEE
RICHARD GRANT

Richard Grant, BA (Oxon), ACA is the Finance Director at Cadogan Estates Limited and former corporate finance partner at PricewaterhouseCoopers, whom he joined in 1975. Richard chairs the Audit Committee and is a member of the Nominations and Remuneration Committees.

CHAIRMAN OF THE REMUNERATION COMMITTEE
MICHAEL O'DONNELL

Michael O'Donnell was appointed to the Board in June 2011. He is a former Managing Director of LGV Capital, a private equity firm. Through his company, Ebbtide Partners, he acts as a consultant to, and investor in, private companies. Michael chairs the Remuneration Committee and is a member of the Nominations and Audit Committees.

CHAIRMAN OF THE VALUATIONS COMMITTEE
SUSAN CLAYTON

Susan Clayton, FRICS, was appointed to the Board in February 2016. Susan is an Executive Director at CBRE and former Managing Director of CBRE's Capital Markets Team. She has sat on the CBRE UK Management and Executive Boards and on the CBRE Group Inc. Board as Employee Director. Susan currently chairs CBRE UK's Women's Network. In addition to her roles at CBRE, Susan is a Board member of the Committee of Management of Hermes Property Unit Trust, and a Trustee and Chair of the Development Committee of Reading Real Estate Foundation. Susan chairs Helical's Valuations Committee and is a member of the Nominations, Audit and Remuneration Committees.

NON-EXECUTIVE DIRECTOR
RICHARD COTTON

Richard Cotton was appointed to the Board as a non-executive director in March 2016. Richard was formally head of UK Real Estate at J.P. Morgan Cazenove which he left in 2009 and spent the subsequent 5 years at Forum Partners. Richard is a non-executive director of Big Yellow Group plc, Chairman of Centurion Properties and a member of the Commercial Development Advisory Group of Transport for London. He was previously a non-executive director of Hansteen Holdings plc and a member of the Advisory Board of the Corporate Real Estate Business Support Unit at Lloyds Banking Group. Richard is a member of the Nominations, Audit and Remuneration Committees.

NON-EXECUTIVE DIRECTOR
ANDREW GULLIFORD

Andrew Gulliford, BSc (Est.Man), FRICS, was appointed to the Board as a non-executive director in 2006. A former Deputy Senior Partner of Cushman & Wakefield Healey & Baker (now Cushman & Wakefield LLP), he is a non-executive director of F&C UK Real Estate Investments Limited and various other companies. Andrew is to retire from the Board at the 2016 AGM.

GOVERNANCE REVIEW

At Helical we believe that robust corporate governance is of fundamental importance in delivering for shareholders the long-term success of the Company through the effective, entrepreneurial and prudent management of the Company. The Board of Helical is collectively responsible for providing the leadership of the Company within a framework of controls and reporting structures which assist in pursuing its strategic aims and business objectives.

THE UK CORPORATE GOVERNANCE CODE 2014 (THE "CODE")

The Board is accountable to the Group's shareholders for good corporate governance and we believe in applying the highest principles of corporate governance. We have complied throughout the year with the principles as set out in the section of the Code headed "The Main Principles of the Code". The Group also takes into account the corporate governance guidelines of institutional shareholders and their representative bodies.

INDUCTION OF NEW DIRECTORS

Following their appointments, Susan Clayton and Richard Cotton received a comprehensive induction, which included visits to properties and meetings with the Company's senior managers.

COMPOSITION OF THE BOARD

The Code requires a Board and its committees to have an appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their duties and responsibilities effectively. Helical operates with a strong management team of senior decision makers backed up by a finance team and other support staff. The Group is keen to promote exceptional talent to Board level at the earliest opportunity to expose such individuals to the broader issues facing the business, encourage their long term commitment to the Group and to provide for future succession.

Provision B.1.2 of the Code notes that companies such as Helical, which are below the FTSE350, are required to have at least two independent Non-Executive Directors. Following the proposed change to the Board at the 2016 AGM, the Board will comprise the Chairman, four Executive Directors and five independent Non-Executive Directors. The independent Non-Executive Directors will be Susan Clayton, Richard Cotton. Richard Gillingwater, Richard Grant and Michael O'Donnell,

In the Board's view, the composition of the Board has an appropriate balance of skills, experience, independence and knowledge of the Company as required by the Code.

ANNUAL EVALUATION OF THE BOARD AND ITS COMMITTEES

During the year the Board undertook a formal evaluation process, led by the Senior Independent Director, which involved each director submitting an appraisal in respect of the performance of the main Board, its committees and Directors, including the Chairman. The Senior Independent Director reported the results of that evaluation process to the Board. The process reviewed criteria including real estate matters, Board composition and Board and Committee processes. There were no significant areas of concern raised by the Directors and any points raised have been dealt with appropriately.

Since the Company is not in the FTSE350 and as permitted by the Code, it does not currently use external consultants to undertake its evaluation process. However, following the changes to the Board, it is proposed that the 2017 Board Evaluation will be carried out externally.

DIRECTORS – INFORMATION AND PROFESSIONAL DEVELOPMENT

The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties and its Directors are free to seek any further information they consider necessary. The Directors have access to the services of a Company Secretary who is responsible for advising the Board on all governance matters and ensuring compliance with Board procedures and applicable laws and regulations. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and Non-Executive Directors, as well as facilitating induction of new Directors and assisting with professional development as required. The Board ensures that Directors have access to independent professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as directors. Training is available for all directors as necessary.

NOMINATIONS COMMITTEE

The report of the Nominations Committee, which describes the work of the Committee, is on pages 79 and 80.

GOVERNANCE REVIEW

AUDIT COMMITTEE

The Audit Committee Chairman is Richard Grant, the Finance Director of Cadogan Estates Limited and a former partner of PWC. As a result, the Board considers that he has recent and relevant financial experience as required by the Code. The report of the Chairman of the Audit Committee describing the issues considered by the Committee in the year under review is on pages 81 and 82.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

- Clearly defined organisational responsibilities and limits of authority. The day-to-day involvement of the Executive Directors in the running of the business ensures that these responsibilities and limits are adhered to;
- Financial controls and review procedures;
- Financial information systems including cash flow, profit and capital expenditure forecasts. The Board receives regular and comprehensive reports on the day-to-day running of the business;
- An Audit Committee which meets with the auditors and deals with any significant internal control matters. In the year under review the Audit Committee met with the auditors on two occasions; and
- The Board is responsible for the management of the Group's risk profile which is reviewed by the Audit Committee during the year. An analysis of the Group's principal risks can be found on pages 58 to 61.

INTERNAL AUDIT

The Board reviewed its position for the year to 31 March 2016 and reaffirmed its stance that in view of the relatively small size of the Group it does not consider an internal audit function would provide any significant additional assistance in maintaining a system of internal controls.

GOING CONCERN

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

The key areas of sensitivity are:

- Timing and value of property sales;
- Availability of loan finance and related cash flows;
- Future property valuations and their impact on covenants and potential loan repayments;
- Committed future expenditure;
- Future rental income; and
- Receipt, amount and timings of development profits.

The forecast cash flows have been sensitised to reflect those cash inflows which are less certain and to take account of a potential deterioration of property valuations. In addition, the forecasts have been subject to sensitivity analysis in which the impact of significant reductions to the property portfolio fair value and associated rental income on the Group's loan covenants was assessed. From their review, the Directors believe that the Group has adequate resources to continue to be operational as a going concern for the foreseeable future.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE YEAR

Six scheduled meetings of the Board were held during the year ended 31 March 2016. In addition, several unscheduled meetings were arranged to discuss particular transactions and events. On occasions, Directors who are not members of the Committees attend at the invitation of the Committee Chairman. The attendance record of the Directors at the scheduled meetings and at meetings of the Board's committees is shown in the table below:

	Full Board	Audit Committee	Remuneration Committee	Nominations Committee
Chairman				
Nigel McNair Scott	6/6	-	-	2/2
Executive directors				
Michael Slade	5/6[1]	-	-	-
Tim Murphy	6/6	-	-	-
Gerald Kaye	6/6	-	-	-
Matthew Bonning - Snook	6/6	-	-	-
Duncan Walker	5/6[1]	-	-	-
Non-executive directors				
Richard Gillingwater	5/6[1]	5/5	3/3	2/2
Andrew Gulliford	6/6	-	-	-
Michael O'Donnell	6/6	5/5	3/3	2/2
Richard Grant	6/6	5/5	3/3	2/2
Susan Clayton[2]	1/1	1/1	1/1	1/1
Richard Cotton[2]	-	-	-	-

[1] Michael Slade was absent from the July meeting due to an operation which had to be performed at short notice. Richard Gillingwater was absent from the November meeting and Duncan Walker from the July meeting due to unavoidable diary commitments.

[2] Susan Clayton and Richard Cotton were appointed to the Board on 1 February 2016 and 1 March 2016 respectively. Their attendance relates to the period from the dates of their appointment to 31 March 2016.

GOVERNANCE REVIEW

REMUNERATION

This information is contained in the Directors' Remuneration Report on pages 83 to 102.

NOTICE OF ANNUAL GENERAL MEETING

The Code recommends that the Notice of AGM and related papers be sent to shareholders at least 20 working days before the meeting. For the 2015 AGM the Notice and related papers were sent out 22 working days before the AGM.

ENGAGEMENT WITH SHAREHOLDERS

The Directors value the views of the Company's shareholders and recognise their interest in the Group's strategy and performance, Board membership and quality of management. They hold regular meetings with, and give presentations to, the Company's institutional shareholders to discuss the Group's results and objectives. The directors regularly meet, with the help of the Company's brokers, institutions that do not currently hold shares in the Group to inform them of the Company's objectives. Michael Slade, as Chief Executive or Gerald Kaye as CEO Designate have attended most of the meetings during the year and they are usually accompanied by at least one of the other executive directors.

During the year under review Nigel McNair Scott, Chairman, and Richard Gillingwater, Senior independent Director, engaged with principal investors (holding more than 3% of the Company's shares) and shareholder representative bodies to discuss the proposed Board changes intended to take effect at the 2016 AGM.

Michael O'Donnell, Chairman of the Remuneration Committee, also engaged with Helical's principal shareholders and shareholder representative bodies to discuss the conclusions of a review of the Company's Remuneration Policy.

The Senior Independent Director, Richard Gillingwater, was available to meet with shareholders throughout the year under review and will hold meetings with shareholders whenever requested in order to ensure sufficient understanding of any issues and concerns they may have.

The AGM is used to communicate with investors and they are encouraged to participate. The Chairman, Senior Independent Director and members of the Audit, Remuneration and Nominations Committees will attend the AGM and will be available to answer questions. Separate resolutions are proposed on each issue in order that they can be given proper consideration and there is a separate resolution to consider the annual report and accounts. All proxy votes are counted and the level of proxies lodged on each resolution will be indicated after it has been dealt with by a show of hands.

The directors receive regular reports from sector analysts and investor relations advisors on how the Group is viewed by its shareholders. The Group communicates with all shareholders through the issue of regular press releases and through its website at www.helical.co.uk.

Principal Investor Relation Activities	
May 2015	Annual results announcement and presentation for 2014/15
June 2015	Investor Roadshow presentation London, Edinburgh and Netherlands
July 2015	Q1 Interim Management Statement Annual General Meeting
September 2015	London portfolio property tour
November 2015	Half year results announcement and presentation
December 2015	Investor roadshow presentation, London, Edinburgh and Netherlands
January 2016	JPMC Investor Conference
February 2016	Q3 Interim Management Statement

By order of the Board

James Moss ACA
Company Secretary

15 June 2016

NOMINATIONS COMMITTEE REPORT

Dear Shareholder,

In accordance with the UK Corporate Governance Code, the role of the Nominations Committee, and my primary responsibility as its Chairman, is to ensure that the Company is headed by an effective Board which is collectively responsible for the long-term success of the Company. This is best achieved through the provision of entrepreneurial leadership and a talented executive team, supported by committees with an appropriate balance of skills, experience, independence and knowledge of the Company to be able to constructively challenge and assist the executive team in achieving its objectives. Alongside me, the Committee comprises Susan Clayton, Richard Cotton Richard Gillingwater, Richard Grant and Michael O'Donnell.

The terms of reference of the Nominations Committee, which were reviewed during the year, are available on request and are included on the Group's website at www.helical.co.uk.

CHANGES TO THE BOARD

Our principal area of focus during the year was succession planning for the Board. On 26 November 2015 the Company announced the Board changes planned, subject to shareholder approval, to take effect at the 2016 Annual General Meeting ("AGM"). Gerald Kaye, Development Director and a member of the Board since 1994, is standing for election as Chief Executive. I intend to stand down from the Board at the 2016 AGM and Mike Slade, current Chief Executive is standing for election as my successor as Non-Executive Chairman.

These decisions were taken after careful consideration by the Committee and with independent external professional advice regarding what is in the best long term interests of the Company and its shareholders.

We retained Sam Allen Associates, who have done extensive work in the FTSE 250 conducting both Executive and Non-Executive searches, and advising on CEO and Chair succession. With the assistance of Sam Allen Associates, and having considered the options of both external and internal candidates for the position of Chief Executive, it became clear that Helical's senior management team offered the strongest possible candidates. After a thorough process, the Committee proposed Gerald Kaye as the new Chief Executive.

Gerald's 22 year career with Helical has seen him deliver substantial realised profits for shareholders, often with little or no equity contribution from the Company. He has all the skills needed to head the Company in the next phase of its growth. Most recently he has been responsible for the developments at Barts Square EC1 and The Bower EC1, two major mixed use London schemes.

With regard to my replacement as Non-Executive Chairman, we again used Sam Allen Associates who carried out another benchmarking exercise, against a full job specification and list of required attributes. The Committee assessed both internal and external candidates for the Non-Executive Chairman role, considering individuals across the property industry and from a wider financial and UK industry background. Ultimately, we believed that Mike Slade would offer the Company the best possible level of experience, access to important relationships and knowledge of property markets and understanding of the culture of Helical Bar, as well as a degree of continuity which is important during a time of change.

Whilst considering the Non-Executive Chairman appointment, the Board was fully mindful of the UK Corporate Governance Code's recommendation for a new Chairman to be independent upon appointment. In light of this the Committee conducted an extensive consultation exercise with the Company's largest investors and representative bodies, to explain the reasons for the changes. The Committee is confident that Mike Slade is the most appropriate candidate for this role. In discharging the role of Non-Executive Chairman, he will be assisted by five independent Non-Executive directors, from whom the next Chairman of the Company is expected to be identified.

Andy Gulliford, who has been a Non-Executive Director of the Company since 2006, has informed the Committee that he will not be offering himself for re-appointment at the 2016 AGM.

On behalf of the Board, I congratulate Mike for his outstanding contribution to the business during his long tenure, and at the same time thank Andy for his expert advice and support over the years.

The appointments of Susan Clayton and Richard Cotton as additional Non-Executive Directors on 1 February and 1 March 2016 respectively met our aim of bringing further independence and balance to the Board. Executive Search Consultants, Norman Broadbent were appointed to advise on the search for two new independent Non-Executive Directors. Their brief was to identify potential candidates with a background in the real estate sector or the financial sector. Having met with a number of strong candidates, the Committee was pleased to appoint Susan Clayton on 1 February 2016 and Richard Cotton on 1 March 2016. Both Susan and Richard were appointed as members of the Nominations, Audit and Remuneration Committees. In addition, Susan was appointed Chairman of the Valuation Committee. Susan has an impressive track record in the real estate sector and Richard has a strong corporate finance and real estate background. The Board looks forward to benefitting from their considerable experience and fresh perspectives in the years to come.

Appointments to the Board and its Committees are made against objective criteria. Care is taken to ensure that appointees have enough time available to devote to the job. The Committee controls the process for Board appointments and makes recommendations to the Board. The Board is mindful of the Group's diversity policy and the Committee gives full consideration to diversity, including gender diversity, when recommending to the Board any future Board appointments. All Board appointments are be based on experience and will be made on merit.

NOMINATIONS COMMITTEE REPORT

ANNUAL GENERAL MEETING

The Board believes that the requirements of Code Provision B.7.1 of the UK Corporate Governance Code should be fulfilled. This provision requires all directors of FTSE350 companies to be subject to annual re-election by shareholders. Whilst the Company is not in the FTSE350, the Board has chosen to comply with this provision as it accepts that shareholders should annually have the right to vote on each Director's election or re-election to the Board.

At the Annual General Meeting to be held on 25 July 2016, the following resolutions relating to the appointment of Directors are being proposed:

- The election of Mike Slade as Non-Executive Chairman;
- The election of Gerald Kaye as Chief Executive Officer;
- The re-election, as Executive Directors, of Tim Murphy, Matthew Bonning-Snook and Duncan Walker;
- The election of Susan Clayton, who was appointed by the Board as a Non-Executive Director on 1 February 2016;
- The election of Richard Cotton, who was appointed by the Board as a Non-Executive Director on 1 March 2016; and
- The re-election, as Non-Executive Directors, of Richard Gillingwater, Richard Grant and Michael O'Donnell.

The Nominations Committee confirms to shareholders that, following the annual formal performance evaluation and taking into account their qualifications and experience, these directors continue to be effective and demonstrate commitment to their roles. Biographical details of the directors are given on pages 74 and 75.

I trust that shareholders will support the Committee and vote in favour of these resolutions.

Nigel McNair Scott
Chairman of the Nominations Committee

15 June 2016

AUDIT COMMITTEE REPORT

Dear Shareholder,

I chair the Audit Committee and the other members are Susan Clayton, Richard Cotton, Richard Gillingwater and Michael O'Donnell. Further details of these Directors may be found on pages 74 and 75. None of the Committee members have any personal or financial interests in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-directorships, or any day-to-day involvement in running the business.

The Committee endorses the principles set out in the FRC Guidance on Audit Committees. The Board has formal and transparent arrangements for considering how it applies the Group's financial reporting and internal control principles and for maintaining an appropriate relationship with its auditors. Whilst all directors have a duty to act in the interests of the Group, this Committee has a particular role, acting independently from the Executive Directors, to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control. Appointments to the Committee are made by the Board on the recommendation of the Nominations Committee in consultation with the Audit Committee Chairman.

The terms of reference of the Audit Committee, which were reviewed during the year, are available on request and are included on the Company's website at www.helical.co.uk.

THE WORK OF THE AUDIT COMMITTEE IN THE YEAR

The Committee met five times during the year and a record of attendance at these meetings is shown on page 77. It is common practice at Helical for Audit Committee meetings to be attended by all Board members who are available, whether or not they are members of the Committee, so that their contribution to the matters discussed may be obtained.

In conjunction with the Board, the Audit Committee reviewed the following matters during the year:

- Review of risk and internal controls;
- The financial statements of the Group and the announcement of the annual results to 31 March 2015 and the interim statement on the half year results to 30 September 2015;
- The re-appointment of the Group's external auditor; and
- The external auditors' independence and the provision of non-audit services by the external auditor.

The Audit Committee met the external auditor on two occasions to discuss matters arising from the annual and interim audits.

Other matters formally reviewed and discussed by the Committee during the year included:

- Review of various company policies including those relating to anti-bribery, share dealing and whistleblowing; and
- Review of the Group's need for an internal audit function and issues related to IT risk and business continuity planning.

In discharging its responsibilities in connection with the preparation of the financial statements for the year to 31 March 2016, the Committee is responsible for reviewing the appropriateness of the Group's accounting policies, assumptions, judgements and estimates as applied by the executive management 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 close involvement of the Executive Directors in the running of the Group and the scale and complexity of the business, it does not consider that an internal audit function is required. However, periodically, the Committee asks the Group's auditors to review its internal controls and their most recent report was presented to the Committee in April 2015. Grant Thornton's 'Report on the Design and Operating Effectiveness of Internal Controls of Helical Bar plc' provided a review of the Group's control environment and internal controls. This report did not highlight any material weaknesses in the design and effectiveness of the Group's systems and controls. Its key recommendations, where appropriate, have been introduced during the year;

- **Valuation**

  The valuation of the Group's investment and trading 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 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 trading and 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 considering whether an asset should be written down to its net realisable value, if lower than cost. 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 Sheets, nor is any movement reflected in the Income Statement. However, in accordance with the best practice recommendations of the European Public Real Estate Association, the surplus is included in the calculation of the EPRA Net Asset 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 addition, the fair values of the investment, trading and development property portfolios are reviewed and approved by the Valuations Committee which is chaired by Susan Clayton, FRICS, an independent Non-Executive Director.

- **Revenue Recognition**

  Revenue recognition is a presumed significant risk under International Standard on Auditing (UK and Ireland) and where the Group enters into complex transactions, judgment must be applied in determining when, and to what extent, revenue should be recognised. For material transactions technical papers are presented to the Committee by Management and the Committee also requests that the Group's external auditors review and report on these judgments.

  The Committee assesses the appropriateness of the proposed revenue recognition for each transaction and these are discussed between the external auditor and Richard Grant, ACA and independent Non-Executive Chairman of the Audit Committee.

In addition to the significant issues discussed above, the Committee also considered the Group's ability to continue as a going concern and the estimates and judgements discussed in note 38 to these accounts.

AUDIT COMMITTEE REPORT

EFFECTIVENESS OF THE EXTERNAL AUDITOR

During the year, the Audit Committee reviewed Grant Thornton UK LLP's fees, effectiveness and whether the agreed audit plan had been fulfilled and the reasons for any variation from the plan. The Audit Committee also considered their robustness and the degree to which they were able to assess key accounting and audit judgements and the content of their reports. This was performed through reviewing their reports and meeting with them to discuss their audit approach and findings. The Audit Committee concluded that both the audit and the audit process were effective.

AUDIT INDEPENDENCE

The Audit Committee considers the external auditor to be independent. The Audit Committee has noted the rules on mandatory audit firm rotation contained in the EU Audit Regulation and the requirements under the UK Corporate Governance Code. Mandatory auditor rotation is not required until after the reporting year ended 31 March 2020. Grant Thornton UK LLP has been the auditor of the Group for longer than ten years and there has been no audit tender during this time. However, the Committee will continue to monitor the effectiveness of the external auditor and will act in accordance with the EU regulations and the Code as appropriate.

The Group's policy on awarding non-audit work to its auditor is designed to ensure that the Group receives the most appropriate advice without compromising the independence of the auditor. A policy of reviewing audit independence has been adopted whereby non-audit services undertaken by the auditor are approved prior to work being carried out. Fees for non-audit work cannot exceed £20,000 without the appointment being approved by the Audit Committee. During the year, non-audit fees of £39,000 were paid to Grant Thornton UK LLP for advisory services in relation to the Group's Polish operations. This work was carried out by a team separate to the audit team and the work was not relied on by the audit team in reaching their opinion.

ANNUAL GENERAL MEETING

At the Annual General Meeting to be held on 25 July 2016 the following resolutions relating to the auditor are being proposed:

- The re-appointment of Grant Thornton UK 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.

Richard Grant
Chairman of the Audit Committee

15 June 2016

DIRECTORS' REMUNERATION REPORT ANNUAL STATEMENT

Dear Shareholder

I am pleased to present the Remuneration Committee's Report on directors' remuneration for the year to 31 March 2016. This report has been approved by the Board of Helical Bar plc.

COMMITTEE MEMBERS

Michael O'Donnell (Chairman)
Susan Clayton
Richard Cotton
Richard Gillingwater
Richard Grant

The main duty of the Remuneration Committee ("Committee") is to determine and agree with the Board, the framework or broad policy for the remuneration of the Chairman and the Executive Directors and, subject to proposals being submitted by the Chief Executive, recommend and monitor the level and structure of remuneration for such other members of the executive management that report directly to the Chief Executive. The remuneration of Non-Executive Directors is a matter for the Chairman and the executive members of the Board.

This Directors' Remuneration Report has been divided into the following three sections:

- This Annual Statement;
- Remuneration Policy Report, which sets out the Group's policy on the remuneration of Executive and Non-Executive Directors; and,
- Annual Report on Remuneration, which discloses how the remuneration policy was implemented in the year ended 31 March 2016 and how the policy will be operated in the year ending 31 March 2017.

As discussed in the Chairmans Review on page 71, there are changes to the Board to be implemented at the Company's AGM on 25 July 2016 when the current Chief Executive, Michael Slade, is to step down from the role and offer himself for election as Non-Executive Chairman of the Company. Gerald Kaye, currently an Executive Director responsible for the Group's major development projects, will stand for election as Chief Executive of the Company. The current Chairman, Nigel McNair Scott, and Non-Executive Director, Andy Gulliford, are to retire at the AGM.

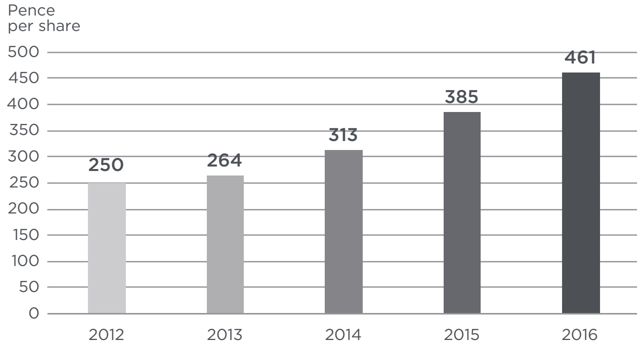
In addition to these Board changes, the Executive Bonus Plan 2011 reached the end of its shareholder approved life on 31 March 2016. As a consequence, the Committee resolved to review and simplify its remuneration policy and has consulted major shareholders and representative bodies. Following the completion of the consultation process and noting the constructive and pragmatic responses of investors consulted, the Company will be seeking shareholder approval at the 2016 AGM for a new Remuneration Policy which will include an amended Annual Bonus Scheme 2012 (to be renamed Annual Bonus Scheme 2016) for all Executive Directors.

The proposed changes to the Annual Bonus Scheme 2012 include significant concessions from its Executive Director participants.

PERFORMANCE AND REWARD IN THE YEAR TO 31 MARCH 2016

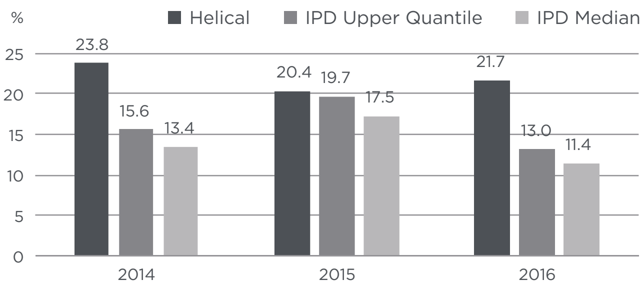
As noted in the Strategic Report on pages 1 to 68, the Group has delivered an increase in EPRA net assets per share of 19.7% (2015: 23.0%) in the year under review with a CAGR over the three years to 31 March 2016 of 20.4% (2015: 15.5%). The Group's total portfolio return, as reported by IPD was 21.7% (2015: 20.4%). Pre-tax profits of the Group, before performance related awards, were £135m (2015: £104m).

