



HELICAL

## HELICAL PLC HALF YEAR RESULTS

for the six months to 30 September 2021



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**“Helical is moving forward in all areas with corporate and property sustainability at the forefront. We are making progress on our Pathway to Net Zero and improving our sustainability benchmark ratings.**

**Our property portfolio, which is EPC A or B and highly rated under the BREEAM criteria, provides superior wellness, technology and amenities, all contributing to deliver best-in-class office space.”**

## KEY ACHIEVEMENTS

# Six months in review



“The performance for the half year to 30 September 2021 is the result of a decision taken five years ago to focus solely on the redevelopment, refurbishment and repositioning of office buildings.”



## Financial Highlights

### EARNINGS AND DIVIDENDS

IFRS Profit before tax

**£31.0m**

(2020: loss of £12.7m)

See-through Total Property Return<sup>1</sup>

**£44.9m**

(2020: £6.9m)

Group's share<sup>1</sup> of net rental income

**£14.1m +18.5%**

(2020: £11.9m)

Development profits

**£1.0m**

(2020: loss of £0.5m)

Net gain on sale and revaluation of Investment properties

**£29.8m**

(2020: loss of £4.5m)

IFRS basic earnings per share

**18.2p**

(2020: loss of 8.9p)

EPRA earnings per share<sup>1</sup>

**0.9p**

(2020: loss of 1.0p)

Interim dividend proposed of per share

**2.90p +7.4%**

(2020: 2.70p)

## KEY ACHIEVEMENTS CONTINUED



### Balance Sheet

Net asset value

**£622.6m** +2.4%

(31 March 2021: £608.2m)

Total Accounting Return<sup>1</sup> on EPRA net tangible assets

**5.1%**

(2020: -2.5%)

EPRA net tangible asset value per share<sup>1</sup>

**551p** +3.4%

(31 March 2021: 533p)

EPRA net disposal value per share<sup>1</sup>

**496p** +2.3%

(31 March 2021: 485p)



### Financing

- Change in fair value of derivative financial instruments credit of £4.6m (2020: charge of £5.3m).
- See-through loan to value<sup>1</sup> of 25.2% (31 March 2021: 22.6%).
- See-through net borrowings<sup>1</sup> of £227.1m (31 March 2021: £193.9m).
- Average maturity of the Group's share<sup>1</sup> of secured debt of 3.4 years (31 March 2021: 3.2 years), increasing to 4.4 years on exercise of options to extend current facilities and on a fully utilised basis.
- See-through average cost of secured facilities<sup>1</sup> of 3.6% (31 March 2021: 3.5%).
- Group's share<sup>1</sup> of cash and undrawn bank facilities of £336.5m (31 March 2021: £422.7m).



## Enhanced Sustainability Credentials

- In April, Helical launched “Designing for Net Zero”, a guide to assist our professional teams as they collaborate with us to reduce carbon in our development projects, following on from our new Sustainability Strategy, “Built for the Future”, launched in 2020.
- We have improved our sustainability measures and ratings, with a GRESB 4\* Green Star rating and EPRA Sustainability BPR award of Gold.
- 96% of the space in our buildings has been recently developed or refurbished with 99% of our investment portfolio, by value, having an A or B EPC rating.

## Portfolio Update

IFRS property portfolio value

# £761.3m

(31 March 2021: £740.2m)

Valuation increase, on a like-for-like basis<sup>1</sup>, of our see-through investment portfolio<sup>1</sup>

# +3.9%

Valued at £888.9m, compared to £839.4m at 31 March 2021.

Contracted rents

# £37.6m

(31 March 2021: £37.8m)

ERV<sup>1</sup>

# £52.2m

(31 March 2021: £52.1m)

See-through portfolio WAULT<sup>1</sup>

# 6.6 years

(31 March 2021: 6.9 years)

Vacancy rate

# 11.2%

(31 March 2021: 10.5%)

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

## CHIEF EXECUTIVE'S STATEMENT



**GERALD KAYE**  
CHIEF EXECUTIVE

# Helical, a sustainable investment

The performance for the half year to 30 September 2021 is the result of a decision taken five years ago to focus solely on the redevelopment, refurbishment and repositioning of office buildings.

That we are able to announce such strong results, coming out of a global pandemic and when uncertainties remain about the strength of the economic recovery and the impact of inflationary pressures, is testimony to the quality of our portfolio and the dedication and drive of our experienced management team.

Helical is moving forward in all areas with corporate and property sustainability at the forefront. We are making progress on our Pathway to Net Zero and improving our sustainability benchmark ratings. Our property portfolio, which is EPC A or B and highly rated under the BREEAM criteria, provides superior wellness, technology and amenities, all contributing to deliver best-in-class office space.

## SUSTAINABILITY

In April 2021, we launched Designing for Net Zero, a guide produced to aid our professional teams as they collaborate with us to reduce carbon use in our development projects, from the design and construction process through to operation and occupation. We are now on course to announce our Pathway to Net Zero by the end of the financial year.

As part of our commitment to sustainability reporting we measure our performance against industry-wide benchmarks, and I am again pleased to be able to report progress against these measures. During the period, we improved our GRESB rating from 3\* to 4\* Green Star and our EPRA Sustainability BPR Award from Silver to Gold.

At a portfolio level, 99% by value of our completed portfolio has an EPC rating of A or B and each of our completed refurbished or redeveloped office buildings has a BREEAM "Excellent" rating. Our 33 Charterhouse Street, EC1 office development, due for completion in September 2022, was awarded the UK's first BREEAM 2018 New Construction "Outstanding" rating at the design stage in 2020.

## RESULTS FOR THE HALF YEAR

The profit before tax for the six months to 30 September 2021 was £31.0m (2020: loss of £12.7m) with a see-through Total Property Return of £44.9m (2020: £6.9m). See-through net rental income was £14.1m (2020: £11.9m) while developments generated a see-through profit of £1.0m (2020: loss of £0.5m). The see-through net gain on sale and revaluation of the investment portfolio was £29.8m (2020: loss of £4.5m).

Total see-through net finance costs were £7.8m (2020: £7.9m). An increase in expected future interest rates led to a £4.6m credit (2020: charge of £5.3m) from the valuation of the Group's derivative financial instruments. Recurring see-through administration costs were £4.9m (2020: £5.1m), with accruals for performance related awards of £2.0m (2020: £0.3m) and with National Insurance on these awards of £0.5m (2020: £0.1m).

A corporation tax charge of £nil (2020: £nil) has been recognised in the Half Year Results. With an increase in the Group's deferred tax provision of £8.8m (2020: credit of £2.0m), a total tax charge of £8.8m (2020: credit of £2.0m) has been recognised.

The profit for the half year, after recognition of this tax charge, was £22.2m (2020: loss of £10.8m). There was an IFRS basic earnings per share of 18.2p (2020: loss of 8.9p) and an EPRA earnings per share of 0.9p (2020: loss of 1.0p).



EPRA Total Accounting Return ("TAR")

# 5.1%

Profit for the Half Year

# £22.2m

On a like-for-like basis, the investment portfolio increased in value by 3.9%. The see-through total portfolio value increased to £901.9m (31 March 2021: £857.0m).

The portfolio was 88.8% let at 30 September 2021, generating contracted rents of £37.6m (31 March 2021: £37.8m), at an average of £61 psf, growing to £41.2m on the letting of currently vacant space, towards an ERV of £52.2m (31 March 2021: £52.1m). The Group's contracted rent has a Weighted Average Unexpired Lease Term ("WAULT") of 6.6 years.

The Total Accounting Return ("TAR"), being the growth in the net asset value of the Group, plus dividends paid in the period, was 3.9% (2020: -2.0%). Based on EPRA net tangible assets, the TAR was 5.1% (2020: -2.5%). EPRA net tangible assets per share were up 3.4% to 551p (31 March 2021: 533p), with EPRA net disposal value per share up 2.3% to 496p (31 March 2021: 485p).

## CHIEF EXECUTIVE'S STATEMENT

### CONTINUED

#### OUR BALANCE SHEET STRENGTH AND LIQUIDITY

The Group has a significant level of liquidity with see-through cash and unutilised bank facilities of £336.5m (31 March 2021: £423m) available to fund capital works on its portfolio, service borrowings and deploy into future acquisitions.

During the half year to 30 September 2021, the Group invested £16.2m in its investment portfolio, primarily at 33 Charterhouse Street, EC1.

At 30 September 2021, the Group had £68.0m of cash deposits available to deploy without restrictions and a further £71.3m of rent and sales receipts collected in bank accounts available to service payments under loan agreements, cash held at managing agents and cash held in joint venture. Furthermore, the Group had £197.2m of loan facilities available to draw on, plus £28.5m of uncharged property.

The see-through loan to value ratio ("LTV") increased to 25.2% at the half year (31 March 2021: 22.6%) and our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, increased to 36.5% (31 March 2021: 31.9%) over the same period.

At the period end, the average debt maturity on secured loans, on a see-through basis, was 3.4 years (31 March 2021: 3.2 years), increasing to 4.4 years on exercise of options to extend the Group's facilities and on a fully utilised basis. The average cost of debt at 30 September 2021 was 3.6% (31 March 2021: 3.5%).





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See-through cash and unutilised bank facilities

**£336.5m**

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Interim dividend

**2.90p** +7.4%

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#### **DIVIDENDS**

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

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

The Board has declared an interim dividend of 2.90p (2020: 2.70p), an increase of 7.4%.

#### **OUTLOOK**

As we anticipated, we are seeing increasing levels of bifurcation in both the leasing and investment markets between the green buildings and the “brown” buildings. Recent research from Knight Frank noted a significant rental premium for BREEAM “Outstanding” and “Excellent” buildings and the investment market is showing strong demand from investors seeking the most sustainable properties.

We are now focused on adding a pipeline of new opportunities to our portfolio and are actively engaged in the market, identifying, appraising and bidding for Central London assets. At the same time, we are maintaining our discipline, ensuring that any new scheme will be accretive to our business and continue our growth.

#### **GERALD KAYE**

Chief Executive

23 November 2021

## SUSTAINABILITY AT HELICAL



# Focus on Sustainability

As governments and businesses digest the outcomes from the COP26 summit, it has become clear that the time horizon to 2030 will prove to be pivotal for them to deliver on the commitments they have made.

For commercial real estate, one of the greatest challenges being faced is the future obsolescence of “brown” buildings and the associated costs of retrofitting these assets to ensure compliance with future legislation. At Helical, 96% by value of our offices have either been recently developed or refurbished, with 99% of buildings holding an EPC rating of A or B.

In the next six months we will set out our Pathway to Net Zero carbon, which will make a clear statement as to our ambitions and how these will be achieved. We do not want to rely on the use of carbon offsetting, rather we want to minimise our carbon impact by investing in better technologies, championing best practice construction methods and using low carbon materials.

