



3 June 2010

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

Preliminary Results
For the year to 31 March 2010

HELICAL POISED FOR NEW PHASE OF GROWTH

Financial Highlights

- Profit before tax of £7.9m (2009: loss of £71.9m).
- Valuation of investment properties up 7.9%, like for like, or £13.1m (2009: down 25.7% or £68.0m).
- Diluted EPRA net asset value, including trading and development stock surplus, down 5% to 272p per share (2009: 286p), after dividends paid and payable in the year of 7.25p (2009: 4.50p).
- Final dividend payable of 0.25p per share taking total dividends for the year to 4.75p (2009: 4.50p), up 5.6%

Operational Highlights

- £73m of sales of assets which have reached their full potential during the year and a further £26m since the year end. Sales include £54m of non-income producing assets.
- Capital recycled into the acquisition, with Joint Venture partners, of £120m of investment assets, of which £50m since the year end.
- Acquisitions show income return of 21.5% p.a. (income net of interest and all unrecoverable costs divided by equity invested) and offer significant asset management opportunities including letting voids (7% vacant by floor area).
- Legal agreements have been exchanged to acquire the site at Mitre Square, London EC3. A planning application for a new, high quality office development of 270,000 sq ft NIA has been submitted.
- Appointed as asset and development manager at 200 Aldersgate Street, 360,000 sq ft of refurbished offices in the City.
- Appointed development manager at Fulham Wharf, London SW6 for a major foodstore and residential application.
- Turawa Retail Park, in Poland comprising 41,000 sq m, forward sold to Standard Life and construction commenced on site. Value circa €75m.

Giles Weaver, Chairman, commented:

“Since we last reported to shareholders, the Group has successfully re-entered the investment market by acquiring, with joint venture partners, properties valued at more than £120m at yields that offer substantial potential for capital growth, whilst providing excellent cash returns.”

“This move back into investment properties marks the start of a re-alignment of the Group’s activities as we realise cash from the sale of our industrial and change of use development portfolio and re-invest these funds into high yielding investment assets with good growth prospects as well as Central London office and other development opportunities.”

“The Helical brand is ideally placed to take advantage of any opportunities as a result of its strong balance sheet, well-established industry, banking and investor partnerships coupled with the experience and skills of its management team.”

Michael Slade, Chief Executive, added:

“In every market cycle, Helical has experienced a period during which it repositions its business to prepare for opportunities in forthcoming years. It is no accident that half of our portfolio is made up of development and trading property rather than mainstream investment stock. Now is the time to be working up major projects, both in Central London offices and in large residential plays in West London, as well as keeping an eye open for attractive investment opportunities as and when they arise.”

“Interestingly, we made our first major investment acquisition in four and a half years when buying the Clyde Shopping Centre in Glasgow with joint venture partners last autumn. This was followed by the purchase of nine industrial and office investments last month. More recently we have been appointed ‘asset and development manager’ at the 360,000 sq ft City office property, 200 Aldersgate, reflecting our long experience of City development. Legal agreements have been exchanged to acquire the site at Mitre Square, London EC3 from the City of London and Ansbacher and a planning application for a new, high quality office development of 270,000 sq ft NIA has been submitted. A start on site could be as early as the first quarter of 2011. With responsibility for some 3,500 residential units to be built in West London at Fulham Wharf, Hammersmith Town Hall and White City, in addition to our growing Retirement Villages portfolio, we look also to benefit from an improving residential market.”

“Having successfully navigated our way through the crisis period and in doing so outperformed our peers, we now look to monetising our portfolio of opportunity, sharing risk with partners, and maintaining a strong balance sheet.”

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Financial Dynamics

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Financial Highlights

	Notes	Year To 31 March 2010 £m	Year To 31 March 2009 £m
Net rental income		14.2	17.7
Development property loss		(1.3)	(7.7)
Trading property loss		-	(0.5)
Share of results of joint ventures	1	3.7	1.8
Profit before property writedowns, investments gains and tax		9.7	16.2
Provisions against trading and development stock		(10.0)	(23.3)
Gains/(losses) on investment properties		8.2	(66.7)
Gain on sale of investments		-	1.9
Profit/(loss) before tax		7.9	(71.9)
		Pence	Pence
Basic earnings/(loss) per share		9.1	(56.6)
Diluted earnings/(loss) per share		9.1	(56.6)
Diluted EPRA earnings per share	2	2.9	9.0
Dividends per share	3	7.25	4.50
Diluted EPRA net assets per share	4	272	286
Adjusted diluted net assets per share	5	241	242
		£m	£m
Value of investment portfolio		219.9	241.3
Trading and development stock at directors' value	6	215.6	255.9
Net borrowings		203.0	224.7
Ratio of net borrowings to value of property portfolio		46.6%	45.2%
Net assets		242.6	237.1
Net gearing		84%	95%

1. The Group's share of the results of entities controlled equally by the Group and its joint venture partners.
2. Calculated in accordance with IAS 33 and the best practice recommendations of the European Public Real Estate Association ("EPRA") (see note 8 of the Preliminary Announcement).
3. Includes a second interim dividend of 2.75p per share paid 1 April 2010 but excludes the final dividend of 0.25p per share payable, if approved, in July 2010.
4. Calculated in accordance with the best practice recommendations of EPRA (see note 21).
5. As per 4, but excluding the adjustment for the fair value of development stock.
6. Includes the trading and development stock surplus of £33m (2009: £45m).

Chairman's Statement

Since we last reported to shareholders, the Group has successfully re-entered the investment market by acquiring, with joint venture partners, properties valued at more than £120m at yields that offer substantial potential for capital growth, whilst providing excellent cash returns.

This move back into investment properties marks the start of a re-alignment of the Group's activities as we realise cash from the sale of our industrial and change of use development portfolio and re-invest these funds into high yielding investment assets with good growth prospects as well as Central London office and other development opportunities.

We have protected our balance sheet by not having a dilutive and deeply discounted rights issue, preferring to rely on the successful placing in January 2009, which raised £26m at a small premium to net asset value per share. The result is that our net asset value performance over the last two years shows a decline of 21.2% in adjusted diluted net asset value per share which comfortably outperforms our peer group. In addition, over this two year period, our property portfolio provided an unleveraged return of 0.8% p.a. compared to a decline in the IPD benchmark of 7.7% p.a.

Results

The profit before tax, property write-downs and investment gains reduced to £9.7m (2009: £16.2m). Development profits, before stock write downs, reduced to £8.7m (2009: £15.6m). There were no trading property profits (2009: loss of £0.5m) and an increased contribution from the Group's share in the results of joint ventures of £3.7m (2009: £1.8m). However, write-downs of trading and development stock of £10.0m, mainly resulting from a reduction in the carrying value of land held for industrial and change of use potential, are set against these profits. Net rental income fell to £14.2m (2009: £17.7m), mainly the result of the sale of Rex House, London SW1. Profit before tax was £7.9m (2009: £71.9m).

Administration costs increased from £8.1m to £8.7m with the costs of share awards higher at £1.2m (2009: credit £0.4m). Net finance costs before capitalised interest reduced from £14.5m to £11.5m due to a lower average level of borrowings during the year and lower average interest rates. Capitalised interest reduced to £3.2m from £6.9m. There was a profit on mark to market valuation of the Company's financial instruments of £1.2m (2009: loss of £13.4m). The Company made a loss on currency movements of £1.1m (2009: gain of £4.0m) on its Polish operations.

Valuation yields on our investment portfolio fell by 70 basis points (2009: rise of 180). This created a like for like rise in values of 7.9% (2009: fall of 25.7%), reflected as a gain on revaluation of £13.1m (2009: loss of £68.0m). A loss on sale of investment properties of £4.9m compares with a gain of £1.3m in the previous year.

Diluted earnings per share were 9.1p (2009: loss 56.6p) and diluted EPRA earnings per share were 2.9p (2009: 9.0p).

The Group's diluted EPRA net asset value per share fell by 5% to 272p (2009: 286p). The directors' valuation of trading and development stock showed a surplus of £33m (2009: £45m) and excluding this surplus the adjusted diluted net asset value per share reduced to 241p (2009: 242p).