EPRA net assets per share



	2013	2014	2015	2016
Annual increase	5.6%	18.6%	23.0%	19.7%
Three year CAGR	(1.0%)	7.4%	15.5%	20.4%

Portfolio return



Subsequent to the year end, and in accordance with the rules of the Executive Bonus Plan 2011 and the Helical Bar Annual Bonus Scheme 2012, cash and deferred shares have been approved for inclusion in the financial statements for the year to 31 March 2016. Details of these annual bonus awards are disclosed in the Annual Report on Remuneration.

Awards made in 2013 under the terms of the 2004 Performance Share Plan ("PSP") were subject to two performance conditions over the three years to 31 March 2016. Two thirds of the awards were based on absolute net asset value performance. The remaining third of the awards were based on a comparison of the Group's portfolio return to the IPD Total Return index. The performance criteria were measured at the end of the three year period and 100% of the awards are expected to vest.

The Committee believes that the provision for annual cash and deferred share bonuses and the expected vesting of the 2013 PSP award in respect of the three-year performance period ended 31 March 2016 accurately and fairly represents the reward determined by the Group's remuneration schemes based on the performance of the Group over the respective performance periods.

DIRECTORS' REMUNERATION REPORT
ANNUAL STATEMENT

SUMMARY OF THE PROPOSED CHANGES

In light of the reshaping of the Board and the Executive Bonus Plan 2011 reaching the end of its shareholder approved life, the Committee undertook to review the Company's remuneration policy to reflect these changes. In conducting its review, the Committee restated its overall policy with regard to Executive Directors' remuneration as follows:

- Maintaining fixed remuneration packages below the median level of its peers; and
- Aligning variable incentive based bonus and share schemes with the long term success of the Company and the interests of its shareholders.

Recognising the reduction in the number of Executive Directors and the current sensitivities surrounding executive pay quantum and transparency in the external environment, the Committee has sought to reduce the total quantum of variable pay, introduce additional, and strengthen existing, shareholder protections and simplify the bonus scheme calculations whilst continuing to operate bonus arrangements which incentivise the Executive Directors. The main changes to the remuneration policy are as follows:

- On becoming Chairman, Mike Slade will receive an annual fee of £155,000, plus an additional benefit in kind of £20,000 for use of secretarial support for non-business use, to reflect his Non-Executive Director role. He ceased accruing bonus from 1 April 2016 and is no longer entitled to receive PSP awards. Outstanding PSP awards will continue to vest on the normal vesting dates subject to continued service and performance targets in line with the PSP rules approved by shareholders;
- Gerald Kaye's annual salary will increase from £413,900 to £515,000. This is £20,800 lower than Michael Slade's current annual salary and, reflecting best practice in respect of an internal promotion, will be phased over a two year period, with the second increase subject to the Committee being satisfied in respect of his individual performance. It is envisaged that Gerald Kaye's salary will increase in line with RPI annually thereafter;
- Duncan Walker's annual salary will increase from £324,600 to be the same as that of Matthew Bonning-Snook (currently £382,500) to reflect his additional responsibilities within the new Board structure. Again, reflecting best practice, this increase will be phased over a two year period with the second increase subject to the Committee being satisfied in respect of his individual performance;
- The salary review date will be changed from 1 July to 1 April to align it to the financial year and the rest of the workforce although bonus calculations and new share awards will continue to be calculated with reference to salaries at 31 March;
- The Executive Bonus Plan 2011, which was designed to reward the Chief Executive and Finance Director, will not be renewed so that in future only one Executive Director bonus arrangement will be operated. The terms of the proposed Annual Bonus Plan 2016 will be amended to permit the Chief Executive and Finance Director to participate;
- The potential additional awards of up to 300% of salary in year five (2017) and year ten (2022) of the Annual Bonus Scheme 2012 will be removed;
- The calculation of the bonus under the proposed Annual Bonus Scheme 2016 will be simplified by operating one profit pool, (previously based on two pools) comprising all annual net rents, profits/losses on the sale and revaluation of assets, loan finance and administration costs and the costs of equity (to be fixed at 7% pa but subject to regular review). In addition, as a further amendment, distributions will continue to be restricted to a maximum of 300% of salary but with the previous additional restriction of bonuses being no more than 70% of the balance of the bonus pool being removed.

In considering shareholder protections:

- The maximum potential annual bonus will be set at 200% of salary for the Finance Director and will remain at 300% for all other participants;
- Rather than an unlimited carry forward in respect of the bonus pool, as currently operated, a maximum of 6.5 times the aggregate Executive Director salary pool may be carried forward;
- Rather than a carry forward of the bonus pool of up to five years, the carry forward of any bonus pool not utilised in the year it is generated will be reduced to two years, with any remaining pool foregone. Reflecting this reduction in the carry forward, the minimum period during which losses can be carried forward will be reduced from three to two years;
- Good Leavers will receive allocations and deferred share awards for up to two years (previously three years); and
- A cap will be introduced on amounts payable upon a change of control (currently, amounts are uncapped).

Further details of the proposed new Annual Bonus Scheme 2016 are shown on page 98 below and are set out in the 2016 Notice of Annual General Meeting ("AGM").

In addition to these changes to remuneration, and reflecting consensus from a number of shareholders regarding the length of Executive Director notice periods, the Committee has agreed with all Executive Directors that their notice periods will be reduced from twelve months to six months without compensation.

The Company policy of not providing pension provision will continue and no changes are being proposed in respect of the operation of the PSP.

REMUNERATION POLICY FOR THE YEAR TO 31 MARCH 2017

The Committee is committed to ensuring that its remuneration policy remains aligned to the interests of shareholders – incentivising management to increase total returns and growing net asset value per share – whilst ensuring that an appropriate balance is maintained between the targets set for management and the risk profile of the Group. The Committee believes it has struck the right balance between fixed annual remuneration and an incentive structure with challenging targets which seek to reward outperformance with a mixture of cash-based bonus payments and longer term share awards set for management and the risk profile of the Group.

In addition to the changes made to the salaries of Gerald Kaye and Duncan Walker, referred to above, the Committee determined that the basic salaries of the remaining executive directors should be increased from 1 April 2016 by 1.6% (2015: 2.0%), which is below the average 7% (2015: 8%) awarded to all other employees of the Group.

Further details of the implementation of the proposed remuneration policy for the year to 31 March 2017 can be found on pages 97 to 99.

ANNUAL GENERAL MEETING

At the AGM to be held on 25 July 2016, the following resolutions relating to remuneration are being proposed:

- The approval of the Remuneration Policy Report;
- The approval of the Annual Statement and Annual Report on Remuneration for the year to 31 March 2016; and,
- The approval of the Annual Bonus Scheme 2016.

I trust that shareholders will support the Committee and vote in favour of these resolutions.

Michael O'Donnell
Chairman of the Remuneration Committee

15 June 2016

DIRECTORS' REMUNERATION REPORT

REMUNERATION POLICY REPORT

The Report of the Remuneration Committee has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"). The Company's remuneration policy follows the principles and guidelines of the Listing Rules and the UK Corporate Governance Code 2012 as they relate to directors' remuneration.

The Company's Remuneration Policy Report was previously approved by shareholders at the Annual General Meeting held on 25 July 2014 for a maximum period of three years. However, in view of changes to the remuneration of the Executive Directors, the expiry of the Executive Bonus Plan 2011 and proposed replacement of the Annual Bonus Scheme 2012 with the Annual Bonus Scheme 2016, the Committee is seeking the approval of shareholders for an amended Remuneration Policy Report.

REMUNERATION POLICY REPORT

This section of the Remuneration Report sets out the remuneration policy of the Group. Changes to this policy since its 2014 approval are outlined in the report but the Committee believes that the policy continues to support the Group's strategy and is aligned with shareholders' interests.

REMUNERATION POLICY

Helical's approach to the remuneration of its Executive Directors is to provide a basic remuneration package below the median level of its peers within the listed real estate sector (the FTSE 350 Super Sector Real Estate Index, excluding storage companies and agencies) combined with an incentive based bonus and share scheme structure aligned with the interests of its shareholders. 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 also 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 and considers environmental, social, governance and risk issues.

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

- The total individual remuneration packages of each executive director including, where appropriate, basic salaries, bonuses, share awards, and other benefits;
- Targets for any performance related remuneration schemes; and,
- Service agreements incorporating termination payments and compensation commitments.

THE BOWER OLD STREET, LONDON EC1

DIRECTORS' REMUNERATION REPORT
REMUNERATION POLICY REPORT

DIRECTORS' REMUNERATION POLICY TABLE

The table below summarises the directors' remuneration policy which will be put to shareholders for approval at the 2016 AGM. The proposed policy differs from that approved by shareholders at the 2014 AGM as follows:

- The salary review date will be changed from 1 July to 1 April to align it to the financial year and the rest of the workforce;
- The Executive Bonus Plan 2011, which was designed to reward the Chief Executive and Finance Director, will not be renewed so that in future only one Executive Director bonus arrangement will be operated. The terms of the proposed Annual Bonus Plan 2016 will allow all Executive Directors, including the Chief Executive and Finance Director, to participate; and,
- The proposed Annual Bonus Plan 2016 simplifies the bonus calculation and introduces a number of additional shareholder protections.

Element	Purpose and link to strategy	Operation
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 - Targeted below median level of its peers - Reviewed in context of the salary increases across the Group
Annual bonus	- Provides focus on delivering returns from the Group's property portfolio - Aligned with shareholders through a profit sharing model, with appropriate hurdles and shareholder protections - Rewards and helps retain key executives and is aligned to the Group's risk profile - Maximum bonus only payable for achieving demanding targets	- Payable in cash and deferred shares - Non-pensionable
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 to the Group's risk profile	- Discretionary annual grant of conditional share awards under the 2014 PSP
Other benefits	- There is no Group pension scheme for Directors and no contributions are payable to Directors' own pension schemes - 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
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 - PSP participants are required to retain shares acquired for at least two years after vesting
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 fee paid monthly - Fees are reviewed on a regular basis - Benefits may be provided where appropriate - Fixed three year contracts with three month notice periods

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. However, employees including Directors who participate in the Group's long term incentive awards are excluded from the Helical Bar 2010 Approved Share Option Scheme.

The Executive Bonus Plan 2011 was discontinued on 31 March 2016 at the end of its shareholder approved life.

The 2004 PSP expired in 2014 and was replaced by the 2014 PSP. Awards made under the terms of the 2004 PSP which remain outstanding and subject to performance criteria are noted on page 94.

DIRECTORS' REMUNERATION REPORT
REMUNERATION POLICY REPORT

Maximum	Performance targets
- No maximum or maximum salary increase is operated - Salary increases will be linked to RPI and will not normally exceed 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
- 300% of salary p.a. (200% for Finance Director) - Dividend equivalent payments (in cash or in shares) may be payable on deferred shares	- Performance normally measured over one year Targets based on: - Profits/losses of the business plus growth in values of the investment, trading and development portfolio after charging for the Group's finance, administration costs and the use of the Group's equity - Clawback provisions apply - Details of profit sharing arrangements are set out on page 98
- 300% of salary p.a. for all Executive Directors - Dividend equivalent payments (in cash or in shares) may be payable	- Performance normally measured over three years - 10% of an award vests at threshold performance - Performance targets linked to net asset value per share, total property return and total shareholder return - Details of actual targets for the awards to be granted in 2016 are set out on page 99 - Clawback provisions apply
- N/A	- N/A
- N/A	- Aim to hold a shareholding to equal or exceed 200% of basic salary (increasing to 300% on the first vesting of awards granted under the 2014 PSP)
- No maximum 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

DIRECTORS' REMUNERATION REPORT
REMUNERATION POLICY REPORT

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, and be targeted below the median of appropriate sector comparables, taking into account internal comparisons. On initial appointment, 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 are 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 would be set in line with arrangements as approved by shareholders, with the Committee retaining the right to pro-rata 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.
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 HOW IT COMPARES TO THE REMUNERATION POLICY OF EXECUTIVE DIRECTORS

All permanent employees of the Group, including Executive Directors, receive a basic remuneration package including base 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. 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. An Inland Revenue approved Share Option Scheme is available for the Committee to grant options to those who do not receive awards under the Performance Share Plan. Consequently, Directors are not granted awards under this scheme. 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 its employees when drawing up the Group's remuneration policy.

PERFORMANCE METRICS

The performance metrics used in the annual bonus scheme and the long term incentive plan are aligned with the Group's Key Performance Indicators, discussed on pages 20 to 21.

The proposed Annual Bonus Scheme 2016 (and previously the Annual Bonus Scheme 2012), if approved at the 2016 AGM, is a profit sharing model which takes the results of the Company, including valuation movements on its property portfolio, and, after charging all finance costs, non-performance related administration costs and a charge for the use of the Group's equity (initially set at 7% but subject to regular review), allocates the net results into a profit pool for payment to participants with maximum limits, deferral, clawback and other shareholder protections. The scheme will be open to all Executive Directors.

Long term incentives, awarded in accordance with the rules of the 2014 PSP are subject to an absolute net asset value growth test, a relative performance metric based on the performance of the Group's property portfolio compared to an IPD index and a relative performance metric based on Total Shareholder Return.

DIRECTORS' REMUNERATION REPORT
REMUNERATION POLICY REPORT

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 Employment	Board Appointment	Date of current contract
Michael Slade	12m[1]	21 August 1984	21 August 1984	1 August 2007
Gerald Kaye	6m	6 March 1994	28 September 1994	1 March 2010
Tim Murphy	6m	1 March 1994	24 July 2012	24 July 2012
Matthew Bonning- Snook	6m	13 March 1995	1 August 2007	1 March 2010
Duncan Walker	6m	28 August 2007	24 June 2011	24 June 2011

[1] The notice period for Michael Slade will reduce to three months subject to his election as Chairman at the 2016 AGM.

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 to the Group. Instalment payments will be reduced by any alternative income.

Under the Annual Bonus Scheme 2016, participants shall not normally be entitled to receive any distribution under the scheme following cessation 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 of the Group or any other reason permitted by the Committee). For good leavers, individuals would cease to accrue future amounts into Bonus Award Pool although would continue to receive deferred share awards and any remaining amounts held in the Bonus Award Pool for a period of two years after cessation.

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.

NON-EXECUTIVE DIRECTORS

Non-Executive Directors are appointed by a Letter of Appointment and their remuneration is determined by the 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 e.g. Michael Slade becoming Chairman in 2016 (subject to his re-election at the 2016 AGM), ongoing participation in awards previously made in bonus and share schemes will be subject to the rules of those schemes and will be subject to the discretion of the Committee.

NON-EXECUTIVE DIRECTOR'S LETTERS OF APPOINTMENT

Non-executive director	Board appointment	Commencement date of current term
Nigel McNair Scott[1] – Chairman	17 December 1985	1 April 2015
Andy Gulliford[1] – Property Advisor to the Board	1 March 2006	1 April 2015
Richard Gillingwater – Senior Independent Director	24 July 2012	1 April 2015
Michael O'Donnell – Chairman of the Remuneration Committee	24 June 2011	1 April 2015
Richard Grant – Chairman of the Audit Committee	24 July 2012	1 April 2015
Susan Clayton – Chairman of the Valuation Committee	1 February 2016	1 February 2016
Richard Cotton	1 March 2016	1 March 2016

[1] Nigel McNair Scott and Andy Gulliford are to retire from the Board at the AGM on 25 July 2016.

DIRECTORS' REMUNERATION REPORT
REMUNERATION POLICY REPORT

SHARE OWNERSHIP GUIDELINES

Senior Executives will not normally be permitted to sell shares received through the 2004 PSP/2014 PSP, other than to meet taxation (and national insurance contributions) liabilities, for at least two years and until they own shares to the value of 200% of basic salary for Executive Directors and 100% of salary for other Executives. The 200% of salary guideline for Executive Directors will increase to 300% on the first vesting of share awards granted under the 2014 PSP.

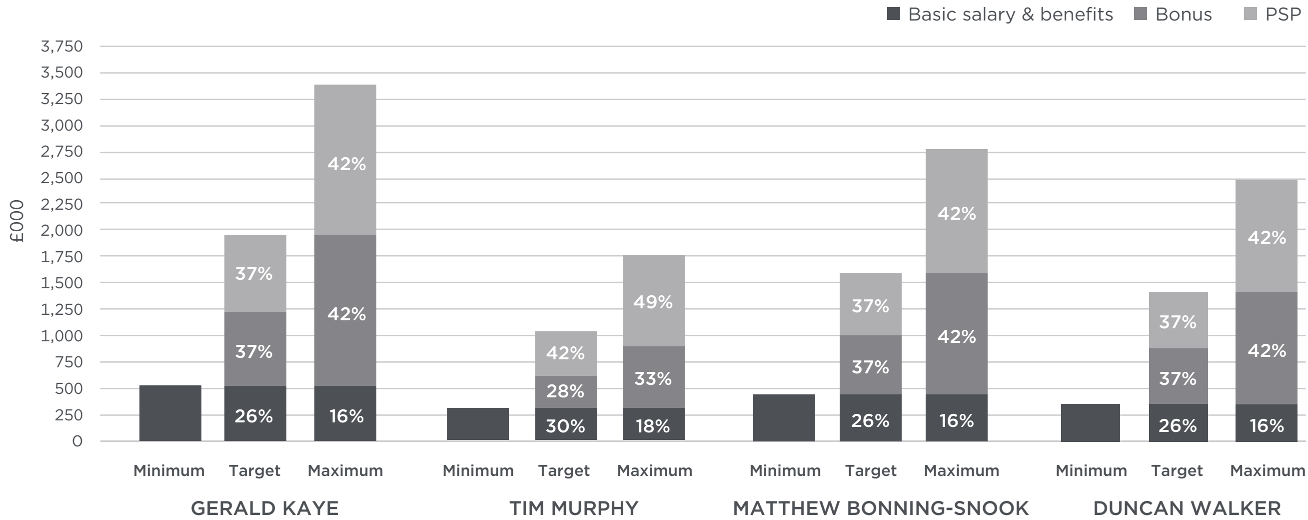
ALIGNMENT WITH SHAREHOLDER INTERESTS

The Remuneration Committee has analysed the potential gains that may be made by Executives (Directors and those below Board level) through the 2004 PSP/2014 PSP and other incentive arrangements currently in place. It has concluded that the share of the increase in the value of the Group (measured as the increase in the net asset value, before incentives, plus cash returned as dividends to shareholders) that could accrue to all Executives through the Group's long and short-term incentive and bonus plans at the point at which the maximum awards vest over the term of the plans might be of the order of 20%. At this point, in absolute terms, the Group will have increased its triple net asset value by at least 15% per annum with the Group's relative performance placing it in the top quartile of IPD and Total Shareholder Return, over each three year period.

REWARD SCENARIOS

The charts below show how the composition of the Executive Directors' remuneration packages varies at three performance levels, namely, at minimum (i.e. fixed pay), target (assumed to be 50% of the maximum incentive levels) and maximum levels, under the policy set out in the table overleaf.

VALUE OF REMUNERATION PACKAGES AT DIFFERENT LEVELS OF PERFORMANCE



The chart is based on:

- salary levels effective 1 April 2016.
- an approximated annual value of benefits (no pension is provided).
- a 300% of salary maximum annual bonus for the CEO and other directors and 200% for the Finance Director (with target assumed to be 50% of the maximum).
- a 300% of salary award under the 2014 PSP in line with the normal maximum award (with target assumed to be 50% of the maximum).
- No share price appreciation in respect of deferred bonus and PSP awards has been assumed.

REMUNERATION COMMITTEE

The Committee comprises Michael O'Donnell, as Chairman, and Richard Gillingwater and Richard Grant, all of whom have served throughout the year, Susan Clayton and Richard Cotton, both of whom have served on the Committee since their appointment to the Board. Each member of the Committee is an independent Non-Executive Director. 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.

ADVISORS TO THE COMMITTEE

The Committee consults the Chief Executive and Finance Director about its proposals and has access to professional advice from independent remuneration consultants, New Bridge Street, to help it determine appropriate remuneration arrangements. Terms of reference for New Bridge Street, which provided no other services to the Company, are available from the Company Secretary on request. Their fees for the year to 31 March 2016 amounted to £20,384 (2015: £42,710).

DIRECTORS' REMUNERATION REPORT

ANNUAL REPORT ON REMUNERATION

APPLICATION OF THE REMUNERATION POLICY IN THE YEAR TO 31 MARCH 2016

BALANCE OF FIXED VERSUS VARIABLE PAY

In line with its policy, the Committee seeks to ensure that the balance of remuneration provides a basic salary below the median, and performance related bonuses and share awards that reward absolute performance and outperformance relative to the Group's peer group. In the year to 31 March 2016, the balance of fixed versus variable pay on an actual basis for the Executive Directors in office during the year compared to the maximum payable was as follows:

	Actual £	Share of total %	Maximum £	Share of total %
Basic salaries and benefits-in-kind	2,537,000	16	2,537,000	16
Annual Bonus Scheme 2012	3,364,000	21	3,364,000	21
Executive Bonus Plan 2011	2,000,000	12	2,000,000	12
Performance Share Plan shares vested	8,320,000	51	8,320,000	51
	16,221,000	100	16,221,000	100

Note: Performance Share Plan shares vested 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 2016 in accordance with the terms of the Group's Performance Share Plan.

DIRECTORS' REMUNERATION

Remuneration in respect of the directors was as follows:

	Fixed			Variable				
Year to 31 March 2016	Basic salary/ fees £000	Benefits £000	Sub-total £000	Annual cash bonus £000	Deferred bonus shares £000	Share awards £000	Sub-total £000	Total £000
EXECUTIVE DIRECTORS								
Michael Slade	**533**	**42**	**575**	**1,500**	**-**	**2,454**	**3,954**	**4,529**
Tim Murphy	**285**	**30**	**315**	**500**	**-**	**1,227**	**1,727**	**2,042**
Gerald Kaye	**412**	**49**	**461**	**828**	**414**	**1,896**	**3,138**	**3,599**
Matthew Bonning-Snook	**381**	**54**	**435**	**765**	**383**	**1,516**	**2,664**	**3,099**
Duncan Walker	**323**	**29**	**352**	**649**	**325**	**1,227**	**2,201**	**2,553**
NON-EXECUTIVE DIRECTORS								
Nigel McNair Scott	**155**	**23**	**178**	**-**	**-**	**-**	**-**	**178**
Andrew Gulliford	**52**	**-**	**52**	**-**	**-**	**-**	**-**	**52**
Richard Gillingwater	**52**	**-**	**52**	**-**	**-**	**-**	**-**	**52**
Richard Grant	**52**	**-**	**52**	**-**	**-**	**-**	**-**	**52**
Michael O'Donnell	**52**	**-**	**52**	**-**	**-**	**-**	**-**	**52**
Susan Clayton[1]	**9**	**-**	**9**	**-**	**-**	**-**	**-**	**9**
Richard Cotton[2]	**4**	**-**	**4**	**-**	**-**	**-**	**-**	**4**
Total	**2,310**	**227**	**2,537**	**4,242**	**1,122**	**8,320**	**13,684**	**16,221**

[1] Susan Clayton joined the Board on 1 February 2016.

[2] Richard Cotton joined the Board on 1 March 2016.

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

Year to 31 March 2015	Fixed			Variable				
	Basic salary/fees £000	Benefits[2] £000	Sub-total £000	Annual cash bonus £000	Deferred bonus shares £000	Share awards £000	Sub-total £000	Total £000
EXECUTIVE DIRECTORS								
Michael Slade	523	43	566	1,500	-	3,468	4,968	5,534
Tim Murphy	279	31	310	500	-	1,456	1,956	2,266
Gerald Kaye	404	49	453	811	406	2,601	3,818	4,271
Matthew Bonning-Snook	375	54	429	750	375	2,081	3,206	3,635
Duncan Walker	307	29	336	637	318	1,734	2,689	3,025
NON-EXECUTIVE DIRECTORS								
Nigel McNair Scott	152	26	178	-	-	1,630	1,630	1,808
Andrew Gulliford	51	-	51	-	-	-	-	51
Richard Gillingwater	51	-	51	-	-	-	-	51
Richard Grant	51	-	51	-	-	-	-	51
Michael O'Donnell	42	-	42	-	-	-	-	42
FORMER DIRECTOR								
Jack Pitman[1]	323	25	348	974	-	2,081	3,055	3,403
Total	**2,558**	**257**	**2,815**	**5,172**	**1,099**	**15,051**	**21,322**	**24,137**

[1] Jack Pitman stepped down from the Board on 13 February 2015 and left the Company on 31 March 2015.
[2] The benefits in the year to 31 March 2015 have been adjusted to include Share Incentive Plan Shares and life assurance costs.

The information in this section has been audited.

EXECUTIVE BONUS PLAN 2011

In 2011, shareholders approved the renewal of the Executive Bonus Plan (the "2011 Plan") for a further five years. Michael Slade and Tim Murphy were eligible for 2011 Plan bonuses during the year. Total 2011 Plan bonuses for the year to 31 March 2016 of £2,000,000 (2015: £2,000,000) have been accrued in the financial statements for the year to 31 March 2016 and are payable in June 2016.

The performance conditions which applied for the year ended 31 March 2016 were as follows:

- increase in net asset value: net asset value at the end of the financial year exceeds net asset value at the beginning of the financial year;
- absolute performance of the portfolio – un-geared total return: the percentage increase in the total return on property assets of the Group over the financial year (the "Performance Period") is greater than the percentage increase achieved by the portfolio ranked nearest to three-quarters up the performance table (taken in ascending order of return) (the "Upper Quartile") of the portfolios of all quarterly valued funds measured by the Investment Property Databank at the beginning of the relevant Performance Period and compounded monthly during the Performance Period (the "IPD Total Return Benchmark"); and,
- performance of the net asset value per share: the percentage increase in net asset value per share for the Performance Period must be greater than the percentage increase achieved by the Upper Quartile of the portfolios of all quarterly valued funds measured by the Investment Property Databank at the beginning of the relevant Performance Period and compounded monthly during the Performance Period (the "IPD Capital Growth Benchmark").

The total amount of bonus payable in the year to 31 March 2016 was determined by:

- calculating the difference between the percentage increase in net asset value per share for the Performance Period and the percentage increase in the Upper Quartile of the IPD Capital Growth Benchmark over the same period (the "Difference"); and
- calculating the sum of the amounts payable in relation to each 1% of the Difference on the following basis:

Amount of difference	% of base net asset value payable
Less than 1%	0.01
1% to less than 2%	0.02
And thereafter for every additional 1%	An increment of 0.01
For example: From 4% to less than 5%	0.05

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

Applying this methodology to the results for the year to 31 March 2016, the bonus for the year was calculated as follows:

1. Increase in net asset value per share, pre dividends and performance related awards

Net asset value per share at 1 April 2015	385p
Net asset value per share at 31 March 2016*	475p
Increase in net asset value per share	23.6%

*Adjusted for dividends and performance related awards paid or accrued during the year.