The development at 33 Charterhouse Street, EC1 has acted as a case study for our guide “Designing for Net Zero”, and we continue to challenge carbon emissions and employ smart building technology at every stage of the project. Through this rigorous process, we are on track to reduce operational carbon by c. 43% and create an embodied carbon saving of 20%, compared to the current RIBA benchmark. On its completion in September 2022, this building will be a flagship sustainable asset, which is smart, amenity rich and focuses on health and wellbeing.

In May 2021, Helical joined both the Better Buildings Partnership and the UK Green Building Council. We believe that collaboration with our peers, sharing knowledge and best practice, is critical to creating meaningful and long-term change in our industry.

Green Star rating from GRESB  
with a score of 85/100

4\*

EPRA Sustainability Best Practice  
Recommendations certification

Gold

Percentage of our buildings, by value,  
holding an EPC rating of A or B

99%

The Group has taken active steps to embed sustainability into every part of the business. This commitment has been recognised in the continued improvement of our benchmark results. In October 2021, we were pleased to receive a 4\* Green Star rating from GRESB with a score of 85/100, an improvement from 3\* in the prior year. We were also awarded a Gold EPRA Sustainability Best Practice Recommendations certification, up from Silver in the previous year.

As we look forward to publishing our Pathway to Net Zero in the coming months, we will also undertake a more detailed asset level resilience review to establish the potential exposure we may face from rising temperatures. Sustainability along with wellness, technology and enhanced amenities, are key market drivers and we are now seeing the positive impact they have on valuations and rents. We recognise that maintaining a focus on sustainability across the business will be critical to delivering enhanced Shareholder returns.

**HELICAL'S PROPERTY PORTFOLIO**

# Our Market

Following the significant challenges of the past 18 months, the Central London commercial property market has begun to demonstrate signs of a sustained recovery, with noticeable increases in occupier and investor demand for best-in-class buildings.

We continue to believe that, with our focus on high quality, sustainable and technologically advanced buildings, we are best placed to take advantage of this evolving market and that our newly developed or refurbished portfolio will continue to outperform.

**WHY LONDON?**

We view the London commercial property market as the best source of capital profits and believe that our experience and skills are best deployed in this sector, which is rapidly evolving to respond to the demand for more sustainable buildings.

Economic activity has remained resilient in the face of Brexit and Covid-19, with TfL data showing tube journeys to the City stations having increased fourfold since 1 April 2021. London remains a global economic centre that attracts a diverse range of innovation and creativity-led businesses, whilst continuing to see growth from traditional sectors, with financial, insurance and professional services firms representing almost half of all take-up this year.

The London market continues to attract significant inflows of global real estate capital, with the UK ranking second to the US in 2021. As global markets experience turbulence, the "safe-haven" reputation of the London market should result in sustained significant inbound investment.

**THE LONDON MARKET**

The outlook for the Central London office market is increasingly positive, with key indicators of occupational demand and investment activity continuing to demonstrate growth.

From an occupational perspective, the successful vaccine roll out has led to a sustained return of employees to the office. This is translating into increased demand for new space within the market. CBRE has noted that space that is "under offer" grew by 42% in Q3 2021 to 3.9m sq ft, which represents the highest level the market has seen since Q3 2019. In particular, occupiers are seeking to acquire the best available space to ensure they provide an amenity rich, attractive working environment for their employees. This has been demonstrated by 89% of the take-up in the first half of the year being for Grade A space. Promisingly, the number of new requirements is continuing to grow with Savills noting active requirements for 10.2m sq ft of assets currently in the market.

Within the trend of increased take-up there continues to be a noticeable difference between best-in-class and secondary space, with new build vacancy standing at 1.6% compared to 8.0% for secondary stock. Of all vacant office supply, 75% relates to second-hand space which has been driven by an increase in tenant released space, albeit this trend appears to be slowing. We see this rise in vacancy in secondary stock as an opportunity for Helical to apply its skillset to redevelop or refurbish obsolete buildings into new sustainable offices.

While the current global economic turbulence has seen an increase in material prices and instability to supply chains, development activity within the space-constrained Central London market has continued at pace and we expect these macro challenges to be short-term. CBRE report that 10.2m sq ft of office space is under construction and due to complete between 2022-2025. Encouragingly, of this new space, 30% is already let or under offer. CBRE has noted that the projected level of future completions is likely to result in an under supply of c. 9m sq ft of high quality office space. It would therefore suggest that the upward pressure on best-in-class office rents will be sustained as we move forward.

Investment volumes continue to remain strong at £6.2bn, with double the transaction volume recorded in the year to date when compared to the same period last year. The continued demand to acquire Central London investment opportunities is increasingly putting downward pressure on yields. CBRE has noted that both City and West End yields have compressed by 25 bps. Furthermore, investors' focus on buildings with the highest ESG credentials and the continuation of a yield differential between London and key European markets should drive further yield compression, even if there begins to be upward pressure on interest rates.



### LOOKING FORWARD

We continue to believe that the key trends we have identified of sustainability, wellness, enhanced amenities and technology will be of upmost importance to occupiers and investors within the Central London market. Furthermore, these trends are increasingly being shown to be accretive to value, with Knight Frank recently reporting a 12.3% rental premium for achieving a BREEAM "Outstanding" rated building. We also believe that the gap between prime and secondary property will continue to widen, which will enhance the value of our existing portfolio and will provide significant opportunity for us to apply our strategy of redeveloping, refurbishing and repositioning properties that are no longer fit for purpose.

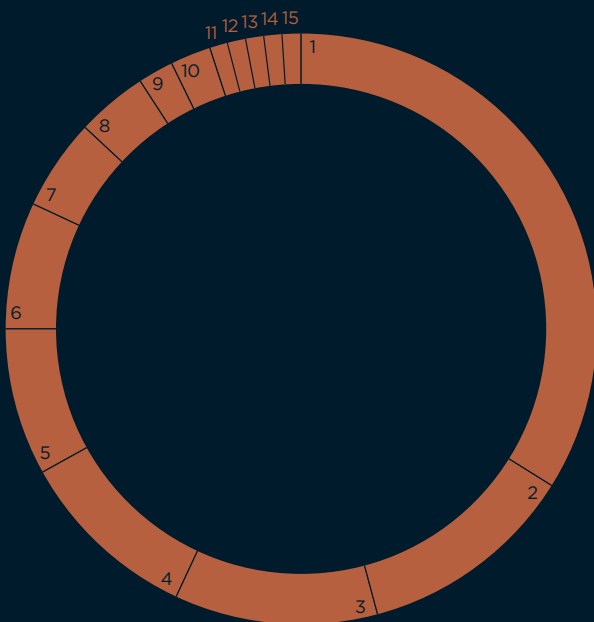
## HELICAL'S PROPERTY PORTFOLIO

CONTINUED

# Highly focused London portfolio

### PROPERTY OVERVIEW

Helical's portfolio is comprised of income-producing multi-let offices, office refurbishments and developments and a mixed use commercial/residential scheme. At 30 September 2021, London represented 97% and Manchester 3% of the Investment property portfolio. Our strategy is to continue to increase our London holdings, focusing on areas where we see strong tenant demand and growth potential, such as the City and the "Tech Belt" that runs from King's Cross through Old Street and Shoreditch to Whitechapel.



### Tenant diversity

1. Software and computer services	34%
2. Online retailing - fashion	12%
3. Flexible offices	11%
4. IT consultancy	10%
5. Advertising/marketing	8%
7. Media	7%
6. Financial products	5%
8. Human resources	4%
9. Food and beverage	2%
10. Other	2%
11. Consumer goods	1%
12. Consumer services	1%
13. Business consultancy	1%
14. Government/charity	1%
15. Law	1%



## HELICAL'S PROPERTY PORTFOLIO

### CONTINUED



# Kaleidoscope/EC1

In March, we completed the letting of the whole of Kaleidoscope, our 88,581 sq ft office building located directly above the Farringdon East Elizabeth Line station, to TikTok Information Technologies UK Limited on a 15 year lease term at an annual rent of £7.6m. TikTok has commenced fitting out the building and is expected to be in occupation in Spring 2022.

#### SUSTAINABILITY RATINGS

BREEAM	Excellent
EPC	B





# 33 Charterhouse Street/EC1

## SUSTAINABILITY RATINGS

BREEAM	Outstanding
EPC (targeted)	A

The development of our 205,369 sq ft office building, in 50:50 joint venture with AshbyCapital, is progressing on time and on budget, with practical completion due at the end of September 2022. The building topped out on 28 September 2021, marking the completion of the superstructure works, and work is continuing at pace on the installation of external cladding and internal services.

The building is situated just 100m from Farringdon Station and directly opposite the proposed new Museum of London, offering future tenants excellent connectivity and amenity. Once completed it will provide a best-in-class office development meeting the highest ESG credentials, as evidenced by its BREEAM 2018 New Construction "Outstanding" rating. It will also provide a technologically pioneering environment for occupiers with smart building systems and a fully integrated building management app for tenants.

## HELICAL'S PROPERTY PORTFOLIO CONTINUED



# The Bower/EC1

The Bower is a landmark estate comprising 312,573 sq ft of innovative, high quality office space along with 21,059 sq ft of restaurant and retail space. The estate is located adjacent to the Old Street roundabout, which is currently undergoing significant remodelling and will provide extensive additional public realm when completed in Autumn 2022.

### THE WAREHOUSE AND THE STUDIO

The Warehouse comprises 122,858 sq ft of offices and The Studio 18,283 sq ft of offices, both fully let, with 10,298 sq ft of retail space across the two buildings. In the period, we completed a lease renewal with Stripe at the Warehouse, extending the lease by three years. We have also completed a further two rent reviews at an average of 2.1% above 31 March 2021 ERVs and achieving an uplift of 18% on the previous contracted rent, and are in advanced discussions with the remaining tenants to determine outstanding rent reviews.

The retail operators are open and trading following the end of Government restrictions, adding valuable amenities to the estate. The recently vacated retail unit in The Studio is currently being marketed.

### THE TOWER

The Tower, completed in August 2018, offers 171,432 sq ft of office space with a contemporary façade and innovatively designed interconnecting floors, along with 10,761 sq ft of retail space, across two units, let to food and beverage occupiers, Serata Hall and Wagamama.

In the period we have let the 17th floor, previously let to Finabl, to Verkada on a five year lease for a rent which is in line with the 31 March 2021 ERV. Infosys, who occupy four floors at The Tower, have exercised their break on the 12th floor, effective on 14 October 2021, and we are currently marketing this space.