A second interim dividend of 2.75p was paid to shareholders on 1 April 2010, originally in lieu of the final dividend. However, the Board is recommending to shareholders an additional final dividend of 0.25p per share, payable, if approved, after the Annual General Meeting in July. IFRS dividends are accounted for once approved and, as a consequence, these accounts include the final dividend from 2009 and both of the interim dividends from 2010, thereby reducing diluted EPRA net asset value per share by 2.75p more than if the second interim had been paid as a final dividend in July. However, taken with the interim dividend paid in December 2009 of 1.75p (2009: 1.75p) and the final dividend of 0.25p it represents a total dividend of 4.75p (2009: 4.50p), an increase of 5.6% for the year.

Financing

In the year to 31 March 2010, Helical strengthened its financial position by re-negotiating the terms on £183m of secured loans, repaying £29m and removing loan covenants for between two and three years. Whilst property values have recovered from their low point in August 2009, the Group will continue to monitor loan to value covenants, where applicable, and all income covenants to ensure that any potential breaches are avoided. Helical has repaid £68m of debt during the period, partly as a result of its renegotiation of loans and partly arising from the sale of Rex House and industrial units at Southampton, Southall and Kidlington. Since the year end, the Group has repaid £9m of loans from the sale of Watford, Paignton and Whitstable and will repay a further £10m on the sale of Fieldgate Street, London E1 in June 2010.

At 31 March 2010 the Group had net borrowings of £203.0m (2009: £224.7m) and gross property values of £435.5m (2009: £497.2m). The ratio of net borrowings to the value of the property portfolio (including directors' valuation of stock) was 46.6% (2009: 45.2%). Net debt to equity gearing at 31 March 2010 was 84% (2009: 95%).

At 31 March 2010, the Group had £92.6m (2009: £147.9m) of fixed rate borrowings with an average effective interest rate of 6.43% (2009: 6.31%) and an average length of 2.3 years (2009: 3.2 years) and £34m of interest rate caps at an average of 6.00% (2009: 6.73%). In addition, the Group had a £34m floor at 4.50% until 2013.

Outlook

Despite the recovery in commercial property values since August 2009 there remain significant uncertainties over the current strength and future direction of the UK economy. Continued volatility in Europe and its impact on the Euro, and uncertainty surrounding the new UK Government's plans to stabilise the domestic economy, threaten to slow the recent rise in property values. However, the next 18 months should see an increase in activity as the domestic banks seek to sell assets following recent rises in values. The Helical brand is ideally placed to take advantage of any opportunities as a result of its strong balance sheet, well-established industry, banking and investor partnerships coupled with the experience and skills of its management team.

Giles Weaver
Chairman
3 June 2010

Chief Executive's Statement

In the year to 31 March 2010, commercial property started to recover from the 44% decline in capital values between their peak in June 2007 and their trough in July 2009. Since then, capital values have improved by approximately 14%. This recovery is now stalling as buyers digest the potential clouds on the horizon. The derivative market points to negligible capital growth for the foreseeable future and IPF forecasts are no more optimistic. The overwhelming concern centres on the banking crisis spilling over into a sovereign wealth problem whilst on a domestic level, the market remains worried over tenant demand/failure, forced sales as the banks slowly unload and a constipated new planning regime.

Set against good gains by the majors with a strong London weighting, Helical's efforts this year at first may seem pedestrian. This is a function of how we have managed our way through the last three years of crisis. I draw your attention to the Chairman's Statement on our adjusted net asset value per share outperformance over the last two difficult years which demonstrates the virtues of avoiding hugely dilutive rights issues. That path never was and never will be Helical's way. Shareholders can be grateful that your management team maintains a sizeable shareholding in the company.

In every market cycle, Helical has experienced a period during which it repositions its business to prepare for opportunities in forthcoming years. It is no accident that half of our portfolio is made up of development and trading property rather than mainstream investment stock. Now is the time to be working up major projects, both in Central London offices and in large residential plays in West London, as well as keeping an eye open for attractive investment opportunities as and when they arise.

Interestingly, we made our first major investment acquisition in four and a half years when buying the Clyde Shopping Centre in Glasgow with joint venture partners last autumn. This was followed by the purchase of nine industrial and office investments last month. More recently we have been appointed 'asset and development manager' at the 360,000 sq ft City office property, 200 Aldersgate, reflecting our long experience of City development. Legal agreements have been exchanged to acquire the site at Mitre Square, London EC3 from the City of London and Ansbacher and a planning application for a new, high quality office development of 270,000 sq ft NIA has been submitted. A start on site could be as early as the first quarter of 2011. With responsibility for some 3,500 residential units to be built in West London at Fulham Wharf, Hammersmith Town Hall and White City, in addition to our growing Retirement Villages portfolio, we look also to benefit from an improving residential market.

Having successfully navigated our way through the crisis period and in doing so outperformed our peers, we now look to monetising our portfolio of opportunity, sharing risk with partners, and maintaining a strong balance sheet.

Michael Slade
Chief Executive
3 June 2010

Business Review

Total portfolio – unleveraged returns

	1 year	2 years	3 years	5 years	10 years	20 years
	%	%	%	%	%	%
Helical	8.5	0.8	0.0	9.9	13.5	15.7
IPD Benchmark	17.4	(7.7)	(7.4)	2.2	6.5	6.9
Helical's percentile rank	90	5	3	2	2	0

0 = top ranked fund

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

Our Portfolio – how we commit our capital

	London Offices %	Provincial Offices %	In Town Retail %	Out of Town Retail %	Industrial %	Change of Use %	Retirement Village %	Total %
Investment	19.6	2.4	22.5	4.2	6.1	-	0.9	55.7
Trading and development	0.4	4.3	2.1	11.2	7.5	5.0	13.8	44.3
Total	20.0	6.7	24.6	15.4	13.6	5.0	14.7	100.0

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

Development and Trading Portfolio

Project Type	Book cost £m	Write down £m	Written down book cost £m	Directors' Valuation £m	Surplus Over Book Cost £m
Change of Use	23	(1)	22	32	10
Industrial Development for Freehold Sales	38	(6)	32	32	-
Retirement Village development	61	(2)	59	72	13
Office Development	20	(1)	19	19	-
Retail Development (Helical Poland)	45	-	45	55	10
Others – Mainly Mixed Development	6	-	6	6	-
Total	193	(10)	183	216	33

Basis of valuation – the Directors' valuation of the properties is based on current site values.

Our business

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



Our goals

Our overriding long term strategy is to make excellent returns for our shareholders through a broadly based, diversified property business, which has access to a very wide range of opportunities.

We do this with a small, long serving management team who have a significant proportion of their own wealth invested in a 17% stake in the Company and have no competing interests. We try to keep execution risk to a minimum, working with first rate joint venture partners when we move into new areas of property business.

Development Programme

Helical seeks to provide a continuing flow of development profits. It has good experience across the different sectors of offices, retail, industrial, mixed use and residential/retirement village schemes. These developments are either pre let or speculative and financed either by Helical or by third party funding partners. Helical tends to develop smaller schemes on its own and works on larger schemes either as development manager, typically being paid a small fee in return for a greater share of profit to incentivise a successful outcome, or with equity invested alongside our partner.

Year to 31 March 2010

Profits from the Group's development programme of £8.7m (2009: £15.6m) were again turned into net losses by provisions of £10.0m (2009: £23.3m) made against the carrying value of development stock. The profits generated during the year came from a range of developments including the retail schemes at Opole, Poland and Trinity Square, Nottingham; industrial schemes at Kidlington and Southall and at Aycliffe industrial estate; our office scheme at Riverbank House, London EC1 and at Bramshott Place Retirement Village. Provisions were made against the carrying value of land held for industrial and change of use potential. In addition to these schemes the Group's efforts were directed towards progressing our position in a range of schemes across the portfolio, details of which are outlined below:

Offices

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

Riverbank House, London EC4

Riverbank House, EC4 is a 320,000 sq ft new office building built for the City of London / Pace Investments and pre-let in its entirety to Man Group. Building work started in late 2006 and recently completed with the building handed over to the tenant for its fit-out. Helical has a development management agreement with the owners under which it will receive a profit related fee, due this month.

200 Aldersgate Street, London EC1

Originally developed in the late 1980's, this 360,000 sq ft office building has remained vacant since Clifford Chance left for Canary Wharf in 2005. We have been appointed as asset and development managers with a view to refreshing and re-cladding parts of the building and creating a "vertical village" for office users. It is anticipated that the works will be completed in late 2010, following which the building will be re-launched on the market.