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

2. Absolute performance of the portfolio

Performance of portfolio as measured by IPD	21.7%
Upper quartile of IPD Total Return Benchmark	13.0%

3. Performance of net asset value per share

Increase in net asset value per share	23.6%
Upper quartile of IPD Capital Growth Benchmark	8.0%

Applying these percentages to the net asset value base, the percentage increase in the actual net asset value above that was derived by applying the upper quantile of the IPD Capital Growth Benchmark is 14.43%. Applying this outperformance to the base net asset value results in a potential payment of £4,606,000 (2015: £4,612,000). This was reduced to the maximum amount payable of £2,000,000 (2015: £2,000,000).

Bonuses paid under the terms of this 2011 Plan in the last seven years are as follows:

Year	Amount Paid £
2016	2,000,000
2015	2,000,000
2014	2,000,000
2013	1,297,000
2012	nil
2011	nil
2010	nil

The Executive Bonus Plan 2011 reached the end of its shareholder approved life at 31 March 2016 and no further payments will be made in respect of this scheme for subsequent periods.

HELICAL BAR ANNUAL BONUS SCHEME 2012

The Helical Bar Annual Bonus Scheme 2012 was approved by shareholders at the 2012 AGM. This scheme provides annual cash bonuses based on the performance of the Group's property portfolio and is aligned with shareholders through a profit sharing model, with appropriate hurdles and shareholder protections (including deferral and clawback). Total 2012 Bonus Scheme Bonuses have been accrued in the financial statements for the year to 31 March 2016 and the cash element will be payable in June 2016.

The main features of the 2012 Bonus Scheme as applied to the year to 31 March 2016 were as follows:

- the scheme participants were Gerald Kaye, Matthew Bonning-Snook and Duncan Walker. Former director, Jack Pitman, remained eligible for a bonus in respect of the bonus pool carried forward from 31 March 2015. Neither the Chief Executive nor the Finance Director participated in the Scheme given their participation in the 2011 Plan;
- all property assets held during the year were allocated to one of two pools namely the "Investment Pool" or the "Development Pool" ("Profit Pools");
- investment assets were included at valuation as at 31 March 2015 with subsequent valuation movements increasing or decreasing the size of the relevant Profit Pool. Development assets were also included at valuation as at 31 March 2015 with subsequent valuation movements increasing or decreasing the size of the Profit Pool. Any opening surpluses or deficits in the value of the trading and development assets as at the introduction of the scheme on 1 April 2012 were only included in the Profit Pools if they were realised;
- development profits, development management fees, net rents, other income and profits/losses on the sale of property assets were allocated to the relevant Profit Pools; and,
- profits in the two Profit Pools were eligible for the award of bonuses once they were sufficient to exceed the recovery of all related finance costs, a charge for the use of the Company's equity at a rate equivalent to the Company's weighted average cost of debt plus a margin (reviewed regularly to reflect any changes in the cost of debt and the risk profile of the Company's activities), the Group's total administrative costs (excluding performance related remuneration) and any unallocated losses from the previous three financial years.

Shareholder Protections

- no more than 10% of profits were available to participants for distribution ("Bonus Award Pool") at the end of the relevant financial year. Pool allocations between participants were based on a set formula agreed at the start of the financial year;
- the distribution of the Bonus Award Pools to participants were restricted in any financial year to the lower of 70% of the balance of the Bonus Award Pool and 300% of salary. Any excess is deferred and carried forward to the subsequent year to form part of the Bonus Award Pool for the subsequent year(s);
- two thirds of any payment is made in cash after the relevant financial year end and one third is deferred for three years into Helical Bar plc shares; and,
- other shareholder protections as noted on page 98 in respect of the Annual Bonus Scheme 2016.

Bonus Scheme Pool – Year to 31 March 2016

The amount transferred to the Bonus Pool based on the results of the Group for the year to 31 March 2016 and its allocation to cash and deferred share awards is as follows:

	2016 £	2015 £
Bonus Pool brought forward	**15,812,000**	7,295,000
Amount transferred to Bonus Pool based on the results for the year	**12,533,000**	12,788,000
Bonus Pool available for distribution	**28,345,000**	20,083,000
Amount paid as cash bonuses	**(3,216,000)**	(3,172,000)
Amount paid as deferred shares	**(1,122,000)**	(1,099,000)
Bonus Pool carried forward	**24,007,000**	15,812,000

The proposed changes to this bonus scheme, to be reflected in the Annual Bonus Scheme 2016, are expected to reduce the Bonus Pool carried forward at 31 March 2016 to c. £10,400,000.

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

Other matters

- whilst shareholder approval for the Plan was obtained for ten years from 1 April 2012, the Remuneration Committee has reviewed the operation of the Plan early in light of the various Board changes, the expiry of the Executive Bonus Plan 2011 and general sensitivities surrounding executive pay and, subject to shareholder approval, intends replacing the Plan with the Helical Annual Bonus Plan 2016 with additional shareholder protections. Further details of this new plan are noted on page 98 and are set out in the 2016 Notice of AGM;
- 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 ABI's 5% in ten year dilution limit will apply; and,
- on a change of control of the Company, any amounts accrued over the financial year up to the relevant date, and any amounts held within the Bonus Award Pools will be paid out, subject to a cap on those awards of 600% of base salary, Any deferred shares would vest immediately.

PSP AWARDS VESTING IN 2016

The PSP award (granted under the 2004 PSP), granted on 24 June 2013, will vest after 25 June 2016. The expected vesting percentage is as follows:

Metric	Performance Condition	Threshold Target	Stretch Target	Actual	% Vesting
NAV (fully diluted triple net)	Net asset value growth 10% of this part of an award vests for compound NAV growth of 7.5% p.a. increasing pro-rata to 100% of this part of an award vesting for compound NAV growth of 15% p.a.	7.5%	15.0%	22.2%	66.67%
TPR	Total property return v IPD property 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	Median 13.8%	Upper quartile 15.7%	22.0%	33.33%
Total					100.00%

Based on the above and given that net value per share (having added back dividends) increased over the three year performance period, details of the shares under award and the expected value at vesting is as follows:

Executive directors	Number of shares at grant	Number of shares expected to lapse	Number of shares expected to vest	Estimated value at vesting[1] £'000
Michael Slade	615,384	-	615,384	2,454
Tim Murphy	307,692	-	307,692	1,227
Gerald Kaye	475,384	-	475,384	1,896
Matthew Bonning-Snook	380,307	-	380,307	1,516
Duncan Walker	307,692	-	307,692	1,227
Jack Pitman – former director	380,307	126,769	253,538	1,011

[1]The share price used to calculate the expected value at vesting was 398.75p, based on the average share price over the three months to 31 March 2016.

The 2004 PSP numbers presented for the comparatives in the remuneration table above are based on the 2004 PSP awards granted on 31 May 2012. The three year performance period to 31 March 2015 showed that the net asset value per share, calculated in accordance with the terms of the 2004 PSP, had increased by 18.1% p.a. During this three year period the total return of Helical's property portfolio, as determined by IPD, was 17.4% compared to the upper quantile of the IPD Benchmark which showed a return of 12.3%. Therefore, 100% of the shares vested. The share price used to calculate the expected value at vesting for the 2012 PSP awards was 387.24p (based on the average share price over the three months to 31 March 2015). The actual share price at vesting on 15 September 2015 was 421.00p.

The information in this section has been audited.

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

PSP AWARDS GRANTED IN THE YEAR

The following conditional awards were granted on 8 June 2015 under the 2014 PSP in the year:

Individual	Basis of Award (as a % of salary)	Face Value £000	Vesting at threshold	Vesting at Maximum	Performance Period
Michael Slade	300%	1,576	10%	100%	3 years to 31 March 2018
Tim Murphy	300%	842	10%	100%	3 years to 31 March 2018
Gerald Kaye	300%	1,217	10%	100%	3 years to 31 March 2018
Matthew Bonning-Snook	300%	1,125	10%	100%	3 years to 31 March 2018
Duncan Walker	300%	955	10%	100%	3 years to 31 March 2018

The total number of awards made to directors under the terms of the 2004 PSP and 2014 PSP which have not yet vested are as follows:

Director	Shares awarded 24.06.13 at 243.75p	Shares awarded 25.07.14 at 358.00p	Shares awarded 08.06.15 at 420.00p	Total shares awarded
Michael Slade	615,384	440,195	375,214	1,430,793
Tim Murphy	307,692	235,055	200,357	743,104
Gerald Kaye	475,384	340,055	289,857	1,105,296
Matthew Bonning-Snook	380,307	314,245	267,857	962,409
Duncan Walker	307,692	266,706	227,335	801,733
Jack Pitman – former director	380,307	272,053	-	652,360

It is currently expected that 100% of the shares awarded on 24 June 2013, 83% of the shares awarded on 25 July 2014 and 72% of the shares awarded on 8 June 2015 will vest.

As detailed below, Jack Pitman, a former director, has been treated as a good leaver under the 2004 PSP and 2014 PSP. Awards will vest under terms of the relevant plans, subject to performance and time pro-rating.

The information in this section has been audited.

VESTING OF PSP AWARDS

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 PSP in the last seven years are as follows:

Year	Value £
2016 – value based on average share price over three months to 31 March 2016 of 389.75p	8,320,000
2015 – value based on average share price over three months to 31 March 2015 of 387.24p. Actual vesting share price was 421.00p.	15,051,000
2014 – value based on average share price over three months to 31 March 2016 of 359.60p. Actual vesting share price was 351.00p.	5,623,000
2013	nil
2012	nil
2011	nil
2010	nil

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

HELICAL BAR 2002 APPROVED SHARE INCENTIVE PLAN

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 were as follows:

	9 March 2016 at 379.00p	8 January 2016 at 462.25p	2 December 2015 at 451.00p	15 September 2015 at 421.00p	18 August 2015 at 441.75p	9 June 2015 at 413.5p
Michael Slade	-	210	297	318	479	1,197
Tim Murphy	354	109	297	318	244	1,197
Gerald Kaye	354	210	297	318	479	1,197
Matthew Bonning-Snook	354	208	297	318	473	1,197
Duncan Walker	354	122	297	318	276	1,197

Shares held by the Trustees of the Plan at 31 March 2016 were 437,597 (2015: 438,898).

The information in this section has been audited.

PAYMENTS TO FORMER DIRECTORS – DEPARTURE OF JACK PITMAN

As disclosed last year, Jack Pitman stepped down from the Board on 13 February 2015 and ceased employment on 31 March 2015. No payments in respect of salary and car allowance were made after 31 March 2015 although in line with his termination arrangements, Jack Pitman's Group health insurance continued until the end of the policy in October 2015.

In respect of his incentives, it was determined by the Remuneration Committee that Jack Pitman should be treated as a Good Leaver for the purposes of the Annual Bonus Scheme 2012 and his outstanding PSP awards.

He will receive cash bonuses in respect of the Annual Bonus Scheme 2012 in respect of the balance remaining in that scheme at 31 March 2015 for a further three years in line with the plan rules, subject to offset of future losses and clawback. A payment of £973,950 will be made in June 2016 at the normal payment date.

The 2013 PSP (granted under the 2004 PSP) is expected to vest in full, subject to time pro-rating. The estimated value, based on the average share price over the three months to 31 March 2016 of 398.75p is £1,010,983. The 2014 PSP award (granted under the 2014 PSP) is expected to vest in June 2017, again subject to performance and time pro-rating and full details will be disclosed in next year's Annual Report on Remuneration.

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE YEAR TO 31 MARCH 2017

EXECUTIVE DIRECTORS' BASIC ANNUAL SALARY AND BENEFITS-IN-KIND

The basic package of salary and benefits is designed to match the experience and responsibilities of each director and is reviewed annually to ensure that it is consistent with and appropriate to their responsibilities and expectations. The Group does not provide any separate pension provision for Executive Directors and expects individuals to provide for their retirement through their basic salaries and incentive payments. Executive Directors' basic annual salaries at 31 March 2016 and increases from 1 April 2016 are as follows:

	At 31 March 2016 £	Increases wef 1 April 2016 £	At 1 April 2016 £
Michael Slade	535,800	-	535,800
Tim Murphy	286,100	4,600	290,700
Gerald Kaye	413,900	61,100	475,000
Matthew Bonning-Snook	382,500	6,100	388,600
Duncan Walker	324,600	32,400	357,000

The Committee's policy in respect of basic salaries is that they should be reviewed annually and increased to reflect an appropriate level of inflation (being linked to the Retail Prices Index) or greater to reflect increases in the scale, scope or responsibility of their roles or to allow recently appointed Executives to move to market norms as their experience and contributions increase. At the 2016 AGM to be held on 25 July 2016, Michael Slade is to step down as Chief Executive. His salary will remain at its current level of £535,800 until the AGM, from which date he will be remunerated (subject to his re-election) as Non-Executive Chairman. Gerald Kaye, subject to his re-election, will become the Chief Executive from 25 July 2016. In recognition of his increased responsibilities, his basic salary is to increase to £515,000 pa, £20,800 below that of the current Chief Executive salary, in two stages. This basic salary increased to £475,000 pa on 1 April 2016 and will be increased to £515,000 pa on 1 April 2017 subject to the Committee being satisfied in respect of his individual performance. Thereafter, he is expected to receive inflationary increases each year. Duncan Walker has taken on increased responsibilities over the last twelve months and in recognition of this it is intended that his basic salary will increase to that of Matthew Bonning-Snook over the course of two salary reviews. He received an increase to £357,000 pa on 1 April 2016 and is expected to receive a further increase to c. £391,350 pa, subject to RPI, on 1 April 2017, and subject to the Committee being satisfied in respect of his individual performance. Thereafter, he is expected to receive inflationary increases each year. In addition to these two changes, the Committee has determined that the remaining two Executive Directors will receive increases of 1.6%, being the increase in RPI to 31 March 2016, from 1 April 2016, compared to an average 6.8% awarded to other employees.

BENEFITS-IN-KIND

Benefits-in-kind provided to Executive Directors comprise the provision of a company car or car allowance, car fuel, private medical cover, permanent health insurance, life insurance and participation in the Company's Share Incentive Plan. There is no Group pension scheme for Directors and no contributions will be paid by the Group to the Directors' own pension schemes.

NON-EXECUTIVE DIRECTORS' FEES

Michael Slade, subject to his re-election at the 2016 AGM, will become Non-Executive Chairman on 25 July 2016, replacing Nigel McNair Scott who is retiring. Fees payable to him for the role will be £155,000 pa plus an additional benefit-in-kind of £20,000 for use of secretarial support for non-business use. The fees payable to the remaining independent Non-Executive Directors have been reviewed and an increase of £3,000 pa has been awarded with effect from 1 April 2016. This increase takes the base fee to £45,000 pa with an additional £10,000 pa payable to the Senior Independent Director and the Chair of each Committee.

Non-Executive Directors' annual fees at 31 March 2016 and changes at 1 April 2016 and 25 July 2016, are as follows:

	31 March 2016 £	1 April 2016 £	25 July 2016 £
Michael Slade – Chairman Elect	-	-	155,000
Nigel McNair Scott – Chairman	156,000	156,000	-
Richard Gillingwater – Senior Independent Director	52,000	55,000	55,000
Richard Grant – Chairman of the Audit Committee	52,000	55,000	55,000
Andy Gulliford – Property Advisor to the Board	52,000	55,000	-
Michael O'Donnell – Chairman of the Remuneration Committee	52,000	55,000	55,000
Susan Clayton – Chairman of the Valuation Committee	52,000	55,000	55,000
Richard Cotton	42,000	45,000	45,000

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

ANNUAL BONUSES

EXECUTIVE BONUS PLAN 2011

The Executive Bonus Plan 2011 reached the end of its shareholder approved life at 31 March 2016 and ceased operation at this date. Of the two participants in the Plan in the year to 31 March 2016, Michael Slade is stepping down as Chief Executive and will no longer be eligible for annual bonuses and Tim Murphy, subject to shareholder approval, will be eligible to participate in the Annual Bonus Scheme 2016.

The main features of the 2011 Plan, and details of how it operated for the year ended 31 March 2016, are set out on pages 92 to 93.

ANNUAL BONUS SCHEME 2012

This scheme has been reviewed by the Committee and, following consultation with major shareholders, will be replaced by the Helical Annual Bonus Scheme 2016, subject to shareholder approval at the 2016 AGM.

The main features of the 2012 Bonus Scheme and how it operated for the year ended 31 March 2016 are set out on pages 93 to 94.

As disclosed last year, Jack Pitman, a former director, will continue to receive annual bonuses out of the Bonus Award Pool accrued up to 31 March 2015, in accordance with the "Good Leaver" provisions of the scheme.

ANNUAL BONUS SCHEME 2016

Gerald Kaye, Tim Murphy, Matthew Bonning-Snook and Duncan Walker will, subject to shareholder approval, participate in the Annual Bonus Scheme 2016 which is to be considered by Shareholders at the 2016 AGM. This scheme provides annual bonuses based on the performance of the Group's property portfolio and is aligned with shareholders' interests through a profit sharing model, with appropriate hurdles and shareholder protections (including deferral and clawback).

The main features of the Annual Bonus Scheme 2016, as applied to the year to 31 March 2017, are as follows:

- all property assets held at 1 April 2016 or acquired during the year will be allocated to a Profit Pool;
- investment assets will be included at valuation as at 31 March 2016 with subsequent valuation movements increasing or decreasing the size of the Profit Pool. Development assets will also be included at valuation as at 31 March 2016 with subsequent valuation movements increasing or decreasing the size of the Profit Pool;
- development profits, development management fees, net rents, other income and profits/losses on the sale of property assets will be allocated to the Profit Pools; and,
- profits in the Profit Pool will be eligible for the award of bonuses once they are sufficient to exceed the recovery of all related finance costs, a charge for the use of the Company's equity at a rate of 7% (reviewed regularly to reflect any changes in the risk profile of the Company's activities), and the Group's total administrative costs (excluding performance related remuneration).

Shareholder Protections

- no more than 10% of profits will be available to participants for distribution ("Bonus Award Pool") at the end of the relevant financial year;
- the distribution of the Bonus Award Pool to participants will be restricted in any financial year to 300% of salary (200% for Tim Murphy). Any excess is deferred and carried forward to the subsequent year to form part of the Bonus Award Pool for the subsequent two year(s);
- a maximum of 6.5 times the aggregate Executive Director salary pool may be carried forward to form part of the Bonus Award Pool for the subsequent year;
- two thirds of any payment is made in cash after the relevant financial year end and one third is deferred for three years into Helical Bar plc shares;
- no payments will be made where the Company has not generated a profit (amounts will be deferred until a profit is generated). In addition, the Remuneration Committee will retain discretion to increase the deferred share amount (up to 100% of the payment) or not to make a payment at all (with any amounts reverting back to the Company rather than remaining in the Bonus Award Pool) where it is considered appropriate to do so;
- net losses will be carried forward for offset against future net profits. Carry forward of losses will be for a minimum of two years, subject to extension at the request of the Remuneration Committee;
- the scheme will operate a clawback provision whereby amounts deferred, amounts held in Bonus Award Pools or the net of tax amounts paid may be recovered in the event of a misstatement of results, an error being made in assessing the calculation of Bonus Award Pools or in the event of gross misconduct; and,
- the share of any increase in value of the Company (measured as the increase in net asset value plus cash returned as dividends) that could accrue to all Executives through the Group's long and short-term incentive and bonus plans at maximum vesting/payouts during the lifetime of the plans will continue to be no more than 20%.

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

LONG-TERM INCENTIVES

PERFORMANCE SHARE PLAN

It is anticipated that long-term incentives will be granted to all Executive Directors and senior management in the form of shares awarded under the terms of the 2014 PSP Scheme. For Executive Directors the awards will be granted at 300% of base salary.

The main features of the 2014 PSP are as follows:

- awards will normally vest no earlier than the third anniversary of their grant to the extent that the applicable performance conditions (see below) have been satisfied and the participant is still employed by the Group. Once exercisable, awards will remain capable of exercise for a period of normally no more than six months;
- no award may be granted to an individual in any financial year over shares worth more than three times salary;
- there are three performance conditions, one based on absolute growth in the Group's net asset value per share, one based on the gross (ungeared) total property return per share relative to other property funds as determined by IPD and one based on relative total shareholder return; and,
- performance conditions for the awards to be granted in 2016 will, subject to shareholder approval, be measured over the three years following grant as follows.

Growth in net asset value

The "fully diluted triple net" net asset value as at the start of the financial year in which a grant takes place will be compared to the value three years later (having added back dividends and changes in issued share capital):

Annual compound increase after three years	% of award vesting
15% p.a. or more	33.3
Between 7.5% p.a. and 15% p.a.	Pro rata between 3.3 and 33.3
7.5% p.a.	3.3
Below 7.5% p.a.	Zero

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

Total property return versus IPD property funds

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

Relative TSR

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

The comparator group for the awards to be granted in 2016 will be the companies included in the FTSE 350 Super Sector Real Estate Index, excluding storage companies and agencies.

Share awards will lapse in full where:

- net asset value per share (having added back dividends) does not increase over the three year performance period; or
- the gross return falls below the IPD median, the growth in triple net asset value is below 7.5% per annum and relative TSR is below median over the three year period.

TOTAL SHAREHOLDER RETURN AND CHIEF EXECUTIVE'S REMUNERATION

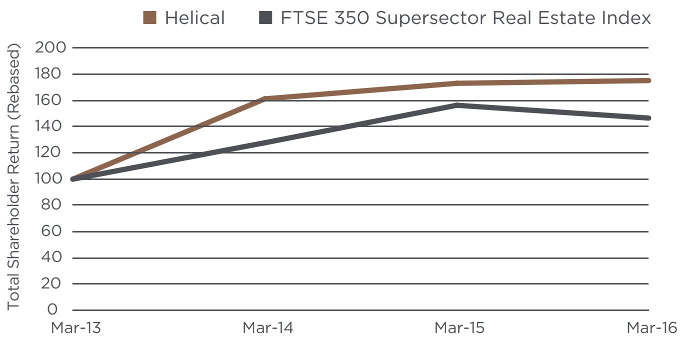
The total shareholder returns for a holding in the Group's shares in the three, seven and ten years to 31 March 2016 compared to a holding in the FTSE 350 Super-sector Real Estate Index are shown in the graphs below. This index has been chosen because it includes the majority of listed real estate companies.

Three years to 31 March 2016

The graph showing the relative performance of Helical during the three years to 31 March 2016 matches the performance period for the 2004 PSP Award granted on 24 June 2013 and which will vest after 25 June 2016. The graph shows that Helical outperformed the benchmark index during this period.

Total shareholder return

Source: Datastream (Thomson Reuters)



This graph shows the value, by 31 March 2016, of £100 invested in Helical Bar on 31 March 2013, compared with the value of £100 invested in the FTSE 350 Super-sector Real Estate Index.

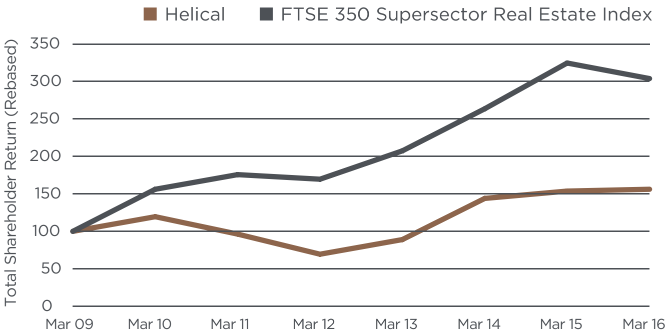
DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

Seven years to 31 March 2016

The base position at 31 March 2009, from which subsequent performance is measured as required by the Regulations, is the nearest accounting period end to the bottom of the property cycle. Helical's share price at that date was 287.50 per share, a small premium to the EPRA net asset value per share of 286.00 pence per share. The Company's share price, at that stage, had not fallen as much as the average of the FTSE 350 Super-Sector Real Estate Index and remained at a premium until 2012. The subsequent performance of the Company's TSR reflects the relatively higher base position of Helical's share price.

Total shareholder return

Source: Datastream (Thomson Reuters)



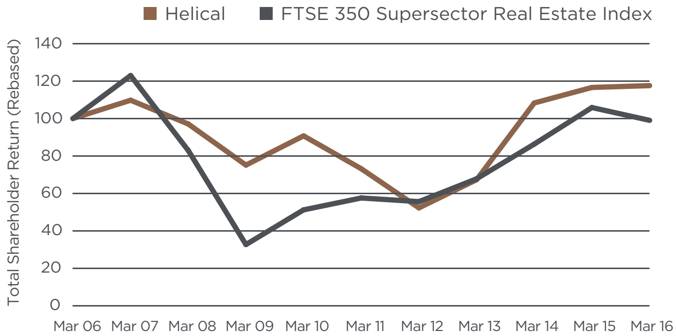
This graph shows the value, by 31 March 2016, of £100 invested in Helical Bar on 31 March 2009, compared with the value of £100 invested in the FTSE 350 Super-Sector Real Estate Index.

Ten years to 31 March 2016

The ten years to 31 March 2016 covers the end of the previous property cycle, the impact of the Financial Crisis of 2008 and the subsequent economic recovery. The graph below shows that Helical's share price remained at a premium until 2012, following which it fell to a low of 164p before recovering.

Total shareholder return

Source: Datastream (Thomson Reuters)



This graph shows the value, by 31 March 2016, of £100 invested in Helical Bar on 31 March 2006, compared with the value of £100 invested in the FTSE 350 Super-Sector Real Estate Index.

REMUNERATION OF THE CHIEF EXECUTIVE

Comparing the seven year TSR of the Company, as noted above, to the remuneration of the Chief Executive, the table below presents single figure remuneration for the Chief Executive over the period, since 31 March 2009, together with past annual bonus payouts and the vesting of long term incentive share awards. There is a clear alignment between the TSR performance of the Company and the levels of total remuneration paid to the Chief Executive.

Year ended	Name	Total Remuneration £000	Annual Bonus (% of max payout)	LTIP (% of max vesting)
31 March 2016	Michael Slade	4,529	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	-
31 March 2012	Michael Slade	541	-	-
31 March 2011	Michael Slade	538	-	-
31 March 2010	Michael Slade	1,500*	-	-

*The total remuneration in the year to 31 March 2010 includes £973,000 in respect of share options granted in 2000 and eligible to vest between 2005 and 2010.

DIRECTORS' REMUNERATION REPORT
ANNUAL REPORT ON REMUNERATION

CHIEF EXECUTIVE'S REMUNERATION COMPARED TO REMUNERATION OF HELICAL EMPLOYEES

PERCENTAGE INCREASES IN CHIEF EXECUTIVE REMUNERATION

	2016 £000	2015 £000	Change %	Average change for Helical employee %
Chief Executive				
Salary	533	523	2	7
Benefits	42	43	(2)	1
Annual bonus	1,500	1,500	-	110

	2016 £000	2015 £000	Changes %
Relative importance of the spend on pay			
Staff costs	15,622	16,101	(3)
Distributions to shareholders[1]	9,361	8,305	13
Net asset value of the Group	486,189	404,363	20

[1] In respect of the financial year to which they relate.