### SUSTAINABILITY RATINGS

BREEAM	Excellent
EPC	B





# Barts Square/ <sup>EC1</sup>

In a joint venture with The Baupost Group LLC, Helical has redeveloped this 3.2 acre freehold site. The completed development now comprises 236 residential apartments, three office buildings: One Bartholomew (sold in September 2015), 90 Bartholomew Close (sold in April 2020) and 55 Bartholomew, and eight retail units, as well as extensive new public realm.

## RESIDENTIAL/RETAIL

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

We have completed the sale of a further six apartments in the period taking the total number of sold apartments across both phases to 214 at 30 September 2021. One apartment remains available in Phase One and 18 apartments are available in Phase Two, following the completion of three further sales since the period end.

The retail space in Phase One is fully let to Stem + Glory and Halfcup. One of the Phase Two retail units is let to BEERS London, an art gallery, and the remaining five retail units are currently being marketed. The landscaping of the new public square is complete, offering extensive public amenity.

## 55 BARTHOLOMEW

At 55 Bartholomew Close, EC1 we have completed the letting of the fourth floor to Push Gaming on a managed basis at a rental level above 31 March 2021 ERV, representing a new offering to tenants from the Group.

## SUSTAINABILITY RATINGS (55 BARTHOLOMEW)

BREEAM	Excellent
EPC	B

HELICAL'S PROPERTY PORTFOLIO  
CONTINUED

# The Loom/E1



At this 108,612 sq ft former Victorian wool warehouse, we have completed the renewal of three leases, totalling 14,258 sq ft, at an average rent of £54 psf. Following these renewals, the Loom is 75% let with 26,949 sq ft across ten units available to let. We continue to undertake asset management activities to reconfigure units as they become available, ensuring we can offer larger floorplates and offering “plug and play” space to complement the existing variety of units.

SUSTAINABILITY RATINGS	
EPC	B



## 25 Charterhouse Square/EC1

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

Following the exercise of a break option by the previous tenant, we have relet the first floor and southern ground floor unit on terms ahead of the 31 March 2021 ERVs, leaving the northern ground floor unit available to let. Peakon has exercised its break on the third floor effective on 23 May 2022 and this will give us the opportunity to relet the space at an improved rent. The remaining floors are currently let to Anomaly and Hudson Sandler.

SUSTAINABILITY RATINGS	
BREEAM	Excellent
EPC	B

# The Powerhouse/W4



The Powerhouse is a listed building, providing 21,268 sq ft of office and recording studio space, on Chiswick High Road and is fully let on a long lease to Metropolis Music Group. We are undertaking capital works on behalf of the tenants to improve the roof, which are due to complete in Summer 2022.

## SUSTAINABILITY RATINGS

EPC

C

# Trinity/MANCHESTER

In the period we have completed the letting of the 5,588 sq ft seventh floor at Trinity, Manchester to AEW Architects at a rent of £34 psf. The letting represents a 2% premium to 31 March 2021 ERV. Following this letting the 58,760 sq ft building is now 55% let, with Kennedys Law, Saffery Champness and Tosca Debt Capital occupying the office space.

## SUSTAINABILITY RATINGS

EPC

B



## HELICAL'S PROPERTY PORTFOLIO

### CONTINUED

## PORTFOLIO ANALYTICS

### SEE-THROUGH TOTAL PORTFOLIO BY FAIR VALUE

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
- Completed, let and available to let	767.1	86.3	-	-	767.1	85.0
- Being redeveloped	94.0	10.6	-	-	94.0	10.4
London Residential	-	-	12.4	95.0	12.4	1.4
<b>Total London</b>	<b>861.1</b>	<b>96.9</b>	<b>12.4</b>	<b>95.0</b>	<b>873.5</b>	<b>96.8</b>
Manchester Offices						
- Completed, let and available to let	27.7	3.1	-	-	27.7	3.1
<b>Total Manchester</b>	<b>27.7</b>	<b>3.1</b>	<b>-</b>	<b>-</b>	<b>27.7</b>	<b>3.1</b>
<b>Total Core</b>	<b>888.8</b>	<b>100.0</b>	<b>12.4</b>	<b>95.0</b>	<b>901.2</b>	<b>99.9</b>
Other	0.1	0.0	0.6	5.0	0.7	0.1
<b>Total Non-Core Portfolio</b>	<b>0.1</b>	<b>0.0</b>	<b>0.6</b>	<b>5.0</b>	<b>0.7</b>	<b>0.1</b>
<b>Total</b>	<b>888.9</b>	<b>100.0</b>	<b>13.0</b>	<b>100.0</b>	<b>901.9</b>	<b>100.0</b>

### SEE-THROUGH LAND AND DEVELOPMENT PORTFOLIO

	Book value £m	Fair value £m	Surplus £m	Fair value %
London Residential	12.4	12.4	0.0	95.0
Land	0.0	0.6	0.6	5.0
<b>Total</b>	<b>12.4</b>	<b>13.0</b>	<b>0.6</b>	<b>100.0</b>

## CAPITAL EXPENDITURE

We have a committed and planned development and refurbishment programme.

Property	Capex budget (Helical share) £m	Remaining spend (Helical share) £m	New space sq ft	Total completed space sq ft	Completion date
<b>Investment – committed</b>					
- 33 Charterhouse Street, London EC1	65.9	30.9	205,369	205,369	September 2022
<b>Development – committed</b>					
- Barts Square, London EC1 – Phase One	69.9	0.1	127,364	127,364	Completed
- Barts Square, London EC1 – Phase Two	44.3	0.8	89,353	89,353	Completed

## ASSET MANAGEMENT

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

Investment portfolio	Fair value weighting %	Passing rent £m	%	Contracted rent £m	%	ERV £m	%	ERV change like-for-like %
London Offices								
- Completed, let and available to let	86.3	26.9	97.8	36.5	97.1	41.7	79.9	0.2
- Being redeveloped	10.6	-	0.0	-	0.0	8.6	16.5	0.0
<b>Total London</b>	<b>96.9</b>	<b>26.9</b>	<b>97.8</b>	<b>36.5</b>	<b>97.1</b>	<b>50.3</b>	<b>96.4</b>	<b>0.2</b>
Manchester Offices								
- Completed, let and available to let	3.1	0.6	2.2	1.0	2.7	1.8	3.4	0.0
<b>Total Manchester</b>	<b>3.1</b>	<b>0.6</b>	<b>2.2</b>	<b>1.0</b>	<b>2.7</b>	<b>1.8</b>	<b>3.4</b>	<b>0.0</b>
Other	0.0	0.0	0.0	0.1	0.2	0.1	0.2	0.0
<b>Total</b>	<b>100.0</b>	<b>27.5</b>	<b>100.0</b>	<b>37.6</b>	<b>100.0</b>	<b>52.2</b>	<b>100.0</b>	<b>0.1</b>

	See-through total portfolio contracted rent £m
Rent lost at break/expiry - Covid related	(0.6)
Rent lost at break/expiry - Non-Covid related	(1.0)
Rent reviews and uplifts on lease renewals	0.2
New lettings - London	1.0
New lettings - Manchester	0.2
<b>Total decrease in the period from asset management activities</b>	<b>(0.2)</b>
<b>Total contracted rental change from sales and purchases</b>	<b>0.0</b>
<b>Net decrease in contracted rents in the period</b>	<b>(0.2)</b>

## HELICAL'S PROPERTY PORTFOLIO

CONTINUED

### INVESTMENT PORTFOLIO

#### VALUATION MOVEMENTS

	Valuation change %	Investment portfolio weighting 30 September 2021 %	Investment portfolio weighting 31 March 2021 %
London Offices			
- Completed, let and available to let	3.1	86.3	88.5
- Being redeveloped	11.6	10.6	8.2
<b>Total London</b>	<b>4.0</b>	<b>96.9</b>	<b>96.7</b>
Manchester Offices			
- Completed, let and available to let	1.2	3.1	3.3
<b>Total Manchester</b>	<b>1.2</b>	<b>3.1</b>	<b>3.3</b>
<b>Total</b>	<b>3.9</b>	<b>100.0</b>	<b>100.0</b>

#### PORTFOLIO YIELDS

	EPRA topped up NIY 30 September 2021 %	EPRA topped up NIY 31 March 2021 %	Reversionary yield 30 September 2021 %	Reversionary yield 31 March 2021 %	True equivalent yield 30 September 2021 %	True equivalent yield 31 March 2021 %
London Offices						
- Completed, let and available to let	4.4	4.5	4.9	5.1	4.9	5.0
- Being redeveloped	n/a	n/a	5.3	5.6	4.6	4.9
<b>Total London</b>	<b>4.4</b>	<b>4.5</b>	<b>5.0</b>	<b>5.3</b>	<b>4.8</b>	<b>4.9</b>
Manchester Offices						
- Completed, let and available to let	3.3	2.4	5.9	5.9	5.7	5.7
<b>Total Manchester</b>	<b>3.3</b>	<b>2.4</b>	<b>5.9</b>	<b>5.9</b>	<b>5.7</b>	<b>5.7</b>
<b>Total</b>	<b>4.4</b>	<b>4.5</b>	<b>5.0</b>	<b>5.3</b>	<b>4.8</b>	<b>5.0</b>

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

	Capital value psf 30 September 2021 £	Capital value psf 31 March 2021 £	Vacancy rate 30 September 2021 %	Vacancy rate 31 March 2021 %	WAULT 30 September 2021 Years	WAULT 31 March 2021 Years
London Offices						
- Completed, let and available to let	1,260	1,215	8.0	5.8	6.6	6.9
- Being redeveloped	915	674	n/a	n/a	n/a	n/a
<b>Total London</b>	<b>1,174</b>	<b>1,081</b>	<b>8.0</b>	<b>5.8</b>	<b>6.6</b>	<b>6.9</b>
Manchester Offices						
- Completed, let and available to let	471	465	44.6	54.1	6.9	8.4
<b>Total Manchester</b>	<b>471</b>	<b>465</b>	<b>44.6</b>	<b>54.1</b>	<b>6.9</b>	<b>8.4</b>
<b>Total</b>	<b>1,128</b>	<b>1,040</b>	<b>11.2</b>	<b>10.5</b>	<b>6.6</b>	<b>6.9</b>

## SEE-THROUGH LEASE EXPIRIES OR TENANT BREAK OPTIONS

	Half Year to 2022	Year to 2023	Year to 2024	Year to 2025	Year to 2026	2026 Onward
% of rent roll	4.9	12.8	12.0	3.3	1.0	66.0
Number of leases	14	17	13	5	4	36
Average rent per lease (£)	130,427	282,514	345,794	248,270	97,478	684,580

## HELICAL'S PROPERTY PORTFOLIO

### CONTINUED

#### TOP 15 TENANTS

We have a strong rental income stream and a diverse tenant base. The top 15 tenants account for 80.3% of the total rent roll.

