

9 June 2004

HELICAL BAR PLC
(“Helical”/“Company” / “Group”)

PRELIMINARY RESULTS FOR THE
YEAR TO 31 MARCH 2004

HELICAL WELL PLACED FOR THE FORTHCOMING CYCLE

HIGHLIGHTS

- * Adjusted diluted net asset value of 874p per share (2003: 770p) – up 14 per cent
- * “Triple net” asset value of 797p per share (2003: 702p) - up 14 per cent
- * Profit before tax £13.7m (2003: £25.2m) owing to lull in development profits as a result of planned ‘de-risking’
- * Total ordinary dividend of 16.60p per share (2003: 15.00p) - up 11 per cent
- * Strong performance in investment portfolio underpins results
- * 11.3% of the Company’s shares bought in for cancellation for £25.4m (£3.9m since 31/03/2004)
- * Over 30 active projects spread across the sectors

John Southwell, Chairman, commented;

“Helical has completed the repositioning started in 2001. It has the skills, money and flexibility to act quickly to take advantage of opportunities. We look forward to the forthcoming cycle and aim to produce significant development and trading profits as we have done in the past.”

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FINANCIAL HIGHLIGHTS

	Notes	Year Ended 31 March 2004 £m	Year Ended 31 March 2003 £m
Net rental income		23.0	25.6
Development profits		0.0	4.6
Trading profits		1.0	0.3
Other gross profits		0.6	0.6
Profits before tax		13.7	25.2
Adjusted profits before tax	1	11.7	16.7
		pence	pence
Diluted earnings per share		39.6	59.2
Total dividends per share		16.60	15.00
Adjusted diluted net assets per share	2	874	770
Adjusted diluted “triple net” assets per share	3	797	702
		£m	£m
Value of investment portfolio		334.9	342.5
Net borrowings		129.8	140.9
Equity shareholders’ funds		245.0	235.9
Net gearing		52%	59%

Notes

1. Excludes profit on sale of investment properties, loss on sale of subsidiary and negative goodwill.
2. After adding back additional deferred taxation arising from the clawback of capital allowances on sale of investment properties.
3. Adjusted for contingent liabilities of deferred taxation on chargeable gains on investment properties and the market value of financial instruments but after adding back the deferred taxation referred to in 2 above.

Chairman's Statement

This year has seen the completion of the repositioning started in 2001. Then we stopped new office development and began reducing the proportion that our portfolio represented in Central London offices from 80 per cent down to below 40 per cent today. As a result we have avoided development losses and by a judicious sale and reinvestment programme shielded our balance sheet from the effect of falling rental levels in Central London. At the same time our move into new sectors has provided us with a portfolio of properties, both trading and investment, capable of producing further substantial uplifts over the next three years. Future returns to shareholders should be further enhanced by £25m spent buying back over 11 per cent of our share capital at an average price of 753p per share, a discount of 6 per cent to our triple net asset value and 14 per cent to our adjusted net asset value.

Results

Profits after tax this year fell to £11.5m from £17.6m mainly because, as foreseen, we made no development profits (2003: £4.6m). Diluted earnings per share as a result fell to 39.6p (2003: 59.2p). The revaluation surplus on the investment portfolio was £24m (2003: deficit £13m). The Group's adjusted net asset value per share rose by 14 per cent to 874p (2003: 770p) and the adjusted triple net asset value (taking account of the contingent liabilities of deferred tax and the market value of financial instruments) also rose by 14 per cent to 797p per share (2003: 702p). These figures take no account of any surplus on the £70m trading and development stock which are valued, in accordance with normal practice, at the lower of cost and net realisable value.

The encouraging prospects for 2004/2005 enable the Board to recommend to shareholders a final dividend of 10.0p per share (2003: 9.0p), an increase of 11 per cent. This proposed dividend, together with the interim dividend of 6.6p (2003: 6.0p) paid in December 2003 makes a total dividend of 16.6p per share (2003: 15.0p). This is an increase of 11 per cent on last year. The total dividend is covered over 2.5 times by profits after tax.

Government Policy

We welcome the prospective introduction of Property Investment Funds (PIFs) which have the potential to give retail investors long overdue exposure to commercial property in a tax neutral manner. As we move through the consultation process, there is much still to be resolved. Too high a conversion tax charge or too many restrictions on subsequent activities such as development could yet leave this excellent initiative still-borne.

Meanwhile, continued high levels of stamp duty and the threat of intervention in the structure of leases only serve to undermine the efficient workings of the market place. In addition the Government is increasingly trying to use the planning system to raise revenue beyond the immediate impact of the proposed development in question.

The future

The world has come out of the slowdown of the early 2000s and is set for a year of good growth. Most importantly availability of vacant space in what has historically been our main market, London offices, is now beginning to fall. Commercial property is in increasing favour with institutions and there is considerable money seeking a home therein.

Through a mixture of investments and developments we now have over 30 active projects spread across all commercial property sectors. The retail, industrial and change of use schemes should deliver good growth over the next two to three years while in the longer term we look to our office development programme which we are building up in London and the South East.

Despite the current raft of economic good news, the world is still an uncertain place where shocks may happen. Should they arise, Helical has the skills, money and flexibility to act quickly to take advantage of such opportunities. In the meantime we look forward to the forthcoming cycle and aim to produce significant development and trading profits as we have done in the past.

John Southwell

Chairman

9 June 2004

Development programme

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

Development schemes

Completed developments available to let

Offices	Completion	Size Sq ft	Funding Institution	Tenants	Space Let Sq ft
West End					
40 Berkeley Square, London W1	March 2004	75,000	Morley	The Blackstone Group, Caxton Europe Asset Management	28,500
Thames Valley					
The Meadows, Camberley	March 2002	140,000	Scottish Widows	British Cement Association	23,000
The Waterfront Business Park, Fleet	Oct 2002	56,000	Aberdeen Property Investors	One building sold to Conair, Hedra Plc	18,000
The Heights, Weybridge	April 2003	337,000	Prudential Portfolio Managers	Kia Motors	16,000

Development schemes

Future programme

Offices	Approximate Start Date	Size Sq ft
City		
Mitre Square, London EC3		350,000
Ropemaker Place, London EC2	2004/05	500,000
Central London – Mixed Use		
Wood Lane, White City	2006+	43 acres
Thames Valley		
Amen Corner, Bracknell	2007	500,000
Retail/Mixed Use		
Friary Retail Park, Stafford	2004	38,500
Bluebrick, Wolverhampton	2005	170,000
Hatters Retail Park, Luton	2005	105,000
Shrub Hill, Worcester	2005	35,000
Shirley, Solihull	2006	155,000
Trinity Square, Nottingham	2005	235,000
Commercial Road, Bournemouth	2005	47,000

Offices

The year to 31 March 2004 marked both the end of one office development cycle and further progress in preparation for the next one. The completion of 40 Berkeley Square London W1, in March 2004, was notable for two reasons. The building is the most prime office building yet constructed by Helical and good progress has been made in letting the space.