DIRECTORS' SHARE INTERESTS AND SHAREHOLDING GUIDELINES

	Salary[1] £	Shareholding Requirement £	Value of Beneficially Held Shares[2] £	Ratio of Shares Held to Requirement %
Michael Slade	535,800	1,071,600	50,547,000	4,717
Gerald Kaye	413,900	827,800	4,283,000	517
Tim Murphy	286,100	572,200	1,425,000	249
Matthew Bonning-Snook	382,500	765,000	1,712,000	224
Duncan Walker	324,600	649,200	1,257,000	194

[1] Salaries as at 31 March 2016.

[2] Value as per the weighted average share price for the three months to 31 March 2016 of 398.75p.

DIRECTORS' REMUNERATION REPORT
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DIRECTORS' SHAREHOLDINGS

	Legally owned 31.3.15	Legally owned 31.3.16	Deferred shares	All-employee restricted	All-employee unrestricted	Total 31.3.16	PSP awards unvested
Executive Directors							
Michael Slade	12,648,820	12,649,357	-	15,449	26,943	12,691,749	1,430,793
Tim Murphy	152,257	351,600	6,731	16,606	5,690	373,896	743,104
Gerald Kaye	1,046,753	1,047,722	305,658	16,268	26,436	1,090,426	1,105,296
Matthew Bonning - Snook	118,034	402,809	291,507	15,728	26,553	445,090	962,409
Duncan Walker	67,145	304,458	187,605	14,268	10,740	329,466	801,733
Non-Executive Directors							
Nigel McNair Scott	2,620,941	2,777,433	-	-	-	2,777,433	-
Andrew Gulliford	14,328	14,328	-	-	-	14,328	-
Richard Gillingwater	11,500	11,500	-	-	-	11,500	-
Richard Grant	15,000	15,000	-	-	-	15,000	-
Michael O'Donnell	62,000	62,000	-	-	-	62,000	-
Susan Clayton	-	-	-	-	-	-	-
Richard Cotton	-	-	-	-	-	-	-

The information in this table has been audited.

SHAREHOLDER VOTING AT THE LAST AGM

At the 2015 AGM the Annual Statement and Annual Report on Remuneration received the following votes from shareholders:

	Report Total Number of Votes	% of Votes Cast
For	89,087,021	92%
Against	7,333,603	8%
Total votes cast (for and against)	96,420,624	100%
Votes withheld	5,543,231	-
Total votes cast (including withheld votes)	101,963,855	-

The Committee was pleased to note the level of shareholder support for the 2015 Annual Statement and Annual Report on Remuneration.

SHARE PRICE

The market price of the ordinary shares at 31 March 2016 was 386.00p (2015: 394.25p). This market price varied between 365.00p and 474.75p during the year.

Approved by the Board on 15 June 2016 and signed on its behalf.

Michael O'Donnell
Chairman of the Remuneration Committee

REPORT OF THE DIRECTORS

STRATEGIC REPORT

A review of the Company's business during the year, the principal risks and uncertainties facing the Group and future prospects and developments are included in the Chairman's Review on page 71, the Chief Executive's statement on pages 14 to 17, the Strategic Report on pages 1 to 68 and the Principal Risks report on pages 58 to 61, 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 on page 112 and Consolidated Statement of Comprehensive Income on page 112. An interim dividend of 2.30p (2015: 2.10p) was paid on 30 December 2015 to shareholders on the shareholder register on 4 December 2015. A second interim dividend of 5.15p was paid on 4 April 2016 to shareholders on the shareholder register on 11 March 2016. A final dividend of 0.72p (2015: 5.15p) per share is recommended for approval at the Annual General Meeting ("AGM") to be held on 25 July 2016 and, if approved, will be paid on the 29 July 2016 to shareholders on the register on 1 July 2016. The total ordinary dividend paid or declared in the year of 12.60p (2015: 6.85p) per share, including the second interim dividend paid on 4 April 2016, amounts to £14,437,000 (2014: £7,944,000).

DIRECTORS

The Directors who held office during the year and up to the date of this report are listed below:

	Age	Date of appointment	Title
Chairman			
Nigel McNair Scott	70	December 1985	Chairman
Executive Directors			
Michael Slade	69	August 1984	Chief Executive/Chairman Designate
Gerald Kaye	58	September 1994	Chief Executive Designate
Tim Murphy	56	July 2012	Finance Director
Matthew Bonning-Snook	48	August 2007	Executive Director
Duncan Walker	37	June 2011	Executive Director
Non-Executive Directors			
Susan Clayton	58	February 2016	Non-Executive Director, Chairman Valuations Committee
Richard Cotton	60	March 2016	Non-Executive Director
Richard Gillingwater	59	July 2012	Non-Executive Director, Senior Independent Director
Richard Grant	62	July 2012	Non-Executive Director, Chairman Audit Committee
Andrew Gulliford	69	March 2006	Non-Executive Director
Michael O'Donnell	49	June 2011	Non-Executive Director, Chairman Remuneration Committee

Details of the Directors' interests in the ordinary shares of the Company are shown on page 102.

Biographical details of all Directors are shown on pages 74 and 75. With the exception of Nigel McNair Scott and Andrew Gulliford, who retire at the AGM, all the Directors will offer themselves for election or re-election at the AGM to be held on 25 July 2016. Details of Directors' remuneration and their interests in share awards are set out in the Directors' Remuneration Report on pages 83 to 102.

CORPORATE GOVERNANCE

The Group's corporate governance policies, compliance with the UK Corporate Governance Code and Going Concern statement are set out on pages 76 to 78.

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.

DIRECTORS' LIABILITY INSURANCE AND INDEMNITY

The Company maintains Directors and Officers Liability Insurance. To the extent permitted by UK Law, the Company also indemnifies the Directors against claims made against them as a consequence of the execution of their duties as directors of the Company.

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 2016.

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 15 and 20. Long term incentive schemes are explained in the Directors' Remuneration Report on pages 83 to 102.

REPORT OF THE DIRECTORS

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 do not intend to disclose specific details.

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.

Further to the issue on 24 June 2013 of £80 million 6.00% bonds due in 2020 (the "Bonds"), upon a change of control event as defined by the terms and conditions of the Bonds, the bondholders will have the option to require the Company to redeem or, at the Company's option, purchase the Bonds at their nominal amount together with accrued interest.

Similarly, if a change of control event occurs, the holders of the Convertible Bonds of £100m, issued on 17 June 2014 at 4.00% and due for redemption in June 2019, have the right to require the issuer to redeem the Convertible Bonds at their principal amount and accrued interest.

EMPLOYMENT AND ENVIRONMENTAL MATTERS

Information in respect of the Group's employment and environmental matters and greenhouse gas reporting is contained in the Corporate Responsibility Report on pages 63 to 68.

POST BALANCE SHEET EVENTS

There were no material post balance sheet events.

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 28 to the Financial Statements. The Company's share capital consists of both ordinary shares and deferred shares. Each class of shares rank pari passu between themselves. 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 2016 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 2015 Annual General Meeting 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 2016 AGM, at which a resolution will be proposed to renew this authority.

SUBSTANTIAL SHAREHOLDINGS

As at 1 June 2016, the shareholders listed below had notified the Company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of the Group:

	Number of ordinary shares at 31 May 2016	%
Michael E Slade	12,649,357	10.7%
Aberdeen Group	10,496,503	8.8%
Old Mutual	7,345,029	7.1%
Baillie Gifford & Co	7,342,611	6.0%
Blackrock Inc.	6,460,753	5.3%
Investec Group	5,332,915	4.7%
Aviva plc	5,453,294	4.6%
Dimensional Fund Advisors	4,719,268	3.8%

AMENDMENT OF ARTICLES OF ASSOCIATION

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

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 25 July 2016 at 11.30 a.m. at The Connaught, Carlos Place, Mayfair, London W1K 2AL. The special business at the 2016 AGM will include resolutions dealing with the authority to issue shares, the disapplication of pre-emption rights, the authority for the Company to purchase its own shares, the authority to call general meetings on not less than 14 clear days' notice and the approval of the Annual Bonus Scheme 2016. 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.

AUDITORS

The Group's auditors, Grant Thornton UK LLP, have expressed their willingness to continue in office and resolutions to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the AGM.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant information and to establish that the Company's auditors are aware of that information.

By order of the Board

James Moss ACA
Company Secretary

15 June 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Annual Report, the Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and profit or loss of the Company and Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 and the Remuneration Report comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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 confirm that:

- so far as each Director is aware, there is no relevant audit information of which the company'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 auditors are aware of that information.

The Directors consider the Annual Report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

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

We confirm to the best of our knowledge:

- the Group financial statements, prepared in accordance with IFRSs as adopted by the European Union, 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; and
- the Annual Report including 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.

Michael Slade
Chief Executive

Tim Murphy
Finance Director

15 June 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HELICAL BAR PLC

OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

In our opinion:

- **the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2016 and of the Group's profit for the year then ended;**
- **the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;**
- **the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and**
- **the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.**

WHO WE ARE REPORTING TO

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.

WHAT WE HAVE AUDITED

Helical Bar plc's financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

OVERVIEW OF OUR AUDIT APPROACH

- Overall group materiality: £4.858 million which represents approximately 1% of the Group's net assets;
- We performed full scope audit procedures at all material locations; and
- Key audit risks were identified as revenue recognition; investment property valuation; carrying value of land, development and trading properties and the disclosures made in respect of unrecognised development surpluses; and employee remuneration, including charges in respect of the Performance Share Plan and Bonuses.

OUR ASSESSMENT OF RISK

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit.

<table>
<tr><th>Audit risk</th><th>How we responded to the risk</th></tr>
<tr><td>REVENUE RECOGNITION

The risk: The revenue cycle includes fraudulent transactions.

Under International Standards on Auditing (UK and Ireland) 240 there is a presumed risk that revenue may be misstated owing to the improper recognition of revenue. The Group has complex contracts for which the timing and quantum of revenue recognition require the exercise of management judgement.

Dependent upon the nature of the contract, this risk applies to development property profit, share of results of joint ventures and net gain on sale and revaluation of investment properties.

We therefore identified revenue recognition as a risk requiring special audit consideration.</td><td>Our work included, but was not limited to:
• evaluating the Group's revenue recognition policies to confirm that they comply with International Financial Reporting Standards and have been applied consistently;
• testing property sales, and on a sample basis residential units in retirement villages, to contracts, completion statements and proceeds received;
• agreeing, on a sample basis, net rental income to managing agents' reports and the underlying lease agreements;
• testing development profits to the underlying contracts having regard to the stage of completion - this included challenging development profits where the project appraisals had changed from previous years and obtaining explanations and supporting third-party evidence where practicable;
• assessing the challenges made by the Valuations Committee where changes in development project appraisals occurred; and
• in respect of the development contract that involved the exercise of the greatest degree of management judgement, challenging the judgements made and undertaking sensitivity analysis to evaluate the level of precision of the development profit recognised; the Senior Statutory Auditor made a physical inspection of this site and made enquiries of on-site personnel to confirm that the accounting judgements in respect of the stage of completion aligned with the physical status of the development.

The Group's accounting policy on revenue recognition is shown in note 38. The components of revenue and profits are included in notes 3 to 6 and 19. The Audit Committee also identified revenue recognition as a key area of judgement on page 81, where the Committee describes how it addressed the issue.

We were satisfied that:
• based on our audit work the judgements made, and assumptions used, by management in determining the revenue recognised, were balanced and supported by the evidence obtained from our testing.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

Audit risk	How we responded to the risk
INVESTMENT PROPERTY VALUATION The risk: Investment properties are not valued appropriately. Investment property is held at fair value under International Accounting Standard 40. The fair value of all of the Group's investment properties is determined based on level 3 fair value inputs as defined by International Financial Reporting Standard 13 which means that the inputs used in valuing investment properties are unobservable and are therefore subject to estimation. We therefore identified investment property valuation as a risk requiring special audit consideration. Investment properties are valued at £1,041 million.	Our work included, but was not limited to: • examining the qualifications and experience of the Group's independent external valuers and whether the basis of their valuations was consistent with the RICS "red book" as required by International Accounting Standard 40; • discussions with the independent valuers and challenging the estimates, assumptions and valuation methodology used; • obtaining the information provided by management to the independent valuers to confirm it was consistent with information obtained during our audit; • evaluating evidence of the reliability of valuation estimations by comparing the historical trend of investment property sales with the related carrying values; • evaluating the challenge to valuations made by the Valuations Committee; and • comparing, on a sample basis, valuation yields used in preparing valuations with yields for comparable properties published in the CBRE Monthly Index. The Group's accounting policy on investment properties is shown in note 38. Disclosures on investment properties are set out in note 15. Disclosures in respect of investment properties held by joint ventures are set out in note 19. The Audit Committee also identified the valuation of the Group's investment property as a key area of judgement on page 81, where the Committee describes how it addressed the issue. **We were satisfied that:** • investment property valuations were made by suitably qualified and experienced independent valuations experts and subject to challenge by the Valuations Committee; • the judgements made, and assumptions used, in determining the investment property valuations were balanced and supported by the evidence obtained from our testing; and • for the sample of properties selected, yields used by management and the independent valuers were consistent with or more prudent than those published in the CBRE Monthly Index, but not to a significant extent.
CARRYING VALUE OF LAND, DEVELOPMENT AND TRADING PROPERTIES AND THE DISCLOSURES MADE IN RESPECT OF UNRECOGNISED DEVELOPMENT SURPLUSES The risk: Land, developments and trading properties are inventory and are included in the Balance Sheet at the lower of cost and net realisable value in accordance with International Accounting Standard 2. The notes include disclosures about Directors' valuations of unrecognised surpluses in these properties and those valuations impact certain non-statutory key performance indicators disclosed by the Group (eg "EPRA" net asset values). These unrecognised surpluses (and net realisable value assessments) are based upon estimation methodologies used by management. We therefore identified the carrying value of land, development and trading properties and the disclosures made in respect of unrecognised property development surpluses as a risk requiring special audit consideration. Land, development and trading properties are carried in the balance sheet at £92 million.	Our work included, but was not limited to: • assessing the qualifications and experience of the Group's internal and external, independent valuers and whether the basis of their valuations was consistent with the Group's accounting policy as required by International Accounting Standard 2; • challenging the estimates, assumptions and valuation methodology used by management; this included challenging development profits where project appraisals had changed from previous years and obtaining explanations and supporting third-party evidence where practicable; • discussing with the independent valuers the basis of management's valuations of all properties in excess of £2m; and • evaluating the challenge to valuation made by the Valuations Committee. The Group's accounting policy on land, development and trading properties is shown in note 38. Disclosures on investment properties are set out in note 20. Disclosures in respect of land, trading and development properties held by joint ventures are set out in note 19. The Audit Committee also identified the valuation of the land, development and trading properties as a key area of judgement on page 81, where the Committee describes how it addressed the issue. **We were satisfied that:** • land, development and trading property valuations, and disclosures in respect of unrecognised surpluses, were made by suitably qualified and experienced management personnel and subject to challenge by the Valuations Committee and by suitably qualified and experienced independent valuations experts; and • the judgements made, and assumptions used, by management in determining the land and development and trading property valuations were balanced and supported by the evidence obtained from our testing.

INDEPENDENT AUDITOR'S REPORT

Audit risk	How we responded to the risk
EMPLOYEE REMUNERATION, INCLUDING CHARGES IN RESPECT OF THE PERFORMANCE SHARE PLAN AND BONUSES The risk: The Group operates three Directors' bonus and share plans, being the Executive Bonus Plan 2011, the Helical Bar Annual Bonus Scheme 2012 and the Performance Share Plan ("PSP"). Determining the charge in respect of the PSP in accordance with International Financial Reporting Standard 2 involves complex calculations and elements of management judgement. The key inputs to the bonus calculations are the results of the Group and the performance of the property portfolio, the latter of which is considered to be an area of significant management judgement and estimation. We therefore identified employee remuneration, including charges in respect of the Performance Share Plan and Bonuses as a risk requiring special audit consideration.	Our work included, but was not limited to: • confirming that calculation methodologies adopted are in accordance with the Schemes' rules; • challenging the fair value assumptions in respect of options at the grant date by reference to independent valuations commissioned by management and an independent assessment by our own share valuation experts; • challenging management judgements over key inputs into the bonus calculations and PSP charge, including assumptions with regard to future vesting; • meeting with the Chairman of the Remuneration Committee to evaluate areas of management judgement; and • confirming that Directors salaries, as set out in the Directors' Remuneration Report, have been approved. The Group's accounting policy in respect of share based payments is shown in note 38. Disclosures in respect of Employee and Directors' Remuneration are set out in note 8 and the Directors' Remuneration Report on pages 83 to 102. **We were satisfied that:** • Directors' salaries were approved; • bonus calculations were made in accordance with the Schemes' rules; and • the judgement made by management in respect of the Helical Bar Annual Bonus Scheme 2012 accrual included in the income statement and balance sheet was calculated around the mid-point of likely outcomes. This judgement did not affect the Directors' emoluments set out in the Directors' Remuneration Report.

INDEPENDENT AUDITOR'S REPORT

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

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 in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the Group financial statements as a whole to be £4.858 million, which is approximately 1% of net assets. In determining this level of materiality we had regard to the Group's status as a listed entity. This benchmark is considered the most appropriate because this is a key performance measure used by the Board of Directors to report to shareholders on the financial position of the Group, as well as being generally regarded by investors in the property sector as a key performance indicator.

Materiality for the current year is at the same percentage of net assets as we determined for the year ended 31 March 2015 as we had not identified any reason for users of the accounts to change their view of the appropriate level of materiality.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements. We also determine a lower level of specific materiality for certain areas such as Directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the Audit Committee to be £242,000. In addition we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

OVERVIEW OF THE SCOPE OF OUR AUDIT

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Group's business and is risk-based. The Group's properties are spread across 134 wholly owned statutory entities and the Group's 21 joint ventures. The components of the Group were evaluated by the group audit team based on a measure of materiality, considering each as a percentage of total Group assets, revenues and profit before tax, to assess the significance of each component and to determine the planned audit response. For those components that were deemed significant either a full scope or targeted audit approach was determined based on their relative materiality to the Group and our assessment of audit risk. For significant components requiring a full scope approach we evaluated controls over the financial reporting systems identified as part of our risk assessment, reviewed the accounts production process and addressed critical accounting matters.

In order to address the audit risks described above, as identified during our planning procedures, we performed a full scope audit of the consolidated financial statements of the Parent Company, Helical Bar plc, and of the financial information of the Group's operations throughout the United Kingdom. Statutory audits of subsidiaries are performed to lower materiality where applicable.

The components that were subject to full scope audit procedures make up 94% of the Group's net assets at the balance sheet date, 100% of the Group's revenue for the year and 58% of the Group's profit before tax for the year. In total our full scope and targeted procedures covered 100% of the Group's net assets at the balance sheet date, 100% of the Group's revenue for the year and 100% of the Group's profit before tax for the year.

INDEPENDENT AUDITOR'S REPORT

OTHER REPORTING REQUIRED BY REGULATIONS

OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

In our opinion:

- **the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and**
- **the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Under the Listing Rules, we are required to review:

- the Directors' statements in relation to going concern and longer-term viability set out on pages 61 and 77; and
- the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Under the International Standards on Auditing (UK and Ireland) we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in respect of any of the above matters.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the annual report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

What the Directors are responsible for:

As explained more fully in the Statement of Directors' Responsibilities set out on page 105, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Stephen Maslin

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

15 June 2016

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Revenue	2	**116,500**	106,341
Net rental income	3	**42,164**	34,233
Development property profit	4	**24,252**	15,674
Trading property gain	5	**-**	2,503
Share of results of joint ventures	19	**50,469**	27,497
Other operating income		**20**	368
Gross profit before net gain on sale and revaluation of investment properties		**116,905**	80,275
Net gain on sale and revaluation of investment properties	6	**55,893**	69,384
Impairment of available for sale assets	22	**(1,370)**	(773)
Gross profit		**171,428**	148,886
Administrative expenses	7	**(26,103)**	(26,530)
Operating profit		**145,325**	122,356
Finance costs	9	**(24,113)**	(23,678)
Finance income	9	**5,128**	2,480
Change in fair value of derivative financial instruments	36	**(6,860)**	(8,389)
Change in fair value of convertible bond	26	**516**	(3,263)
Foreign exchange gains/(losses)		**100**	(2,061)
Profit before tax		**120,096**	87,445
Taxation on profit on ordinary activities	10	**(9,745)**	(12,669)
Profit after tax		**110,351**	74,776
- attributable to equity shareholders		**110,411**	74,489
- attributable to non-controlling interests		**(60)**	287
Profit for the year		**110,351**	74,776
Basic earnings per share	14	**96.1p**	64.6p
Diluted earnings per share	14	**92.6p**	60.8p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Profit for the year	**110,351**	74,776
Exchange difference on retranslation of net investments in foreign operations	**(16)**	149
Total comprehensive income for the year	**110,335**	74,925
- attributable to equity shareholders	**110,395**	74,638
- attributable to non-controlling interests	**(60)**	287
Total comprehensive income for the year	**110,335**	74,925

The exchange differences on retranslation of net investments in foreign operations will be reclassified to the Income Statement in the future.

CONSOLIDATED AND COMPANY BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	**Group 31.3.16 £000**	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Non-current assets					
Investment properties	15	**1,041,100**	701,521	**-**	-
Owner occupied property, plant and equipment	17	**2,200**	2,361	**2,166**	2,292
Investment in subsidiaries	18	**-**	-	**68,212**	36,585
Investment in joint ventures	19	**27,990**	71,585	**15**	15
Derivative financial instruments	36	**-**	1	**-**	-
Trade and other receivables	23	**-**	1,555	**-**	-
Deferred tax asset	11	**-**	-	**1,334**	1,233
		1,071,290	777,023	**71,727**	40,125
Current assets					
Land, developments and trading properties	20	**92,035**	92,578	**-**	-
Property derivative financial asset	21	**-**	16,388	**-**	-
Available-for-sale investments	22	**3,114**	4,342	**-**	-
Corporate tax receivable		**-**	1,418	**-**	1,418
Trade and other receivables	23	**73,057**	65,216	**815,721**	777,728
Cash and cash equivalents	24	**74,670**	120,993	**36,225**	13,942
		242,876	300,935	**851,946**	793,088
Total assets		**1,314,166**	1,077,958	**923,673**	833,213
Current liabilities					
Trade and other payables	25	**(71,000)**	(65,802)	**(516,557)**	(416,696)
Corporate tax payable		**(1,592)**	-	**(1,554)**	-
Borrowings	26	**(885)**	(45,428)	**-**	(6,120)
		(73,477)	(111,230)	**(518,111)**	(422,816)
Non-current liabilities					
Borrowings	26	**(733,178)**	(552,813)	**(171,313)**	(169,109)
Derivative financial instruments	36	**(14,955)**	(8,096)	**(7,134)**	(11,080)
Deferred tax liability	11	**(6,367)**	(1,456)	**-**	-
		(754,500)	(562,365)	**(178,447)**	(180,189)
Total liabilities		**(827,977)**	(673,595)	**(696,558)**	(603,005)
Net assets	2	**486,189**	404,363	**227,115**	230,208
Equity					
Called-up share capital	28	**1,447**	1,447	**1,447**	1,447
Share premium account		**98,798**	98,798	**98,798**	98,798
Revaluation reserve		**149,766**	108,060	**-**	-
Capital redemption reserve		**7,478**	7,478	**7,478**	7,478
Other reserves		**291**	291	**1,987**	1,987
Retained earnings		**228,409**	188,229	**117,405**	120,498
Equity attributable to equity holders of the parent company		**486,189**	404,303	**227,115**	230,208
Non-controlling interests		**-**	60	**-**	-
Total equity		**486,189**	404,363	**227,115**	230,208

The financial statements were approved by the Board of Directors on 15 June 2016.

Michael Slade
Director

Tim Murphy
Director

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

FOR THE YEAR TO 31 MARCH 2016

	Group 31.3.16 £000	Group 31.3.15 £000	Company 31.3.16 £000	Company 31.3.15 £000
Cash flows from operating activities				
Profit/(loss) before tax	**120,096**	87,445	**11,286**	(1,780)
Depreciation	**338**	544	**318**	517
Revaluation gain on investment properties	**(53,508)**	(66,904)	**-**	-
Gain on sales of investment properties	**(2,385)**	(2,480)	**-**	-
Profit on sale of plant and equipment	**-**	(23)	**-**	-
Net financing costs	**18,985**	20,806	**5,639**	6,260
Change in value of derivative financial instruments	**6,860**	8,389	**(1,898)**	3,014
Profit on forward property contract	**-**	(16,388)	**-**	-
Change in fair value of Convertible Bond	**(516)**	3,263	**(2,049)**	-
Share based payment charge	**6,666**	6,432	**-**	-
Share of results of joint ventures	**(50,469)**	(27,497)	**-**	-
Impairment of available for sale assets	**1,370**	773	**-**	-
Foreign exchange movement	**250**	2,213	**-**	-
Other non-cash items	**-**	-	**-**	(23)
Cash inflow from operations before changes in working capital	**47,687**	16,573	**13,296**	7,988
Change in trade and other receivables	**(5,074)**	(25,975)	**(30,992)**	(286,291)
Change in forward property contract	**16,388**	-	**-**	-
Change in land, developments and trading properties	**306**	4,125	**-**	-
Change in trade and other payables	**5,314**	13,162	**99,929**	182,976
Cash inflow/(outflow) generated from operations	**64,621**	7,885	**82,233**	(95,327)
Finance costs	**(25,312)**	(22,277)	**(9,388)**	(12,216)
Finance income	**3,915**	2,480	**5,815**	5,157
Tax paid	**(4,712)**	(7,064)	**(4,000)**	(6,841)
	(26,109)	(26,861)	**(7,573)**	(13,900)
Cash flows from operating activities	**38,512**	(18,976)	**74,660**	(109,227)
Cash flows from investing activities				
Purchase of investment property	**(405,133)**	(271,093)	**-**	-
Sale of investment property	**121,770**	133,209	**-**	-
Investment in subsidiaries	**-**	-	**(31,627)**	(1)
Investment in joint ventures	**-**	(10,141)	**-**	-
Return of investment in joint ventures	**11,495**	11,778	**-**	-
Dividends from joint ventures	**82,569**	17,013	**-**	-
Available-for-sale asset additions	**(142)**	(144)	**-**	-
Sale of plant and equipment	**70**	23	**70**	23
Purchase of leasehold improvements, plant and equipment	**(263)**	(1,859)	**(263)**	(1,859)
Net cash used in investing activities	**(189,634)**	(121,214)	**(31,820)**	(1,837)
Cash flows from financing activities				
Borrowings drawn down	**299,754**	375,503	**-**	104,200
Shares issued	**-**	120	**-**	120
Borrowings repaid	**(161,648)**	(156,381)	**(6,120)**	(1,746)
Purchase of own shares	**(18,857)**	(13,349)	**-**	-
Equity dividends paid	**(14,437)**	(7,944)	**(14,437)**	(7,944)
Net cash generated from financing activities	**104,812**	197,949	**(20,557)**	94,630
Net (decrease) /increase in cash and cash equivalents	**(46,310)**	57,759	**22,283**	(16,434)
Exchange losses on cash and cash equivalents	**(13)**	(3)	**-**	-
Cash and cash equivalents at 1 April	**120,993**	63,237	**13,942**	30,376
Cash and cash equivalents at 31 March	**74,670**	120,993	**36,225**	13,942

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR TO 31 MARCH 2016

Group	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Non-controlling interests £000	Total £000
At 31 March 2014	1,447	98,678	33,106	7,478	291	200,455	(950)	22	340,527
Total comprehensive income	-	-	-	-	-	74,638	-	287	74,925
Revaluation surplus	-	-	66,904	-	-	(66,904)	-	-	-
Realised on disposals	-	-	8,050	-	-	(8,050)	-	-	-
Payment to minority interest	-	-	-	-	-	-	-	(249)	(249)
Performance share plan	-	-	-	-	-	6,432	-	-	6,432
Performance share plan deferred tax	-	-	-	-	-	2,477	-	-	2,477
Share settled bonus	-	-	-	-	-	1,424	-	-	1,424
New share capital issued	-	120	-	-	-	-	-	-	120
Dividends paid	-	-	-	-	-	(7,944)	-	-	(7,944)
Purchase of own shares	-	-	-	-	-	-	(13,349)	-	(13,349)
Own shares held reserve transfer	-	-	-	-	-	(14,299)	14,299	-	-
At 31 March 2015	1,447	98,798	108,060	7,478	291	188,229	-	60	404,363
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**110,411**	**-**	**(60)**	**110,351**
Revaluation surplus	**-**	**-**	**53,508**	**-**	**-**	**(53,508)**	**-**	**-**	**-**
Realised on disposals	**-**	**-**	**(11,802)**	**-**	**-**	**11,802**	**-**	**-**	**-**
Performance share plan	**-**	**-**	**-**	**-**	**-**	**6,666**	**-**	**-**	**6,666**
Performance share plan deferred tax	**-**	**-**	**-**	**-**	**-**	**(3,002)**	**-**	**-**	**(3,002)**
Share settled bonus	**-**	**-**	**-**	**-**	**-**	**1,121**	**-**	**-**	**1,121**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(14,437)**	**-**	**-**	**(14,437)**
Movement on foreign exchange reserve	**-**	**-**	**-**	**-**	**-**	**(16)**	**-**	**-**	**(16)**
Purchase of own shares	**-**	**-**	**-**	**-**	**-**	**-**	**(18,857)**	**-**	**(18,857)**
Own shares held reserve transfer	**-**	**-**	**-**	**-**	**-**	**(18,857)**	**18,857**	**-**	**-**
At 31 March 2016	**1,447**	**98,798**	**149,766**	**7,478**	**291**	**228,409**	**-**	**-**	**486,189**

For a breakdown of Total Comprehensive Income, see the Consolidated Statement of Comprehensive Income.