Rank	Tenant	Tenant Industry	Contracted rent £m	Rent roll %
1	TikTok	Technology	7.6	20.3
2	Farfetch	Online retail	3.9	10.5
3	WeWork	Flexible offices	3.8	10.2
4	Infosys	Technology	3.2	8.5
5	VMware	Technology	2.0	5.3
6	Anomaly	Marketing	1.4	3.7
7	Denstu	Media	1.1	2.8
8	CBS	Media	1.0	2.8
9	Allegis	Recruitment	1.0	2.7
10	Stripe	FinTech	1.0	2.6
11	Verkada	Technology	1.0	2.6
12	Incubeta	Marketing	0.9	2.5
13	Openpayd	FinTech	0.9	2.3
14	Snowflake	Technology	0.8	2.1
15	Hey Habito	FinTech	0.5	1.4
<b>Total</b>			<b>30.1</b>	<b>80.3</b>

#### LETTING ACTIVITY - NEW LEASES

	Area sq ft	Contracted rent (Helical's Share) £	Rent £ psf	Change to 31 March 2021 ERV (exc Plug and Play and managed lettings) %	Lease term to expiry Years
<b>Investment Properties</b>					
London Offices					
- The Tower, EC1	11,327	962,965	85.02	-0.2	5.00
- 55 Bartholomew, EC1	1,404	82,062	- <sup>1</sup>	- <sup>1</sup>	3.00
<b>Total London</b>	<b>12,731</b>	<b>1,045,027</b>	<b>85.02</b>	<b>-0.2</b>	<b>4.84</b>
Manchester Offices					
- Trinity	5,588	193,492	34.63	1.8	10.00
<b>Total Manchester</b>	<b>5,588</b>	<b>193,492</b>	<b>34.63</b>	<b>1.8</b>	<b>10.00</b>
<b>Total</b>	<b>18,319</b>	<b>1,238,519</b>	<b>68.37</b>	<b>0.1</b>	<b>5.65</b>

<sup>1</sup> Let on a managed basis at a 6.8% premium to the comparable 31 March 2021 net effective rent.

## LONDON PORTFOLIO – INVESTMENT PROPERTIES

Property	Description	Area sq ft (NIA)	Vacancy rate at 30 September 2021 %	Vacancy rate at 31 March 2021 %
<b>Completed, let and available to let</b>				
The Warehouse and Studio, The Bower EC1	Multi-let office building	151,439	0.0	0.0
The Tower, The Bower EC1	Multi-let office building	182,193	0.0	0.0
The Loom, E1	Multi-let office building	108,612	24.8	14.8
Kaleidoscope, EC1	Single-let office building	88,581	0.0	0.0
25 Charterhouse Square, EC1	Multi-let office building	42,921	26.0	26.0
55 Bartholomew, EC1	Multi-let office building	10,976	54.4	67.2
The Powerhouse, W4	Single-let recording studios/ office building	21,268	0.0	0.0
		<b>605,990</b>	<b>8.0</b>	<b>5.8</b>
<b>Being redeveloped</b>				
33 Charterhouse Street, EC1	Office development	205,369	n/a	n/a
		<b>811,359</b>	<b>n/a</b>	<b>n/a</b>

## LONDON PORTFOLIO – DEVELOPMENT PROPERTIES

Property	Description	Total apartments	Unsold apartments at 30 September 2021	Unsold apartments at 31 March 2021
Barts Square, EC1	Residential apartments and 8 retail units	236	22	28

## MANCHESTER OFFICES

Property	Description	Area sq ft (NIA)	Vacancy rate at 30 September 2021 %	Vacancy rate at 31 March 2021 %
Trinity	Multi-let office building	58,760	44.6	54.1

## FINANCIAL REVIEW



**TIM MURPHY**  
FINANCE DIRECTOR

## Half year performance

### Financial highlights

#### OVERVIEW

The significant increase in the valuation of the Group's Investment properties and strong rental collection levels are a testament to the quality of the Group's portfolio and reflect an increased confidence in the London office market.

The anticipated interest rate rises have impacted the value of our derivative financial instruments, resulting in a gain of £4.6m (2020: deficit of £5.3m).

With cash and undrawn bank facilities of £336.5m and an LTV of 25.2%, the Group has significant firepower to continue to develop its assets, service its borrowings and deploy into new opportunities.

#### IFRS PERFORMANCE

##### PROFIT BEFORE TAX

**£31.0m**

(2020: loss of £12.7m)

##### EPS

**18.2p**

(2020: loss of 8.9p)

##### DILUTED NAV PER SHARE

**502p**

(31 March 2021: 492p)

##### TOTAL ACCOUNTING RETURN

**3.9%**

(2020: -2.0%)

#### EPRA PERFORMANCE

##### EPRA PROFIT

**£1.1m**

(2020: loss of £1.2m)

##### EPRA EPS

**0.9p**

(2020: loss of 1.0p)

##### EPRA NTA PER SHARE

**551p**

(31 March 2021: 533p)

##### TOTAL ACCOUNTING RETURN ON EPRA NTA

**5.1%**

(2020: -2.5%)

## RESULTS FOR THE HALF YEAR

The see-through results for the period to 30 September 2021 include net rental income of £14.1m, a net gain on sale and revaluation of the investment portfolio of £29.8m and development profits of £1.0m, leading to a Total Property Return of £44.9m (2020: £6.9m). Total administration costs of £7.4m (2020: £5.5m) and net finance costs of £7.8m (2020: £7.9m) resulted in an IFRS pre-tax profit of £31.0m (2020: loss of £12.7m).

The post tax profit for the period was £22.2m (2020: loss of £10.8m), after deduction of the tax charge of £8.8m (2020: credit of £1.9m). EPRA net tangible asset value per share increased by 3.4% to 551p (31 March 2021: 533p).

The interim dividend, payable on 31 December 2021, will be 2.90p per share (2020: 2.70p), an increase of 7.4%.

The Group's real estate portfolio, including its share of assets held in joint ventures, increased to £901.9m (31 March 2021: £857.0m) primarily as a result of net revaluation gains on the investment portfolio and capital expenditure at 33 Charterhouse Street, EC1.

Capital expenditure on the development of 33 Charterhouse Street, EC1 resulted in an increase in the Group's see-through loan to value to 25.2% (31 March 2021: 22.6%). The Group's weighted average cost of debt was 3.6% (31 March 2021: 3.5%) and the weighted average debt maturity was 3.4 years (31 March 2021: 3.2 years). The average maturity of the facilities would increase to 4.3 years on exercise of the available extension options, on a fully utilised basis.

At 30 September 2021, the Group had unutilised bank facilities of £197.2m and cash of £139.3m on a see-through basis. These are primarily available to fund the development of 33 Charterhouse Street, EC1 and future property acquisitions.

## TOTAL PROPERTY RETURN

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

	Half Year to 2021 £m	Half Year to 2020 £m
Total Property Return	44.9	6.9

## SEE-THROUGH TOTAL ACCOUNTING RETURN

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

	Half Year to 2021 %	Half Year to 2020 %
Total Accounting Return on IFRS net assets	3.9	(2.0)

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

	Half Year to 2021 %	Half Year to 2020 %
Total Accounting Return on EPRA net tangible assets	5.1	(2.5)

## EARNINGS PER SHARE

The IFRS earnings per share improved from a loss per share of 8.9p last half year to an earnings per share of 18.2p and are based on the after tax earnings attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the period.

On an EPRA basis, the earnings per share were 0.9p compared to a loss per share of 1.0p in 2020, reflecting the Group's share of net rental income of £14.1m (2020: £11.9m) and development profits of £1.0m (2020: losses of £0.5m) but excluding gains on sale and revaluation of Investment properties of £29.8m (2020: loss of £4.5m).

## NET ASSET VALUE

IFRS diluted net asset value per share increased by 2.0% to 502p per share (31 March 2021: 492p) and is a measure of Shareholders' Funds divided by the number of shares in issue at the period end, adjusted to allow for the effect of all dilutive share awards.

EPRA net tangible asset value per share increased by 3.4% to 551p per share (31 March 2021: 533p). This movement arose principally from a total comprehensive income (retained profits) of £22.2m (2020: expense of £10.8m), less £9.0m of dividends (2020: £7.3m).

EPRA net disposal value per share increased by 2.3% to 496p per share (31 March 2021: 485p).

## FINANCIAL REVIEW

### CONTINUED

## INCOME STATEMENT

### RENTAL INCOME AND PROPERTY OVERHEADS

Gross rental income for the Group in respect of wholly owned properties increased to £15.7m (2020: £13.4m), mainly reflecting the letting of Kaleidoscope, EC1 in March 2021, whilst gross rents remained at £0.1m (2020: £0.1m) in the joint ventures. Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures increased in line with rents at £1.8m (2020: £1.6m). Overall, see-through net rents increased by 18.5% to £14.1m (2020: £11.9m).

Included within gross rental income is £3.1m (30 September 2020: reduction of £0.6m, 31 March 2021: reduction of £0.4m) of accrued income for rent free periods.

The table below demonstrates the movement of the accrued income balance for rent free periods granted and the respective rental income adjustment over the four years to 31 March 2025, based on the tenant leases as at 30 September 2021. The actual adjustment will vary depending on lease events such as new lettings and early terminations and future acquisitions or disposals.

	Accrued income £000	Adjustment to rental income £000
Year to 31 March 2022	22,969	5,536
Year to 31 March 2023	26,374	3,405
Year to 31 March 2024	22,688	(3,686)
Year to 31 March 2025	19,661	(3,027)

### RENT COLLECTION

	March – September 2021 quarters %
Rent collected to date	93.9
Rent under discussion	2.8
Rent concessions	3.3

At 22 November 2021, the Group had collected 93.9% of all rent contracted and payable for the March, June and September 2021 quarters.

### DEVELOPMENT PROFITS

In the period, from our role as development manager at 33 Charterhouse Street, EC1, we recognised £0.4m of fees. Additional fees of £0.1m were recognised for carrying out accounting and corporate services at Barts Square, EC1 and 33 Charterhouse Street, EC1.

Profit on the sale of a retail site at Kingswinford of £0.8m was recognised as well as a write back of a provision made in previous periods on Cortonwood Retail Park, completed in 2017, of £0.2m. These profits, offset by other costs of £0.5m, contributed to a net development profit in the Group of £1.0m (2020: £0.1m).

### SHARE OF RESULTS OF JOINT VENTURES

The revaluation of our investment assets held in joint ventures generated a surplus of £10.0m (2020: £2.0m). A small loss of £0.1m (2020: £0.5m) was recognised in respect of our Barts Square, London EC1 residential development as a result of marketing and void costs.