The Group is now busy looking for tenants for its completed developments at The Meadows Camberley, The Heights Weybridge, The Waterfront Business Park Fleet and 40 Berkeley Square London W1. At the same time it is progressing plans for exciting new development opportunities in London and the South East.

Completed office developments

The Meadows, Camberley

The Meadows, Camberley funded by Scottish Widows, comprises four office buildings totalling 140,000 sq ft located by the Blackwater railway station, Camberley opposite the Meadows Retail Park. During the year one building, of 23,000 sq ft, was let to the British Cement Association. The other three buildings remain available to let. The development was forward funded on a profit erosion basis and no loss is expected to arise.

The Heights, Weybridge

The Heights, Weybridge is a 22 acre office campus development of the highest quality comprising 337,000 sq ft of speculative space in five distinct buildings. The scheme which is adjacent to the UK headquarters of Proctor & Gamble was completed in April 2003 and is forward funded with Prudential Portfolio Managers. During the year, 16,000 sq ft was let to Kia Motors with terms agreed with another party for a further 24,000 sq ft. Funded on a profit erosion basis there is an exposure to a small loss subject to the outcome of future lease negotiations.

The Waterfront Business Park, Fleet

Since completing the three building office scheme in October 2002 the smallest building of 12,000 sq ft was sold to the Conair Group for its own occupation. The second floor of Building I has been let to Hedra Plc leaving two floors still available. In addition, Building II, which overlooks the Fleet Pond Nature Reserve, and comprises 26,700 sq ft is also available. Funded on a profit erosion basis no provision for future losses is considered necessary.

40 Berkeley Square, London W1

40 Berkeley Square is a prime office development of 75,000 sq ft on the west side of Berkeley Square. Comprising eight floors of high specification offices, the building has been developed in a joint venture with owners Morley Fund Management. The top three floors, comprising 19,500 sq ft, were let to The Blackstone Group in December 2002 at a rent of £80 psf. Since the development was completed in March 2004, a further floor of 9,000 sq ft has been let to Caxton Europe Asset Management at the same rent.

Future office development programme

Mitre Square, London EC3

A joint planning application, with Ansbacher Property Development Ltd, has been submitted to the City Planning Department for an office scheme comprising 350,000 sq ft.

Ropemaker Place, London EC2

A joint planning application, with owners DB Real Estate, for a new building of approximately 500,000 sq ft gross was approved by the London Borough of Islington in December 2003. Helical are acting as Development Manager for DB Real Estate.

Wood Lane, White City

Helical, jointly with Morley Fund Management, acquired a 10 acre site from Dairy Crest in late 2002. Since then Helical and Morley have teamed up with neighbouring landowners to form the White City Partnership promoting the regeneration of 43 acres of land at White City for a major mixed use development. The adjoining landowners include the BBC and Land Securities, Marks & Spencer and Lattice Group Pension Fund.

The sites lie immediately to the north of Chelsfield's proposed 1.3m sq ft shopping centre at White City between the West Cross Route and Wood Lane. Since the sites' designation as an Opportunity Area in the London Plan the Greater London Authority and Hammersmith & Fulham have published "White City Opportunity Area -A Framework For Development" which has been out for public consultation. The document proposes supplementary planning guidance to the Unitary Development Plan promoting their vision that the area be transformed into a thriving new, mixed use, urban quarter.

The White City Partnership is now working to develop a comprehensive masterplan for the site.

Amen Corner, Bracknell

Helical acquired a number of residential properties and options over land at Amen Corner, Bracknell. The company has been working with Bracknell Forest Borough Council to promote the site for development and this resulted in the publication of the draft "Policy and Planning Framework for Amen Corner" in December 2003. Negotiations are continuing with the authority to bring this site forward for commercial/residential development.

Retail developments

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

The two retail developments completed by Oswin Developments were at Accrington and Carmarthen.

Market Square, Accrington

Market Square, Accrington is a new town centre development of 62,000 sq ft comprising 11 shops including stores for Wilkinsons, JJB and Poundland. Forward sold to private investor Bilsdale Properties Ltd the scheme was completed and handed over at the end of 2003.

Towy Retail Park, Carmarthen

Towy Retail Park, Carmarthen is a development of two stores totalling 35,000 sq ft for PC World and Currys. Funded by private Irish investors the scheme was completed in January 2004.

Future Retail Development Programme

Retail developments planned with Oswin Developments are as follows:

Friary Retail Park, Stafford

Friary Retail Park, Stafford is a retail scheme where building work commenced in May 2004. The scheme comprises 38,500 sq ft of open A1 retail warehousing and pre-lets have been secured with PC World, T K Maxx and Choices Video. The scheme is due for completion in November 2004.

Bluebrick, Wolverhampton

The former Low Level Station site comprising 11 acres was purchased in November 2003 and a mixed use scheme is being progressed to comprise a car showroom, hotel, public house and approximately 140 residential units. A planning application is due to be submitted in summer 2004 with a view to commencing on site in early 2005.

Hatters Retail Park, Luton

A planning application is being progressed for a retail park of 80,000 sq ft and industrial units of 25,000 sq ft. The proposals are due to be considered by the Local Planning Authority in summer 2004.

Shrub Hill, Worcester

A contract has been signed with First Bus subject to relocating the existing bus depot. The site has the benefit of a planning consent for 35,000 sq ft of retail warehousing and a residential development of 46 units. Negotiations are in hand for a joint venture development with neighbours, St Modwen Developments.

Town Centre Scheme, Shirley, Solihull

Working jointly with Coltham Developments Ltd, Helical Retail and Oswin Developments have been appointed by Solihull Metropolitan Borough Council to promote a regeneration of Shirley Town Centre. The mixed use scheme is likely to comprise a 75,000 sq ft anchor foodstore, 80,000 sq ft of retail units, restaurants, community facilities and 150 apartments. The design of the scheme is being worked up with a view to submitting a planning application in late 2004.

Future retail developments planned with Overton Developments are at Nottingham and Bournemouth.

Trinity Square, Nottingham

Trinity Square is a retail led mixed-use development in the heart of the city centre shopping district adjoining the Victoria Centre. Comprising approximately 175,000 sq ft of retail space, 60,000 sq ft of leisure and restaurants, 500 residential units and 450 parking spaces it will be a dramatic landmark building constructed of glass and steel offering double height retail frontages. Planning permission was obtained in March 2004 for the development, and construction is due to commence at the beginning of next year in time for trading at Christmas 2006. Contracts have already been exchanged with T K Maxx (55,000 sq ft) and Borders Books (25,000 sq ft) and there is considerable interest from other retailers.

Commercial Road, Bournemouth

Commercial Road, Bournemouth is an existing retail property bought in September 2003. The property, which had passing rent of just under £1m on completion, is to be substantially redeveloped once vacant possession has been obtained of most of the units. It is expected that work will start on site in October 2004 and in anticipation of this negotiations are continuing with a number of high street retailers with a view to agreeing pre-lets. Once redeveloped, the property will consist of 4 units comprising 47,000 sq ft of prime retail space.