Included within changes in equity are net transactions with owners of £28,509,000 (2015: £10,840,000) made up of: the performance share plan charge of £6,666,000 (2015: £6,432,000) and related deferred tax of charge of £3,002,000 (2015: credit of £2,477,000), dividends paid of £14,437,000 (2015: £7,944,000), the purchase of own shares of £18,857,000 (2015: £13,349,000), new share capital issued of £nil (2015: £120,000) and the share settled bonuses of £1,121,000 (2015: £1,424,000).

The adjustment to retained earnings of £6,666,000 adds back the performance share plan charge (2015: £6,432,000), in accordance with IFRS 2 Share-Based Payments.

Company	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2014	1,447	98,678	-	7,478	1,987	129,758	239,348
Total comprehensive expense	-	-	-	-	-	(1,316)	(1,316)
Dividends paid	-	-	-	-	-	(7,944)	(7,944)
New share capital issued	-	120	-	-	-	-	120
At 31 March 2015	1,447	98,798	-	7,478	1,987	120,498	230,208
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**11,344**	**11,344**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(14,437)**	**(14,437)**
At 31 March 2016	**1,447**	**98,798**	**-**	**7,478**	**1,987**	**117,405**	**227,115**

Total Comprehensive Income is made up of the profit after tax of £11,344,000 (2015: loss of £1,316,000).

Included within changes in equity are net transactions with owners of £14,437,000 (2015: £7,824,000) made up of dividends paid of £14,437,000 (2015: £7,944,000) and new share capital issued of £nil (2015: £120,000).

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.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

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

The financial statements have been prepared in Sterling (rounded to the nearest thousand) under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments, convertible bonds 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 2015, as amended to reflect any new Standards. Amendments to Standards and interpretations which are mandatory for the year ended 31 March 2016 are detailed below:

Annual improvements to IFRSs 2011-2013 cycle (effective period commencing after 1 July 2014);
There has been no material impact as a result of adopting the above other than additional disclosure on the fair value measurement of Investment Properties.

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 IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (effective for periods beginning on or after 1 January 2016);
Amendments to IFRS 7 Financial Instruments: Disclosures (effective for periods beginning on or after 1 January 2016);
IFRS 9: Financial instruments (effective for periods beginning on or after 1 January 2018);
Amendments to IFRS 10 Consolidated Financial Statements regarding the application of the consolidation exception (effective for periods beginning on or after 1 January 2016);
Amendments to IFRS 11 Joint Arrangements Accounting for acquisitions of interests in joint operations (effective for periods beginning on or after 1 January 2016);
Amendments to IFRS 12 Disclosure of Interest in Other Entities regarding the application of the consolidation exception (effective for periods beginning on or after 1 January 2016);
IFRS 14 Regulatory Deferral Accounts (effective for periods beginning on or after 1 January 2016);
IFRS 15 Revenue from Contracts with Customers (effective for periods beginning on or after 1 January 2018);
IFRS 16 Leases (effective for periods beginning on or after 1 January 2019);
Amendments to IAS 1 Presentation of Financial Statements (effective for periods beginning on or after 1 January 2016);
Amendments to IAS 7 Statement of Cash Flows (effective for periods beginning on or after 1 January 2017);
Amendments to IAS 12 Income Taxes (effective for periods beginning on or after 1 January 2017);
Amendments to IAS 16 Property, Plant and Equipment (effective for periods beginning on or after 1 January 2016);
Amendments to IAS 19 Employee Benefits (effective for periods beginning on or after 1 January 2016);
Amendments to IAS 27: Separate Financial Statements (effective for periods beginning on or after 1 January 2016);
Amendments to IAS 28: Investments in Associates and Joint Ventures (effective for periods beginning on or after 1 January 2016); and
Amendments to IAS 34: Interim Financial Reporting (effective for periods beginning on or after 1 January 2016).

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

2. SEGMENTAL INFORMATION

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

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation, and Trading properties which are owned or leased with the intention to sell; and,
- Developments, which include sites, developments in the course of construction, completed developments available for sale, pre-sold developments and interests in third party developments.

Revenue	Investment and trading Year ended 31.3.16 £000	Developments Year ended 31.3.16 £000	Total Year ended 31.3.16 £000	Investment and trading Year ended 31.3.15 £000	Developments Year ended 31.3.15 £000	Total Year ended 31.3.15 £000
Rental income	**45,158**	**347**	**45,505**	37,246	1,086	38,332
Development property income	**-**	**70,876**	**70,876**	-	30,416	30,416
Trading property sales	**-**	**-**	**-**	37,394	-	37,394
Other revenue	**119**	**-**	**119**	199	-	199
Total revenue	**45,277**	**71,223**	**116,500**	74,839	31,502	106,341

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

NOTES TO THE FINANCIAL STATEMENTS

2. SEGMENTAL INFORMATION CONTINUED

Revenue for the year comprises revenue from construction contracts of £nil (2015: £nil), revenue from the sale of goods of £42,910,000 (2015: £63,953,000), revenue from services of £28,085,000 (2015: £4,056,000), and rental income of £45,505,000 (2015: £38,332,000).

All revenues are within the UK other than proceeds from the sale of a development property in Poland of £12,351,000 (2015: £nil), rental income from development properties in Poland of £347,000 (2015: £1,086,000) and £225,000 (2015: £630,000) of development income derived from the Group's operations in Poland.

Profit before tax	Investment and trading Year ended 31.3.16 £000	Developments Year ended 31.3.16 £000	Total Year ended 31.3.16 £000	Investment and trading Year ended 31.3.15 £000	Developments Year ended 31.3.15 £000	Total Year ended 31.3.15 £000
Net rental income	42,010	154	42,164	33,270	963	34,233
Development property profit	-	24,252	24,252	-	15,674	15,674
Trading property profit	-	-	-	2,503	-	2,503
Share of results of joint ventures	47,592	2,877	50,469	27,398	99	27,497
Gain on sale and revaluation of investment properties	55,893	-	55,893	69,384	-	69,384
	145,495	27,283	172,778	132,555	16,736	149,291
Impairment of available for sale assets			(1,370)			(773)
Other operating income			20			368
Gross profit			171,428			148,886
Administrative expenses			(26,103)			(26,530)
Finance costs			(24,113)			(23,678)
Finance income			5,128			2,480
Change in fair value of derivative financial instruments			(6,860)			(8,389)
Change in fair value of convertible bond			516			(3,263)
Foreign exchange gains/(losses)			100			(2,061)
Profit before tax			120,096			87,445

Net assets	Investment and trading At 31.3.16 £000	Developments At 31.3.16 £000	Total At 31.3.16 £000	Investment and trading At 31.3.15 £000	Developments At 31.3.15 £000	Total At 31.3.15 £000
Investment properties	1,041,100	-	1,041,100	701,521	-	701,521
Land, developments and trading properties	28	92,007	92,035	28	92,550	92,578
Investment in joint ventures	14,162	13,828	27,990	57,209	14,376	71,585
Property derivative financial asset	-	-	-	-	16,388	16,388
	1,055,290	105,835	1,161,125	758,758	123,314	882,072
Owner occupied property, plant and equipment			2,200			2,361
Derivative financial instruments			-			1
Available-for-sale investments			3,114			4,342
Trade and other receivables			73,057			66,771
Corporation tax receivable			-			1,418
Cash and cash equivalents			74,670			120,993
Total assets			1,314,166			1,077,958
Liabilities			(827,977)			(673,595)
Net assets			486,189			404,363

All non-current assets are derived from the Group's UK operations except for owner occupied property, plant and equipment with a net book value of £31,600 (2015: £69,000).

NOTES TO THE FINANCIAL STATEMENTS

3. NET RENTAL INCOME

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Gross rental income	**45,505**	38,332
Rents payable	**(80)**	(269)
Property overheads	**(2,728)**	(3,489)
Net rental income	**42,697**	34,574
Net rental income attributable to profit share partner	**(533)**	(341)
Group share of net rental income	**42,164**	34,233

Property overheads include lettings costs, vacancy costs and bad debt provisions. The amounts above include gross rental income from investment properties of £45,158,000 (2015: £37,246,000) and net rental income from investment properties of £42,010,000 (2015: £33,270,000). No contingent rental income was received in the year (2015: £nil).

4. DEVELOPMENT PROPERTY PROFIT

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Development property income	**70,876**	30,416
Profit on forward property contract	**14**	16,388
Cost of sales	**(29,519)**	(30,136)
Sales expenses	**(10,671)**	(542)
Provision against book values	**(6,448)**	(452)
Development property profit	**24,252**	15,674

5. TRADING PROPERTY GAIN

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Trading property sales	**-**	37,394
Cost of sales	**-**	(33,512)
Sales expenses	**-**	(1,379)
Trading property gain	**-**	2,503

6. NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Net proceeds from the sale of investment properties	**122,201**	133,782
Book value (note 15)	**(119,385)**	(130,729)
Tenants incentives on sold investment properties	**(431)**	(573)
Gain on sale of investment properties	**2,385**	2,480
Revaluation surplus on investment properties	**53,508**	66,904
Gain on sale and revaluation of investment properties	**55,893**	69,384

NOTES TO THE FINANCIAL STATEMENTS

7. ADMINISTRATIVE EXPENSES

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Administrative expenses	**26,103**	26,530
Operating profit is stated after the following items that are contained within administrative expenses:		
Depreciation		
- owner occupied property, plant and equipment	**338**	544
Share-based payments charge	**6,666**	6,432
Auditors' remuneration:		
Audit fees		
- audit of parent company and consolidated financial statements	**159**	154
- audit of company's subsidiaries	**90**	62
- audit of interim consolidated financial statements	**65**	68
- audit of Company's subsidiaries by affiliate of Group Auditor	**3**	3
Non-Audit fees	**39**	-
Operating lease costs	**1,118**	730

8. STAFF COSTS

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Staff costs during the year:		
- wages and salaries	**12,536**	12,406
- social security costs	**2,896**	3,524
- other pension costs	**190**	171
	15,622	16,101

Details of the remuneration of Directors amounting to £16,221,000 (2015: £24,137,000) are included in the Directors' Remuneration Report on pages 83 to 102. The amount of the share-based payments charge relating to share awards made to Directors is £4,426,000 (2015: £5,815,000).

Included within wages and salaries are directors' bonuses of £5,364,000 (2015: £6,271,000) as discussed in the Directors' Remuneration Report on pages 83 to 102.

Other pension costs relate to payments to individual pension plans.

The average number of employees (management and administration) of the Group during the year was 53 (2015: 43) of which 35 are UK head office staff, 9 are other UK staff and 9 are based in Poland.

Of the staff costs of £15,622,000 (2015: £16,101,000), £14,810,000 is included within administrative expenses (2015: £15,663,000) and £812,000 is included within development costs (2015: £438,000).

Within administrative costs is the share based payment charge for the year of £6,666,000 (2015: £6,432,000) which is not included in the staff costs above.

9. FINANCE COSTS AND FINANCE INCOME

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Interest payable on bank loans and overdrafts	**(25,353)**	(21,055)
Other interest payable and similar charges	**(3,700)**	(6,264)
Interest capitalised	**4,940**	3,641
Finance costs	**(24,113)**	(23,678)
Interest receivable and similar income	**5,128**	2,480
Finance income	**5,128**	2,480

On projects where specific third party loans have been arranged, interest has been capitalised in accordance with IAS 23 – Borrowing Costs, at the rate for the individual loan. The weighted average capitalised interest rate of such loans was 3.50% (2015: 3.68%). Where general finance has been used to fund the acquisition and construction of properties the rate used was a weighted average of the financing costs for the applicable borrowings of 4.18% (2015: 4.62%).

NOTES TO THE FINANCIAL STATEMENTS

10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
The tax charge is based on the profit for the year and represents:		
United Kingdom corporation tax at 20% (2015: 21%)		
- Group corporation tax	**(7,010)**	(215)
- adjustment in respect of prior periods	**(115)**	(22)
- overseas tax	**(712)**	(39)
Current tax charge	**(7,837)**	(276)
Deferred tax at 19% (2015: 20%)		
- capital allowances	**(385)**	(297)
- tax losses	**500**	3,033
- unrealised chargeable gains	**(8,046)**	(15,096)
- other temporary differences	**6,023**	(33)
Deferred tax charge	**(1,908)**	(12,393)
Tax charge on profit on ordinary activities	**(9,745)**	(12,669)

Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK.

The differences are explained below:

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Profit on ordinary activities before tax	**120,096**	87,445
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	**(24,019)**	(18,363)
Effect of:		
- expenses not deductible for tax purposes	**(534)**	(1,041)
- income not subject to UK corporation tax	**-**	285
- adjustment to capital allowances	**707**	331
- tax movements on share awards	**2,807**	609
- additional tax losses unavailable	**-**	(143)
- tax losses not previously recognised in deferred tax	**1,930**	-
- operating profit of joint ventures	**10,094**	5,774
- prior year adjustment	**(115)**	(22)
- Movement on sale and revaluation not recognised through deferred tax	**1,355**	(1,370)
- chargeable gain in excess of profit or loss on investment property	**(2,472)**	(278)
- overseas tax	**(505)**	(39)
- other temporary differences	**943**	901
Effect of change of rate of corporation tax	**64**	687
Total tax charge for the year	**(9,745)**	(12,669)

Note: all deferred tax balances have been calculated at an effective rate of corporation tax of 19% which is the average of the substantively enacted future rates for the periods in which the deferred tax is expected to be realised.

Factors that may affect future tax charges

The tax charge is expected to be less than the full rate in future years, primarily due to the Group continuing to claim allowances in respect of eligible expenditure on investment properties.

11. DEFERRED TAX

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

	Group 31.3.16 £000	Group 31.3.15 £000	Company 31.3.16 £000	Company 31.3.15 £000
Capital allowances	**(1,946)**	(1,561)	**6**	60
Tax losses	**12,521**	12,021	**1,255**	1,173
Unrealised chargeable gains	**(24,733)**	(16,687)	**73**	-
Other temporary differences	**7,791**	4,771	**-**	-
Deferred tax (liability)/asset	**(6,367)**	(1,456)	**1,334**	1,233

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX CONTINUED

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. A debit of £3,002,000 (2015: credit of £2,477,000) in respect of future tax relief for share awards has been recognised in reserves in accordance with IAS 12.

The Group contains entities with tax losses for which no deferred tax asset is recognised. The total unrecognised losses amount to approximately £9,026,000 (2015: £9,036,000). 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 whereby their utilisation is considered to be unlikely.

If upon sale of the investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £1,946,000 (2015: £1,561,000) would be released and further capital allowances of £20,340,000 (2015: £18,031,000) would be available to reduce future tax liabilities.

12. DIVIDENDS PAID AND PAYABLE

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Attributable to equity share capital		
Ordinary		
- interim paid of 2.30p (2015: 2.10p) per share	**2,652**	2,406
- second interim paid of 5.15p (2015: nil) per share	**5,886**	-
- prior period final paid of 5.15p (2015: 4.75p) per share	**5,899**	5,538
Total dividends paid and payable in year – 12.60p (2015: 6.85p) per share	**14,437**	7,944

An interim dividend of 2.30p was paid on 30 December 2015 to shareholders on the register on 4 December 2015 and a second interim dividend of 5.15p was paid on 4 April 2016 to shareholders on the register on 11 March 2016. The final dividend of 0.72p, if approved at the AGM on 25 July 2016, will be paid on 29 July 2016 to shareholders on the register on 1 July 2016. This final dividend, amounting to £823,000, has not been included as a liability as at 31 March 2016, in accordance with IFRS.

13. 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 £11,344,000 (2015: loss of £1,316,000).

14. EARNINGS PER SHARE

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

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the effect of all dilutive options and awards.

The earnings per share are calculated in accordance with IAS 33, Earnings per Share and the best practice recommendations of the European Public Real Estate Association ("EPRA"). Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

Earnings per share	**Year ended 31.3.16 000**	Year ended 31.3.15 000
Ordinary shares in issue	**118,184**	118,184
Weighting adjustment	**(3,296)**	(2,897)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	**114,888**	115,287
Weighted average ordinary shares to be issued on share settled bonuses	**1,197**	1,016
Weighted average ordinary shares to be issued under performance share plan	**3,212**	6,182
Weighted average ordinary shares in issue for calculation of diluted earnings per share	**119,297**	122,485

	£000	£000
Earnings used for calculation of basic and diluted earnings per share	**110,411**	74,489
Basic earnings per share	**96.1p**	64.6p
Diluted earnings per share	**92.6p**	60.8p

NOTES TO THE FINANCIAL STATEMENTS

14. EARNINGS PER SHARE CONTINUED

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Earnings used for calculation of basic and diluted earnings per share	**110,411**	74,489
Net gain on sale and revaluation of investment properties	**(55,893)**	(69,384)
Share of net gain on sale and revaluation of investment properties in the results of joint ventures	**(50,210)**	(27,225)
Tax on profit on disposal of investment properties	**998**	-
Trading property gain	**-**	(2,503)
Fair value movement on derivative financial instruments	**6,860**	8,389
Fair value movement on Convertible Bond	**(516)**	3,263
Share of fair value movements on derivative financial instruments in the results of joint ventures	**(211)**	578
Impairment of available-for-sale investment	**1,370**	773
Deferred tax	**6,811**	14,425
Earnings used for calculation of EPRA earnings per share	**19,620**	2,805
EPRA earnings per share	**17.1p**	2.4p

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

15. INVESTMENT PROPERTIES

	Freehold 31.3.16 £000	Leasehold 31.3.16 £000	Total 31.3.16 £000	Freehold 31.3.15 £000	Leasehold 31.3.15 £000	Total 31.3.15 £000
Group						
Fair value at 1 April	**591,870**	**109,651**	**701,521**	450,276	42,925	493,201
Property acquisitions	**377,890**	**27,243**	**405,133**	191,280	79,813	271,093
Disposals	**(96,237)**	**(23,148)**	**(119,385)**	(112,089)	(18,640)	(130,729)
Revaluation surplus	**51,779**	**1,729**	**53,508**	61,376	5,528	66,904
Revaluation surplus attributable to profit share partner	**323**	**-**	**323**	1,027	25	1,052
Fair value at 31 March	**925,625**	**115,475**	**1,041,100**	591,870	109,651	701,521

Interest capitalised during the year in respect of the refurbishment of investment properties amounted to £1,200,000 (2015: £667,000).

Interest capitalised in respect of the refurbishment of investment properties is included in investment properties to the extent of £6,571,000 (2015: £5,449,000).

Investment properties with a total fair value of £945,400,000 (2015: £628,621,000) 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 2016 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. There were no transfers in or out of Level 3 for investment properties during the year.

Valuation methodology

The fair value of the Group's investment property as at 31 March 2016 was determined by independent external valuers at that date, except for investment properties valued by the Directors. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('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 nominal 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.

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT PROPERTIES CONTINUED

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 output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

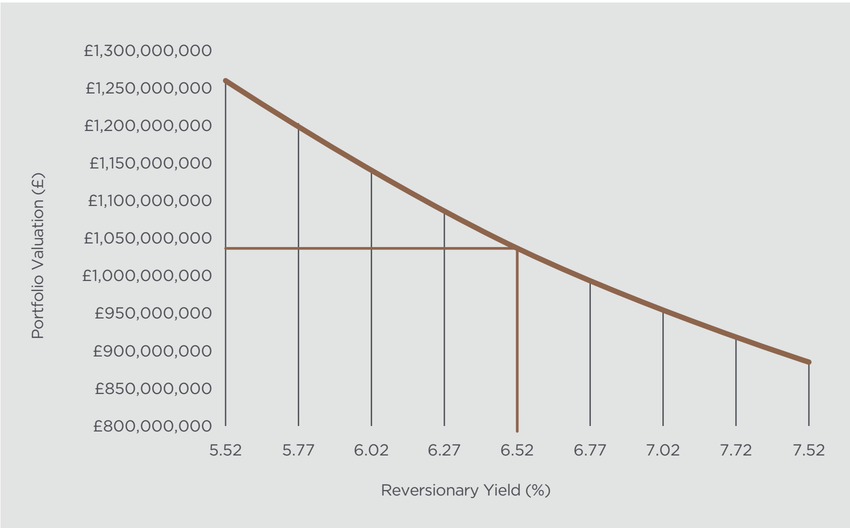
The reversionary yield is the return received from an asset once the estimated rental value has been captured on today's assessment of market value.

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.

Details of the investment portfolio yields can be found on page 48 of this report.

The graph below illustrates the sensitivity of the value of the investment portfolio to the reversionary yield.

Valuation – Reversionary Yield Sensitivity



The investment properties have been valued at 31 March 2016 as follows:

	31.3.16 £000	31.3.15 £000
Cushman & Wakefield LLP	**801,800**	697,521
Colliers International UK plc	**239,200**	-
Directors' valuation	**100**	4,000
	1,041,100	701,521

The historical cost of investment property is £889,493,000 (2015: £590,965,000).

NOTES TO THE FINANCIAL STATEMENTS

16. 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 31.3.16 £000	Group 31.3.15 £000
Not later than one year	**43,266**	39,393
Later than one year but not more than five years	**157,948**	104,268
More than five years	**115,382**	159,001
	316,596	302,662

The Company has no operating lease arrangements as lessor.

At the balance sheet date, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Group and Company	**31.3.16 £000**	31.3.15 £000
Not later than one year	**818**	281
Later than one year but not more than five years	**3,273**	3,273
More than five years	**5,319**	7,773
	9,410	11,327

17. OWNER OCCUPIED PROPERTY, PLANT AND EQUIPMENT

Group	**Short leasehold improvements 31.3.16 £000**	**Plant and equipment 31.3.16 £000**	**Total 31.3.16 £000**	Short leasehold improvements 31.3.15 £000	Plant and equipment 31.3.15 £000	Total 31.3.15 £000
Cost at 1 April	**2,007**	**1,008**	**3,015**	2,373	935	3,308
Additions at cost	**99**	**164**	**263**	1,695	164	1,859
Disposals	**-**	**(160)**	**(160)**	(2,061)	(91)	(2,152)
Cost at 31 March	**2,106**	**1,012**	**3,118**	2,007	1,008	3,015
Depreciation at 1 April	**111**	**543**	**654**	1,811	447	2,258
Provision for the year	**146**	**192**	**338**	361	183	544
Eliminated on disposals	**-**	**(74)**	**(74)**	(2,061)	(87)	(2,148)
Depreciation at 31 March	**257**	**661**	**918**	111	543	654
Net book amount at 31 March	**1,849**	**351**	**2,200**	1,896	465	2,361

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

All short leasehold improvements and plant and equipment relate to the Company except for plant and equipment with a net book value of £34,000 as at 31 March 2016 (2015: £69,000).