Mitre Square, London EC3

Legal agreements have been signed to acquire the site at Mitre Square, London EC3 from the City of London and Ansbacher. A planning application for a new high quality office development of 270,000 sq ft NIA has been submitted. A start on site could be as early as the first quarter of 2011.

The Hub, Pacific Quay, Glasgow

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

Clareville House, Panton Street, London SW1

This 75,000 sq ft office refurbishment for the National Grid UK Pension Fund was completed in February 2008. During the year, we have achieved lettings to restaurant Busaba Eathai and office tenants Novus Leisure Ltd and good progress is being made on the remainder of the vacant space. Due to movements in rental and yield pricing it is very unlikely a further profit payment will be forthcoming.

Retail

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

Park Handlowy Mlyn, Wroclaw

Wroclaw is a large city in West Poland, some 100km from the German border and 470km south of Warsaw. This 9,600 sq m (103,000 sq ft) out of town retail development was completed in December 2008 and is fully let to a number of domestic and international retailers including Halfords, Media Expert, Deichmann, Komfort and others. The scheme is currently under offer for sale to a private property investment fund.

Park Handlowy Turawa, Opole

Opole is located approximately 40km to the west of Wroclaw along the A4 motorway and is the administrative centre of the Opole province. This shopping centre and retail park is anchored by a Carrefour Hypermarket and a Praktiker DIY store and comprises approximately 41,000 sq m (440,000 sq ft) of retail space. The scheme has been forward funded and sold to Standard Life and is due for completion in the first quarter of 2011.

Europa Centralna, Gliwice

This scheme is being developed on land to the south of Gliwice at the intersection of the A4 and A1 motorways. This highly visible site has unparalleled accessibility and will be a major regional shopping destination. The retail park and shopping centre, comprising approximately 67,000 sq m (720,000 sq ft) of retail space, will incorporate three distinct parts, being a foodstore, DIY and household goods and fashion. The scheme has been part pre-let to Castorama, Media Expert and others. We are currently in detailed discussions with potential joint venture partners. Construction is due to commence by the end of 2010 with completion in the first quarter of 2012.

Change of use and mixed use

White City, London W12

We continue to work with the London Borough of Hammersmith and Fulham and the GLA in the production of an Opportunity Area Planning Framework for White City which will set out a blueprint for the area's potential. The aspiration for us and our landowning consortium (Aviva , M&S, BBC and Land Securities) is a major mixed use scheme east of Wood Lane , London W12 incorporating some 3.5m sq ft of residential and commercial floorspace with a creative industries bias. The ownership interests of our consortium lie immediately opposite BBC Television Centre and just north of Westfield's new shopping centre.

Fulham Wharf, London SW6

At Fulham Wharf we are finalising, with landowner Sainsbury's, a planning application for a 100,000 sq ft new foodstore together with circa 475 residential units. The proposal is to demolish the adjacent dilapidated buildings, construct a new store with housing above and turn the existing store into new housing, creating new public spaces and enhancing access to a Thames riverside walkway within the development.

King Street, Hammersmith, London W6

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

Parkgate, Shirley, West Midlands

At Parkgate, Shirley we have revised our plans for the redevelopment of this site and will be submitting a new planning application to Solihull Metropolitan Borough Council later this Summer.

The development will, however, continue to include an 85,000 sq ft Asda supermarket, 64,000 sq ft of retail and circa 120 residential apartments and townhouses.

Bluebrick, Wolverhampton

At Bluebrick, Wolverhampton, we currently own a refurbished disused railway station with planning permission for casino use and are looking for a tenant and/or purchaser for this building. In previous years, we have sold off parcels of land for student housing, residential, hotel, car showroom and public house use.

Leisure Plaza, Milton Keynes

At Leisure Plaza, Milton Keynes, we have planning consent for a 165,000 sq ft retail store, 65,000 sq ft casino, 50,000 sq ft ice rink and 25,000 sq ft of other leisure.

Student Accommodation

Completion of the sale of our site at Fieldgate Street, London, E1, which has planning consent for 340 student rooms, is due in June 2010. At 200 Great Dover Street, London, SE1, currently an investment property, let to Conoco Phillips until June 2011, we are appealing against a planning refusal for a new development of 35,000 sq ft of offices and 245 student rooms.

Industrial development

We have built 120 units totalling over 570,000 sq ft for onward sale to owner occupiers at two sites in Oxford as well as at Southampton, Southall (West London) and Hailsham. We have sold 43 of these units (220,000 sq ft), and have let a further seven units (29,000 sq ft). These schemes include sales of parcels of land for car showrooms, builders merchants and self-storage uses and the development of trade counter schemes. In addition, we own a vacant site in Stockport with planning permission for trade counters, industrial units and a builders merchant, self storage and car showroom. Infrastructure works have recently commenced at this site.

Retirement Villages

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

Bramshott Place, Liphook, Hampshire

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

The development of 151 cottages and apartments, and the new clubhouse, started in late 2007 and has proceeded in phases as units are sold. Currently, we have sold 33 units in phases 1 & 2 with reservations on a further 28 units out of a total of 96 units built or under construction. The remaining 55 units are expected to be built in 2010/11.

Cherry Tree Yard, Faygate, Horsham, West Sussex

Cherry Tree Yard, a 30 acre site, had operated as a sawmill with outside storage for many years. Now vacant, we were granted planning permission, at appeal, in May 2009 following a public inquiry where the Inspector allowed a development comprising a retirement village of 148 units, eight affordable housing units, a 50 bed residential care home and a central facilities clubhouse building.

Demolition and enabling works will commence shortly with construction of the retirement village and clubhouse, to be built in phases, expected to commence in late 2010.

St Loye's College, Exeter

This 19 acre site was acquired in 2007 from the St Loye's Foundation, a long established rehabilitation college in the city of Exeter. Resolution to grant planning permission was obtained in October 2009 for a retirement village of 206 units, a 50 bed residential care home, an affordable "extra-care" block of 50 units and a central facilities clubhouse building. Construction of the retirement village and clubhouse in phases is expected to commence during 2011.

Ely Road, Milton, Cambridge

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

Governetz

Helical Governetz was formed in 2007 in anticipation of demand for the wholesale reform of the government estate which is inefficient, outdated and poorly located. The intention is to provide office campus accommodation where civil service, local government, wider public sector bodies, and private sector servicing organisations can share facilities, accommodation and services. The buildings will meet all the requirements of SOGE – Sustainability on the Government Estate.

Whilst these initiatives will take time to come to fruition we have been encouraged by our preliminary discussions with government bodies. At Keele, Staffordshire we are planning a sustainable business park within Keele University Science and Business Park. At Waverley, Rotherham, South Yorkshire in partnership with Harworth Estates, a division of UK Coal plc, we are planning a sustainable mixed use development of up to 600,000 sq ft of offices. Other projects are under discussion at Newport, Preston and Porton Down.

Quotient

In January 2007 we acquired a research facility near Newmarket in a joint venture with the majority shareholder of Quotient who occupy the buildings. As part of the transaction we acquired a minority stake in Quotient, a fast growing biosciences company.

Investment Portfolio

In recent years we have retained those assets identified as having potential for future growth, or which provided a strong cash flow to the business, having disposed of assets which had reached their maximum potential. The remaining portfolio provided a source of income to cover overheads and finance costs but this, as with the rest of the property sector, suffered from valuation falls in 2007 and 2008.

By July 2009, the cycle appeared to be turning with capital values increasing despite continuing falls in rental values. This is reflected in a like-for-like increase in values of 7.9% on the investment portfolio over the year.

During this financial year we sold our short leasehold interest in Rex House, London SW1 to the freeholders, The Crown Estate, for £34m. The sale price, reflecting an initial yield of 12% on a head lease with just 26 years remaining, was at 8% below the 31 March 2009 valuation.

We made our first significant investment property acquisition for four and a half years at the end of 2009, acquiring Clyde Shopping Centre in Glasgow with joint venture partners, and, following the year end, bought a portfolio of nine industrial and office assets located predominantly in London and the South East.