Residential Developments

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

Lime Tree Village, Dunchurch, Rugby

This development involves the refurbishment of a Victorian country house and the construction of 150 bungalows, cottages and apartments for retirement. The first phase of 50 homes is under construction with 28 sold or reserved.

Bramshott Place, Liphook

Planning negotiations continue for a retirement village development comprising 144 apartments, cottages and bungalows. Subject to planning, work is due to start in 2005.

Investment Portfolio

The investment portfolio had a satisfactory year with a valuation uplift of 8.4%, an unleveraged total return of 16.8% and a fifth percentile ranking as measured by IPD (against all quarterly and monthly valued funds for the year to 31 March 2004). Retail property performed particularly well with a total return of 26.2%, with industrials 16.2% and offices 14.4%.

	Valuation movement	ERV movement	Total return	Average unexpired term
Offices	+5.7%	-5.9%	14.4%	9.8
Industrial	+6.0%	+1.0%	16.2%	7.8
Out-of-town retail	+19.0%	+8.9%	26.7%	16.2
In-town retail	+16.1%	+18.8%	25.2%	8.6
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Total	+8.4%	+0.5%	16.8%	9.7

VALUATION YIELDS

	Initial	2005	2006	Reversionary	Equivalent	True Equivalent
Offices	7.7%	8.4%	9.2%	7.8%	8.0%	8.4%
Industrial	8.2%	8.9%	9.1%	9.8%	9.2%	9.7%
Out-of-town retail	5.9%	6.3%	6.6%	6.9%	6.7%	7.0%
In-town retail	6.1%	7.1%	7.6%	9.0%	8.1%	8.6%
	-----	-----	-----	-----	-----	-----
Total	7.4%	8.1%	8.6%	8.4%	8.2%	8.6%

Over the last seven years we have sold £516 million of investment property representing turnover of 174% based on the current size of the investment portfolio. In every year we have exceeded valuations on sales, but the average surplus of just 2% over book values emphasises the accuracy of our valuations.

Retail

Asset management has been the key driver to our returns. At our shopping centre in Letchworth we have carried out a number of lettings at 40% above levels pertaining at the time of our purchase in 2003 following the change of anchor tenant from Kwik Save to Marks & Spencer. In our retail park at Weston we have secured lease extensions with Focus and Dunelm, the two anchor tenants, and increased their rents in aggregate by 79%. In our park in Sevenoaks, we have also extended the lease to Wickes, the anchor tenant, and guaranteed an uplift of 33% in rent passing in 2006. At Chiswick we have secured planning consent for a residential development to the rear of our holding and agreed terms for a new long lease to WH Smith with a 28% rental increase. The final strong retail performer was our supermarket at Wednesfield where the valuation increased by 40% to reflect the terms of an agreed sale. The property has now been sold for £18.36 million, 60% above the purchase price of £11.5 million in December 2001. We also sold a retail park in Sprucefield (in which

we had a 50% interest) for £16.2 million (4% above valuation and 26% above the 2001 purchase price).

Offices

The uplift in value in our office portfolio was due to covenant enhancements, lease restructurings and lettings. At the Interchange in Camden we secured Associated Press as surety to the lease in consideration for five months rent free and subsequently exchanged contracts to sell the property for £21.5 million. This was 10% above last year's valuation and 52% above the purchase price of £14.4 million in 1999. At Paris Gardens in Southwark, SE1 we secured the main UK subsidiary of the world's leading disaster recovery company, Sungard Systems Data Inc, as tenant for a further sixteen years. This has led to a valuation increase of 30%. Our only provincial office building in High Wycombe gained an 18% valuation increase following a lease restructuring of the main lease to Staples. At Rex House, SW1 a restaurant has been sold on a long lease for £1.9 million resulting in a small increase in value. At Shepherds Building in Shepherds Bush we have opened a bar and created some smaller studio units. During the year we have let over 32,000 sq ft with a further 8,000 sq ft under offer, leaving a residual vacancy rate of 40% - our only office void in London.

Sales of office buildings completed during the year were Capital House NW1 for £41 million (in line with valuation, 75% over purchase price in 1998), a portfolio comprising the Rotunda Camden, 71 Kingsway WC2 and the Waterfront in Fleet for £33.25 million (4% above valuation and 45% above purchase prices 1998-2000) and 5-10 Bury Street EC3 for £8.5 million (10% above valuation and 100% above the 1997 purchase price).

Industrial and trading properties

Our industrial investment property had a steady year with rental values edging forward. Capital appreciation was driven by the market's yield re-rating for higher yielding property. Many of our more active industrial assets are trading properties, held at the lower of cost or value, and where the performance will only be crystallised on sale. These include refurbishment and redevelopments designed for owner occupier sales at premium prices. Schemes in progress are 127,000 sq ft in Harlow (39% sold, 32% under offer), 135,000 sq ft in Slough (20% under offer), 46,000 sq ft in Sawston, Cambridge (38% under offer) and 36,000 sq ft in Edenbridge (15% under offer). We also hold industrial assets in Fleet (5 acres), Dunstable (5 acres) and Great Alne, Warwickshire (20 acres) where we are hopeful of crystallising value by obtaining residential or retirement home consents.

At the Bus Depot at Winterhill, Milton Keynes a planning consent has been obtained for a new 80,000 sq ft retail warehouse which has been prelet to Homebase. This scheme is in the course of institutional funding with construction scheduled to start later this year.

Purchases

The current highly competitive investment market has made high margin acquisitions difficult to achieve. During the year we acquired a 235,000 sq ft industrial estate at Sawston, Cambridge for £10 million yielding 9% but including a 3 acre site which we are now developing. Industrial trading purchases were acquired at Edenbridge for a refurbishment scheme and at Great Alne where we are making good progress in securing a consent for a retirement homes village. We purchased three separate long leasehold interests in the Leisure Plaza at Milton Keynes to consolidate the ownership of this 119,000 sq ft scheme on a 5 acre site with residential and retail potential. We acquired a Wickes retail warehouse in Worthing with an open A1 consent where the passing rent of £10.75 per sq ft is much lower than rental evidence emerging along the south coast. We have also exchanged conditional contracts

subject to receiving retail planning consent on a motor trade site in Weston Super Mare where we have prelet the proposed development to Wickes DIY.

The most significant acquisition of the year was the Morgans department store together with Morgans and Royal Arcades in Cardiff. This 235,000 sq ft holding has been in family ownership for 124 years and presents an opportunity to subdivide the department store to create larger shop units and actively manage the arcades. The property is directly opposite Land Securities and Capital Shopping Centres' proposed 750,000 sq ft St Davids 2 retail development which we believe will transform the trading pitch over the next five years. The purchase price of £29 million is payable in March 2005.

Whilst we would like to step up the pace of our acquisitions we are unwilling to rely on further yield shift to underpin returns. We do, however, take heart in the gradual recovery of the occupational markets which should, over time, provide more opportunities in our usual sphere of high margin added-value deals.