18. INVESTMENT IN SUBSIDIARIES

	Group 31.3.16 £000	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
At 1 April	**-**	-	**36,585**	36,584
Acquired during year	**-**	-	**31,627**	1
At 31 March	**-**	-	**68,212**	36,585

A list of all the Company's subsidiary undertakings, all of which have been consolidated, are shown in Note 39 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

19. INVESTMENT IN JOINT VENTURES

	Investment & trading 31.3.16 £000	Development 31.3.16 £000	Total 31.3.16 £000	Investment & trading 31.3.15 £000	Development 31.3.15 £000	Total 31.3.15 £000
Summarised statements of consolidated income						
Revenue	917	911	1,828	5,523	575	6,098
Gross rental income	917	911	1,828	5,523	575	6,098
Rents payable	-	-	-	(809)	-	(809)
Property overheads	(483)	(75)	(558)	(683)	(194)	(877)
Net rental income	434	836	1,270	4,031	381	4,412
Development profit	-	3,223	3,223	-	1,902	1,902
Profit on sale of property	41,553	-	41,553	1,087	4	1,091
Gain on revaluation of investment properties	995	1,321	2,316	26,134	-	26,134
Other operating income/(expense)	196	22	218	(1)	294	293
Administrative expenses	(705)	(435)	(1,140)	(291)	(660)	(951)
Finance costs	(1,902)	(1,771)	(3,673)	(2,254)	(1,390)	(3,644)
Finance income	12	9	21	4	39	43
Change in fair value movement of derivative financial instruments	211	-	211	(578)	-	(578)
Profit before tax	40,794	3,205	43,999	28,132	570	28,702
Tax	458	(329)	129	(734)	(471)	(1,205)
Profit after tax	41,252	2,876	44,128	27,398	99	27,497
Economic interest adjustment*	6,341	-	6,341	-	-	-
Share of results of joint ventures	47,593	2,876	50,469	27,398	99	27,497
Summarised balance sheets						
Non-current assets						
Investment properties	10,107	1,445	11,552	88,205	100	88,305
Owner occupied property, plant and equipment	50	46	96	-	42	42
Deferred tax	50	362	412	256	278	534
	10,207	1,853	12,060	88,461	420	88,881
Current assets						
Land, development and trading properties	-	75,904	75,904	-	61,782	61,782
Trade and other receivables	769	2,728	3,497	1,468	1,258	2,726
Cash and cash equivalents	6,433	5,744	12,177	7,030	6,423	13,453
	7,202	84,376	91,578	8,498	69,463	77,961
Current liabilities						
Trade and other payables	(836)	(13,600)	(14,436)	(3,947)	(20,749)	(24,696)
	(836)	(13,600)	(14,436)	(3,947)	(20,749)	(24,696)
Non-current liabilities						
Trade and other payables	-	(26,586)	(26,586)	(5,590)	(19,842)	(25,432)
Borrowings	(2,413)	(32,213)	(34,626)	(29,503)	(14,916)	(44,419)
Derivative financial instruments	-	-	-	(473)	-	(473)
Deferred Tax	-	-	-	(237)	-	(237)
	(2,413)	(58,799)	(61,212)	(35,803)	(34,758)	(70,561)
Net assets	14,160	13,830	27,990	57,209	14,376	71,585

* 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 33.35% equity share in the Barts Square group, it has accounted for its share at 43.8% to reflect its expected economic interest in the joint venture. This has changed from the 33.35% interest shown at 31 March 2015, and resulted in a gain of £6,341,000 being recognised in the Consolidated Income Statement to reflect the Group's increased share in the opening net assets of the joint venture.

The cost of the Company's investment in joint ventures was £15,000 (2015: £15,000).
The Directors' valuation of the trading and development stock shows a surplus of £7,000,000 above book value (2015: £11,013,000).

NOTES TO THE FINANCIAL STATEMENTS

19. INVESTMENT IN JOINT VENTURES CONTINUED

The Group has three material joint ventures. The full results and position of these joint ventures are set out below, of which we have included our share in the previous table.

	Barts LP Group 31.03.16 £000	Old Street Holdings LP Group 31.03.16 £000	Shirley Advance LLP 31.03.16 £000	Barts LP Group 31.03.15 £000	Old Street Holdings LP Group 31.03.15 £000	Shirley Advance LLP 31.03.15 £000
Summarised statements of consolidated income						
Revenue	**1,681**	**1,772**	**915**	3,532	2,885	179
Gross rental income	**1,681**	**1,772**	**915**	3,532	2,885	179
Property overheads	**(104)**	**(1,329)**	**(59)**	(530)	(804)	(16)
Net rental income	**1,577**	**443**	**856**	3,002	2,081	163
Development profit	**-**	**-**	**3,234**	-	-	-
Profit on sale of property	**20,113**	**98,232**	**-**	-	-	-
Gain on revaluation of investment properties	**5,287**	**-**	**-**	30,287	48,105	-
Other operating income/(expense)	**50**	**(34,506)**	**-**	(19)	-	599
Administrative expenses	**(1,044)**	**(1,839)**	**-**	(2,324)	(367)	-
Finance costs	**(1,134)**	**(4,738)**	**(3,192)**	(1,283)	(2,533)	(912)
Finance income	**33**	**2**	**-**	8	-	-
Change in fair value movement of derivative financial instruments	**-**	**632**	**-**	-	(1,733)	-
Profit/(loss) before tax	**24,882**	**58,226**	**898**	29,671	45,553	(150)
Tax	**340**	**(95)**	**-**	(96)	437	-
Profit/(loss) after tax	**25,222**	**58,131**	**898**	29,575	45,990	(150)
Summarised balance sheets						
Non-current assets						
Investment properties	**26,375**	**-**	**-**	91,887	173,000	-
Owner occupied property, plant and equipment	**106**	**150**	**-**	126	-	-
Deferred tax	**925**	**-**	**-**	99	767	-
	27,406	**150**	**-**	92,112	173,767	-
Current assets						
Land, development and trading properties	**110,281**	**-**	**16,250**	78,784	-	44,911
Trade and other receivables	**4,720**	**1,671**	**2,017**	2,419	3,593	1,800
Cash and cash equivalents	**20,125**	**1,554**	**591**	29,219	3,656	967
	135,126	**3,225**	**18,858**	110,422	7,249	47,678
Current liabilities						
Trade and other payables	**(25,855)**	**(1,124)**	**(2,598)**	(11,626)	(8,419)	(31,161)
Borrowings	**-**	**-**	**-**	-	-	-
	(25,855)	**(1,124)**	**(2,598)**	(11,626)	(8,419)	(31,161)
Non-current liabilities						
Trade and other payables	**-**	**-**	**(15,373)**	-	(16,767)	(16,527)
Borrowings	**(79,054)**	**-**	**-**	(64,883)	(68,348)	-
Derivative financial instruments	**-**	**-**	**-**	-	(1,416)	-
Deferred Tax	**-**	**-**	**(2)**	-	-	-
	(79,054)	**-**	**(15,375)**	(64,883)	(86,531)	(16,527)
Net assets	**57,623**	**2,251**	**885**	126,025	86,066	(10)

NOTES TO THE FINANCIAL STATEMENTS

19. INVESTMENT IN JOINT VENTURES CONTINUED

At 31 March 2016 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 Close Office Ltd	Jersey	Ordinary	33%	-	Investment
Barts Square First Office Ltd	Jersey	Ordinary	33%	-	Investment
Barts Square Active One Ltd	Jersey	Ordinary	33%	-	Investment
Barts Square First Ltd	United Kingdom	Ordinary	33%	-	Development
Barts Square Land One Ltd	United Kingdom	Ordinary	33%	-	Development
Old Street Holdings LP	Jersey	n/a	33%	-	Investment
Abbeygate Helical (Leisure Plaza) Ltd	United Kingdom	Ordinary	50%	50%	Development
Abbeygate Helical (Winterhill) Ltd	United Kingdom	Ordinary	50%	50%	Development
Abbeygate Helical (C4.1) LLP	United Kingdom	n/a	50%	50%	Development
Shirley Advance LLP	United Kingdom	n/a	50%	-	Development
King Street Developments (Hammersmith) Ltd	United Kingdom	Ordinary	50%	-	Development
Creechurch Place Ltd	Jersey	Ordinary	10%	-	Development

Significant Judgements and Estimates

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. In these cases neither party has control over the entity and therefore it is considered appropriate to account for our interest as a joint venture.

Dividends of £82,569,000 were received from joint venture companies during the year (2015: £17,013,000). The joint venture companies are private companies, therefore no quoted market prices are available for their shares.

At 31 March 2015, the Group had an investment in Helical Sosnica Sp. Zoo, which had been accounted for as an investment held for sale due to a commitment to sell the Group's share. At 31 March 2015 Helical Sosnica Sp. zoo held a development property, the fair value of which the Directors believed to be £81,866,000 (of which Helical's share was £40,933,000) and a bank loan of £51,156,000 (of which Helical's share was £25,578,000) repayable in September 2017. During the year, the Group sold its investment in Helical Sosnica Sp.Zoo.

During the year, Old Street Holdings LP sold its investments in 207 Old Street Unit Trust, 211 Old Street Unit Trust, Old Street Retail Unit Trust and City Road Jersey Limited. The Group purchased the trust capital of 207 Old Street Unit Trust and 211 Old Street Unit Trust from Old Street Holdings LP.

During the year, Barts Two Limited sold its investment in Barts Two Investment Property Limited.

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 33.35% legal share in the Barts Square group, it has accounted for its share at 43.8% to reflect its expected economic interest in the joint venture. This has changed from the 33.35% interest shown at 31 March 2015, and resulted in a gain of £6,341,000 being recognised in the Consolidated Income Statement to reflect the Group's increased share in the opening net assets of the joint venture.

20. LAND, DEVELOPMENTS AND TRADING PROPERTIES

Group	**Development properties 31.3.16 £000**	**Trading stock 31.3.16 £000**	**Total 31.3.16 £000**	Development properties 31.3.15 £000	Trading stock 31.3.15 £000	Total 31.3.15 £000
At 1 April	**92,550**	**28**	**92,578**	95,632	2,528	98,160
Acquisitions and construction costs	**31,465**	**-**	**31,465**	21,131	31,012	52,143
Interest capitalised	**3,740**	**-**	**3,740**	3,381	-	3,381
Disposals	**(29,063)**	**-**	**(29,063)**	(25,685)	(33,512)	(59,197)
Foreign exchange movements	**(237)**	**-**	**(237)**	(1,457)	-	(1,457)
Provision	**(6,448)**	**-**	**(6,448)**	(452)	-	(452)
At 31 March	**92,007**	**28**	**92,035**	92,550	28	92,578

The Directors' valuation of trading and development stock shows a surplus of £12,412,000 above book value (2015: £25,230,000).

Interest capitalised in respect of the development of sites is included in stock to the extent of £11,626,000 (2015: £9,788,000).

Land, developments and trading properties with carrying values totalling £81,870,000 (2015: £83,948,000) were held as security against borrowings.

The Company had no land, developments or trading properties (2015: none).

NOTES TO THE FINANCIAL STATEMENTS

21. PROPERTY DERIVATIVE FINANCIAL ASSET

Group	31.3.16 £000	31.3.15 £000
Property derivative financial asset	-	16,388
	-	16,388

In the year to 31 March 2015, the Group assigned its forward purchase contract on Clifton Street, London EC2 to a third party. The agreement to assign the forward purchase contract was considered to be a derivative financial instrument. As such, under IAS 39, it was carried at its fair value with gains and losses taken to the Income Statement. Cash of £17.3m was received during the year to 31 March 2016.

22. AVAILABLE-FOR-SALE INVESTMENTS

Group	31.3.16 £000	31.3.15 £000
At 1 April	**4,342**	4,973
Additions	**142**	144
Disposals	-	(2)
Impairment in the year	**(1,370)**	(773)
At 31 March	**3,114**	4,342

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

The loan and the equity are together classed as an available-for-sale investment and held at fair value. It is considered to be Level 3 of the IFRS 13 fair value hierarchy. The Group has determined its fair value by considering both the loan and the equity element separately. The loan element is valued at the fair value of the expected consideration to be received including anticipated future costs of recovering this loan. This amount has been impaired in the year due to a revision in the expected receipt. The value of the available-for-sale investment is 100% sensitive to changes in the expected repayment proceeds. The equity element is given a £nil value with the Group valuing the underlying company on a break up basis at £nil as it is believed that this is the most probable outcome. This £nil valuation is derived because the Group believe that the value of the property and any other of the company's assets, after the repayment of the loan payable to the Group, would be required to repay the outstanding creditors leaving negligible value to the shareholders.

The Group does not consider that it has significant influence over this company despite having 20% of the equity as another party owns a majority shareholding and the Group does not have a representative on the board of the company.

The decline in value of £1,370,000 (2015: £773,000) has been recognised in the Income Statement.

23. TRADE AND OTHER RECEIVABLES

Due after 1 year	Group 31.3.16 £000	Group 31.3.15 £000	Company 31.3.16 £000	Company 31.3.15 £000
Trade receivables	-	1,555	-	-
	-	1,555	-	-

Due within 1 year	Group 31.3.16 £000	Group 31.3.15 £000	Company 31.3.16 £000	Company 31.3.15 £000
Trade receivables	**20,869**	12,432	**117**	97
Amounts owed by joint venture undertakings	**32,099**	42,220	**40**	40
Amounts owed by subsidiary undertakings	-	-	**814,268**	776,550
Other receivables	**283**	879	**891**	853
Prepayments and accrued income	**19,806**	9,685	**405**	188
	73,057	65,216	**815,721**	777,728

Receivables	Group 31.3.16 £000	Group 31.3.15 £000	Company 31.3.16 £000	Company 31.3.15 £000
Fully performing	**70,855**	56,848	**815,316**	777,540
Past due < 3 months	**1,397**	1,384	-	-
Past due > 3 months	**61**	70	-	-
Total receivables being financial assets	**72,313**	58,302	**815,316**	777,540
Total receivables being non-financial assets	**744**	8,469	**405**	188
Total receivables	**73,057**	66,771	**815,721**	777,728

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 £4,562,000 of rental deposits at 31 March 2016 (2015: £1,648,000).

NOTES TO THE FINANCIAL STATEMENTS

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

	Group 31.3.16 £000	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Gross receivables being financial assets	**72,385**	58,390	**815,721**	777,540
Provisions for receivables impairment	**(72)**	(88)	**-**	-
Net receivables being financial assets	**72,313**	58,302	**815,721**	777,540
Receivables written off during the year as uncollectable	**2**	9	**-**	-

24. CASH AND CASH EQUIVALENTS

	Group 31.3.16 £000	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Rent deposits and cash held at managing agents	**4,906**	3,049	**-**	3
Restricted cash	**17,063**	91,955	**-**	2
Cash deposits	**52,701**	25,989	**36,225**	13,937
	74,670	120,993	**36,225**	13,942

Restricted cash is made up of amounts held by solicitors and amounts in blocked accounts. Included in this amount at 31 March 2015 was £70,166,000 held in a blocked account due to a bank refinancing, which was subsequently released during the year.

25. TRADE AND OTHER PAYABLES

	Group 31.3.16 £000	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Trade payables	**14,463**	9,868	**421**	440
Social security costs and other taxation	**5,774**	5,156	**-**	-
Amounts owed to subsidiary undertakings	**-**	-	**512,090**	412,690
Other payables	**2,444**	3,420	**-**	44
Accruals	**39,425**	37,834	**4,046**	3,522
Deferred income	**8,894**	9,524	**-**	-
	71,000	65,802	**516,557**	416,696

26. BORROWINGS

	Group 31.3.16 £000	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Current borrowings	**885**	45,428	**-**	6,120
Borrowings repayable within:				
- one to two years	**3,617**	136,091	**-**	-
- two to three years	**3,650**	3,617	**-**	-
- three to four years	**337,098**	83,608	**92,088**	-
- four to five years	**219,523**	175,177	**79,225**	90,067
- five to six years	**95,981**	80,060	**-**	79,042
- six to ten years	**73,309**	74,260	**-**	-
Non-current borrowings	**733,178**	552,813	**171,313**	169,109

Bank overdrafts and term loans in creditors falling due within one year and after one year are secured against properties held in the normal course of business by subsidiary undertakings to the book value of £1,027,270,000 (2015: £712,569,000). 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 £34,626,000 (2015: £44,419,000).

Convertible Bond

On 17 June 2014 the Group issued £100m convertible bonds at par with a 4% coupon rate which are due for settlement on 17 June 2019 (the "Bonds"). The Bonds can be converted from 28 July 2014 up to and including 7 July 2017, if the share price has traded at a level exceeding 130% of the conversion price for a specified period, and from 8 July 2017 to (but excluding) the seventh dealing day before 17 June 2019 at any time. On conversion, the Group can elect to settle the Bonds by any combination of ordinary shares and cash. The Convertible Bond is included at its fair value of £102,747,000 (2015: £103,263,000) in borrowings repayable within three to four years.

Retail Bond

On 24 June 2013 the Group issued an £80m fixed rate retail bond at 6% per annum and with a maturity date of 24 June 2020. Under certain circumstances, the bonds can be repaid early. The Retail Bond is included at its amortised cost of £79,225,000 (2015: £79,042,000) in borrowings repayable within four to five years.

27. FINANCING AND DERIVATIVE FINANCIAL INSTRUMENTS

The policies for dealing with liquidity and interest rate risk are noted in the Principle Risks Review on pages 58 to 61.

	Group 31.3.16 £000	Group 31.3.15 £000
Borrowings maturity		
Due after more than one year	**733,178**	552,813
Due within one year	**885**	45,428
	734,063	598,241

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2016 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.16 £000	Group 31.3.15 £000
Expiring in one year or less	**10,000**	14,147
Expiring in more than one year but not more than two years	**-**	3,982
Expiring in more than two years but not more than three years	**-**	-
Expiring in more than three years but not more than four years	**55,697**	33,161
Expiring in more than four years but not more than five years	**14,499**	2,840
Expiring in more than five years	**3,445**	-
	83,641	54,130

Interest rates – Group	%	Expiry	31.3.16 £000	%	Expiry	31.3.15 £000
Fixed rate borrowings:						
- swap rate plus bank margin	**3.650**	**Nov 2019**	**105,000**	-	-	-
- swap rate plus bank margin	**5.650**	**Nov 2019**	**44,500**	-	-	-
- fixed rate plus margin	**3.480**	**Dec 2024**	**80,005**	3.480	Dec 2024	80,862
- fixed rate Retail Bond	**6.000**	**Jun 2020**	**80,000**	6.000	Jun 2020	80,000
- swap rate plus bank margin	**3.850**	**Jan 2020**	**75,000**	4.500	Jan 2020	75,000
- swap rate plus bank margin	**4.070**	**Jul 2019**	**30,000**	4.070	Jul 2019	30,000
- fixed rate Convertible Bond	**4.000**	**Jun 2019**	**100,000**	4.000	Jun 2019	100,000
- swap rate plus bank margin	**4.025**	**Aug 2020**	**74,280**	4.525	Feb 2019	75,630
- swap rate plus bank margin	**3.770**	**May 2018**	**10,800**	4.020	May 2018	10,800
- swap rate plus bank margin	**-**	**-**	**-**	3.365	Jan 2016	9,172
- swap rate plus bank margin	**4.070**	**Oct 2017**	**20,300**	4.070	Jan 2016	11,100
- swap rate plus bank margin	**-**	**-**	**-**	3.510	May 2015	21,375
- swap rate plus bank margin	**3.715**	**Aug 2020**	**13,000**	-	-	-
Weighted average	**4.226**	**Jul 2020**	**632,885**	4.366	Mar 2019	493,939
Floating rate borrowings	**3.924**	**Sep 2018**	**107,109**	2.438	Nov 2016	106,291
Unamortised finance costs	**-**	**-**	**(8,678)**	-	-	(5,252)
Fair value adjustment of Convertible Bond			**2,747**			3,263
Total borrowings	**4.182**	**Sep 2020**	**734,063**	4.026	Aug 2019	598,241

The year on year changes in fixed borrowing rates are the result of stepped increases/decreases in interest rate swaps rates. Floating rate borrowings bear interest at rates based on LIBOR.

At 31 March 2016 the Company had £30,000,000 (2015: £30,000,000) and £20,300,000 (2015: £11,100,000) interest rate swaps, both at 4.070% and expiring in July 2019 and October 2017 respectively. Interest is fixed on the retail bond and convertible bond as shown above, with the remaining borrowings being at floating rates.

In addition to the above, the Group has a £50,000,000 interest rate swap at 1.865% starting in January 2020 and expiring in June 2026.

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCING AND DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

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

Instrument	Value £000	Rate %	Start	Expiry
Current:				
- cap	25,000	4.000	Apr 2011	Apr 2016
- cap	25,000	4.000	Jul 2013	Jul 2016
- cap	25,000 – 75,000	4.000	Apr 2015	Jan 2017
- cap	7,200	4.000	Jan 2012	Oct 2016
- cap	25,000	4.000	Jul 2013	Jul 2016

Where a range in capped values is shown, these reflect stepped increases/decreases over the life of the cap.

Gearing	**Group 31.3.16 £000**	Group 31.3.15 £000
Total debt	**734,063**	598,241
Cash	**(74,670)**	(120,993)
Net debt	**659,393**	477,248

Net debt excludes the Group's share of debt in joint ventures of £34,626,000 (2015: £44,419,000), and cash of £12,177,000 (2015: £13,453,000).

	Group 31.3.16 £000	Group 31.3.15 £000
Net assets	**486,189**	404,363
Gearing	**136%**	118%

28. SHARE CAPITAL

	31.3.16 £000	31.3.15 £000
Authorised	**39,577**	39,577
	39,577	39,577

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

	31.3.16 £000	31.3.15 £000
Allotted, called up and fully paid		
- 118,183,806 (2015: 118,183,806) ordinary shares of 1p each	**1,182**	1,182
- 212,145,300 (2015: 212,145,300) deferred shares of 1⁄8p each	**265**	265
	1,447	1,447

	Shares in issue 31.3.16 Number	**Share capital 31.3.16 £000**	Shares in issue 31.3.15 Number	Share capital 31.3.15 £000
Ordinary shares				
At 1 April and 31 March	**118,183,806**	**1,182**	118,183,806	1,182
Deferred shares				
At 1 April and 31 March	**212,145,300**	**265**	212,145,300	265

NOTES TO THE FINANCIAL STATEMENTS

28. SHARE CAPITAL CONTINUED

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 (2016: £478,711,000; 2015: £396,825,000). The Group continually monitors its gearing level to ensure that it is appropriate. Gearing increased from 118% to 136% in the year as the Group took advantage of favourable debt market conditions.

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

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

29. SHARE OPTIONS

At 31 March 2016 and 31 March 2015 there were no unexercised options over new ordinary 1p shares in the Company. No options over purchased ordinary 1p shares held by the ESOP had been granted to directors and employees under the Company's share option schemes (31 March 2015: none).

The Company uses a stochastic valuation model to value the share options.

Summary of share options	**Number 31.3.16**	**Weighted average exercise Price 31.3.16**	Number 31.3.15	Weighted average exercise price 31.3.15
At 1 April	**-**	**-**	46,284	259.25p
Options exercised	**-**	**-**	(46,284)	259.25p
At 31 March	**-**	**-**	-	-

The share price at date of exercise was 344.25p.

30. SHARE-BASED PAYMENTS

The Group provides share-based payments to employees in the form of performance share plan awards and a share incentive plan. The Company uses a stochastic valuation model and the resulting value is amortised through the Income Statement over the vesting period of the share-based payments.

Performance share plan awards	**Awards**	**2016 Weighted average award value**	Awards	2015 Weighted average award value
Outstanding at beginning of year	**9,127,153**	**221p**	9,721,375	215p
Awards vested during year	**(4,212,534)**	**153p**	(1,707,216)	246p
Awards lapsed during the year	**-**	**153p**	(1,021,711)	246p
Awards made during the year	**1,642,997**	**353p**	2,134,705	295p
Outstanding at end of year	**6,557,616**	**284p**	9,127,153	221p

The performance share plan awards outstanding at 31 March 2016 had a weighted average remaining contractual life of one year and one month.

The fair value of the awards made in the year to 31 March 2016 was £5,802,000 (2015: £6,305,000).

The inputs into the stochastic model of valuation of the PSP awards made in the year to 31 March 2016 were as follows:

	2016	2015	2014
Weighted average share price	413.5p	355.0p	303.2p
Weighted average exercise price	-	-	-
Expected volatility	25.7%	28.4%	n/a
Expected life	3 years	3 years	3 years
Risk free rate	0.79%	1.24%	n/a
Expected dividends	0.00%	0.00%	2.20%

The Group recognised a charge of £6,666,000 (2015: £6,432,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

31. OWN SHARES HELD

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

The Trust purchases shares in the Company to satisfy the Company's obligations under its Share Option Schemes and Performance Share Plan. For this purpose, 4,488,000 shares (2015: 3,790,000) in the Company were purchased during the year at a cost of £18,857,000 (2015: £13,349,000).

At 31 March 2016, outstanding awards over 6,558,000 (2015: 9,127,000) ordinary 1p shares in Helical Bar plc had been made under the terms of the Performance Share Plan over shares held by the Trust.

At 31 March 2016, the Trust held 3,901,000 shares (2015: 3,625,000).

32. 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 2016 for the Group or the Company (2015: £nil).

33. CAPITAL COMMITMENTS

The Group has a commitment of £34,054,000 (2015: £86,800,000) in relation to construction contracts, which are due to be completed in the period to September 2018.

34. NET ASSETS PER SHARE

	31.3.16 £000	Number of shares 000s	31.3.16 pence per share	31.3.15 £000	Number of shares 000s	31.3.15 pence per share
Net asset value	**486,189**	**118,184**		404,363	118,184	
Less: own shares held by ESOP		**(3,901)**			(3,625)	
deferred shares	**(265)**			(265)		
Basic net asset value	**485,924**	**114,283**	**425**	404,098	114,559	353
Add: share settled bonuses		**1,197**			1,016	
Add: dilutive effect of the Performance Share Plan		**3,177**			6,256	
Diluted net asset value	**485,924**	**118,657**	**410**	404,098	121,831	332
Adjustment for:						
- fair value of financial instruments	**14,955**			8,568		
- fair value movement on Convertible Bond	**2,747**			3,263		
- deferred tax	**23,759**			16,956		
Adjusted diluted net asset value	**527,385**	**118,657**	**444**	432,885	121,831	355
Adjustment for:						
- fair value of trading and development properties	**19,412**			36,243		
EPRA net asset value	**546,797**	**118,657**	**461**	469,128	121,831	385
Adjustment for:						
- fair value of financial instruments	**(14,955)**			(8,568)		
- deferred tax	**(23,759)**			(16,956)		
EPRA triple net asset value	**508,083**	**118,657**	**428**	443,604	121,831	364

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

The adjustments to the net asset value comprise the amounts relating to the Group and its share in Joint Ventures.

NOTES TO THE FINANCIAL STATEMENTS

35. RELATED PARTY TRANSACTIONS

At 31 March 2016 and 31 March 2015 the following amounts were due from the Group's joint ventures:

	31.3.16 £000	31.3.15 £000
King Street Developments (Hammersmith) Ltd	**6,231**	5,280
Shirley Advance LLP	**11,347**	12,501
Barts Square First Ltd	**77**	42
Helical Sosnica Sp. Zoo	**1,099**	6,000
207 Old Street Unit Trust	**-**	2,325
211 Old Street Unit Trust	**-**	1,801
Old St Retail Unit Trust	**-**	725
City Road (Jersey) Ltd	**-**	738
Old Street Holdings LP Ltd	**-**	100
Creechurch Place Ltd	**13,345**	12,132

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

At 31 March 2016, there was £nil due to the Group (2015: £347,000) by a company under common control.

At 31 March 2016 and 31 March 2015 there were the following balances between the Company and its subsidiaries.

	31.3.16 £000	31.3.15 £000
Amounts due from subsidiaries	**807,268**	776,550
Amounts due to subsidiaries	**512,090**	412,690

During the years to 31 March 2016 and 31 March 2015 there were the following transactions between the Company and its subsidiaries:

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Management charges receivable	**9,734**	10,795
Interest receivable	**2,205**	2,294
Interest payable	**3,881**	3,125

Management charges relate to the performance of management services for the Company or its subsidiaries. Interest receivable relates to interest on loans made by the Company to its subsidiaries. All of these transactions, and the year-end balance sheet amounts arising from these transactions, were conducted on an arm's length basis and on normal commercial terms. Amounts owed by subsidiaries to the Company are identified in note 23. Amounts owed to subsidiaries by the Company are identified in note 25.