Valuation Movements

Sector	Valuation Increase/ (Decrease) %	Weighting %
London Offices	7.9	44
Provincial Offices	(5.9)	6
Total Offices	6.2	
In town retail	10.7	27
Out of town retail	19.9	9
Total retail	13.0	
Industrial	1.7	14
Total	7.9	100

Valuation Yields

Sector	Initial %	On Letting Voids %	On Rack Rental Value %	Equivalent %	True Equivalent %
Offices	6.6	8.2	8.2	7.9	8.3
Retail	6.6	7.9	7.9	7.6	7.9
Industrial	6.3	9.4	10.1	9.2	9.7
All	6.6	8.2	8.3	7.9	8.3

	Capital Value psf £	Vacancy Rate %	Average Unexpired Lease Term
All offices	232	14	4.2
London offices	249	17	2.6
Retail	151	8	13.9
Industrial	44	18	4.6
Total	132	13	10.1

Lease expiries and tenant break options in:

	2010	2011	2012	2013	2014
Percentage of rent roll	8.9%	15.0%	5.1%	9.5%	5.6%
Number of leases	70	58	31	26	20
Average rent per lease	£26,300	£53,900	£34,400	£76,300	£58,300

Lease expiries and tenant breaks in year

	2010	
	£	%
Leases renewed	2,235,900	
Break options not exercised	763,400	
Tenants holding over	182,700	
	<u>3,182,000</u>	87
Rents lost at break/expiry	498,500	13
	<u>3,680,500</u>	100

Passing rent changes in the year

	Rent	Change
	£	£
Rent lost at break/expiry	(498,485)	(498,485)
Rent lost through administration	(638,105)	(638,105)
Leases renewed	2,235,916	157,508
Tenants holding over	182,730	-
Fixed uplifts	1,918,904	184,737
New lettings	1,014,137	1,014,137
		<u>219,791</u>

Investment Portfolio – changes in rental value

	March 2009 – March 2010	
		%
Industrial	8.1	
Out of town retail	0.3	
In town retail	7.5	
Total retail	5.4	
Provincial offices	-5.6	
London offices	-3.7	(+2.3% since September 2009)
Total offices	-4.1	
Total	0.8	

PROPERTY PORTFOLIO
INCOME PRODUCING ASSETS
OFFICES

Address	Region	Tenure	Acquired	Area Sq. Ft. (NIA)	Helical Interest	Description	Average Passing Rent	Vacancy Rate
Shepherds Building, Shepherds Bush, London W14	London	Freehold	2000	151,000	100%	Media style offices refurbished in 2001	£22.50	2%
61 Southwark Street, London SE1	London	Freehold	1998	67,000	100%	Refurbished with added penthouse suite	£18.65	0%
200 Great Dover Street, London SE1	London	Leasehold	2008	36,000	100%	Fully let, re-development potential	£19.95	0%
80 Silverthorne Road, Battersea, London SW8	London	Freehold	2005	56,000	75%	Media style offices refurbished in 2006	£18.37	13%
82 Silverthorne Road, Battersea, London SW8	London	Freehold	2008	52,000	75%	Media style offices built in 2008	0	100%
Fordham, Newmarket	South East	Freehold	2007	70,000	53%	R & D space and offices on 32 acres	£15.37	0%
Amberley Court, Crawley	South East	Freehold	2006	31,000	95%	Partial refurbishment of office campus	£13.88	12%
				463,000				

RETAIL - SHOPPING CENTRE

Address	Region	Tenure	Acquired	Area Sq. Ft. (NIA)	Helical Interest	Description	Average Passing Rent	Vacant Space
Clyde Shopping Centre, Clydebank	Scotland	Leasehold	2010	627,000	60%	Multi-let regional shopping centre	£13.74	7%
				627,000				

RETAIL - IN TOWN

Address	Region	Tenure	Acquired	Area Sq. Ft. (NIA)	Helical Interest	Description	Average Passing Rent	Vacant Space
Morgan Department Store, Cardiff	Wales	Freehold	2005	246,000	100%	Refurbished store let as prime retail units + arcades	£12.84	15%
1 - 5 Queens Walk, East Grinstead	South East	Freehold	2005	37,000	89%	Retail units 95% let to Sainsbury's	£8.37	0%
				283,000				

RETAIL - OUT OF TOWN

Address	Region	Tenure	Acquired	Area Sq. Ft. (NIA)	Helical Interest	Description	Average Passing Rent	Vacant Space
Otford Road Retail Park, Sevenoaks	South East	Freehold	2003	42,000	75%	Retail park let to Wickes, Currys & Carpetright	£17.37	0%
Stanwell Road, Ashford	South East	Leasehold	2004	32,000	75%	Solus unit let to Focus DIY store	£17.76	0%
Brixham Road, Paignton	South West	Freehold	2005	24,000	77%	Solus unit let to Focus DIY store, sold in May 2010	£8.75	0%
				98,000				

PROPERTY PORTFOLIO
INCOME PRODUCING ASSETS
INDUSTRIAL

Address	Region	Tenure	Acquired	Area Sq. Ft. (NIA)	Helical Interest	Description	Average Passing Rent	Vacant Space
Standard Industrial Estate, North Woolwich E16	London	Leasehold	2002	50,000	60%	Multi-let industrial estate	£8.95	10%
Westgate, Aldridge	Midlands	Freehold	2006	184,000	90%	Single-let refurbished industrial unit	£2.93	0%
Waterfront Business Park, Fleet, Hampshire	South East	Freehold	2000	54,000	100%	Multi-let industrial estate	£5.93	47%
Dales Manor Business Park, Sawston, Cambridge	South East	Freehold	2003	62,000	67%	Multi-let industrial estate	£7.28	0%
Hawtin Park, Blackwood	Wales	Freehold	2003	249,000	100%	Offices and industrial units	£2.04	0%
Winterhill Industrial Estate, Milton Keynes	Midlands	Freehold	2004	24,000	50%	Offices and industrial units	£0.00	51%
Golden Cross, Hailsham	South East	Freehold	2001	102,000	100%	Industrial units	£4.36	89%
				725,000				

**PROPERTY PORTFOLIO
DEVELOPMENT PROGRAMME
OFFICES**

Address	Region	Area Sq. Ft.	Helical Interest	Fund/Owner	Type of development
Riverbank House, London EC4	London	320,000	Dev. Man.	City of London /Pace Investments	New office building completed May 2010
200 Aldersgate Street, London EC1	London	360,000	Dev. Man.	Deutsche Pfandbriefbank	Refurbishment to be completed in Oct 2010
Mitre Square, London EC3	London	275,000	100%		New office building
Clareville House, London SW1	London	75,000	Dev. Man.	National Grid UK Pension Fund	Refurbishment completed 2009
The Hub, Pacific Quay, Glasgow	Scotland	60,000	100%	Helical	New office building completed 2009
Forest Gate, Crawley	South East	63,000	100%	Helical	Refurbished and new offices
		1,153,000			

INDUSTRIAL

Address	Region	Area Sq. Ft.	Helical Interest	Description	Type of development
Scotts Road, Southall, West London	London	167,000	100%	Industrial units	New build
Millbrook Trading Estate, Southampton	South East	110,000	100%	Industrial and trade counter	New build
Langford Lane, Kidlington, Oxford	South East	72,000	100%	Industrial units	New build
Tiviot Way, Stockport	North West	189,000	100%	Industrial, trade counter etc	New build
Watlington Road, Cowley, Oxford	South East	71,000	100%	Industrial and offices	New build
Ropemaker Park, Hailsham	South East	70,000	90%	Industrial and food store/rest	New build
		679,000			

RETAIL - OUT OF TOWN

Address	Region	Area Sq. Ft.	Helical Interest	Fund/Owner	Description	Type of development
Wroclaw	Poland	103,000	50%	Under offer	Completed development, fully let	New build
Opole	Poland	440,000	50%	Standard Life	Under construction	New build
Europa Centralna, Gliwice	Poland	720,000	50%	Helical	To commence late 2010	New build
		1,263,000				

CHANGE OF USE POTENTIAL

Address	Region	Area Sq. Ft.	Helical Interest	Fund/Owner	Description
White City, London W12	London	3,500,000	Consortium	Consortium	Commercial and residential
Fieldgate Street, London E1	London	-	100%	Helical	Sold since year end
Cawston, Rugby	Midlands	-	100%	Helical	32 acre greenfield site with residential potential
Arleston, Telford	Midlands	-	100%	Helical	19 acre greenfield site with residential potential
		3,500,000			