Entire portfolio – cashflow yields to Helical

	Initial	Reversionary	Equivalent	True equivalent
Investment	7.8%	8.8%	8.6%	9.0%
Trading	3.3%	11.1%	9.4%	10.0%
Development	1.9%	7.7%	7.3%	7.7%
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Total	6.7%	8.8%	8.5%	8.9%

Portfolio split (by value)

	Offices	Retail in-town	Retail out-of-town	Industrial	Other	Total
Investment	35.4%	6.3%	12.1%	26.8%	0.1%	80.7%
Trading	0.5%	0.0%	0.1%	5.6%	0.9%	7.1%
Development	3.4%	5.5%	2.1%	0.0%	1.2%	12.2%
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Total	39.3%	11.8%	14.3%	32.4%	2.2%	100.0%

Office split

West End	26.8%
City	11.0%
West London	19.8%
Southwark	21.6%
Camden	13.5%
South East	7.3%

	100.0%

INVESTMENT PROPERTIES

Address	Size (sq ft)	Average passing rent (psf)	Vacancy rate	Year acquired	Comments
LONDON OFFICES					
Rex House SW1	80,000	£56	0%	2000	Leasehold expires 2035
Shepherds Building W14	152,000	£22	40%	2000	
66 Prescott St E1	110,000	£22	0%	2001	50% ownership
61 Southwark St SE1	65,000	£18	0%	1998	Rent reviews 2004 on 32,000 sq. ft
4/5 Paris Gardens SE1	45,000	£25	0%	1998	Rent increases to £30 p.s.f. 06/05
Interchange NW1	65,000	£32	0%	1999	Sale exchanged. Completion 09/05
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	517,000	£29	12%		
SOUTH EAST OFFICES					
Westfields House High Wycombe	27,000	£16	7%	2001	
OUT OF TOWN RETAIL					
Weston Retail Pk, Weston Super Mare	140,000	£11	0%	1999	75% ownership
Sainsbury Superstore, Wednesfield	69,000	£10	0%	2001	Sold 4 June 2004 75% ownership
Oxford Road Retail Pk, Sevenoaks	43,000	£14	0%	2003	75% ownership
Homebase, St Austell	36,000	£8	0%	2002	75% ownership
Wickes, Worthing	26,000	£11	0%	2003	75% ownership
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	314,000	£11	0%		
TOWN CENTRE RETAIL					
Morgans Department Store, Cardiff	170,000	-	100%	2005	Purchase completes 03/05
Morgan & Royal Arcades, Cardiff	65,000	£40ZA	0%	2005	Purchase completes 03/05
Garden Square, Letchworth	165,000	£35ZA	10%	2003	New lettings @ £50 p.s.f. ZA
WH Smiths, Chiswick	5,000	£85ZA	0%	2000	Residential site at rear
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	405,000	£40ZA	46%		

Address	Size (sq ft)	Average passing rent (psf)	Vacancy rate	Year acquired	Comments
INDUSTRIAL					
Aycliffe Portfolio	1,570,000	£2.70	21%	1987	
Peterlee Portfolio	700,000	£3.00	26%	1987	
Hawtin Park, Blackwood	251,000	£2.85	0%	2003	
Sawston, Cambridge	235,000	£4.30	0%	2003	67% ownership
Avonbridge, Avonmouth	234,000	£4.85	14%	1995	Leasehold expires 2071
Walton Summit, Preston	143,000	£4.00	0%	1990	
Standard Estate, Woolwich	105,000	£7.40	44%	2002	70% ownership
Golden Cross, Hailsham	102,000	£5.00	0%	2001	
Waterside, Fleet	54,000	£7.00	9%	1999	Residential potential
	3,394,000	£3.40	17%		

OTHER

Cardiff Royal Infirmary Vacant hospital on a peppercorn lease with redevelopment potential.

TRADING PROPERTIES

Address	Description	Year acquired	% ownership
Bus Depot, Milton Keynes	Optioned site, pre-let to Homebase (80,000 sq ft) with planning consent	2001	50%
Leisure Plaza, Milton Keynes	119,000 sq ft leisure scheme with potential for residential or retail use	2003	50%
Mill Street, Slough	164,000 sq ft industrial in course of redevelopment to create 13 units	2002	90%
Barrows Road, Harlow	125,000 sq ft industrial estate in course of refurbishment and redevelopment for owner occupier sales	2002	80%
Great Alne	314,000 sq ft industrial estate on a 20 acre site with potential for a retirement home village use	2004	100%
Edenbridge	36,000 sq ft industrial estate in course of refurbishment for owner occupier sales.	2004	50%
Southfield Road, Dunstable	103,000 sq ft vacant shed with residential potential plus a let 34,000 sq ft office	2002	100%
2/6 Curtain Road, London EC2	7,000 sq ft office forming part of a 700,000 sq ft development site	2001	50%
Computer Centre, Wythenshawe	111,000 sq ft mainly vacant computer centre. Leasehold expiring 2067	2002	50%

Financial Review

Profits

Adjusted profits before tax, excluding exceptional items and negative goodwill fell to £11.7m (2003: £16.7m). Profits after tax and minority interest fell to £11.2m (2003: £17.4m).

Rental income

Net rental income for the year fell to £23.0m (2003: £25.6m) as the Group sold further Central London office investments. During the year £82m of investment properties, yielding £7.1m of rental income were sold. £45m was used to add to the investment portfolio of which £29m was the cost of buying the Morgan Department Store in Cardiff, not payable until March 2005. £25m was used to purchase income producing properties to be re-developed or traded. Excluding the Morgan Department Store these produce a passing rent of £2.1m. Rent reviews and new lettings, net of lease expiries and rent free periods, added rental income of £1.4m on the remaining portfolio.

Rental costs fell from £3.7m to £2.3m, reflecting lower voids at Shepherds Building W14 and recovery of costs from tenants.

Trading and other profits

Trading profits of £1.0m were up on last year (2003: £0.3m) and came from the sale of a number of small industrial units in Harlow purchased in 2002 and refurbished during the year. The company also sold Tudor House, Cardiff, a refurbished office building of 14,000 sq ft.

Development profits

Negligible profits were generated by the Group's funded development programme (2003: £4.6m) which continued to reflect the downturn in the Central London office market. The only contributor to profits was the pre-let and pre-funded retail development at Towy Retail Park, Carmarthen.

	2004 £ 000	2003 £ 000	2002 £ 000	2001 £ 000	2000 £ 000
Developments					
Profits	38	4,630	17,072	29,507	19,345

Administrative expenses

Administrative expenses, before the exceptional negative goodwill credit in 2003, increased by 25% from £6.4m to £8.0m due to an increased level of performance related bonuses. Administrative expenses, before goodwill and executive bonuses increased slightly to £6.0m (2003: £5.9m).