Finance, administration and other sundry items added a further £0.5m (2020: £0.3m) of costs and after a tax charge of £3.2m (2020: £0.8m), there was a net profit from our joint ventures of £6.2m (2020: loss of £1.0m).

### GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

The valuation of our investment portfolio, on a see-through basis, continued to reflect the benefit of our letting and development activities where we generated a see-through valuation surplus of £29.9m (2020: deficit of £4.0m).

### ADMINISTRATIVE EXPENSES

Administration costs in the Group, before performance related awards, reduced from £4.8m to £4.7m.

Performance related share awards and bonus payments, including National Insurance costs, increased to £2.4m (2020: £0.4m). Of this amount, £1.1m (2020: £0.3m), being the charge for share awards under the Performance Share Plan, is expensed through the Income Statement but added back to Shareholders' Funds through the Statement of Changes in Equity.

	2021 £000	2020 £000
Administrative expenses (excluding performance related awards)	4,712	4,803
Performance related awards, including NIC	2,430	412
Group	7,142	5,215
In joint ventures	230	292
<b>Total</b>	<b>7,372</b>	<b>5,507</b>

## FINANCE COSTS AND DERIVATIVE FINANCIAL INSTRUMENTS

Total finance costs, including in joint ventures, fell marginally during the period to £7.8m (2020: £7.9m).

		2021 £000	2020 £000
Interest payable on secured bank loans	- subsidiaries	5,212	5,489
	- joint ventures	1,080	547
Amortisation of refinancing costs	- subsidiaries	519	555
Cancellation of loans	- subsidiaries	719	-
Sundry interest and bank charges	- subsidiaries	1,085	1,192
	- joint ventures	107	94
Interest capitalised	- joint ventures	(919)	-
<b>Total</b>		<b>7,803</b>	<b>7,877</b>

The movement upwards in medium and long-term interest rate projections during the period contributed to a credit of £4.6m (2020: charge of £5.3m) on the mark-to-market valuation of the derivative financial instruments.

## TAXATION

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

The current tax charge for the period was £nil (2020: £nil). Included in the deferred tax charge of £8.8m (2020: credit of £2.0m) was £3.4m, reflecting the impact of the increase in the UK corporation tax rate from 19% to 25% in April 2023.

## DIVIDENDS

The Board has declared an interim dividend for the period of 2.90p (2020: 2.70p), an increase of 7.4%.

## BALANCE SHEET

### SHAREHOLDERS' FUNDS

Shareholders' Funds at 1 April 2021 were £608.2m. The Group's results for the period added £22.2m (2020: expense of £10.8m), net of tax, representing the total comprehensive income for the period. Movements in reserves arising from the Group's share schemes increased funds by £1.2m. The Company paid dividends to Shareholders during the period of £9.0m. The net increase in Shareholders' Funds from Group activities during the period was £14.4m to £622.6m.

### INVESTMENT PORTFOLIO

	Wholly owned £000	In joint venture £000	See- through £000	Head leases capitalised £000	Lease incentives £000	Book value £000
Valuation at 31 March 2021	756,875	82,516	839,391	6,567	(18,934)	827,024
Capital expenditure	- wholly owned 1,271	-	1,271	(7)	-	1,264
	- joint ventures -	14,975	14,975	(14)	-	14,961
Letting costs amortised	- wholly owned (109)	-	(109)	-	-	(109)
	- joint ventures -	(7)	(7)	-	-	(7)
Revaluation surplus	- wholly owned 23,388	-	23,388	-	(3,482)	19,906
	- joint ventures -	9,993	9,993	-	(32)	9,961
<b>Valuation at 30 September 2021</b>	<b>781,425</b>	<b>107,477</b>	<b>888,902</b>	<b>6,546</b>	<b>(22,448)</b>	<b>873,000</b>

The Group spent £16.2m on capital works across the investment portfolio, mainly at 33 Charterhouse Street, EC1 (£15.0m), Kaleidoscope, EC1 (£0.5m), The Loom, EC1 (£0.3m) and 25 Charterhouse Square, EC1 (£0.2m).

Revaluation gains added £33.4m to increase the see-through fair value of the portfolio, before lease incentives, to £888.9m (31 March 2021: £839.4m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £873.0m (31 March 2021: £827.0m).

## FINANCIAL REVIEW

### CONTINUED

#### DEBT AND FINANCIAL RISK

In total, the see-through outstanding debt at 30 September 2021 of £371.8m (31 March 2021: £362.2m) had a weighted average interest cost of 3.6% (31 March 2021: 3.5%) and a weighted average debt maturity of 3.4 years (31 March 2021: 3.2 years). The average maturity of the facilities would increase to 4.3 years following exercise of the one-year extension of the Group's £400m Revolving Credit Facility, and the one-year extension of the joint venture development loan, on a fully utilised basis.

#### DEBT PROFILE AT 30 SEPTEMBER 2021 – INCLUDING COMMITMENT FEES BUT EXCLUDING THE AMORTISATION OF ARRANGEMENT FEES

	Total facility £000s	Total utilised £000s	Available facility £000s	Weighted average interest rate %	Average maturity of facilities Years	Average maturity including extensions <sup>1</sup> Years
Investment facilities	480,750	340,750	140,000	3.4	3.5	4.5
<b>Total wholly owned</b>	<b>480,750</b>	<b>340,750</b>	<b>140,000</b>	<b>3.4</b>	<b>3.5</b>	<b>4.5</b>
In joint ventures	78,245	31,008	47,237	5.8	2.1	3.4
<b>Total secured debt</b>	<b>558,995</b>	<b>371,758</b>	<b>187,237</b>	<b>3.6</b>	<b>3.4</b>	<b>4.4</b>
Working capital	10,000	-	10,000	-	-	-
<b>Total unsecured debt</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total debt</b>	<b>568,995</b>	<b>371,758</b>	<b>197,237</b>	<b>3.6</b>	<b>3.4</b>	<b>4.3</b>

<sup>1</sup> Calculated on a fully utilised basis and assuming the exercise of the one-year extension of the Revolving Credit Facility and the one-year extension option of the joint venture development loan.

#### SECURED DEBT

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

##### INVESTMENT FACILITIES

We have a £400m Revolving Credit Facility that enables the Group to acquire, refurbish, reposition and hold significant parts of our investment portfolio with the remaining investment assets held in £81m of term loan secured facilities. The value of the Group's properties secured in these facilities at 30 September 2021 was £754m (31 March 2021: £729m) with a corresponding loan to value of 45.2% (31 March 2021: 46.8%). The average maturity of the Group's investment facilities at 30 September 2021 was 3.5 years (31 March 2021: 3.3 years), increasing to 4.5 years on a fully utilised basis and following the one-year extension of the Revolving Credit Facility. The weighted average interest rate was 3.4% (31 March 2021: 3.3%). The marginal cost of fully utilising the undrawn Revolving Credit Facility was 1.6% (31 March 2021: 1.5%).

##### JOINT VENTURE FACILITIES

We hold a number of investment and development properties in joint venture with third parties and include in our reported figures our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 30 September 2021 was 2.1 years (31 March 2021: 1.9 years) with a weighted average interest rate of 5.8% (31 March 2021: 6.5%). The average interest rate will fall as the 33 Charterhouse Street, EC1 development facility is drawn down and would be 4.95% on a fully utilised basis, reducing to 2.25% once the building is complete and let.

#### UNSECURED DEBT

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

#### CASH AND CASH FLOW

At 30 September 2021, the Group had £336.5m (31 March 2021: £423m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures, as well as £28.5m (31 March 2021: £28.1m) of uncharged property on which it could borrow funds.

## NET BORROWINGS AND GEARING

Total gross borrowings of the Group, including in joint ventures, have increased from £362.2m to £371.8m during the period to 30 September 2021. After deducting cash balances of £139.3m (31 March 2021: £162.2m) and unamortised refinancing costs of £5.4m (31 March 2021: £6.1m), net borrowings increased from £193.9m to £227.1m. The see-through gearing of the Group, including in joint ventures, increased from 31.9% to 36.5%.

	30 September 2021	31 March 2021
See-through gross borrowings	£371.8m	£362.2m
See-through cash balances	£139.3m	£162.2m
Unamortised refinancing costs	£5.4m	£6.1m
See-through net borrowings	£227.1m	£193.9m
Shareholders' funds	£622.6m	£608.2m
See-through gearing – IFRS net asset value	36.5%	31.9%

## HEDGING

At 30 September 2021, the Group had £340.8m (31 March 2021: £280.8m) of fixed rate debt and borrowings protected by interest rate swaps, with an average effective interest rate of 3.1% (31 March 2021: 3.1%) and average maturity of 3.7 years. In addition, the Group had £195m of interest rate caps at an average rate of 1.75% (31 March 2021: £240m at 1.75%) and with an average maturity of 2.0 years. In our joint ventures, the Group's share of fixed rate debt was £22.7m (31 March 2021: £9.4m) with an effective rate of 6.8% and £8.3m (31 March 2021: £11.6m) of floating rate debt with an effective rate of 3.1% (31 March 2021: 3.1%), with an interest rate cap set at 1.5% plus margin on £35.3m (31 March 2021: £35.3m at 1.5%) and maturing in 0.1 years.

	30 September 2021 £m	Effective interest rate %	31 March 2021 £m	Effective interest rate %
Fixed rate debt				
– Secured borrowings	340.8	3.1	280.8	3.1
<b>Total</b>	<b>340.8</b>	<b>3.1</b>	<b>280.8</b>	<b>3.1</b>
Floating rate debt				
– Secured	–	–	60.4	4.2 <sup>1</sup>
<b>Total</b>	<b>340.8</b>	<b>3.4</b>	<b>341.2</b>	<b>3.3</b>
In joint ventures				
– Fixed rate	22.7	6.8 <sup>2</sup>	9.4	10.7 <sup>2</sup>
– Floating rate	8.3	3.1	11.6	3.1
<b>Total borrowings</b>	<b>371.8</b>	<b>3.6</b>	<b>362.2</b>	<b>3.5</b>

1 This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 1.9%.

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

## TIM MURPHY

Finance Director

23 November 2021

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- a) The condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*;
- b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Balances with related parties at 30 September 2021, 30 September 2020 and 31 March 2021 are disclosed in Note 23.

A list of current Directors is maintained at 5 Hanover Square, London, W1S 1HQ and at [www.helical.co.uk](http://www.helical.co.uk).

The half year statement was approved by the Board on 23 November 2021 and is available from the Company's registered office at 5 Hanover Square, London, W1S 1HQ and on the Company's website at [www.helical.co.uk](http://www.helical.co.uk).