**DEVELOPMENT PROGRAMME
RETIREMENT VILLAGES**

Address	Region	Units	Helical Interest	Description
Bramshott Place, Liphook, Hampshire	South East	151	100%	33 units sold, 28 under offer
Lime Tree Village, Rugby	Midlands	154	33%	153 units sold
St Loye's College, Exeter	South West	206	100%	Resolution to grant planning consent for a retirement village granted in October 2009
Maudsley Park, Great Alne	Midlands	150	100%	314,000 sq ft industrial estate on a 20 acre site with potential for a retirement village
Ely Road, Milton, Cambridge	South East	101	100%	Planning consent for a retirement village granted in 2009
Cherry Tree Yard, Faygate, Horsham	South East	148	100%	Planning consent for a retirement village granted in May 2009
		910		

MIXED USE DEVELOPMENTS

Address	Region	Helical Interest	Description
C4.1, Milton Keynes	Midlands	50%	110,000 sq ft Sainsbury's, 440 residential units and 35,000 sq ft retail and offices
King Street, Hammersmith, London	London	50%	Planning application to be made for new council offices, foodstore and restaurants
Fulham Wharf, London SW6	London	Dev. Man.	100,000 sq ft foodstore and 475 residential units
Leisure Plaza, Milton Keynes	Midlands	50%	Consent for 165,000 sq ft retail store, 65,000 sq ft casino, 75,000 sq ft other leisure
Parkgate, Shirley, West Midlands	Midlands	50%	80,000 sq ft Asda supermarket, 70,000 sq ft retail, 100 residential units
Bluebrick, Wolverhampton	Midlands	75%	Refurbished railway station with permission for casino use
Hagley Road, Quinton, Birmingham	Midlands	75%	Consent for 16,000 sq ft retail. Site under offer.

Financial Review

Consolidated Income Statement

Results for the year

The Group made profits of £9.7m (2009: £16.2m) before writedowns of its investment and trading development properties and its loss on sale of investment properties. A revaluation surplus of £13.1m (2009: deficit £68.0m) less a £10.0m (2009: £23.3m) writedown of trading and development stock, a gain on sale of investments of £nil (2009: £1.9m) and a £4.9m loss on sale of investment property (2009: profit £1.3m) reduced this profit to £7.9m (2009: loss £71.9m). Profit after tax was £9.6m (2009: loss £53.5m).

Net rental income

Net rental income fell by 20% to £14.2m (2009: £17.7m) reflecting the sale of Rex House, London SW1 during the year. Rental costs increased to £4.7m (2009: £3.1m) as irrecoverable service charges on vacant units increased. Tenant bad debts remain low at less than 4% of gross rental income.

Development profits

Development profits from the schemes in Turawa Poland, Liphook, Riverbank House and Trinity Square Nottingham were offset by stock write-downs of £10.0m (2009: £23.3m) to give a development loss for the year of £1.3m (2009: £7.7m).

Trading profits

There were no trading profits in the year (2009: £0.5m).

Share of results of joint ventures

During the year the Asset Factor sold its investment in NB Entrust and this, together with profits from the Group's share of net income and revaluation surplus from its investment in Clyde Shopping Centre, and profits at C4.1, Milton Keynes contributed to the Group's share of the results of its joint ventures of £3.8m (2009: £1.8m).

Gain on sale and revaluation of investment properties

During the year the Group sold investment properties with book values of £40.4m (2009: £9.0m) on which it made a £4.9m loss (2009: £1.3m profit). The properties sold included Rex House, London SW1, residential units in Cardiff and offices in Glasgow. The revaluation surplus for the year was £13.1m (2009: deficit £68.0m).

Administrative expenses

Administrative expenses increased to £8.7m (2009: £8.1m) with the increased cost of share awards offsetting a reduction in other costs. Administrative expenses, before impairment of goodwill, share based payments charge and executive bonuses, reduced to £6.7m (2009: £7.4m).

Finance costs, finance income and derivative financial instruments

Interest payable on bank loans, before capitalised interest, decreased from £15.9m to £11.0m due to a fall of average interest rates and the repayment of the bank loan secured on Rex House. Capitalised interest reduced to £3.2m from £6.9m as interest rates fell and developments were completed. Finance income earned on cash deposits decreased to £1.0m (2009: £2.1m).

	2010	2009	2008
Net finance costs	£000	£000	£000
Interest payable on bank loans	10,956	15,890	11,901
Other interest payable	696	362	265
Finance arrangement costs	872	321	163
Interest capitalised	(3,196)	(6,855)	(9,296)
	9,328	9,718	3,033
Interest receivable	(1,039)	(2,082)	(2,579)

Derivative financial instruments have been valued on a mark to market basis and a surplus of £1.2m (2009: deficit £13.4m) has been recognised in the Income Statement.

Foreign exchange gains

A foreign exchange loss of £1.1m (2009: gain of £4.0m) has been recognised in respect of the Group's retail developments in Poland.

Taxation

The Group corporation tax charge for the year is less than the standard rate of 28% due to the use of capital allowances, tax relief on share awards and tax losses. The adjustment in respect of prior periods related to corporation tax recoverable from previous years.

The deferred tax credit for the year reflects a reduction in the provision for tax on temporary differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases in accordance with IFRS.

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

Dividends

The Board is recommending to shareholders at the Annual General Meeting on 21 July 2010 a final dividend of 0.25p per share to be paid on 23 July 2010 to shareholders on the register on 25 June 2010. This final dividend, amounting to £265,000 has not been included as a liability at 31 March 2010, in accordance with IFRS.

During the year the Group paid the 2009 final dividend of 2.75p per share and an initial interim dividend for 2010 of 1.75p per share. On 3 March 2010 a second interim dividend was declared at 2.75p per share and was paid on 1 April 2010. This dividend was included in current liabilities at 31 March 2010.

	2010	2009	2008
Dividends	pence	pence	pence
1 st interim	1.75	1.75	1.75
2 nd interim	2.75	-	-
Prior period final	2.75	2.75	2.75
Total	7.25	4.50	4.50

Earnings/(loss) per share

Earnings per share in the year to 31 March 2010 were 9.1p (2009: loss of 56.6p) per share and on a diluted basis were 9.1p (2008: loss of 56.6p) per share. Diluted EPRA earnings per share decreased to 2.9p (2009: 9.0p) per share.

	2010	2009	2008
Earnings/(loss) per share	pence	pence	pence
Earnings/(loss) per share	9.1	(56.6)	(13.5)
Diluted earnings/(loss) per share	9.1	(56.6)	(13.5)
Diluted EPRA earnings per share	2.9	9.0	11.6

Earnings/(loss) per share calculations are based on the weighted average number of shares held in the year. This is a different basis to the net asset value per share calculations which are based on the number of shares at 31 March 2010.

In accordance with IAS 33 on Earnings per Share, no weighting adjustment has been made for share awards in existence during the years to 31 March 2009 and 31 March 2008 as a loss was made during that year. Accordingly, the basic and diluted loss per share for these years are the same.

Diluted EPRA earnings per share excludes from earnings the IFRS effects of including the gain on sale and revaluation of investment properties (net of tax) and fair value movement on derivative financial instruments.

Consolidated balance sheet

Investment portfolio

During the year investment properties with a book value of £40.4m were sold. No new properties were acquired (Clyde Shopping Centre is included in these accounts as an investment in joint ventures). In addition, around £4.2m of capital expenditure was spent on refurbishing various office, industrial and retail buildings. At 31 March 2010 there was a revaluation surplus, net of joint venture share, of £13.1m (2009: deficit £68.0m) on the investment portfolio.

	2010	2009	2008
Investment portfolio	£000	£000	£000
Cost or valuation at 1 April	241,287	306,778	316,025
Additions at cost	4,192	16,011	31,601
Transferred from land, trading and development properties	-	1,514	-
Disposals	(40,438)	(9,005)	(6,250)
Joint venture share of revaluation	1,756	(6,006)	(2,044)
Revaluation	13,104	(68,005)	(32,554)
Cost or valuation at 31 March	219,901	241,287	306,778

Net asset values

The performance of the Group in the year to 31 March 2010 has increased equity shareholders funds, on which the net asset value per share is calculated, by £5.5m. This has led to a 1% increase in diluted net assets per share to 228p (2009: 226p). Taking into account the directors' valuation of trading and development stock of £33m (2009: £45m), the diluted EPRA net assets per share decreased by 5% to 272p (2009: 286p).