Profit on sale of investment properties

During the year to 31 March 2004 the Group sold £82.2m (2003: £131.2m) of investment property on which it made £2.0m (2003: £2.1m) of profit over book value and sale costs. The properties sold included office investments at Capital House, London NW1, The Rotunda Camden NW1, 67-75 Kingsway London WC2, Bury Street London EC3 and the Waterfront Business Park, Fleet.

Net interest payable

The sale programme started in 2001 and the subsequent lower level of gearing has resulted in a much reduced interest charge of £9.3m (2003: £11.9m). Interest received fell from £2.2m to £1.1m as interest was no longer received on the cash held on deposit against the pre-sale of 3 Bunhill Row, EC1. Interest of £1.8m (2003: £0.8m) was capitalised reflecting the much increased holding of non-income producing development sites.

	2004	2003	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000
Net interest payable					
Interest payable on bank loans	7,548	9,543	14,804	19,514	17,893
Other interest payable	1,741	2,351	3,215	1,343	2,350
Finance arrangement costs	170	783	408	572	365
Interest capitalised	(1,817)	(795)	(1,006)	(1,597)	(2,661)
Interest receivable	(1,070)	(2,244)	(2,642)	(591)	(1,563)
Loan termination costs	-	-	-	-	(36)
	6,572	9,638	14,779	19,241	16,348

Taxation

The corporation tax charge for the year is less than the standard rate of 30% due to the use of capital allowances, tax losses and the impact of indexation allowances against chargeable gains arising on the sale of investment properties.

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

Dividends

The Board is recommending to shareholders at the Annual General Meeting on 28 July 2004 a final dividend of 10.00p per share (2003: 9.00p) to be paid on 29 July 2004 which, with the interim dividend of 6.60p, makes a total of 16.60p. This is an increase of 11% on the previous year's dividend of 15.00p. This is covered over 2.5 times by profits after tax.

Dividends	2004	2003	2002	2001	2000
	pence	pence	pence	pence	pence
Interim	6.60	6.00	5.50	5.00	4.40
Final	10.00	9.00	8.25	7.50	6.75
	<u>16.60</u>	<u>15.00</u>	<u>13.75</u>	<u>12.50</u>	<u>11.15</u>
Special	-	-	100.00	-	-
	<u>16.60</u>	<u>15.00</u>	<u>113.75</u>	<u>12.50</u>	<u>11.15</u>

Earnings per share

Earnings per share in the year to 31 March 2004 were 40.9p (2003: 61.2p) per share and on a diluted basis were 39.6p (2003: 59.2p) per share.

Earnings per share	2004	2003	2002	2001	2000
	pence	pence	pence	pence	pence
Earnings per share	40.9	61.2	60.0	70.0	55.0
Diluted earnings per share	39.6	59.2	57.8	67.7	53.7

Investment portfolio

During the year the Group continued to replace Central London offices with retail and industrial properties with greater potential for capital growth. Investment properties with a book value of £82m were sold and partly replaced by £45m of new properties at Sawston Cambridge, Cardiff and Worthing. In addition around £5m of capital expenditure was spent on refurbishing various office, industrial and retail buildings. At 31 March 2004 there was a revaluation surplus of £24.2m (2003: deficit £13.4m) on the investment portfolio.

Investment portfolio	2004	2003	2002	2001	2000
	£ 000	£ 000	£ 000	£ 000	£ 000
Cost or valuation at 1 April	342,484	439,911	453,607	419,570	332,457
Additions at cost	50,464	47,175	32,838	24,341	163,029
Disposals	(82,178)	(131,168)	(65,062)	(29,624)	(106,320)
Revaluation	24,162	(13,434)	18,528	39,320	30,404
Cost or valuation at 31 March	334,932	342,484	439,911	453,607	419,570

Net asset values

The retained profits of £7.0m (2003: £13.1m) plus the revaluation surplus of £24.2m (2003: deficit £13.4m) and movements in minority interest less the purchase of own shares of £21.5m led to an increase in net assets to £248.7m (2003 £238.5m).

In calculating the net assets per share a provision has been made for the deferred tax which would become payable should all the capital allowances claimed to date be clawed back as a taxable adjustment in the Group's tax computations. The Group believes this clawback is unlikely and accordingly, has calculated the diluted net asset value assuming this not to be the case in line with current practice. Adjusted diluted net assets per share of 874p compare to 770p in 2003. After allowing for the unprovided deferred tax on revaluation surpluses and the value ascribed to financial instruments, the adjusted diluted triple net asset value of the Group has increased from 702p to 797p at 31 March 2004.

Net asset values per share	2004	2003	2002	2001	2000
	pence	pence	pence	pence	pence
Diluted net asset value – 1	874	770	769	754	581
Diluted net asset value – 2	797	702	663	655	516

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

2 – net asset value diluted for share options and adjusted for unprovided deferred tax, FRS 13 value of financial instruments but adding back the provision of deferred tax on clawback of capital allowances.

Borrowings and financial risk

The Group's ongoing reduction in its exposure to the Central London office market has continued the reduction in debt and, at 31 March 2004, net debt had fallen to £129.8m from £140.9m. The Group's net gearing fell to 52% from 59% at 31 March 2003.

Net debt and gearing	2004	2003	2002	2001	2000
Net debt	£129.8m	£140.9m	£152.4m	£232.8m	£243.1m
Gearing	52%	59%	64%	99%	131%

The Group seeks to manage financial risk by ensuring that there is sufficient financial liquidity to meet foreseeable needs and to invest surplus cash safely and profitably. At the year end, Helical had £37m of undrawn bank facilities and cash of £18.3m (2003: £16.1m). In addition it had £135m of uncharged property on which the Group could borrow funds.

As at 9 June 2004 Helical's average interest rate was 5.6%.

FRS13 requires disclosure of financial instruments on a fair value basis and at 31 March 2004 an adjustment to reflect this basis would reduce net assets, after tax relief, by £2.0m (2003: £5.1m) which, if provided for, would reduce diluted net assets by 7p per share (2003: 15p).

Shares purchased for cancellation

Using the authority granted at the 2002 AGM, the Company purchased, in July 2003, 150,000 ordinary 5p shares at 680p per share for cancellation. Following the renewal of the authority at the 2003 AGM the Company embarked on a share purchase programme and in the year to 31 March 2004 increased the numbers of shares purchased to 2,905,951 at a cost of £21.5m, an average price of 740p per share.

On 31 March 2004 the Company gave instructions to its broker, Cazenove, to commence an irrevocable non-discretionary programme to repurchase its own shares during the close period from 8 April 2004 to 21 May 2004 inclusive. During that period a further 460,000 shares were purchased at an average cost of 834p per share.

The total number of shares purchased since 1 April 2003 is 3,365,951, approximately 11.3% of the share capital in issue prior to the start of the purchases, at a total cost of £25.4m and an average cost of 753p per share. This average cost is at a 14% discount to adjusted net asset value of 874p per share and a 6% discount to "triple net" asset value of 797p per share. The number of shares in issue has reduced from 29,913,476 to 26,687,903 (including 140,378 shares issued on the exercise of an option in December 2003).