On behalf of the Board

**TIM MURPHY**

Finance Director

23 November 2021

## INDEPENDENT REVIEW REPORT TO THE MEMBERS OF HELICAL PLC

### INTRODUCTION

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 which comprises the Unaudited Consolidated Income Statement, Unaudited Consolidated Statement of Comprehensive Income, Unaudited Consolidated Balance Sheet, Unaudited Consolidated Cash Flow Statement and Unaudited Consolidated Statement of Changes in Equity, and related Notes 1 to 28. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

### DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the United Kingdom. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the United Kingdom.

### OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the United Kingdom and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### USE OF OUR REPORT

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

### DELOITTE LLP

Statutory Auditor  
London, United Kingdom

23 November 2021

## UNAUDITED CONSOLIDATED INCOME STATEMENT

For the Half Year to 30 September 2021

	Notes	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Revenue	3	25,099	19,320	38,596
Cost of sales	3	(10,041)	(7,318)	(12,987)
Net property income	4	15,058	12,002	25,609
Share of results of joint ventures	12	6,244	(959)	2,352
<b>Gross profit before net gain/(loss) on sale and revaluation of Investment properties</b>		<b>21,302</b>	<b>11,043</b>	<b>27,961</b>
Loss on sale of Investment properties	5	(88)	(4)	(1,341)
Revaluation of Investment properties	11	19,906	(6,019)	19,387
<b>Gross profit</b>		<b>41,120</b>	<b>5,020</b>	<b>46,007</b>
Administrative expenses	6	(7,142)	(5,215)	(14,416)
<b>Operating profit/(loss)</b>		<b>33,978</b>	<b>(195)</b>	<b>31,591</b>
Finance costs	7	(7,535)	(7,236)	(14,079)
Finance income		2	20	58
Change in fair value of derivative financial instruments	20	4,552	(5,333)	2,938
<b>Profit/(loss) before tax</b>		<b>30,997</b>	<b>(12,744)</b>	<b>20,508</b>
Tax on profit/(loss) on ordinary activities	8	(8,809)	1,983	(2,631)
<b>Profit/(loss) for the period</b>		<b>22,188</b>	<b>(10,761)</b>	<b>17,877</b>
<b>Earnings/(loss) per share</b>	10			
Basic		18.2p	(8.9)p	14.8p
Diluted		18.0p	(8.9)p	14.5p

## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year to 30 September 2021

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Profit/(loss) for the period	22,188	(10,761)	17,877
<b>Total comprehensive income/(expense) for the period</b>	<b>22,188</b>	<b>(10,761)</b>	<b>17,877</b>

**UNAUDITED CONSOLIDATED BALANCE SHEET**

At 30 September 2021

	Notes	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
<b>Non-current assets</b>				
Investment properties	11	761,268	815,680	740,207
Owner occupied property, plant and equipment		5,003	5,724	5,362
Investment in joint ventures	12	82,845	69,607	79,953
Other investments	13	354	-	-
Derivative financial instruments	20	1,492	58	171
		850,962	891,069	825,693
<b>Current assets</b>				
Land and developments	14	66	52	448
Corporation tax receivable		-	1,452	-
Trade and other receivables	15	38,581	45,447	40,427
Cash and cash equivalents	16	134,751	62,284	154,448
		173,398	109,235	195,323
<b>Total assets</b>		<b>1,024,360</b>	<b>1,000,304</b>	<b>1,021,016</b>
<b>Current liabilities</b>				
Trade and other payables	17	(30,572)	(32,808)	(46,764)
Lease liability	18	(646)	(622)	(634)
Corporation tax payable		(563)	-	(655)
		(31,781)	(33,430)	(48,053)
<b>Non-current liabilities</b>				
Borrowings	19	(336,825)	(354,545)	(336,703)
Derivative financial instruments	20	(4,382)	(15,760)	(7,601)
Lease liability	18	(6,604)	(7,250)	(6,929)
Deferred tax liability	8	(22,184)	(10,087)	(13,569)
		(369,995)	(387,642)	(364,802)
<b>Total liabilities</b>		<b>(401,776)</b>	<b>(421,072)</b>	<b>(412,855)</b>
<b>Net assets</b>		<b>622,584</b>	<b>579,232</b>	<b>608,161</b>
<b>Equity</b>				
Called-up share capital	21	1,489	1,478	1,478
Share premium account		112,600	107,990	107,990
Revaluation reserve		184,222	165,445	164,316
Capital redemption reserve		7,478	7,478	7,478
Own shares held		-	(1,542)	-
Other reserves		291	291	291
Retained earnings		316,504	298,092	326,608
<b>Total equity</b>		<b>622,584</b>	<b>579,232</b>	<b>608,161</b>

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the Half Year to 30 September 2021

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax	30,997	(12,744)	20,508
Adjustment for:			
Depreciation	386	400	791
Revaluation (surplus)/deficit on Investment properties	(19,906)	6,019	(19,387)
Letting cost amortisation	109	4	19
Loss on sale of Investment properties	88	4	1,341
Profit on sale of plant and equipment	(11)	(14)	(14)
Net financing costs	7,533	7,216	14,021
Change in value of derivative financial instruments	(4,552)	5,333	(2,938)
Share based payment charge	1,063	314	2,031
Share of results of joint ventures	(6,244)	959	(2,352)
<b>Cash inflows from operations before changes in working capital</b>	<b>9,463</b>	<b>7,491</b>	<b>14,020</b>
Change in trade and other receivables	1,752	1,935	(2,554)
Change in land, developments and trading properties	382	800	404
Change in trade and other payables	(7,891)	(2,837)	3,758
<b>Cash inflows generated from operations</b>	<b>3,706</b>	<b>7,389</b>	<b>15,628</b>
Finance costs	(6,813)	(6,609)	(12,902)
Finance income	2	20	58
Tax received/(paid)	12	(35)	1,219
	(6,799)	(6,624)	(11,625)
<b>Net cash (used by)/generated from operating activities</b>	<b>(3,093)</b>	<b>765</b>	<b>4,003</b>
<b>Cash flows from investing activities</b>			
Additions to Investment property	(9,815)	(12,945)	(16,306)
Purchase of other investments	(354)	-	-
Net (costs)/proceeds from sale of Investment property	(88)	(4)	113,207
Investments in joint ventures and subsidiaries	-	(7,014)	(7,414)
Dividends from joint ventures	3,352	10,267	10,266
Sale of plant and equipment	43	23	23
Purchase of leasehold improvements, plant and equipment	(59)	(125)	(156)
<b>Net cash (used by)/generated from investing activities</b>	<b>(6,921)</b>	<b>(9,798)</b>	<b>99,620</b>
<b>Cash flows from financing activities</b>			
Borrowings drawn down	50,000	10,815	12,339
Borrowings repaid	(50,400)	(5,000)	(25,000)
Finance lease repayments	(311)	(301)	(610)
Shares issued	11	13	13
Purchase of own shares	-	(1,542)	-
Sale of own shares	52	-	25
Equity dividends paid	(9,035)	(7,254)	(10,528)
<b>Net cash used by financing activities</b>	<b>(9,683)</b>	<b>(3,269)</b>	<b>(23,761)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(19,697)</b>	<b>(12,302)</b>	<b>79,862</b>
Cash and cash equivalents at start of period	154,448	74,586	74,586
<b>Cash and cash equivalents at end of period</b>	<b>134,751</b>	<b>62,284</b>	<b>154,448</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

At 30 September 2021

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2020	1,465	103,522	171,464	7,478	291	314,469	598,689
Total comprehensive income	-	-	-	-	-	17,877	17,877
Revaluation surplus	-	-	19,387	-	-	(19,387)	-
Realised on disposal	-	-	(26,535)	-	-	26,535	-
Issued share capital	13	4,468	-	-	-	-	4,481
Performance Share Plan	-	-	-	-	-	2,031	2,031
Performance Share Plan – deferred tax	-	-	-	-	-	66	66
Share settled Performance Share Plan	-	-	-	-	-	(3,335)	(3,335)
Share settled bonus	-	-	-	-	-	(1,145)	(1,145)
Profit on sales of shares	-	-	-	-	-	25	25
Dividends paid	-	-	-	-	-	(10,528)	(10,528)
At 31 March 2021	1,478	107,990	164,316	7,478	291	326,608	608,161
<b>Total comprehensive income</b>	-	-	-	-	-	<b>22,188</b>	<b>22,188</b>
<b>Revaluation surplus</b>	-	-	<b>19,906</b>	-	-	<b>(19,906)</b>	-
<b>Issued share capital</b>	<b>11</b>	<b>4,610</b>	-	-	-	-	<b>4,621</b>
<b>Performance Share Plan</b>	-	-	-	-	-	<b>1,063</b>	<b>1,063</b>
<b>Performance Share Plan – deferred tax</b>	-	-	-	-	-	<b>155</b>	<b>155</b>
<b>Share settled Performance Share Plan</b>	-	-	-	-	-	<b>(3,591)</b>	<b>(3,591)</b>
<b>Share settled bonus</b>	-	-	-	-	-	<b>(1,030)</b>	<b>(1,030)</b>
<b>Profit on sales of shares</b>	-	-	-	-	-	<b>52</b>	<b>52</b>
<b>Dividends paid</b>	-	-	-	-	-	<b>(9,035)</b>	<b>(9,035)</b>
<b>At 30 September 2021</b>	<b>1,489</b>	<b>112,600</b>	<b>184,222</b>	<b>7,478</b>	<b>291</b>	<b>316,504</b>	<b>622,584</b>

For a breakdown of Total comprehensive income see the Unaudited Consolidated Statement of Comprehensive Income.

The adjustment to retained earnings of £1,063,000 (31 March 2021: £2,031,000) adds back the share based payments charge recognised in the Unaudited Consolidated Income Statement, in accordance with IFRS 2 *Share Based Payments*.

There were net transactions with owners of £7,765,000 (31 March 2021: £8,405,000) made up of the Performance Share Plan credit of £1,063,000 (31 March 2021: £2,031,000) and related deferred tax credit of £155,000 (31 March 2021: £66,000), dividends paid of £9,035,000 (31 March 2021: £10,528,000), the issued share capital of £11,000 (31 March 2021: £13,000) and corresponding share premium of £4,610,000 (31 March 2021: £4,468,000), share settled Performance Share Plan awards charge of £3,591,000 (31 March 2021: £3,335,000), the share settled bonus awards charge of £1,030,000 (31 March 2021: £1,145,000) and the profit on the sale of shares of £52,000 (31 March 2021: £25,000).