The Group considers that key management personnel are the directors. The compensation paid or payable to key management is:

	Year ended 31.3.16 £000	Year ended 31.3.15 £000
Salaries and other short term employee benefits	**7,715**	8,656
Other long-term benefits	**-**	-
Share based payments	**6,314**	8,238
	14,029	16,894

The total dividends paid to directors of the Group in the year were £1,260,000 (2015: £1,181,000). On 4 April 2016, a further payment was made of £907,000 (2015: £nil) in respect of the second interim dividend (note 12).

During the year purchases of £60,000 (2015: £50,000) were made from a partnership in which Michael Slade, a director of the company, and his wife are partners. All transactions were carried out on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial assets in the Group include derivative financial 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 loans and receivables as well as available-for-sale investments.

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 IAS 39 Financial Instruments: Recognition and Measurement, categories:

Financial assets	**Group 31.3.16 £000**	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Loans and receivables	**146,983**	180,713	**851,541**	792,900
Fair value through the Profit or Loss	**-**	16,389	**-**	-
Available-for-sale financial investments	**3,114**	4,342	**-**	-
Total financial assets	**150,097**	201,444	**851,541**	792,900

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

	Group 31.3.16 £000	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Available-for-sale investments	**3,114**	4,342	**-**	-
Derivative financial instruments	**-**	1	**-**	-
Property derivative financial asset	**-**	16,388	**-**	-
Trade and other receivables	**72,313**	59,720	**815,316**	778,958
Cash and cash equivalents	**74,670**	120,993	**36,225**	13,942
Total financial assets	**150,097**	201,444	**851,541**	792,900

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

For the fair value of available-for-sale investments see note 22. The carrying value of the trade and other receivables and cash and cash equivalents is deemed not to be materially different from the fair value.

Financial liabilities	**Group 31.3.16 £000**	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Fair value through the Profit or Loss	**(18,562)**	(12,545)	**(7,134)**	(11,080)
Designated at Fair value through Profit or Loss	**(102,747)**	(103,263)	**-**	-
Measured at amortised cost	**(689,815)**	(545,523)	**(689,424)**	(591,925)
Total financial liabilities	**(811,124)**	(661,331)	**(696,558)**	(603,005)

The Convertible Bond has been designated at fair value through profit or loss. The change in fair value of the Convertible Bond is wholly attributable to changes in market conditions. If bondholders do not exercise their conversion right, the obligation is settled by a cash payment of £100,000,000. The difference between the carrying amount of £102,747,000 and this settlement amount is an additional liability of £2,747,000.

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

	Group 31.3.16 £000	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Trade and other payables	**(62,106)**	(54,994)	**(516,557)**	(416,696)
Borrowings – current	**(885)**	(45,428)	**-**	(6,120)
Borrowings – non current	**(733,178)**	(552,813)	**(171,313)**	(169,109)
Derivative financial instruments	**(14,955)**	(8,096)	**(7,134)**	(11,080)
Total financial liabilities	**(811,124)**	(661,331)	**(695,004)**	(603,005)

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS CONTINUED

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

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

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

IFRS 13 categorises financial assets and liabilities as being valued in 3 hierarchical levels:

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

Assets and liabilities measured at fair value are classified as below:

Level 1	Convertible bond (note 26)
Level 2	Derivative financial instruments (note 27)
	Property derivative financial asset (note 21)
Level 3	Available-for-sale investment (note 22)
	Investment property (note 15)

There were no transfers between categories in the current or prior year.

Derivative financial instruments	**Group 31.3.16 £000**	Group 31.3.15 £000	**Company 31.3.16 £000**	Company 31.3.15 £000
Derivative financial assets				
Interest rate caps	**-**	1	**-**	-
Interest rate swaps	**-**	-	**-**	-
Property derivative financial asset	**-**	16,388	**-**	-
	-	16,389	**-**	-
Derivative financial liabilities				
Interest rate swaps	**(14,955)**	(8,096)	**-**	(1,898)
Convertible bond derivative element	**-**	-	**(7,134)**	(9,182)
	(14,955)	(8,096)	**(7,134)**	(11,080)

The Group's movement in the fair value of the derivative financial instruments in the year was a loss of £6,860,000 (2015: gain of £7,999,000), of which a gain of £nil (2015: £16,388,000) was due to the property derivative financial asset and a loss of £6,860,000 (2015: £8,389,000) was due to interest rate caps and swaps. In accordance with IAS 39, the convertible bond is split into a loan and derivative element in the Company Balance Sheet. On initial recognition the derivative element had a value of £8,190,000. At 31 March 2016, the derivative element had a value of £7,134,000 (2015: £9,182,000) with a corresponding gain of £2,048,000 (2015: loss of £992,000) recognised in the Income Statement. The movement in the Company's interest rate swaps in the year was a gain of £1,898,000 (2015: loss of £2,021,000).

Credit risk

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

As at 31 March 2016 the Group had total credit risk exposure excluding cash of £58,004,000 of which £3,114,000 is available-for-sale assets and £54,890,000 is loans and receivables. Available-for-sale assets are analysed in note 22. The cash is held with reputable banking institutions and in client accounts with solicitors and managing agents and therefore credit risk is considered low.

All other debtors are deemed to be recoverable.

All Company debtors are considered to be fully recoverable.

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

For further information on trade and other receivables, see note 23.

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 26 and 27.

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS CONTINUED

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

	Group 31.3.16 £000	Group 31.3.15 £000	Company 31.3.16 £000	Company 31.3.15 £000
Payable within 3 months	**51,204**	40,696	**6,866**	6,244
Payable between 3 months and 1 year	**34,817**	75,390	**7,220**	13,053
Payable between 1 and 3 years	**65,602**	182,692	**19,032**	19,237
Payable after 3 years	**760,795**	451,877	**178,099**	198,504
Total contracted liabilities	**912,418**	750,655	**211,217**	237,038

At 31 March 2016 the Group had £83,641,000 (2015: £54,130,000) of undrawn borrowing facilities, £105,865,000 (2015: £81,530,000) of uncharged property assets and cash balances of £74,670,000 (2015 £120,993,000). The above contracted liabilities assume that no loans are extended beyond their current facility expiry date. Management believe 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. 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 27.

In the year to 31 March 2016, 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 31.3.16 £000	Group Equity impact 31.3.16 £000	Company Impact on results 31.3.16 £000	Company Equity impact 31.3.16 £000
0.5% increase – increase in net results and equity	**7,684**	**7,684**	**771**	**771**
0.5% decrease – decrease in net results and equity	**(7,245)**	**(7,245)**	**(185)**	**(185)**

Foreign currency exchange risk

Due to its operations in Poland and its investment in a non-UK based property developer, the Group has exposure to exchange movements on foreign currencies. Management monitors its exposure to risks associated with foreign currency exchange risk and reviews any requirements to act to minimise these risks.

In the year to 31 March 2016 the Group made foreign exchange gains of £100,000 (2015: losses of £2,061,000) resulting from movements in foreign exchange rates during the year affecting its assets and liabilities related to its overseas operations.

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

	Euro 31.3.16 £000	Zloty 31.3.16 £000	US dollars 31.3.16 £000	Euro 31.3.15 £000	Zloty 31.3.15 £000	US dollars 31.3.15 £000
Gross currency assets	**1,447**	**538**	**3,103**	16,897	927	4,331
Gross currency liabilities	**(66)**	**(788)**	**-**	(7,134)	(1,139)	-
Net exposure	**1,381**	**(250)**	**3,103**	9,763	(212)	4,331

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

	Euro 31.3.16 £000	Zloty 31.3.16 £000	Euro 31.3.15 £000	Zloty 31.3.15 £000
Gross currency assets	**1,320**	**1,168**	6,151	4,462
Gross currency liabilities	**-**	**-**	-	-
Net exposure	**1,320**	**1,168**	6,151	4,462

The Group's main currency exposure is to the US Dollar. The sensitivity of the net assets and profit of the Group to a 10% change in the value of the foreign currencies against sterling is Euro: £138,000 (2015: £976,000), Zloty: £25,000 (2015: £21,000), US dollar: £310,000 (2015: £433,000).

The sensitivity of the net assets and profit of the Company to a 10% change in the value of the foreign currencies against sterling is Euro: £132,000 (2015: £615,000), Zloty: £117,000 (2015: £446,000).

NOTES TO THE FINANCIAL STATEMENTS

37. POST BALANCE SHEET EVENTS

There were no material post balance sheet events.

38. PRINCIPAL ACCOUNTING POLICIES

Basis of consolidation

The Group financial statements consolidate those of Helical Bar plc (the "Company") and all of its subsidiary undertakings (together the "Group") drawn up to 31 March 2016. Subsidiary undertakings are entities for which the Group is exposed 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 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. 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 and the Group's share of the Joint Venture's net assets are incorporated in the Consolidated Balance Sheet.

The Company's cost of investment in Joint Ventures less any provision for permanent impairment loss is shown in the Company Balance Sheet.

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

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

Going concern

The accounts have been prepared on a going concern basis as explained in the Governance Review on page 77.

Revenue recognition

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

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

Construction contracts – where an asset is constructed under a specific contract with a purchaser (a "pre-sold development") the initial sale of the site to that purchaser is recognised as a sale of goods in accordance with IAS 18 Revenue, where the sale of the land is not conditional on the construction of the buildings and is not reversible in the event that the building is not constructed. The construction element of the contract is treated, for the purposes of revenue recognition, as a construction contract in accordance with IAS 11 Construction Contracts. Revenue is recognised by reference to the stage of completion which is typically determined by reference to project appraisals, normally supported by independent valuation certificates provided by quantity surveyors. The Company's principal other responsibility on pre-sold developments is the identification of and agreement of terms with potential tenants of the completed building(s). The revenue recognition of this additional component of the funding agreements is considered separately to reflect the substance of the transaction as the rendering of services, in accordance with IAS 18 Revenue. The amount of revenue recognised is determined by reference to the percentage of the building(s) that are let.

Property advisory/development management services – where the Group provides these services to the third party property site owner the Group recognises income over the period these services are provided and in accordance with the specific terms of the contract. If the amount and payment of the consideration for these services are contingent upon a future event (such as sale of the property) and if the fair value of the consideration can be reliably estimated, the Group recognises this income as its services are performed, discounting for time and risk if appropriate.

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 83 to 102. The fair value of share-based payments related to employees' service are determined indirectly by reference to the fair value of the related instrument at the grant date. The Group uses the stochastic valuation model and the resulting value is amortised through the Consolidated Income Statement ("Income Statement") over the vesting period of the share-based payments.

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

The amount charged to the Income Statement is credited to the Retained Earnings reserve.

NOTES TO THE FINANCIAL STATEMENTS

38. PRINCIPAL ACCOUNTING POLICIES CONTINUED

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	- 10% or length of lease, if shorter
Plant and equipment	- 25%

Taxation

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which 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 temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

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

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

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

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

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

Dividends

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

Investment properties

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

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

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

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

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

Details of the valuation of investment properties can be found in note 15.

NOTES TO THE FINANCIAL STATEMENTS

38. PRINCIPAL ACCOUNTING POLICIES CONTINUED

Land, developments and trading properties

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

Gross borrowing costs associated with expenditure on properties under development or undergoing major refurbishment are capitalised. The interest capitalised is 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.

Investments

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

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.

Trade receivables

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

Cash and cash equivalents

Cash and cash equivalents are carried in the Balance Sheet at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks, 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.

Borrowing and borrowing costs

Interest bearing bank loans and overdrafts and the Group's retail bond are initially recorded at fair value, net of finance and other costs yet to be amortised in accordance with IAS39. Embedded derivatives contained within the borrowing agreements are treated in accordance with IAS39, which includes consideration of whether embedded derivatives require bifurcation. The retail bond and bank loans are held at amortised cost.

Convertible bonds are designated as fair value through the profit and loss and so are presented on the Balance Sheet at fair value, with all gains and losses, including the write-off of issuance costs, recognised in the Income Statement. The interest charge in respect of the coupon rate on the bonds has been recognised within Finance Costs on an accruals basis.

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

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

A derivative property asset is recognised on the Balance Sheet when the Group has contractually assigned an existing purchase contract. A derivative property asset is initially recorded at its fair value and is remeasured at each reporting period date to its fair value, which is based upon the future contracted cash flow discounted for both time and risk. Any change in fair value is recognised in the Income Statement as a development profit.

Further information on the categorisation of financial instruments can be found in note 36.

Leases

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

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

In accordance with IAS17, operating leases receipts and payments are spread on a straight-line basis over the length of the lease.

NOTES TO THE FINANCIAL STATEMENTS

38. PRINCIPAL ACCOUNTING POLICIES CONTINUED

Foreign currencies

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

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

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

Net asset values per share

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

Earnings per share

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

Employee Share Ownership Plan Trust

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

Use of estimates and judgements

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

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

Estimates

- Recognition of share-based payments which is dependent upon the estimated number of performance share plan awards that will vest at the end of the periods based on future forecast performance and employee retention (note 30);
- The provision for future bonuses payable under the Annual Bonus scheme (note 8);
- Valuation of investment properties, including Directors' valuations and where external valuers are used to provide third party valuations (note 15); and
- Directors' valuation of land, development and trading properties include subjective assumptions including the results of future planning decisions, future construction costs and future sales values and timings (note 20).

Judgements

- Calculation and assessment of the recoverability of deferred tax assets, where it has been assumed that sufficient taxable profits will be available in future periods to allow all of the assets to be recovered (note 11);
- An assessment of the most suitable accounting treatment for convertible bonds (note 26);
- Consideration of the nature of joint arrangements. In the context of IFRS 10, 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 19); and
- Consideration of whether an investment property purchase that has exchanged but not completed should be recognised as investment property under IAS 40. The judgement lies in assessing whether the exchange is unconditional, in which case it is recognised (note 15).
- Determination of the most appropriate percentage interest in our Joint Ventures to equity account for, where our economic interest can differ to our ownership interest (see note 19).
- Recognition of development management service income, where payment for these services is triggered by a future event (sale or letting of the property) and where estimation is required to determine the stage of completion.

NOTES TO THE FINANCIAL STATEMENTS

39. SUBSIDIARY AND RELATED UNDERTAKINGS

The Company's subsidiary and related undertakings are listed below. All undertakings operate in the United Kingdom other than Helical Wroclaw Sp.Z.o.o, EC Property Management Sp.Z.o.o and Helical Asset Management Sp.Z.o.o and, unless otherwise indicated, are incorporated and registered in the United Kingdom.

	Company	Direct/Indirect	Country	Ultimate %Age
	Active Subsidiaries			
1	207 Old Street Unit Trust	Indirect	Jersey	100%
2	211 Old Street Unit Trust	Indirect	Jersey	100%
3	61 Southwark Street Limited	Indirect	UK	100%
4	Aycliffe & Peterlee Development Company Limited	Direct	UK	100%
5	Aycliffe & Peterlee Investment Company Limited	Indirect	UK	100%
6	Baylight Developments Limited	Indirect	UK	100%
7	Bramshott Place Management Limited	Indirect	UK	100%
8	CPP Investments Limited	Indirect	UK	100%
9	Dencora (Docklands) Limited	Direct	UK	100%
10	Dencora (Fordham) Limited	Indirect	UK	100%
11	Downtown Space Properties LLP	Direct	UK	100%
12	Durrants Management Limited	Indirect	UK	100%
13	EC Property Management SP. Z O.O.	Indirect	Poland	100%
14	Embankment Place (LP) Limited	Direct	UK	100%
15	G2 Estates Limited	Direct	UK	100%
16	Glenlake Limited	Indirect	UK	100%
17	Harbour Developments (Bracknell) Limited	Direct	UK	100%
18	Hb Sawston No 3 Limited	Direct	UK	100%
19	Helical (Alfreton) Limited	Direct	UK	100%
20	Helical (Artillery) Limited	Direct	UK	100%
21	Helical (Ashford) Limited	Direct	UK	100%
22	Helical (Basildon Retail) LP	Indirect	UK	100%
23	Helical (Basildon) B.V.	Indirect	Netherlands	100%
24	Helical (Battersea) Limited	Direct	UK	100%
25	Helical (Beacon Road) Limited	Direct	UK	100%
26	Helical (Booth St) Limited	Direct	UK	100%
27	Helical (Boss 2) Limited	Direct	UK	100%
28	Helical (Boss) Limited	Direct	UK	100%
29	Helical (Bramshott Place) Limited	Direct	UK	100%
30	Helical (Broadway) Limited	Indirect	UK	100%
31	Helical (Brownhills) Limited	Direct	UK	100%
32	Helical (Cannock) Limited	Direct	UK	100%
33	Helical (Cardiff) Limited	Indirect	UK	100%
34	Helical (Chart) Limited	Direct	UK	100%
35	Helical (Chester) Limited	Direct	UK	100%
36	Helical (Churchgate) Limited	Direct	UK	100%
37	Helical (Cobham) Limited	Direct	UK	100%
38	Helical (Corby Investments) Limited	Direct	UK	100%
39	Helical (Crownhill) Limited	Indirect	Jersey	100%
40	Helical (CS Holdings) Jersey Limited	Direct	Jersey	100%
41	Helical (CS) Jersey Limited	Indirect	Jersey	100%
42	Helical (Dale House) Limited	Direct	UK	100%
43	Helical (Doxford) Limited	Direct	UK	100%
44	Helical (Durrants) Limited	Indirect	UK	100%
45	Helical (East Kilbride) Limited	Direct	UK	100%
46	Helical (Eastcheap) Limited	Indirect	Jersey	100%
47	Helical (Ellesmere Port) Limited	Direct	UK	100%
48	Helical (Enterprise) Limited	Indirect	UK	100%
49	Helical (Exeter) Limited	Indirect	UK	100%
50	Helical (Fordham) Limited	Direct	UK	100%
51	Helical (FP) Holdings Limited	Indirect	UK	100%
52	Helical (FP) Jersey Holdings Limited	Indirect	Jersey	100%
53	Helical (Glasgow) Limited	Direct	UK	100%
54	Helical (Gracelands) Limited	Direct	UK	100%
55	Helical (Great Yarmouth) Limited	Direct	UK	100%
56	Helical (Hailsham) Limited	Indirect	UK	100%
57	Helical (Halesowen) Limited	Direct	UK	100%
58	Helical (Harrogate) Limite	Direct	UK	100%
59	Helical (Havant) Limited	Direct	UK	100%
60	Helical (Hedge End) Limited	Direct	UK	100%
61	Helical (Hinckley) Limited	Direct	UK	100%
62	Helical (Huddersfield) Limited	Direct	UK	100%

NOTES TO THE FINANCIAL STATEMENTS

39. SUBSIDIARY AND RELATED UNDERTAKINGS CONTINUED

	Company	Direct/Indirect	Country	Ultimate %Age
63	Helical (Jarrow) Limited	Direct	UK	100%
64	Helical (LB) Limited	Direct	UK	100%
65	Helical (Liphook) Limited	Indirect	Jersey	100%
66	Helical (Merlin Park) Limited	Indirect	UK	100%
67	Helical (Mint) Limited	Direct	UK	100%
68	Helical (Newmarket) B.V.	Indirect	Netherlands	100%
69	Helical (Northampton) Limited	Direct	UK	100%
70	Helical (OS Holdco) Jersey Limited	Indirect	Jersey	100%
71	Helical (Peterborough) Limited	Direct	UK	100%
72	Helical (Porchester) Limited	Direct	UK	100%
73	Helical (Portbury) Limited	Direct	UK	100%
74	Helical (Power Road) Limited	Direct	UK	100%
75	Helical (Quartz) Limited	Direct	UK	100%
76	Helical (Salford) Limited	Direct	UK	100%
77	Helical (Scarborough) Limited	Direct	UK	100%
78	Helical (Sevenoaks) Limited	Direct	UK	100%
79	Helical (Shepherds) Limited	Indirect	UK	100%
80	Helical (Shoreditch) Limited	Direct	UK	100%
81	Helical (Six) Limited	Direct	UK	100%
82	Helical (Southend) Limited	Direct	UK	100%
83	Helical (Stevenage) Limited	Direct	UK	100%
84	Helical (Stone) Limited	Direct	UK	100%
85	Helical (Sun) Limited	Direct	UK	100%
86	Helical (Sutton-In-Ashfield) B.V.	Indirect	Netherlands	100%
87	Helical (Sutton-In-Ashfield) Holdings B.V.	Indirect	Netherlands	100%
88	Helical (Telford) Limited	Direct	UK	100%
89	Helical (Wellingborough) Limited	Direct	UK	100%
90	Helical (Whitechapel) Limited	Direct	UK	100%
91	Helical (Winterhill) Ltd	Direct	UK	100%
92	Helical (Yate) Limited	Direct	UK	100%
93	Helical Asset Management SP. Z O.O.	Indirect	Poland	100%
94	Helical B.V.	Direct	Netherlands	100%
95	Helical Bar (Cathcart) Limited	Direct	UK	100%
96	Helical Bar (City Investments) Limited	Indirect	UK	100%
97	Helical Bar (Drury Lane) Limited	Direct	UK	100%
98	Helical Bar (Falkirk) Limited	Direct	UK	100%
99	Helical Bar (Great Dover Street) Limited	Indirect	UK	100%
100	Helical Bar (Jersey) Limited	Direct	Jersey	100%
101	Helical Bar (Maple) Limited	Direct	UK	100%
102	Helical Bar (Mitre Square) Developments Limited	Direct	UK	100%
103	Helical Bar (St Vincent Street) Limited	Direct	UK	100%
104	Helical Bar (Wales) Limited	Indirect	UK	100%
105	Helical Bar (White City) Limited	Direct	UK	100%
106	Helical Bar (Yoker) Limited	Direct	UK	100%
107	Helical Bar Developments (South East) Limited	Direct	UK	100%
108	Helical Bar Developments Limited	Direct	UK	100%
109	Helical Bar Services Limited	Direct	UK	100%
110	Helical Finance (AV) Limited	Direct	UK	100%
111	Helical Finance (BAR) Limited	Direct	UK	100%
112	Helical Finance (RBS) Limited	Direct	UK	100%
113	Helical Food Retail Limited	Direct	UK	100%
114	Helical Investment Holdings Limited	Direct	UK	100%
115	Helical Jersey Holdings Limited	Direct	Jersey	100%
116	Helical Jersey Investment Holdings Limited	Direct	Jersey	100%
117	Helical Old Street Jersey Holdings Limited	Direct	Jersey	100%
118	Helical Old Street Jersey Limited	Indirect	Jersey	100%
119	Helical Poland SP. Z O.O.	Indirect	Poland	100%
120	Helical Properties Investment Limited	Direct	UK	100%
121	Helical Properties Limited	Direct	UK	100%
122	Helical Properties Retail Limited	Direct	UK	100%
123	Helical Retail (RBS) Limited	Indirect	UK	100%
124	Helical Retail Limited	Direct	UK	100%
125	Helical Wroclaw SP. Z O.O.	Indirect	Poland	100%
126	Maudslay Park Management Limited	Indirect	UK	100%
127	Metropolis Property Limited	Indirect	UK	100%
128	Millbrook Village Management Limited	Indirect	UK	100%
129	Newmarket LP	Indirect	UK	100%

NOTES TO THE FINANCIAL STATEMENTS

39. SUBSIDIARY AND RELATED UNDERTAKINGS CONTINUED

	Company	Direct/Indirect	Country	Ultimate %Age
130	Old Street Unitholder No 1 Limited	Indirect	Jersey	100%
131	Old Street Unitholder No 2 Limited	Indirect	Jersey	100%
132	Renaissance Villages Limited	Direct	UK	100%
133	Sutton-In-Ashfield LP	Indirect	UK	100%
134	The Asset Factor Limited	Direct	UK	100%
	Joint Ventures And Joint Operations			
1	Abbeygate Helical (C4.1) LLP	Direct	UK	50%
2	Abbeygate Helical (Leisure Plaza) Limited	Direct	UK	50%
3	Barts Close Office Limited	Indirect	Jersey	33%
4	Barts One Limited	Indirect	Jersey	33%
5	Barts Square Active One Limited	Indirect	Jersey	33%
6	Barts Square First Limited	Indirect	UK	33%
7	Barts Square First Office Limited	Indirect	Jersey	33%
8	Barts Square First Residential Limited	Indirect	Jersey	33%
9	Barts Square Land One Limited	Indirect	UK	33%
10	Barts Two Limited	Indirect	Jersey	33%
11	Barts, L.P. Acting Through Its General Partner Helical Jersey Investment Holdings Limited	Indirect	United States	33%
12	Creechurch Place Limited	Indirect	Jersey	10%
13	Dencora (Newmarket Road) LLP	Direct	UK	53%
14	Haslucks Green Limited	Indirect	UK	50%
15	Helical Bar (Mitre Square) Limited	Direct	UK	10%
16	King Street Developments (Hammersmith) Limited	Indirect	UK	50%
17	Obc Development Management Limited	Indirect	UK	33%
18	Old Street Holdings Gp Limited	Indirect	Jersey	33%
19	Old Street Holdings L.P.	Indirect	Jersey	33%
20	PH Properties Limited	Indirect	Virgin Islands, British	60%
21	Shirley Advance LLP	Indirect	UK	50%
	Dormant Subsidiaries And Joint Ventures			
1	14 Fieldgate Street Limited	Direct	UK	100%
2	Abbeygate Helical (MK) Limited	Direct	UK	50%
3	Abbeygate Helical (Willen) Limited	Direct	UK	50%
4	Abbeygate Helical (Winterhill) Limited	Direct	UK	50%
5	Albion Land (Bushey Mill) Limited	Indirect	UK	100%
6	Banagate Limited	Indirect	UK	100%
7	Basildon General Partner Limited	Direct	UK	100%
8	Basildon Nominee Limited	Indirect	UK	100%
9	Cranmer Investments (Whitstable) Limited	Indirect	UK	100%
10	Crondall Road Limited	Direct	UK	100%
11	Dencora (Harlow) Limited	Indirect	UK	100%
12	Gresham Street Limited	Direct	UK	100%
13	Groovemodel Limited	Direct	UK	100%
14	Hallco 850 Limited	Direct	UK	100%
15	HB Cambs No 3 Limited	Direct	UK	100%
16	HB Dales Manor No 3 Limited	Direct	UK	100%
17	HB Group Services Limited	Direct	UK	100%
18	HB Sawston No. 1 Limited	Direct	UK	100%
19	HB Sawston No. 2 Limited	Direct	UK	100%
20	HB Sawston No. 4 Limited	Direct	UK	100%
21	Helical (Aldridge) Limited	Direct	UK	100%
22	Helical (Angel 1) Limited	Direct	UK	100%
23	Helical (Basildon) Limited	Direct	UK	100%
24	Helical (Bow) Limited	Direct	UK	100%
25	Helical (Cawston) Limited	Direct	UK	100%
26	Helical (CG) Limited	Direct	UK	100%
27	Helical (CG2) Limited	Direct	UK	100%
28	Helical (CMV) Limited	Direct	UK	100%
29	Helical (Colchester) Limited	Indirect	UK	100%
30	Helical (Cowley) Limited	Indirect	UK	100%
31	Helical (CR) Limited	Indirect	UK	100%
32	Helical (Crawley Roadway) Limited	Direct	UK	100%
33	Helical (Crawley) Limited	Direct	UK	100%
34	Helical (East Grinstead) Limited	Direct	UK	100%
35	Helical (Fleet) Limited	Direct	UK	100%
36	Helical (Fleet) No 1 Limited	Indirect	UK	100%