	2010	2009	2008
Net asset values per ordinary share	pence	pence	pence
Diluted	228	226	289
Adjusted diluted	241	242	306
Diluted EPRA	272	286	352
Diluted EPRA triple NAV	259	269	335

The net asset value per share calculations are included in Note 21 of this statement.

Borrowings and financial risk

The Group's sales of investment properties and development sites have decreased debt and, at 31 March 2010, net debt had decreased from £224.7m to £203.0m. Taken with an increase in net assets of £5.5m, the decrease in net debt combined to decrease the Group's net gearing from 95% to 84%.

The fair value of the Group's investment, trading and development portfolio at 31 March 2010 was £435.4m (2009: £497.2m). With net borrowings of £203.0m (2009: £224.7m) the ratio of net borrowings to the value of the property portfolio was 46.6% (2009: 45.2%).

At 31 March 2010 the Group had £92.6m (2009: £147.9m) of fixed rate borrowings with an average effective interest rate of 6.43% (2009: 6.31%) and an average length of 2.3 years (2009: 3.2 years), and £34m of interest rate caps at an average of 6.00% (2009: £110m at 6.73%).

	2010	2009	2008
Net debt and gearing			
Net debt	£203.0	£224.7m	£205.5m
Gearing	84%	95%	76%

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 £8.2m (2009: £38.6m) of undrawn bank facilities and cash of £39.8m (2009: £72.8m). In addition it had £32m (2009: £64m) of uncharged property on which the Group could borrow funds.

As at 2 June 2010, Helical's average interest rate was 4.51%.

Going Concern

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

The key areas of sensitivity are:

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

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

Nigel McNair Scott

Finance Director

3 June 2010

Helical Bar plc
Unaudited Consolidated Income Statement
For the year to 31 March 2010

	Notes	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Revenue	2	67,354	81,770
Net rental income	3	14,151	17,682
Development property loss		(1,293)	(7,704)
Trading property loss		(10)	(514)
Share of results of joint ventures		3,745	1,846
Other operating income		26	6,752
<hr/>			
Gross profit before net gain/(loss) on sale and revaluation of investment properties		16,619	18,062
Net gain/(loss) on sale and revaluation of investment properties	4	8,195	(66,670)
Gain on sale of investments		-	1,892
Gross profit/(loss)		24,814	(46,716)
Administrative expenses	5	(8,680)	(8,090)
<hr/>			
Operating profit/(loss)		16,134	(54,806)
Finance costs	6	(9,328)	(9,718)
Finance income		1,039	2,082
Change in fair value of derivative financial instruments		1,157	(13,412)
Foreign exchange (loss)/gain		(1,127)	3,999
<hr/>			
Profit/(loss) before tax		7,875	(71,855)
Tax	7	1,711	18,359
<hr/>			
Profit/(loss) after tax		9,586	(53,496)
<hr/>			
- attributable to minority interests		(33)	143
- attributable to equity shareholders		9,619	(53,639)
Profit/(loss) for the year		9,586	(53,496)
<hr/>			
Basic earnings/(loss) per share	8	9.1p	(56.6p)
Diluted earnings/(loss) per share	8	9.1p	(56.6p)

Helical Bar plc
Unaudited Consolidated Statement of Comprehensive Income
For the year to 31 March 2010

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Profit /(loss) for the year	9,586	(53,496)
Other Comprehensive Income:-		
Fair value movements on available for-sale-investments	2,962	4,142
Associated deferred tax on the fair value movements	(829)	(1,159)
Retranslation of net investments in foreign operations	(131)	(309)
Total comprehensive income and expense for the year	11,588	(50,822)

Helical Bar plc
Unaudited Consolidated Balance Sheet
At 31 March 2010

	Notes	At 31 March 2010 £000	At 31 March 2009 £000
Non-current assets			
Investment properties	9	219,901	241,287
Owner occupied property, plant and equipment	10	1,638	1,745
Available-for-sale investments	11	13,325	13,310
Investment in joint ventures		26,384	7,924
Derivative financial instruments		1,944	-
Goodwill	12	16	30
Deferred tax asset	7	3,169	3,440
		<hr/> 266,377	<hr/> 267,736
Current assets			
Land, developments and trading properties	13	182,576	210,415
Available-for-sale investments	11	10,959	7,684
Trade and other receivables	14	39,789	41,459
Cash and cash equivalents	15	39,800	72,776
		<hr/> 273,124	<hr/> 332,334
Total assets		539,501	600,070
Current liabilities			
Trade payables and other payables	16	(43,651)	(51,215)
Borrowings	17	(72,459)	(48,155)
		<hr/> (116,110)	<hr/> (99,370)
Non-current liabilities			
Borrowings	17	(170,299)	(249,297)
Derivative financial instruments		(10,485)	(14,337)
		<hr/> (180,784)	<hr/> (263,634)
Total liabilities		<hr/> (296,894)	<hr/> (363,004)
Net assets		<hr/> 242,607	<hr/> 237,066

Helical Bar plc
Unaudited Consolidated Balance Sheet
At 31 March 2010

	Notes	At 31 March 2010 £000	At 31 March 2009 £000
Equity			
Called-up share capital	18	1,339	1,336
Share premium account		70,828	70,378
Revaluation reserve		-	529
Capital redemption reserve		7,478	7,478
Other reserves		291	291
Retained earnings		162,547	158,494
Own shares held	20	-	(1,597)
Equity attributable to equity holders of the parent		242,483	236,909
Minority interests		124	157
Total equity		242,607	237,066

Net assets per share

Basic	21	228p	226p
Diluted	21	228p	226p
Adjusted Diluted	21	241p	242p
Diluted EPRA	21	272p	286p

Helical Bar plc
Unaudited Consolidated Cash Flow Statement
For the year to 31 March 2010

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Cash flows from operating activities		
Profit/(loss) before tax	7,875	(71,855)
Depreciation	334	321
Revaluation (gain)/loss on investment properties	(13,104)	68,005
Net interest payable	8,289	6,999
Gain on sale of investments	-	(1,892)
Loss/(gain) on sale of investment properties	4,909	(1,335)
(Gain)/loss on valuation of derivative financial instruments	(1,157)	13,412
Share based payment charge/(credit)	1,151	(1,363)
Share of results of joint ventures	(3,745)	(1,846)
Foreign exchange movement on financing activities	(1,153)	4,703
Other non-cash items	2	(448)
Cash flows from operations before changes in working capital	3,401	14,701
Change in trade and other receivables	358	3,503
Change in land, developments & trading properties	30,707	(23,632)
Change in trade and other payables	(11,555)	(8,688)
Cash inflow/(outflow) from operations	22,911	(14,116)
Finance costs	(12,345)	(16,992)
Finance income	1,231	2,497
Tax received	834	1,439
Tax paid	(77)	(331)
	(10,357)	(13,387)
Cash flows from operating activities	12,554	(27,503)
Cash flows from investing activities		
Purchase of investment property	(4,192)	(15,024)
Sale of investment property	36,704	10,340
Purchase of investments	-	(5,048)
Sale of investments	-	2,100
Investment in joint venture	(18,641)	-
Dividends from joint ventures	3,926	-
Cost of acquiring derivative financial instruments	(1,437)	-
Cost of cancelling interest rate swap	(3,202)	-
Purchase of shares by ESOP	-	(3,107)
Sale of plant and equipment	28	14
Purchase of leasehold improvements, plant & equipment	(237)	(77)
	12,949	(10,802)
Cash flows from financing activities		
Issue of shares	453	27,972
Borrowings drawn down	13,739	93,250
Borrowings repaid	(67,923)	(23,101)
Equity dividends paid	(4,748)	(4,130)
	(58,479)	93,991
Net increase in cash and cash equivalents	(32,976)	55,686
Cash and cash equivalents at 1 April	72,776	17,090
Cash and cash equivalents at 31 March	39,800	72,776