Performance measures

In order to evaluate its overall performance against other small to mid-size capital companies, both here and abroad, Helical looks at equity value added and total shareholder return ("TSR"). The performance of the property portfolio as measured by the Investment Property Databank ("IPD") is also noted below.

Equity value added						
Year ended 31 March		2004	2003	2002	2001	2000
Capital employed	£m	348	377	390	466	430
Return on capital	%	11.5	3.9	10.5	18.2	19.8
Weighted average cost of capital	%	7.0	6.1	6.3	5.9	6.0
Spread	%	4.5	(2.2)	4.2	12.3	13.8
Equity value added/(lost)	£m	15.6	(8.5)	19.6	52.9	43.7

Total shareholder return

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

	1 year from 2003 % pa	3 years from 2001 % pa	5 years from 1999 % pa	10 years from 1994 % pa	15 years from 1989 % pa	20 years from 1984 % pa
Helical Bar plc	50.9	11.3	17.0	16.3	13.5	33.1
UK equity market	31.0	(3.8)	(2.7)	6.9	8.9	-* ¹
Listed real estate sector index	61.7	8.8	9.8	8.8	5.6	-* ¹
Direct property	10.9	9.1	10.5	10.6	8.3	10.3

Source: New Bridge Street Consultants/Datastream

*1 Information not available

Investment Property Databank (“IPD”)

Helical has compared its ungeared property performance against that of portfolios within the Investment Property Databank for the last 14 years.

Helical has outperformed all parties within the index over 5, 10 and 14 years. The returns on shareholder capital earned by Helical are generally higher than those measured by IPD due to the use of gearing.

IPD (monthly and quarterly valued funds) ungeared returns

Total Returns % In year to 31 March	2004	2003	2002	2001	2000
Helical	15.5	6.0	15.6	23.2	23.6
IPD benchmark	12.8	9.9	7.0	9.9	15.1
Percentile rank	14	90	1	0	2

Total Returns % Annualised over	3yrs	5 yrs	10 yrs	14 yrs
Helical	12.3	16.7	17.7	17.1
IPD benchmark	9.9	10.9	10.3	7.9
Percentile rank	12	0	0	0

‘0’ means the top ranked fund

HELICAL BAR PLC

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004 UNAUDITED

	Notes	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Turnover (including share of joint ventures' turnover)		55,984	136,758
Less: share of joint ventures' turnover		(1,418)	(1,566)
Turnover	1	54,566	135,192
Cost of sales		(29,916)	(103,968)
Gross profit	1	24,650	31,224
Administrative expenses - administration	2	(8,037)	(6,391)
- negative goodwill		-	6,362
Operating profit		16,613	31,195
Share of operating profit in joint ventures		1,636	1,544
Profit on sale of investment properties	3	2,035	2,126
Loss on sale of subsidiary		(59)	-
Net interest payable	4	(6,572)	(9,638)
Profit before tax		13,653	25,227
Taxation	5	(2,199)	(7,660)
Minority interest		(232)	(160)
Profit for the year		11,222	17,407
Dividends – interim	6	(1,739)	(1,705)
- final proposed	6	(2,524)	(2,570)
Transfer to reserves		6,959	13,132
Earnings per share - Basic	7	40.9p	61.2p
- Diluted	7	39.6p	59.2p
Ordinary dividends per share			
Interim – paid 31 December 2003		6.60p	6.00p
Final – payable 29 July 2004		10.00p	9.00p
Total		16.60p	15.00p
Net assets per share -Basic	16	903p	789p
-Diluted	16	866p	762p
-Adjusted diluted, adding back FRS19 provision	16	874p	770p
-Triple net diluted for FRS 13 adjustment and unprovided deferred tax, adding back FRS19 provision	16	797p	702p

Reconciliation of movements in shareholders' funds

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Profit for the year	11,222	17,407
Dividends paid and proposed	(4,263)	(4,275)
Retained profits	<u>6,959</u>	<u>13,132</u>
Revaluation of investment property - subsidiaries	23,912	(13,434)
- joint ventures	-	(470)
Minority interest in revaluation surplus	(849)	(599)
Issue of shares	635	-
Purchase of own shares	(21,515)	-
Net change in shareholders' funds	<u>9,142</u>	<u>(1,371)</u>
Opening shareholders' funds	235,881	237,252
Closing shareholders' funds	<u>245,023</u>	<u>235,881</u>

Statement of Total Recognised Gains and Losses

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Profit for the year after taxation	11,454	17,567
Minority interest	(232)	(160)
Revaluation of investment property - subsidiaries	23,912	(13,434)
- joint ventures	-	(470)
Minority interest in revaluation surplus	(849)	(599)
Total recognised gains and losses since last financial statements	<u>34,285</u>	<u>2,904</u>

HELICAL BAR PLC

BALANCE SHEETS UNAUDITED

	Notes	31 March 2004 £000	31 March 2003 £000
Shareholders' funds		245,023	235,881
Represented by:			
Fixed assets			
Intangible assets			
- goodwill	8	873	912
Tangible assets	9	503	614
Investment property	9	334,932	342,484
Investments	10	10,106	9,011
Investment in joint ventures			
Share of gross assets		17,684	23,244
Share of gross liabilities		(16,965)	(21,482)
		719	1,762
		347,133	354,783
Current assets			
Stock	11	70,254	41,112
Debtors		25,573	25,793
Investments		263	13
Cash	12	18,284	16,137
Creditors: amounts falling due within one year		(78,662)	(85,643)
Total assets less current liabilities		382,845	352,195
Creditors: amounts falling due after more than one year	13	(131,779)	(110,992)
Provision for liabilities and charges - deferred tax	14	(2,345)	(2,706)
Net assets		248,721	238,497
Equity minority interests		(3,698)	(2,616)
Shareholders' funds		245,023	235,881

HELICAL BAR PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004 UNAUDITED

	Notes	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Net cash outflow from operating activities	17	(11,082)	(27,283)
Dividends from joint ventures		1,415	150
Returns on investment and servicing of finance		(6,828)	(9,910)
Taxation		(6,469)	(3,945)
Capital expenditure and financial investment		19,002	86,588
Disposals/(acquisitions)		40,415	(841)
Equity dividends paid		(4,309)	(32,470)
Cash flow before management of liquid resources and financing		<u>32,144</u>	<u>12,289</u>
Management of liquid resources		132	28,634
Financing			
- issue of shares		635	-
- purchase of shares		(21,515)	-
- decrease in debt		(9,060)	(71,594)
- refinancing costs		(57)	(57)
Increase/(decrease) in cash in the year		<u>2,279</u>	<u>(30,728)</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the year		2,279	(30,728)
Cash inflow from management of liquid resources		(132)	(28,634)
Cash outflow from change in debt		9,117	71,651
Debt arrangement expenses		(170)	(783)
Movement in net debt in the year		<u>11,094</u>	<u>11,506</u>
Net debt at beginning of the year		<u>(140,893)</u>	<u>(152,399)</u>
Net debt at end of the year		<u>(129,799)</u>	<u>(140,893)</u>