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

CONTINUED

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Own shares held £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2020	1,465	103,522	171,464	7,478	-	291	314,469	598,689
Total comprehensive expense	-	-	-	-	-	-	(10,761)	(10,761)
Revaluation deficit	-	-	(6,019)	-	-	-	6,019	-
Issued share capital	13	4,468	-	-	-	-	-	4,481
Performance Share Plan	-	-	-	-	-	-	314	314
Performance Share Plan - deferred tax	-	-	-	-	-	-	(214)	(214)
Purchase of own shares	-	-	-	-	(1,542)	-	-	(1,542)
Share settled Performance Share Plan	-	-	-	-	-	-	(3,335)	(3,335)
Share settled bonus	-	-	-	-	-	-	(1,146)	(1,146)
Dividends paid	-	-	-	-	-	-	(7,254)	(7,254)
At 30 September 2020	1,478	107,990	165,445	7,478	(1,542)	291	298,092	579,232

The adjustment to retained earnings of £314,000 adds back the share based payments charge recognised in the Unaudited Consolidated Income Statement, in accordance with IFRS 2 *Share Based Payments*.

There were net transactions with owners of £8,696,000 made up of the Performance Share Plan credit of £314,000 and related deferred tax charge of £214,000, share settled Performance Share Plan charge of £3,335,000, share settled bonus awards charge of £1,146,000, dividends paid of £7,254,000, the issued share capital of £13,000 and corresponding share premium of £4,468,000 and the purchase of own shares of £1,542,000.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### 1. FINANCIAL INFORMATION

The financial information contained in this statement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The full accounts for the year ended 31 March 2021, which were prepared under International Financial Reporting Standards as adopted by the European Union and which received an unqualified report from the Auditors, and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006, have been filed with the Registrar of Companies. The consolidated financial statements for the year ended 31 March 2022 will be prepared in accordance with the United Kingdom adopted International Financial Reporting Standards.

These interim condensed unaudited consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2021.

These interim condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom. The same accounting policies and methods of computation are followed in the 30 September 2021 interim condensed unaudited consolidated financial statements as in the most recent annual financial statements, with the addition of an accounting policy for other investments below:

#### OTHER INVESTMENTS

Other investments are measured at fair value with changes in the fair value recognised in the Income Statement in the period in which they arise.

#### GOING CONCERN

The Directors have considered the appropriateness of adopting a going concern basis in preparing the condensed unaudited financial statements. Their assessment is based on forecasts for the next 12 month period, with the potential impact of Covid-19 being an area of focus and including severe but plausible downside scenarios on the principal risks and uncertainties.

The key assumptions used in the review are summarised below:

- The Group's rental income receipts were modelled for each tenant on an individual basis;
- Existing loan facilities remain available, but no new financing is arranged; and
- Free cash is utilised to repay debt/cure bank facility covenants.

The results of this review demonstrated the following:

- The Group has £336.5m of cash and undrawn bank facilities, including in joint ventures, at 30 September 2021;
- The forecasts show that all bank facility financial covenants will be met throughout the review period, with headroom to withstand a 27% fall in rental income;
- The Group could withstand receiving no rental income during the going concern period (excluding the impact on income covenants);
- Property values could fall by 36% before loan to value covenants come under pressure;
- Whilst the Group has a WAULT of 6.6 years, in a downside scenario whereby all tenants with lease expiries or break options in the going concern period exercise their breaks or do not renew at the end of their lease, and with no vacant space let or re-let, the rental income covenants would be met throughout the review period; and
- Asset sales could be utilised to generate additional cash to repay debt, materially increasing covenant headroom.

Based on this analysis, the Directors have adopted a going concern basis in preparing the condensed unaudited financial statements for the period ended 30 September 2021.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 1. FINANCIAL INFORMATION CONTINUED

##### PRINCIPAL RISKS AND UNCERTAINTIES

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

The Group considers its principal risks to be:

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

**Financial Risks** – risks that could prevent the Group from funding its chosen strategy, both in the long and short-term.

**Operational Risks** – internal risks that could prevent the Group from delivering its strategy.

**Reputational Risks** – risks that could affect the Group in all aspects of its strategy.

There have been no significant changes to these risks and further analysis is included within the Group's Annual Report and Accounts 2021.

#### 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Development property income	4,951	1,251	1,700
Service charge income	4,423	4,649	8,841
Other revenue	-	-	48
Total revenue from contracts with customers	9,374	5,900	10,589

The total revenue from contracts with customers is the revenue recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*.

No impairment of contract assets was recognised in the half year to 30 September 2021 (half year to 30 September 2020: £nil, year to 31 March 2021: £140,000).

### 3. SEGMENTAL INFORMATION

The Group identifies two discrete operating segments whose results are regularly reviewed by the Chief Operating Decision Maker (the Chief Executive) to allocate resources to these segments and to assess their performance. The segments are:

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation; and
- Development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

	Investments Half Year to 30.09.21 £000	Developments Half Year to 30.09.21 £000	Total Half Year to 30.09.21 £000	Investments Half Year to 30.09.20 £000	Developments Half Year to 30.09.20 £000	Total Half Year to 30.09.20 £000
<b>Revenue</b>						
Rental income	15,725	-	15,725	13,420	-	13,420
Service charge income	4,423	-	4,423	4,649	-	4,649
Development property income	-	4,951	4,951	-	1,251	1,251
Revenue	20,148	4,951	25,099	18,069	1,251	19,320

	Investments Year to 31.03.21 £000	Developments Year to 31.03.21 £000	Total Year to 31.03.21 £000
<b>Revenue</b>			
Rental income	28,007	-	28,007
Service charge income	8,841	-	8,841
Development property income	-	1,700	1,700
Other revenue	48	-	48
Revenue	36,896	1,700	38,596

	Investments Half Year to 30.09.21 £000	Developments Half Year to 30.09.21 £000	Total Half Year to 30.09.21 £000	Investments Half Year to 30.09.20 £000	Developments Half Year to 30.09.20 £000	Total Half Year to 30.09.20 £000
<b>Cost of sale</b>						
Rents payable	(76)	-	(76)	(122)	-	(122)
Property overheads	(1,636)	-	(1,636)	(1,348)	-	(1,348)
Service charge expense	(4,423)	-	(4,423)	(4,649)	-	(4,649)
Development cost of sales	-	(3,651)	(3,651)	-	(917)	(917)
Development sales expenses	-	(90)	(90)	-	(1)	(1)
Expected credit loss provision	-	(165)	(165)	-	(281)	(281)
Cost of sales	(6,135)	(3,906)	(10,041)	(6,119)	(1,199)	(7,318)

	Investments Year to 31.03.21 £000	Developments Year to 31.03.21 £000	Total Year to 31.03.21 £000
<b>Cost of sale</b>			
Rents payable	(232)	-	(232)
Property overheads	(2,810)	-	(2,810)
Service charge expense	(8,841)	-	(8,841)
Development cost of sales	-	(1,018)	(1,018)
Development sales expenses	-	(4)	(4)
Expected credit loss provision	-	(82)	(82)
Cost of sales	(11,883)	(1,104)	(12,987)

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

### 3. SEGMENTAL INFORMATION CONTINUED

	Investments Half Year to 30.09.21 £000	Developments Half Year to 30.09.21 £000	Total Half Year to 30.09.21 £000	Investments Half Year to 30.09.20 £000	Developments Half Year to 30.09.20 £000	Total Half Year to 30.09.20 £000
<b>Profit/(loss) before tax</b>						
Net property income	14,013	1,045	15,058	11,950	52	12,002
Share of results of joint ventures	6,863	(619)	6,244	615	(1,574)	(959)
Gain/(loss) on sale and revaluation of Investment properties	19,818	-	19,818	(6,023)	-	(6,023)
Segmental profit/(loss)	40,694	426	41,120	6,542	(1,522)	5,020
Gross profit			41,120			5,020
Administrative expenses			(7,142)			(5,215)
Net finance costs			(7,533)			(7,216)
Change in fair value of derivative financial instruments			4,552			(5,333)
Profit/(loss) before tax			30,997			(12,744)

	Investments Year to 31.03.21 £000	Developments Year to 31.03.21 £000	Total Year to 31.03.21 £000
<b>Profit before tax</b>			
Net property income	24,965	596	25,561
Share of results of joint ventures	4,389	(2,037)	2,352
Gain on sale and revaluation of Investment properties	18,046	-	18,046
Segmental profit/(loss)	47,400	(1,441)	45,959
Other operating income			48
Gross profit			46,007
Administrative expenses			(14,416)
Net finance costs			(14,021)
Change in fair value of derivative financial instruments			2,938
Profit before tax			20,508

	Investments at 30.09.21 £000	Developments at 30.09.21 £000	Total at 30.09.21 £000	Investments at 30.09.20 £000	Developments at 30.09.20 £000	Total at 30.09.20 £000
<b>Net assets</b>						
Investment properties	761,268	-	761,268	815,680	-	815,680
Land and developments	-	66	66	-	52	52
Investment in joint ventures	79,094	3,751	82,845	63,390	6,217	69,607
	840,362	3,817	844,179	879,070	6,269	885,339
Other assets			180,181			114,965
Total assets			1,024,360			1,000,304
Liabilities			(401,776)			(421,072)
Net assets			622,584			579,232

	Investments at 31.03.21 £000	Developments at 31.03.21 £000	Total at 31.03.21 £000
<b>Net assets</b>			
Investment properties	740,207	-	740,207
Land and developments	-	448	448
Investment in joint ventures	74,165	5,788	79,953
	814,372	6,236	820,608
Other assets			200,408
Total assets			1,021,016
Liabilities			(412,855)
Net assets			608,161

#### 4. NET PROPERTY INCOME

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Gross rental income	15,725	13,420	28,007
Head rents payable	(76)	(122)	(232)
Property overheads	(1,636)	(1,348)	(2,810)
Net rental income	14,013	11,950	24,965
Development property income	4,951	1,251	1,700
Development cost of sales	(3,651)	(917)	(1,018)
Sales expenses	(90)	(1)	(4)
Expected credit loss provision	(165)	(281)	(82)
Development property profit	1,045	52	596
Other revenue	-	-	48
Other expense	-	-	-
Net property income	15,058	12,002	25,609

Included within Gross rental income above is £3,077,000 (September 2020: reduction of £589,000, March 2021: reduction of £389,000) of accrued income for rent free periods.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 5. LOSS ON SALE OF INVESTMENT PROPERTIES

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Net (costs)/proceeds from the sale of Investment properties	(88)	(4)	113,207
Book value (Note 11)	-	-	(111,883)
Tenants' incentives on sold Investment properties	-	-	(2,665)
Loss on sale of Investment properties	(88)	(4)	(1,341)

#### 6. ADMINISTRATIVE EXPENSES

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Administration costs	(4,712)	(4,803)	(9,276)
Performance related awards, including annual bonuses	(1,905)	(314)	(4,341)
National Insurance on performance related awards	(525)	(98)	(799)
Administrative expenses	(7,142)	(5,215)	(14,416)

#### 7. FINANCE COSTS

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Interest payable on bank loans and overdrafts	(5,212)	(5,489)	(10,697)
Other interest payable and similar charges	(2,323)	(1,747)	(3,382)
Finance costs	(7,535)	(7,236)	(14,079)

#### 8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
The tax charge is based on the profit/(loss) for the period and represents:			
United Kingdom corporation tax at 19%			
- Group corporation tax	-	-	(1,218)
- Adjustment in respect of prior periods	-	(1)	365
- Payment for losses	(39)	-	-
Current tax charge	(39)	(1)	(853)
Deferred tax			
- Capital allowances	(2,246)	(720)	(398)
- Tax losses	1,050	1,442	(794)
- Unrealised chargeable gains	(6,638)	1,132	338
- Other temporary differences	(936)	130	(924)
Deferred tax (charge)/credit	(8,770)	1,984	(1,778)
Total tax (charge)/credit for period	(8,809)	1,983	(2,631)

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
<b>Deferred tax</b>			
Capital allowances	(6,786)	(4,862)	(4,540)
Tax losses	2,074	3,260	1,024
Unrealised chargeable gains	(20,150)	(12,718)	(13,512)
Other temporary differences	2,678	4,233	3,459
Deferred tax liability	(22,184)	(10,087)	(13,569)

Under IAS 12 *Income Taxes*, deferred tax provisions are made for the tax that would potentially be payable on the realisation of Investment properties and other assets at book value.