Helical Bar plc
Statement of Changes in Equity
For the year to 31 March 2010

	Share Capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Own shares held £'000	Minority interest £'000	Total £'000
As at 31 March 2008	1,222	42,520	57,072	7,478	291	163,911	(3,992)	157	268,659
Revaluation deficit	-	-	(56,360)	-	-	56,360	-	-	-
Realised on disposals	-	-	(183)	-	-	183	-	-	-
Total recognised expense	-	-	-	-	-	(50,822)	-	-	(50,822)
Dividends payable	-	-	-	-	-	(4,130)	-	-	(4,130)
Minority interests	-	-	-	-	-	(143)	-	-	(143)
Performance share plan	-	-	-	-	-	(1,363)	-	-	(1,363)
Purchase of shares	-	-	-	-	-	-	(3,107)	-	(3,107)
Own shares held	-	-	-	-	-	(5,502)	5,502	-	-
Issue of shares	114	27,858	-	-	-	-	-	-	27,972
At 31 March 2009	1,336	70,378	529	7,478	291	158,494	(1,597)	157	237,066
Revaluation surplus	-	-	13,104	-	-	(13,104)	-	-	-
Realised on disposals	-	-	(13,633)	-	-	13,633	-	-	-
Total recognised income	-	-	-	-	-	11,588	-	-	11,588
Dividends payable	-	-	-	-	-	(7,657)	-	-	(7,657)
Minority interests	-	-	-	-	-	33	-	(33)	-
Purchase of shares	-	-	-	-	-	-	6	-	6
Performance share plan	-	-	-	-	-	1,151	-	-	1,151
Own shares held	-	-	-	-	-	(1,591)	1,591	-	-
Issue of shares	3	450	-	-	-	-	-	-	453
As at 31 March 2010	1,339	70,828	-	7,478	291	162,547	-	124	242,607

The adjustment to retained earnings of £1,151,000 (2009: £1,363,000) adds back the share-based payments charge, in accordance with IFRS 2 Share-Based Payments.

Notes:

Share capital – represents the nominal value of issued share capital.

Share premium – represents the excess of value of shares issued over their nominal value.

Revaluation reserve – represents the surplus of fair value of investment properties over their historic cost.

Capital redemption reserve – represents amounts paid to purchase issued shares for cancellation at their nominal value.

Retained earnings – represents the accumulated retained earnings of the Group.

Own shares held – relates to the shares purchased by the Helical Bar Employees' Share Ownership Plan Trust.

Unaudited Notes to the Preliminary Announcement

1. Basis of preparation

The financial information is abridged and does not constitute the Group's full financial statements for the years ended 31 March 2010 and 31 March 2009 from where the information has been derived. The Group's accounting policies are consistent with those applied in the year to 31 March 2009, amended to reflect any new Standards. The key amendments to Standards and interpretations which are mandatory for the year ended 31 March 2010 are:

IAS 1 Presentation of Financial Statements (revised 2007)

IFRS 8 Operating Segments (effective 1 January 2009).

The financial statements for the year ended 31 March 2009 were prepared in accordance with International Financial Reporting Standards (IFRS) and have received an unqualified auditors' report which did not draw attention to any matters of emphasis and did not contain statements under s237 (2) or (3) of the Companies Act 1985.

The financial statements for the year to 31 March 2010 will be presented to the Members at the forthcoming Annual General Meeting.

2. Revenue

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Rental income	18,881	20,781
Development property income	47,822	54,097
Trading property sales	525	-
Other income	126	6,892
	<u>67,354</u>	<u>81,770</u>

3. Net rental income

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Gross rental income	18,881	20,781
Rents payable	(12)	(12)
Property overheads	(3,732)	(2,394)
Third party share of net rental income	(986)	(693)
Net rental income	<u>14,151</u>	<u>17,682</u>

4. Net gain/(loss) on sale and revaluation of investment properties

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Net proceeds from the sale of investment properties	36,704	10,340
Book value (note 9)	(40,438)	(9,005)
Lease incentive and letting costs adjustment	(1,175)	-
(Loss)/gain on sale of investment properties	(4,909)	1,335
Gain/(loss) on revaluation on investment properties	13,104	(68,005)
Net gain/(loss) on sale and revaluation of investment properties	<u>8,195</u>	<u>(66,670)</u>

5. Administrative expenses

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Administrative expenses	8,680	8,090
Operating profit/(loss) is stated after:		
Staff costs	4,597	4,951
Share-based payments charge/(credit)	1,151	(425)
Depreciation	334	321

Administrative expenses includes salaries in respect of the directors of £1,918,000 (2009: £2,007,500) and cash bonuses payable to directors of £nil (2009: £300,000).

6. Finance costs

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Interest payable on bank loans and overdrafts	10,956	15,890
Other interest payable and similar charges	696	362
Finance arrangement costs	872	321
Interest capitalised	(3,196)	(6,855)
Finance costs	9,328	9,718

7. Taxation

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
The tax credit is based on the loss for the period and represents:		
United Kingdom corporation tax at 28%		
- Group corporation tax	-	-
- adjustments in respect of prior periods	(1,152)	(1,915)
Current tax credit	(1,152)	(1,915)
Deferred tax - capital allowances	52	480
- other temporary differences	(611)	(4,358)
- revaluation surpluses	-	(12,566)
Deferred tax	(559)	(16,444)
Tax on profit/loss	(1,711)	(18,359)

Deferred tax

Capital gains	-	-
Capital allowances	(3,257)	(3,205)
Other temporary differences	(1,278)	1,066
Tax losses	7,704	5,579
Deferred tax asset	3,169	3,440

8. Earnings per share

The calculation of the basic earnings/(loss) per share is based on the earnings/(loss) 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/(loss) per share is based on the basic earnings/(loss) per share, adjusted to allow for the issue of shares and the post tax effect of dividends on the assumed exercise of all dilutive options.

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

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

	Year To 31 March 2010 000's	Year To 31 March 2009 000's
Ordinary shares in issue	107,408	107,087
Weighting adjustment	(1,852)	(12,242)
Weighted average ordinary shares in issue for calculation of basic earnings per share	105,556	94,845
Weighting adjustments – for diluted earnings per share	700	-
Weighted average ordinary shares in issue for calculation of diluted earnings per share	106,256	94,845
Weighting adjustments – for diluted EPRA earnings per share	-	2,425
Weighted average ordinary shares in issue for calculation of diluted EPRA earnings per share	106,256	97,270
<hr/>		
Profit/(loss) used for calculation of basic and diluted earnings per share	9,619	(53,639)
<hr/>		
Basic earnings/(loss) per share	9.1p	(56.6p)
Diluted earnings/(loss) per share	9.1p	(56.6p)
<hr/>		
Profit/(loss) used for calculation of basic and diluted earnings per share	9,619	(53,639)
Net (gain)/loss on sale and revaluation of investment properties	(8,195)	66,670
Fair value movement on derivative financial instruments	(1,157)	13,412
Gain on disposal of investments	-	(1,892)
Deferred tax on the above	2,853	(15,843)
Earnings used for calculation of diluted EPRA earnings per share	3,120	8,708
<hr/>		
Diluted EPRA earnings per share	2.9p	9.0p

9. Investment properties

	Freehold 31.03.10 £000	Leasehold 31.03.10 £000	Total 31.03.10 £000	Freehold 31.03.09 £000	Leasehold 31.03.09 £000	Total 31.03.09 £000
Group						
Fair value at 1 April	182,812	58,475	241,287	230,853	75,925	306,778
Additions at cost	3,853	339	4,192	14,159	1,852	16,011
Transfers from land, developments and trading properties	-	-	-	1,514	-	1,514
Disposals	(3,263)	(37,175)	(40,438)	(9,005)	-	(9,005)
Revaluation surplus/(deficit)	13,756	(652)	13,104	(49,273)	(18,732)	(68,005)
Joint venture share of revaluation	1,643	113	1,756	(5,436)	(570)	(6,006)
Fair value at 31 March	198,801	21,100	219,901	182,812	58,475	241,287

A disposal of the investment property portfolio at its stated fair value would crystallise a payment due to the Group’s joint venture partners in respect of their share of the revaluation surplus of

£1.7m (2009: £nil). Investment properties exclude the Group's share of investment properties disclosed in investment in joint ventures of £45,300,000 (2009: nil)

Interest capitalised during the year in respect of the refurbishment of investment properties amounted to £nil (2009: £1,065,000).

Interest capitalised in respect of the refurbishment of investment properties is included in investment properties to the extent of £5,767,000 (2009: £6,205,000).