Notes to the Preliminary Announcement

1. Turnover and gross profit on ordinary activities before taxation

The analysis of turnover and gross profit by function is as follows:

Turnover

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Trading property sales	5,264	2,588
Rental income	25,283	29,334
Developments	23,418	91,412
Other income and provisions	601	11,858
	<u>54,566</u>	<u>135,192</u>

Gross profit and adjusted profit

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Trading property sales	1,031	349
Rental income	22,980	25,619
Developments	38	4,630
Other income and provisions	601	626
Gross profit	<u>24,650</u>	<u>31,224</u>
Central overheads	(8,037)	(6,391)
Interest payable less receivable	(6,572)	(9,638)
Share of joint venture company profits	1,636	1,544
Adjusted Profit	<u>11,677</u>	<u>16,739</u>

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

2. Administrative expenses

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Total administrative expenses	<u>8,037</u>	<u>(29)</u>
Operating profit on ordinary activities is stated after:		
Staff costs	5,757	3,853
Depreciation	213	230
Auditors remuneration	110	108
Amortisation	65	51
Negative goodwill	-	(6,362)

Remuneration in respect of directors was as follows:

	Salary/ Fees £000	Benefits in kind £000	Cash bonuses £000	Profit on exercise of share options £000	Incentive plan £000	2004 Total £000	2003 Total £000	Pensions 2004 Total £000	2003 Total £000
Chairman									
J P Southwell	50	14	-	-	-	64	58	-	-
Non-executive directors									
CGH Weaver	28	-	-	-	-	28	25	-	-
A R Beavor	28	-	-	-	-	28	25	-	-
Executive directors									
M E Slade	511	34	-	576	396	1,517	510	2	2
NG McNair Scott	217	22	-	-	132	371	201	40	35
G A Kaye	257	29	-	-	132	418	712	-	-
P M Brown	257	36	1,000	-	132	1,425	603	-	-
	1,348	135	1,000	576	792	3,851	2,134	42	37

In order to compensate share option holders for the payment of the 100p special dividend in April 2002, the Group pays a cash bonus of 100p per share on the dates option holders exercise their options. The profit on exercise of share options of M E Slade includes a £140,378 cash bonus arising out of the exercise on 12 December 2003 of an option over 140,378 shares.

The investment director P M Brown has a sector bonus scheme arrangement with the Group which rewards exceptional performance. Under the terms of this arrangement a maximum bonus of £1,000,000 is payable.

3. Profit on sale of investment properties

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Net proceeds from sale of investment properties	84,213	133,294
Book value	(82,178)	(131,168)
Profit on sale of investment properties	2,035	2,126

Net proceeds from the sale of investment properties and their associated book value include £41,000,000 of properties disposed of at book value on the sale of a subsidiary, Helical Properties (Capital House) Jersey Limited.

4. Net interest payable

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Interest payable on bank loans and overdrafts	7,548	9,543
Finance arrangement costs	170	783
Other interest and similar charges	1,741	2,351
Interest capitalised	(1,817)	(795)
Interest receivable and similar income	(1,070)	(2,244)
	<u>6,572</u>	<u>9,638</u>

Interest payable on bank loans and overdrafts includes the Group's share of interest payable by joint ventures of £746,000 (2003: £935,000).

5. Taxation on profit on ordinary activities

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
The tax charge is based on the profit for the year and represents:		
- United Kingdom corporation tax at 30% (2003: 30%)	2,456	8,337
- Adjustments in respect of prior periods	(67)	(2,847)
Current tax charge	<u>2,389</u>	<u>5,490</u>
Deferred tax – (reversal)/origination of timing differences	(190)	2,170
Tax on profit on ordinary activities	<u>2,199</u>	<u>7,660</u>

The corporation tax charge includes the Group's share of the corporation tax provision of joint ventures of £372,000 (2003: £ nil).

The deferred tax charge includes the Group's share of the deferred tax provision of joint ventures of £171,000 (2003 : £192,000).

6. Dividends

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Attributable to equity share capital		
Ordinary		
- interim paid 6.60p (2003: 6.00p) per share	1,739	1,705
- final proposed 10.00p (2003: 9.00p) per share	2,524	2,570
Total 16.60p (2003: 15.00p) per share	4,263	4,275

The interim dividend of 6.60p was paid on 31 December 2003 to shareholders on the register on 5 December 2003. The final dividend, if approved at the AGM on 28 July 2004, will be paid on 29 July 2004 to shareholders on the register on 18 June 2004.

7. Earnings per share

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

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

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

Year ended 31 March 2004

	Earnings £	Weighted average no. of shares	Restated per share amount pence
Basic earnings per share	11,222,000	27,413,946	40.9
Dilutive effect of share options		897,915	
Diluted earnings per share	11,222,000	28,311,861	39.6

Year ended 31 March 2003

	Earnings £	Weighted average no. of shares	Per share amount pence
Basic earnings per share	17,407,000	28,421,537	61.2
Dilutive effect of share options		964,200	
Diluted earnings per share	17,407,000	29,385,737	59.2

8. Intangible fixed assets

	Goodwill £000
Cost at 1 April 2003	1,608
Additions	26
Cost at 31 March 2004	<u>1,634</u>
Amortisation at 1 April 2003	696
Provision for the year	65
Amortisation at 31 March 2004	<u>761</u>
Net book amount at 31 March 2004	873
Net book amount at 31 March 2003	<u>912</u>

9. Tangible fixed assets

	Investment Properties	Investment Properties	Short leasehold property & improvements	Vehicles & office equipment	Total £000
	Freehold £000	Leasehold £000	£000	£000	
Cost or valuation at 1 April 2003	279,684	62,800	646	864	343,994
Additions at cost	50,170	294	-	141	50,605
Disposals	(80,278)	(1,900)	-	(185)	(82,363)
Revaluation	20,606	3,556	-	-	24,162
Cost or valuation at 31 March 2004	<u>270,182</u>	<u>64,750</u>	<u>646</u>	<u>820</u>	<u>336,398</u>
Depreciation at 1 April 2003	-	-	366	530	896
Provision for the year	-	-	46	167	213
Eliminated on disposals	-	-	-	(146)	(146)
Depreciation at 31 March 2004	<u>-</u>	<u>-</u>	<u>412</u>	<u>551</u>	<u>963</u>
Net book amount at 31 March 2004	<u>270,182</u>	<u>64,750</u>	<u>234</u>	<u>269</u>	<u>335,435</u>
Net book amount at 31 March 2003	<u>279,684</u>	<u>62,800</u>	<u>280</u>	<u>334</u>	<u>343,098</u>

Interest capitalised in respect of the development of investment properties is included in tangible fixed assets to the extent of £1,013,000 (2003: £1,013,000).

Interest capitalised during the year in respect of investment properties in the course of development was nil (2003: nil).