NOTES TO THE FINANCIAL STATEMENTS

39. SUBSIDIARY AND RELATED UNDERTAKINGS CONTINUED

	Company	Direct/Indirect	Country	Ultimate %Age
37	Helical (Fleet) No 2 Limited	Indirect	UK	100%
38	Helical (HRH) Limited	Direct	UK	100%
39	Helical (HUB) Limited	Direct	UK	100%
40	Helical (Interchange) Limited	Direct	UK	90%
41	Helical (Kidlington) Limited	Indirect	UK	100%
42	Helical (Letchworth) Limited	Indirect	UK	100%
43	Helical (Mill Street) Limited	Direct	UK	100%
44	Helical (Milton) Limited	Direct	UK	100%
45	Helical (Motherwell) Limited	Indirect	UK	100%
46	Helical (Newmarket) Limited	Direct	UK	100%
47	Helical (Paignton) Limited	Direct	UK	100%
48	Helical (SA) Limited	Direct	UK	100%
49	Helical (Sawston) Limited	Indirect	Jersey	100%
50	Helical (Southall) Limited	Indirect	UK	100%
51	Helical (Southampton) Limited	Indirect	UK	100%
52	Helical (Stockport) Limited	Indirect	UK	100%
53	Helical (Sutton-In-Ashfield) Limited	Indirect	UK	100%
54	Helical (West Drayton) Limited	Indirect	UK	100%
55	Helical (West London) Limited	Direct	UK	100%
56	Helical (Westfields) Limited	Direct	UK	100%
57	Helical (Witham) Limited	Indirect	UK	100%
58	Helical (Woking) Limited	Indirect	UK	100%
59	Helical (Worthing) Limited	Indirect	UK	100%
60	Helical Bar (Bunhill Row) Limited	Direct	UK	100%
61	Helical Bar (City Developments) Limited	Indirect	UK	100%
62	Helical Bar (CL) Investment Company Limited	Direct	UK	100%
63	Helical Bar (Epsom) Limited	Direct	UK	100%
65	Helical Bar (Fenchurch Street) Limited	Indirect	UK	100%
66	Helical Bar (Hawtin Park No.1) Limited	Direct	UK	100%
67	Helical Bar (Hawtin Park No.2) Limited	Direct	UK	100%
68	Helical Bar (Hawtin Park No.3) Limited	Direct	UK	100%
69	Helical Bar (Scotland) Limited	Direct	UK	100%
71	Helical Bar Trustees Limited	Direct	UK	100%
72	Helical Group Limited	Direct	UK	100%
73	Helical Nominees Limited	Direct	UK	100%
74	Helical Properties (HSM) Limited	Indirect	UK	100%
75	Helical Properties (RS) Limited	Direct	UK	100%
76	Helical Properties (WSM) Limited	Indirect	UK	75%
77	Helical Registrars Limited	Direct	UK	100%
78	Helical Retirement Homes Limited	Direct	UK	100%
79	HGCI (Holdco) Limited	Indirect	UK	100%
80	HGCI (Transco) Limited	Indirect	UK	100%
81	HGCI (UK) Limited	Indirect	UK	100%
82	HGCI Holdings Limited	Indirect	UK	100%
83	HGCI Intermediate Limited	Direct	UK	100%
84	HGCI Limited	Direct	UK	100%
85	Matchearth Limited	Direct	UK	100%
86	Maudslay Park Limited	Direct	UK	100%
87	Newmarket General Partner Limited	Direct	UK	100%
88	Newmarket Nominee Limited	Indirect	UK	100%
89	Paperbrick Limited	Direct	UK	100%
90	Prescot Street Investments Limited	Direct	UK	100%
91	Ratelawn Limited	Indirect	UK	100%
92	Shopfile Limited	Direct	UK	100%
93	Spring (EFS) Limited	Indirect	UK	100%
94	Spring (EM) Limited	Indirect	UK	100%
95	Spring (Holdings) Limited	Indirect	UK	100%
96	Spring (ITE) Limited	Indirect	UK	100%
97	Spring (No.1) Limited	Direct	UK	100%
98	Spring (No.2) Limited	Indirect	UK	100%
99	Spring (No.3) Limited	Indirect	UK	100%
100	Sutton-In-Ashfield General Partner Limited	Indirect	UK	100%
101	Sutton-In-Ashfield Nominee Limited	Indirect	UK	100%
102	The Morgan Apartments Management Company Limited	Indirect	UK	100%

ADDITIONAL INFORMATION

APPENDIX 1 – SEE-THROUGH ANALYSIS

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 AND PROPERTY OVERHEADS

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures are shown in the table below.

		2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
Gross rental income	– subsidiaries	23,058	25,816	29,994	38,332	**45,505**
	– joint ventures	6,645	6,193	6,601	6,098	**1,828**
Total gross rental income		29,703	32,009	36,595	44,430	**47,333**
Rents payable	– subsidiaries	(418)	(342)	(476)	(269)	**(80)**
	– joint ventures	(848)	(802)	(625)	(809)	**-**
Property overheads	– subsidiaries	(3,938)	(5,186)	(4,328)	(3,489)	**(2,728)**
	– joint ventures	(737)	(510)	(539)	(877)	**(558)**
Net rental income attributable to profit share partner		(826)	(710)	(788)	(341)	**(533)**
Total property costs		(6,767)	(7,550)	(6,756)	(5,785)	**(3,899)**
See-through net rental income		22,936	24,459	29,839	38,645	**43,434**

SEE-THROUGH NET DEVELOPMENT PROFITS

Helical's share of development profits from property assets held in subsidiaries and in joint ventures are shown in the table below.

	2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
In parent and subsidiaries	5,166	7,616	62,273	16,126	**30,700**
In joint ventures	-	-	2,199	1,902	**3,223**
Total gross development profit	5,166	7,616	64,472	18,028	**33,923**
Provision against stock	(4,511)	(660)	552	(452)	**(6,448)**
See-through development profits	655	6,956	65,024	17,576	**27,475**

SEE-THROUGH NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

		2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
Revaluation surplus on investment properties	– subsidiaries	3,664	3,723	20,714	66,904	**53,508**
	– joint ventures	581	3,109	15,710	26,134	**2,316**
Total revaluation surplus		4,245	6,832	36,424	93,038	**55,824**
Net gain/(loss) on sale of investment properties	– subsidiaries	(376)	(2,388)	8,611	2,480	**2,385**
	– joint ventures	-	-	(31)	1,091	**41,553**
Total net gain/(loss) on sale of investment properties		(376)	(2,388)	8,580	3,571	**43,938**
See-through net gain on sale and revaluation of investment properties		3,869	4,444	45,004	96,609	**99,762**

APPENDIX 1 – SEE-THROUGH ANALYSIS

SEE-THROUGH NET FINANCE COSTS

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings and cash deposits in subsidiaries and in joint ventures are shown in the table below.

		2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
Interest payable on bank loans and overdrafts	– subsidiaries	10,808	10,445	14,298	21,055	**25,353**
	– joint ventures	2,223	2,269	3,051	3,644	**3,673**
Total interest payable on bank loans and overdrafts		13,031	12,714	17,349	24,699	**29,026**
Other interest payable and similar charges	– subsidiaries	901	1,658	2,520	6,264	**3,700**
Interest capitalised	– subsidiaries	(3,300)	(2,526)	(2,835)	(3,641)	**(4,940)**
Total finance costs		10,632	11,846	17,034	27,322	**27,786**
Interest receivable and similar income	– subsidiaries	(583)	(887)	(4,135)	(2,480)	**(5,128)**
	– joint ventures	(12)	(66)	(539)	(43)	**(21)**
See-through net finance costs		10,037	10,893	12,360	24,799	**22,637**

SEE-THROUGH PROPERTY PORTFOLIO

Helical's share of the investment, trading and development property portfolio in subsidiaries and joint ventures are shown in the table below.

		2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
Investment property	– subsidiaries	326,876	312,026	493,201	701,521	**1,041,100**
	– joint ventures	67,187	94,962	107,504	88,305	**11,552**
Total investment property		394,063	406,988	600,705	789,826	**1,052,652**
Trading and development stock	– subsidiaries	99,741	92,874	98,160	92,578	**92,035**
	– joint ventures	*44,324	*76,698	*75,368	*102,715	**75,904**
Total trading and development stock		144,065	169,572	173,528	195,293	**167,939**
Trading and development stock surplus	– subsidiaries	33,107	48,837	25,719	25,230	**12,412**
	– joint ventures	1,435	1,028	1,760	11,013	**7,000**
Total trading and development stock surpluses		34,542	49,865	27,479	36,243	**19,412**
Total trading and development stock		178,607	219,437	201,007	231,536	**187,351**
See-through property portfolio		572,670	626,425	801,712	1,021,362	**1,240,003**

*Trading and development stock of joint ventures includes the Group's share of development stock of Helical Sosnica Sp. Zoo (see note 19).

SEE-THROUGH NET BORROWINGS

Helical's share of borrowings and cash deposits in parent and subsidiaries and joint ventures are shown in the table below.

		2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
In parent and subsidiaries	– gross borrowings less than one year	59,203	39,295	1,275	45,428	**885**
	– gross borrowings more than one year	203,992	220,446	374,811	552,813	**733,178**
	Total	263,195	259,741	376,086	598,241	**734,063**
In joint ventures	– gross borrowings less than one year	1,500	720	12,453	-	**-**
	– gross borrowings more than one year	*54,342	*72,509	*60,134	*69,997	**34,626**
	Total	55,842	73,229	72,587	69,997	**34,626**
In parent and subsidiaries	Cash and cash equivalents	(35,411)	(36,863)	(63,237)	(120,993)	**(74,670)**
In joint ventures	Cash and cash equivalents	*(4,024)	*(12,757)	*(20,377)	*(15,348)	**(12,177)**
See-through net borrowings		279,602	283,350	365,059	531,897	**681,842**

*Gross borrowings in joint ventures include the Group's share of borrowings of Helical Sosnica Sp. Zoo (see note 19).

APPENDIX 2 – SEE-THROUGH ANALYSIS RATIOS

Interest cover	31.03.12 £000	31.03.13 £000	31.03.14 £000	31.03.15 £000	**31.03.16 £000**
Net rental income	22,936	24,459	29,839	38,645	**43,434**
Trading profits/(losses)	–	(1)	252	2,503	**-**
Development profits (before provisions)	5,166	7,616	64,472	18,028	**33,923**
Gain/(loss) on sale of investment properties	(376)	(2,388)	8,580	3,571	**43,938**
Net operating income	27,726	29,686	103,143	62,747	**121,295**
Finance costs	10,037	10,893	12,360	24,799	**22,637**
Interest cover	2.8x	2.7x	8.3x	2.5x	**5.4x**
Balance sheet					
Property portfolio	572,670	626,425	801,712	1,021,362	**1,240,003**
Net borrowings	279,602	283,350	365,059	531,897	**681,842**
Shareholders' funds	253,730	253,768	340,527	404,363	**486,189**
EPRA net asset value	294,398	313,733	370,062	469,128	**546,797**
Loan to value	49%	45%	46%	52%	**55%**
Gearing	110%	112%	107%	132%	**140%**
Gearing based on EPRA net asset value	95%	90%	99%	113%	**125%**

APPENDIX 3 – FIVE YEAR REVIEW

INCOME STATEMENTS

	31.3.12 £000	31.3.13 £000	31.3.14 £000	31.3.15 £000	**31.3.16 £000**
Revenue	52,968	65,439	123,637	106,341	**116,500**
Net rental income	17,876	19,578	24,402	34,233	**42,164**
Development profit	5,166	7,616	62,273	16,126	**30,700**
Provisions against stock	(4,511)	(660)	552	(452)	**(6,448)**
Trading profit/(loss)	-	(1)	252	2,503	**-**
Share of results of joint ventures	2,472	3,854	16,448	27,497	**50,469**
Other income/(expense)	113	(547)	230	368	**20**
Gross profit before gain/(loss) on investment properties	21,116	29,840	104,157	80,275	**116,905**
Gain/(loss) on sale of investment properties	(376)	(2,388)	8,611	2,480	**2,385**
Revaluation surplus on investment properties	3,664	3,723	20,714	66,904	**53,508**
Impairment of available-for-sale investments	-	-	(88)	(773)	**(1,370)**
Administrative expenses excluding performance related awards	(7,385)	(8,092)	(8,816)	(10,156)	**(10,716)**
Performance related awards	(415)	(6,828)	(17,860)	(16,374)	**(15,387)**
Finance costs	(8,409)	(9,577)	(13,983)	(23,678)	**(24,113)**
Finance income	583	887	4,135	2,480	**5,128**
Movement in fair value of derivative financial instruments	(306)	(2,573)	5,312	(8,389)	**(6,860)**
Convertible Bond adjustment	-	-	-	(3,263)	**516**
Foreign exchange gains/(losses)	(1,064)	17	(501)	(2,061)	**100**
Profit before tax	7,408	5,009	101,681	87,445	**120,096**
Tax	158	815	(14,126)	(12,669)	**(9,745)**
Profit after tax	7,566	5,824	87,555	74,776	**110,351**

BALANCE SHEETS

	31.3.12 £000	31.3.13 £000	31.3.14 £000	31.3.15 £000	**31.3.16 £000**
Investment portfolio	326,876	312,026	493,201	701,521	**1,041,100**
Land, developments and trading properties	99,741	92,874	98,160	92,578	**92,035**
Group's share of investment properties held by joint ventures	67,187	94,962	107,504	88,305	**11,552**
Group's share of land, trading and development properties held by joint ventures	15,709	23,797	27,165	61,782	**75,904**
Group's share of land, trading and development stock surpluses	34,542	49,685	27,479	36,243	**19,412**
Group's share of total properties at fair value	572,670	626,425	801,712	1,021,362	**1,240,003**
Net debt	227,784	222,878	312,849	477,248	**659,393**
Group's share of net debt of joint ventures	36,409	38,521	27,050	30,966	**22,449**
Group's share of net debt	279,602	283,350	365,059	531,897	**681,842**
Shareholders' funds	253,730	253,768	340,527	404,363	**486,189**
EPRA shareholders' funds	294,398	313,733	370,062	469,128	**546,797**
Dividend per ordinary share paid/payable	4.90p	5.25p	5.70p	6.85p	**12.6p**
Dividend per ordinary share declared	5.15p	5.55p	6.75p	7.25p	**8.17p**
EPRA earnings per ordinary share	3.4p	2.4p	33.3p	2.4p	**17.1p**
EPRA net assets per share	250p	264p	313p	385p	**461p**

APPENDIX 4 – PROPERTY PORTFOLIO

LONDON PORTFOLIO

Address	Held As	Major Projects or Income Producing	Description	Area sq ft (NIA)	Vacancy rate
Shepherds Building, London W14	Investment	IP	Multi let office building. Let to media companies	150,389	3%
The Bower (Ph 1), London EC1	Investment	IP	Office and retail buildings	151,439	-
The Bower (Ph 2), London EC1	Investment	MP	Office and retail buildings undergoing refurbishment and extension	179,000	n/a
The Loom, London E1	Investment	MP	Multi let office building with refurbishment underway	112,229	25%
C-Space, London EC1	Investment	IP	Office refurbishment scheme completed in October 2015	61,880	25%
One King Street, London W6	Investment	IP	Recently refurbished office and retail building adjacent to Hammersmith Broadway	39,222	-
The Powerhouse, London W4	Investment	IP	Single let recording studios/office building	43,325	-
Power Road Studios, London W4	Investment	IP	Multi let office building with redevelopment potential	61,990	2%
Charterhouse Square, London EC1	Investment	MP	Office building with scope for extension and refurbishment	43,600	n/a
Chart House, London N1	Investment	IP	Single let office building with refurbishment and extension potential	10,505	-
Barts Square, London EC1	Investment/ Development	MP	236,000 sq ft offices, 236 residential apartments and 21,000 sq ft retail/leisure development under construction	459,000	n/a
Creechurch Place, London EC3	Development		New building due for completion September 2016	273,000	n/a
Drury Lane, London WC1	Development		Planning consent for comprehensive refurbishment scheme comprising 68 apartments and retail	16,000	n/a
King Street, London W6	Development		Planning permission received for residential, office, retail and leisure scheme. Due to start on site early 2017	300,000	n/a
				1,901,579	

REGIONAL PORTFOLIO

Address	Held As	Major Projects or Income Producing	Description	Area sq ft (NIA)	Vacancy rate
In Town Retail					
Cardiff, The Hayes	Investment	IP	Prime retail parade and listed retail arcades	290,394	6.6%
Leicester	Investment	IP	Town centre shop	6,060	-
				296,454	
Out-of-town Retail					
Ellesmere Port	Investment	IP	Single let retail park	36,258	-
Great Yarmouth	Investment	IP	Single let retail park	38,771	-
Harrogate	Investment	IP	Single let retail park	25,290	-
Huddersfield	Investment	IP	Retail park	101,491	-
Scarborough	Investment	IP	Retail park	28,970	-
Sevenoaks, Kent	Investment	IP	Retail park	42,490	-
Southend on Sea	Investment	IP	Retail park	74,954	-
Stockport	Investment	IP	Single let retail park	31,803	-
				380,027	

APPENDIX 3 – FIVE YEAR REVIEW

REGIONAL PORTFOLIO CONTINUED

Address	Held As	Major Projects or Income Producing	Description	Area sq ft (NIA)	Vacancy rate
Industrial/Logistics					
Alfreton	Investment	IP	Single let distribution centre	167,954	-
Bedford	Investment	IP	Single let distribution centre	36,023	-
Bolton	Investment	IP	Single let cash and carry	73,433	-
Bristol, Portbury	Investment	IP	Single let industrial centre	64,003	-
Brownhills, Birmingham	Investment	IP	Single let distribution centre	52,368	-
Burton-on-Trent	Investment	IP	Single let distribution centre	92,715	100%
Cannock	Investment	IP	Single let distribution centre	153,665	-
Cannock	Investment	IP	Single let distribution centre	103,050	-
Cardiff, Heol Billingsley	Investment	IP	Single let distribution centre	50,684	-
Chester	Investment	IP	Single let distribution centre	183,119	-
Daventry	Investment	IP	Single let distribution centre	44,658	-
Doncaster, Aspect Way	Investment	IP	Single let distribution centre	122,591	100%
Doncaster, Kirk Sandalls	Investment	IP	Single let distribution centre	153,547	-
Gloucester Quedgley	Investment	IP	Multi let industrial estate	43,239	-
Halesowen	Investment	IP	Single let industrial centre	73,088	-
Havant	Investment	IP	Single let distribution centre	38,914	-
Hinckley	Investment	IP	Single let distribution centre	188,242	-
Jarrow	Investment	IP	Single let industrial centre	101,476	
Leighton Buzzard	Investment	IP	Multi let industrial estate	202,674	-
Milton Keynes, Mailcom	Investment	IP	Multi let industrial estate	25,282	-
Northampton	Investment	IP	Multi let industrial estate	210,383	-
Northampton	Investment	IP	Single let distribution centre	45,356	-
Peterborough	Investment	IP	Single let industrial centre	158,000	-
Rugby	Investment	IP	Single let distribution centre	45,045	-
Salford	Investment	IP	Single let industrial centre	52,726	-
Stevenage	Investment	IP	Single let distribution centre	74,373	-
Stone, Bibby	Investment	IP	Single let industrial centre	122,301	-
Stone, Opal Way	Investment	IP	Single let industrial centre	130,537	-
Sunderland, Doxford	Investment	IP	Single let industrial centre	139,130	-
Telford	Investment	IP	Single let distribution centre	65,225	-
Thetford	Investment	IP	Single let distribution centre	127,256	-
Warrington, Calver Quay	Investment	IP	Multi let industrial estate	70,594	-
Warrington, Raglan Court	Investment	IP	Single let distribution centre	81,342	-
Wellingborough	Investment	IP	Single let industrial centre	67,570	-
Wolverhampton	Investment	IP	Single let distribution centre	119,600	-
Yate	Investment	IP	Single let distribution centre	255,714	-
				3,735,877	

APPENDIX 3 – FIVE YEAR REVIEW

REGIONAL PORTFOLIO CONTINUED

Address	Held As	Major Projects or Income Producing	Description	Area sq ft (NIA)	Vacancy rate
Regional Offices					
Castle Donington	Investment	IP	Offices let to National Grid	25,471	-
Cheadle	Investment	IP	Single let office building	16,470	-
Cobham	Investment	IP	Single let office building	21,837	-
Crawley	Investment	IP	Single let office building	48,131	-
Glasgow	Investment	IP	Multi let office building	57,388	2%
Manchester, 31 Booth St	Investment	MP	Multi let office building to be refurbished	25,349	n/a
Manchester, Churchgate & Lee House	Investment	IP	Multi let city centre office building with refurbishment and asset management potential	248,342	15%
Manchester, Dale House	Investment	IP	Multi let city centre office building with refurbishment and asset management potential	42,282	8%
Reading	Investment	IP	Office building let to Thames Water	35,847	-
				521,117	**6.47%**
Regional Office Development					
Glasgow	Development		Pre-let to Scottish Power plc. Pre-sold to M&G	220,000	n/a
				220,000	
Land					
Bracknell	Development		Residential land	n/a	n/a
Hailsham	Development		Commercial development site	n/a	n/a
Telford, Dawley Road	Development		Residential land	n/a	n/a
Crawley, Tilgate	Development		Commercial development site	n/a	n/a
Retail Development					
Cortonwood Retail Park	Development		Pre-let retail park	79,750	n/a
Truro, Football Club	Development		Retail park	78,000	n/a
Shirley, Birmingham	Development		Shopping centre	195,000	n/a
				352,750	

RETIREMENT VILLAGES

Address	Held As	Major Projects or Income Producing	Description	Units	Vacancy rate
Millbrook Village, Exeter	Development		Retirement village development	164	n/a
Durrants Village, Faygate	Development		Retirement village development	156	n/a
Maudslay Park, Great Alne	Development		Retirement village development	150	n/a
Bramshott Place, Liphook	Development		Retirement village development	151	n/a
Penally Farm, Liphook	Development		Retirement village development	40	n/a
Bramshott Place Clubhouse	Investment	IP	Clubhouse at retirement village	n/a	n/a
Durrants Village Clubhouse	Investment	IP	Clubhouse at retirement village	n/a	n/a
				661	

SHAREHOLDER INFORMATION

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 Bar plc should be addressed to the Company's Registrar:

Capita Asset Services
The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

Telephone: 0871 664 0300*
Fax: 020 8639 2220
From outside the UK +44 371 664 0300

Website: www.capitaassetservices.com
Email: shareholderenquiries@capita.co.uk

* 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. We are open between 9.00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales.

E-COMMUNICATION

Shareholders and all interested parties may choose to be alerted about updates to the Financial Reports, Results, Press Releases and Event Calendar sections of the Group's website by subscribing to the Alert Service in the 'News' area of our website.

PAYMENT OF DIVIDENDS

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

DIVIDENDS FOR SHAREHOLDERS RESIDENT OUTSIDE THE UK

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

DIVIDEND REINVESTMENT PLAN (DRIP)

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

For further details, contact the Company's Registrar.

For participants in the DRIP, key dates of forthcoming dividends can be found in the online financial calendar in the 'Investors' area at www.helical.co.uk.

SHARE DEALING SERVICE

An online and telephone share dealing service is available to our shareholders through Capita Deal. For further information on this service or to buy and sell shares online, please visit www.capitadeal.com. For telephone dealing, please 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 8.00 a.m. - 4.30 p.m. Monday to Friday excluding publics holidays in England and Wales.

SHAREGIFT

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

Further information about ShareGift is available at www.sharegift.org or by writing to: ShareGift, PO Box 72253, London, SW1P 9LQ. Email: help@sharegift.org. Telephone: 020 7930 3737.

DIVIDENDS

Dividend's declared and paid during the year to 31 March 2016 were as follows:

Dividend	Record date	Payment date	Amount
2014/15 Final	3 July 2015	31 July 2015	5.15p
2015/16 Interim	4 December 2015	30 December 2015	2.30p
2015/16 2nd Interim	11 March 2016	4 April 2016	5.15p

Dividend payment dates in 2016 will be as follows:

Dividend	Record date	Payment date	Amount
2015/16 Final	1 July 2016	29 July 2016	0.72p
2016/17 Interim	December 2016	December 2016	

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 advice, offers to buy shares at a discount or offers of free reports into the Company.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA (Financial Conduct Authority) before getting involved.
  You can check at www.fca.org.uk/consumers.
- Report the matter to the FCA either by calling 0800 111 6768 or by completing an online form at:
  www.fca.org.uk/consumers/scams/investment-scams/share-fraud-and-boiler-room-scams/reporting-form.

If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme. Also keep in mind that some fraudsters use the name of genuine firms or individuals on the FCA Register to suggest that they are legitimate. However, authorised firms are unlikely to contact you out of the blue offering to buy or sell shares.

SHARE PRICE INFORMATION

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

REGISTERED OFFICE

5 Hanover Square, London, W1S 1HQ
Registered in England and Wales No. 156663.

GLOSSARY OF TERMS

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

FINANCIAL CALENDAR

2016

30 June 2016	Ex-dividend date for final ordinary dividend
1 July 2016	Record date for final ordinary dividend
25 July 2016	Annual General Meeting
29 July 2016	Final ordinary dividend payable
24 November 2016 (provisional)[1]	Half Year Results and interim ordinary dividend announced
December 2016 (provisional)[2]	Ex-dividend date for interim ordinary dividend
December 2016 (provisional)[2]	Registration qualifying date for interim ordinary dividend

2017

May 2017	Announcement of Full Year Results to 31 March 2017

Notes

1 The announcement date of the Half Year Results will be confirmed in October 2016

2 Dates for the potential interim dividend will be confirmed in the Half Year Results Announcement

ADVISORS

Registrars	Capita Asset Services
Bankers	Aviva Commercial Finance Limited Barclays Bank PLC Deutsche Pfandbriefbank AG HSBC Bank PLC The Royal Bank of Scotland PLC Santander UK PLC Lloyds Bank PLC
Joint stockbrokers	J.P. Morgan Cazenove Numis Securities Limited
Auditors	Grant Thornton UK LLP
Merchant bankers	Lazard & Co Limited
Corporate solicitors	Ashurst LLP

CONTACT DETAILS

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