10. Owner occupied property, plant and equipment

	Short leasehold improvements	Vehicles and office equipment	Total	Short leasehold improvements	Vehicles and office equipment	Total
	31.03.10	31.03.10	31.03.10	31.03.09	31.03.09	31.03.09
	£000	£000	£000	£000	£000	£000
Cost at 1 April	2,071	554	2,625	2,033	587	2,620
Additions at cost	-	237	237	38	39	77
Disposals	-	(121)	(121)	-	(72)	(72)
Cost at 31 March	2,071	670	2,741	2,071	554	2,625
Depreciation at 1 April	518	362	880	328	285	613
Provision for the year	190	144	334	190	131	321
Eliminated on disposals	-	(111)	(111)	-	(54)	(54)
Depreciation at 31 March	708	395	1,103	518	362	880
Net book amount at 31 March	1,363	275	1,638	1,553	192	1,745

11. Available for sale investments

	Non-Current £000	Current £000
At 1 April 2009	13,310	7,684
Additions	-	338
Disposals	-	(10)
Fair value adjustments	15	2,947
At 31 March 2010	13,325	10,959

Non-current available-for-sale investment consists of Helical's stake in Quotient Bioscience Group Limited, a private biosciences company.

Within current available-for-sale investments is money lent to a private property developer and a 20% equity investment in the company.

The Group has accounted for its interests as available-for-sale investments in accordance with IAS39 as it does not have significant influence over the operating and financial policies of either company. Both investments are held at their fair values.

12. Goodwill

	At 31 March 2010 £000	At 31 March 2009 £000
Cost at 1 April	1,515	1,515
Additions	-	-
Cost at 31 March	1,515	1,515
Impairment at 1 April	1,485	1,485
Impairment for the year	14	-
Impairment at 31 March	1,499	1,485
Fair value at 31 March	16	30

13. Land, developments and trading properties

	At 31 March 2010 £000	At 31 March 2009 £000
Cost		
Development properties	182,303	209,537
Properties held as trading stock	273	878
	182,576	210,415

The directors' valuation of trading and development stock showed a surplus of £33m above book value at 31 March 2010 (2009: £45m).

Interest capitalised in respect of the development of sites is included in stock to the extent of £8,999,000 (2009: £8,749,000). Interest capitalised during the period in respect of development sites amounted to £3,196,000 (2009: £5,790,000).

14. Trade and other receivables

	At 31 March 2010 £000	At 31 March 2009 £000
Trade receivables	12,316	19,001
Other receivables	12,826	16,917
Prepayments and accrued income	14,647	5,541
	39,789	41,459

15. Cash and cash equivalents

	At 31 March 2010 £000	At 31 March 2009 £000
Rent deposits and cash held at managing agents	1,274	1,215
Cash deposits	38,526	71,561
	39,800	72,776

16. Trade payables and other payables

	At 31 March 2010 £000	At 31 March 2009 £000
Trade payables	4,635	3,611
Other payables	9,857	15,702
Accruals and deferred income	29,159	31,902
	43,651	51,215

17. Borrowings

	At 31 March 2010 £000	At 31 March 2009 £000
Bank overdraft and loans – maturity		
Due within one year	72,459	48,155
Due after more than one year	170,299	249,297
	242,758	297,452

	At 31 March 2010 £000	At 31 March 2009 £000
Undrawn committed bank facilities		
Expiring in one year or less	8,187	35,646
Expiring in more than one year but not more than two years	-	3,000
Expiring in more than two years	-	-
	8,187	38,646

Interest Rates	%	Expiry	At 31 March 2010 £000
Fixed rate borrowings			
- swap rate plus bank margin	3.555	Jun 11	5,400
- swap rate plus bank margin	8.295	Oct 14	6,690
- swap rate plus bank margin	5.650	Nov 10	5,200
- swap rate plus bank margin	6.040	Jan 11	4,200
- swap rate plus bank margin	5.330	Jun 11	4,316
- swap rate plus bank margin	7.150	Oct 12	28,500
- swap rate plus bank margin	6.240	Dec 13	10,120
- swap rate plus bank margin	5.290	Mar 12	3,570
- swap rate plus bank margin	6.555	Aug 13	9,912
- swap rate plus bank margin	6.270	Oct 10	14,652
Weighted average	6.429	Jun 12	92,560
Floating rate borrowings	2.321	Jun 12	151,146
Total borrowings			243,706
Deferred arrangement costs			(948)
			242,758

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	30,000 - 40,950	6.000	May 2008	May 2013
- floor	30,000 - 40,950	4.500	May 2008	May 2013
Gearing			At 31 March 2010 £000	At 31 March 2009 £000
Total borrowings			242,758	297,452
Cash			(39,800)	(72,776)
Net borrowings			202,958	224,676
Net assets			242,607	237,066
Gearing			84%	95%

Net borrowings exclude the Group's share of borrowings in joint ventures of £29,752,000 (2009: £5,644,000).

18. Share capital

	At 31 March 2010 £000	At 31 March 2009 £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		
Allotted, called up and fully paid		
- 107,407,522 (2009: 107,087,012) ordinary shares of 1p each	1,074	1,071
- 212,145,300 deferred shares of 1/8 p each	265	265
	1,339	1,336

As at 1 April 2009, the Company had 107,087,012 ordinary 1p shares in issue. In the year to 31 March 2010 320,510 new ordinary 1p shares were issued as the result of share options being exercised. At 31 March 2010 there were 107,407,522 ordinary 1p shares in issue.

Share options

At 31 March 2010 unexercised options over nil (31 March 2009: 320,510) new ordinary 1p shares in the Company and nil (31 March 2009: 1,057,095) purchased ordinary 1p shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the period, no new options were granted.

19. Dividends

	Year To 31 March 2010 £000	Year To 31 March 2009 £000
Attributable to equity share capital		
Ordinary - 1 st interim paid of 1.75p (2009: 1.75p) per share	1,851	1,640
- 2 nd interim paid on 1 April 2010 of 2.75p (2009: nil) per share	2,909	-
- prior period final paid of 2.75p (2009: 4.50p) per share	2,897	2,490
Total dividends paid and payable 7.25p (2009 : 4.50p)	7,657	4,130

An interim dividend of 1.75p was paid on 23 December 2009 to shareholders on the register on 4 December 2009. A second interim dividend of 2.75p was declared on 3 March 2010 and paid on 1 April 2010 to shareholders on the register on 12 March 2010. At 31 March 2010 this dividend was included within current liabilities. The final dividend, if approved at the AGM on 21 July 2010, will be paid on 23 July 2010 to shareholders on the register on 25 June 2010. This final dividend, amounting to £265,000, has not been included as a liability at 31 March 2010, in accordance with IFRS.

20. Own shares held

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

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

At 31 March 2010, the Trust held 1,291,844 (31 March 2009: 2,338,904) ordinary 1p shares in Helical Bar plc.

At 31 March 2010 unexercised options over nil (2009: 1,057,095) ordinary 1p shares in Helical Bar plc had been granted over shares held by the trust.

At 31 March 2010 outstanding awards over 4,870,283 (2009: 4,738,900) ordinary 1p shares in Helical Bar plc had been made under the terms of the Performance Share Plan over shares held by the Trust.

21. Net assets per share

	At 31 March 2010 £000	At 31 March 2010 Number of Shares 000's	Pence per share	At 31 March 2009 £000	At 31 March 2009 Number of Shares 000's	Pence per share
Net asset value	242,607	107,408		237,066	107,087	
Own shares held by ESOP		(1,292)			(2,339)	
Less deferred shares	(265)			(265)		
Basic net asset value	242,342	106,116	228	236,801	104,748	226
Unexercised share options	-	-		454	321	
Diluted net asset value	242,342	106,116	228	237,255	105,069	226
- Fair value of financial instruments	9,978			14,337		
- Deferred tax	3,257			3,205		
Adjusted diluted net asset value	255,577	106,116	241	254,797	105,069	242
- Fair value of trading properties	32,991			45,455		
Diluted EPRA net asset value	288,568	106,116	272	300,252	105,069	286
- Fair value of financial instruments	(9,978)			(14,337)		
- Deferred tax	(3,257)			(3,205)		
Diluted Triple NAV	275,333	106,116	259	282,710	105,069	269