10. Investments

	31 March 2004 £000	31 March 2003 £000
Employees' Share Ownership Plan Trust ("ESOP")	10,106	9,011

At 31 March 2004 the ESOP held 1,361,939 (2003: 1,361,939) ordinary shares in Helical Bar plc over which options had been granted. At 31 March 2004 the ESOP held 130,000 (2003: nil) ordinary shares over which no options had been granted.

11. Stock

	31 March 2004 £000	31 March 2003 £000
Development sites	46,236	20,593
Properties held as trading stock	24,018	20,519
	<u>70,254</u>	<u>41,112</u>

Interest capitalised in respect of the development of sites is included in stock to the extent of £1,666,000 (2003: £1,141,000). Interest capitalised during the year in respect of development sites amounted to £1,817,000 (2003: £795,000).

12. Cash

	31 March 2004 £000	31 March 2003 £000
Rent deposits and cash held at managing agents	2,575	4,594
Cash secured against debt and cash held at solicitors	1,121	1,105
Cash held to fund future development costs	1,517	5,088
Free cash	13,071	5,350
	<u>18,284</u>	<u>16,137</u>

13. Financing and financial instruments

	31 March 2004 £000	31 March 2003 £000
Bank overdraft and loans – maturity		
Due after more than one year	131,779	110,992
Due within one year	16,304	46,038
	<u>148,083</u>	<u>157,030</u>

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2004 in respect of which all conditions precedent had been met were as follows:

13. Financing and financial instruments (continued)

	31 March 2004 £000	31 March 2003 £000
Expiring in one year or less	30,000	9,500
Expiring in more than one year but not more than two years	-	10,000
Expiring in more than two years	6,661	33,560
	<u>36,661</u>	<u>53,060</u>

Interest Rates	%	Expiry	31 March 2004 £000
Fixed rate borrowings			
- fixed	9.050	Feb 2009	8,392
- swap rate plus bank margin	5.656	Sep 2005	9,040
- swap rate plus bank margin	4.965	Mar 2007	5,925
- swap rate plus bank margin	5.846	Jun 2006	3,500
- swap rate plus bank margin	5.721	Sep 2007	3,460
Weighted average	<u>7.044</u>	<u>Apr 2007</u>	<u>30,317</u>
Floating rate borrowings			102,107
Total borrowings			<u>132,424</u>
Deferred arrangement costs			(645)
			<u>131,779</u>

Floating rate borrowings bear interest at rates based on LIBOR.

Hedging

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

Instrument	Value £000	Rate %	Start	Expiry
Current				
- cap	49,000	6.100		July 2004
- cap	80,000	7.500		Jan 2006
- collar	31,000	4.730-6.500		Jan 2006
- floor	49,000	4.730		Jan 2006
Future				
- collar	80,000	4.800-7.000	Jan 2006	Sept 2009

Gearing

	31 March 2004 £000	31 March 2003 £000
Total borrowings	148,083	157,030
Cash	(18,284)	(16,137)
Net borrowings	<u>129,799</u>	<u>140,893</u>
Net assets	248,721	238,497
Gearing	52%	59%

Net borrowings exclude the Group's share of borrowings in joint ventures of £8,984,000 (2003: £14,355,000).

Fair value of financial assets and financial liabilities

	31 March 2004 Book value £000	31 March 2004 Fair value £000	31 March 2003 Book value £000	31 March 2003 Fair value £000
Borrowings	148,728	149,639	157,788	159,127
Interest rate swaps	-	123	-	555
Other financial instruments	-	1,848	(223)	5,185
	<u>148,728</u>	<u>151,610</u>	<u>157,565</u>	<u>164,867</u>

The fair value of financial assets and liabilities represents the mark to market valuations at 31 March 2004 and 31 March 2003. The adjustment to net assets from a recognition of these values would be to reduce diluted net asset value per share by 7p (2003: 15p).

14. Provision for liabilities and charges – deferred taxation

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

	31 March 2004 £000	31 March 2003 £000
Accelerated capital allowances	2,744	3,124
Other timing differences	-	42
	<u>2,744</u>	<u>3,166</u>
Less: - discount	(399)	(460)
Discounted provision for deferred tax	<u>2,345</u>	<u>2,706</u>

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

	31 March 2004 £000	31 March 2003 £000
Amounts unprovided are:		
Unrealised capital gains	<u>20,509</u>	<u>17,144</u>

No provision has been made for taxation which would accrue if the investment properties were sold at their revalued amounts. The adjustment to net assets resulting from a recognition of these amounts would be to reduce diluted net asset value per share by 70p (2003: 53p).

15. Share capital

	31 March 2004 £000	31 March 2003 £000
Authorised		
- 688,954,752 ordinary shares of 5p each	34,448	34,448
	<u>34,448</u>	<u>34,448</u>
Allotted, called up and fully paid		
Attributable to equity interests:		
- 27,147,903 ordinary shares of 5p each	1,357	1,496
	<u>1,357</u>	<u>1,496</u>

Share options

At 31 March 2004 options over 2,412,945 (2003: 2,553,323) new ordinary shares in the Company and 1,361,939 (2003: 1,361,939) purchased shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the year no new options were granted and options over 140,378 new shares were exercised.

16. Net assets per share

	£000	Number of Shares 000's	p.p.s.	Change since 31.03.2003 %
Net asset value ("NAV")	245,024	27,148	903	+14.5
Add: potential exercise of options	10,889	2,413		
Diluted NAV	<u>255,913</u>	<u>29,561</u>	<u>866</u>	<u>+13.6</u>
Adjustment for:				
- capital allowances provided for but unlikely to be clawed back	2,345	-	8	
Adjusted diluted NAV	<u>258,258</u>	<u>29,561</u>	<u>874</u>	<u>+13.5</u>
Adjustment for:				
- potential capital gains unprovided for	(20,509)	-	(70)	
- mark to market value of interest rate hedging agreements	(2,017)	-	(7)	
Adjusted diluted triple NAV	<u>235,732</u>	<u>29,561</u>	<u>797</u>	<u>+13.5</u>

17. Reconciliation of operating profit to net cash flow from operating activities

	Year Ended 31 March 2004 £000	Year Ended 31 March 2003 £000
Operating profit	16,613	31,195
Depreciation of fixed assets	213	230
Provision against investments	(133)	-
Profit/(loss) on sale of fixed assets	(9)	38
Amortisation of goodwill	65	51
Negative goodwill	-	(6,362)
Increase in debtors	(580)	(3,704)
Increase/(decrease) in creditors	74	(37,999)
Increase in stock	(27,325)	(10,732)
Net cash flow from operating activities	<u>(11,082)</u>	<u>(27,283)</u>

18. Basis of preparation of the preliminary announcement

The preliminary announcement includes extracts from the draft statutory accounts for the year to 31 March 2004. The figures relating to the year to 31 March 2004 are unaudited. The comparative figures relating to the year to 31 March 2003 are taken from the audited statutory accounts for that year.