If upon sale of the Investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £6,786,000 (net) would be released and further capital allowances of £72,780,000 (gross) would be available to reduce future tax liabilities.

The net deferred tax asset in respect of other temporary differences arises from tax relief available to the Group on the mark-to-market valuation of financial instruments, the future vesting of share awards and other timing differences.

The Finance Act 2020 included provisions to set the UK corporation tax rate to 19% from 1 April 2020 and accordingly the deferred tax at 31 March 2021 was calculated at this rate.

The Finance Act 2021 which was substantively enacted on 24 May 2021 included provisions to increase the rate further to 25% effective from 1 April 2023. In valuing the deferred tax balances at 30 September 2021 a combination of 19% and 25% has been used based on the expected periods of reversals.

## 9. DIVIDENDS

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Attributable to equity share capital			
Ordinary			
- Interim paid 2.70p per share	-	-	3,274
- Prior period final paid 7.40p per share (2020: 6.00p)	9,035	7,254	7,254
	9,035	7,254	10,528

The interim dividend of 2.90 pence per share (30 September 2020: 2.70p per share) was approved by the Board on 23 November 2021 and will be paid on 31 December 2021 to Shareholders on the register on 3 December 2021. This interim dividend, amounting to £3,547,000, has not been included as a liability as at 30 September 2021.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 10. 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 period. This is a different basis to the net asset per share calculations which are based on the number of shares at the period end.

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

The earnings per share is calculated in accordance with IAS 33 *Earnings per Share* and the best practice recommendations of the European Public Real Estate Association ("EPRA").

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

	Half Year to 30 September 2021 000	Half Year to 30 September 2020 000	Year to 31 March 2021 000
Ordinary shares in issue	122,325	121,266	121,266
Own shares held	-	(259)	-
Weighting adjustment	(481)	(563)	(282)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	121,844	120,444	120,984
Weighted average ordinary shares issued on share settled bonuses	513	-	719
Weighted average ordinary shares to be issued under Performance Share Plan	1,136	-	1,434
Weighted average ordinary shares in issue for calculation of diluted earnings per share	123,493	120,444	123,137

	£000	£000	£000
Earnings/(loss) used for calculation of basic and diluted earnings per share	22,188	(10,761)	17,877
Basic earnings/(loss) per share	18.2p	(8.9)p	14.8p
Diluted earnings/(loss) per share	18.0p	(8.9)p	14.5p

	£000	£000	£000
Earnings/(loss) used for calculation of basic and diluted earnings per share	22,188	(10,761)	17,877
Net (gain)/loss on sale and revaluation of Investment properties			
- subsidiaries	(19,818)	6,023	(18,046)
- joint ventures	(9,962)	(1,480)	(5,870)
Tax on profit on disposal of Investment properties	-	-	4,936
Loss on movement in share of joint ventures	22	768	767
Fair value movement on derivative financial instruments - subsidiaries	(4,552)	5,333	(2,938)
Expense on cancellation of loans	719	-	-
Deferred tax on adjusting items	12,519	(1,071)	1,075
Earnings/(loss) used for calculations of EPRA earnings per share	1,116	(1,188)	(2,199)
EPRA earnings/(loss) per share	0.9p	(1.0)p	(1.8)p

The earnings used for the calculation of EPRA earnings per share include net rental income and development property profits but exclude investment and trading property gains.

## 11. INVESTMENT PROPERTIES

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Book value at 1 April	740,207	819,573	819,573
Additions at cost	1,264	2,130	13,149
Disposals	-	-	(111,883)
Letting cost amortisation	(109)	(4)	(19)
Revaluation surplus/(deficit)	19,906	(6,019)	19,387
As at period end	761,268	815,680	740,207

All properties are stated at market value and are valued by professionally qualified external valuers (Cushman & Wakefield LLP) in accordance with the Valuation – Professional Standards, published by the Royal Institution of Chartered Surveyors. The fair value of the Investment properties are as follows:

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Book value	761,268	815,680	740,207
Lease incentives and costs included in trade and other receivables	22,297	18,874	18,815
Head leases capitalised	(2,140)	(2,154)	(2,147)
Fair value	781,425	832,400	756,875

Interest capitalised in respect of the refurbishment of Investment properties at 30 September 2021 amounted to £13,102,000 (30 September 2020: £13,102,000, 31 March 2021: £13,102,000). Interest capitalised during the period in respect of the refurbishment of Investment properties amounted to £nil (30 September 2020: £nil, 31 March 2021: £nil).

The historical cost of Investment property is £574,973,000 (30 September 2020: £648,053,000, 31 March 2021: £573,709,000).

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

## 12. JOINT VENTURES

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
<b>Share of results of joint ventures</b>			
<b>Revenue</b>	<b>4,497</b>	23,252	26,024
Gross rental income	105	87	156
Property overheads	(42)	(125)	(131)
Net rental income/(expense)	63	(38)	25
Gain on revaluation of Investment properties	9,962	2,032	6,423
Loss on sale of Investment properties	-	(552)	(553)
Development property loss	(41)	(504)	(948)
<b>Gross profit</b>	<b>9,984</b>	938	4,947
Administrative expenses	(230)	(292)	(432)
<b>Operating profit</b>	<b>9,754</b>	646	4,515
Interest payable on bank loans and overdrafts	(1,080)	(547)	(1,163)
Other interest payable and similar charges	(107)	(94)	(156)
Interest capitalised	919	-	514
Finance income	-	4	5
<b>Profit before tax</b>	<b>9,486</b>	9	3,715
Tax	(3,220)	(200)	(596)
<b>Profit/(loss) after tax</b>	<b>6,266</b>	(191)	3,119
Adjustment for Barts Square economic interest <sup>1</sup>	(22)	(768)	(767)
<b>Share of results of joint ventures</b>	<b>6,244</b>	(959)	2,352

<sup>1</sup> This adjustment reflects the impact of the consolidation of a joint venture at its economic interest of 47.0% (30 September 2020: 47.0%, 31 March 2021: 47.0%) rather than its actual ownership interest of 33.3%.

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
<b>Investment in joint ventures</b>			
<b>Summarised balance sheets</b>			
<b>Non-current assets</b>			
Investment properties	111,732	70,228	86,817
Owner occupied property, plant and equipment	41	24	41
	111,773	70,252	86,858
<b>Current assets</b>			
Land and developments	12,369	19,184	16,545
Trade and other receivables	2,003	1,805	1,661
Cash and cash equivalents	4,533	9,163	7,781
	18,905	30,152	25,987
<b>Current liabilities</b>			
Trade and other payables	(8,700)	(13,105)	(7,098)
Borrowings	(8,293)	-	(11,455)
	(16,993)	(13,105)	(18,553)
<b>Non-current liabilities</b>			
Trade and other payables	(405)	(4,414)	(408)
Borrowings	(21,216)	(12,241)	(8,014)
Leasehold interest	(4,680)	-	(4,584)
Deferred tax	(4,632)	(1,130)	(1,422)
	(30,933)	(17,785)	(14,428)
<b>Net assets pre-adjustment</b>	82,752	69,514	79,864
Acquisition costs	93	93	89
<b>Investment in joint ventures</b>	82,845	69,607	79,953

The fair value of Investment properties at 30 September 2021 is as follows:

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Book value	111,732	70,228	86,817
Lease incentives and costs included in trade and other receivables	151	88	119
Head leases capitalised	(4,406)	(4,308)	(4,420)
Fair value	107,477	66,008	82,516

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 13. OTHER INVESTMENTS

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Book value at 1 April	–	–	–
Acquisitions	354	–	–
As at period end	354	–	–

On 6 August 2021, the Group entered into a commitment of £1,000,000 to invest in the Pi Labs European PropTech venture capital fund (“Fund”) of which £354,000 was invested in the period. The Fund is focused on investing in the next generation of PropTech businesses.

The fair value of the Group’s investment is based on the net asset value of the Fund, representing Level 2 fair value measurement as defined in IFRS 13 *Fair Value Measurement*.

#### 14. LAND AND DEVELOPMENTS

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Development properties	66	52	448

The Directors’ valuation of development stock shows a surplus of £578,000 (30 September 2020: £578,000, 31 March 2021: £578,000) above book value. This surplus has been included in the EPRA net tangible asset value (Note 22).

No interest has been capitalised or included in land and developments.

#### 15. TRADE AND OTHER RECEIVABLES

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Trade receivables	12,088	14,437	17,426
Other receivables	663	7,382	544
Prepayments	4,862	4,071	4,597
Accrued income	20,968	19,557	17,860
Total trade and other receivables	38,581	45,447	40,427

Included in accrued income are lease incentives of £20,311,000 (30 September 2020: £18,874,000, 31 March 2021: £17,179,000).

**16. CASH AND CASH EQUIVALENTS**

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Cash held at managing agents	3,245	5,545	3,289
Restricted cash	63,534	12,909	72,878
Cash deposits	67,972	43,830	78,281
Total cash and cash equivalents	134,751	62,284	154,448

Restricted cash is made up of cash held by solicitors and cash in restricted accounts.

**17. TRADE AND OTHER PAYABLES**

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Trade payables	13,288	13,477	24,194
Other payables	3,214	3,539	1,879
Accruals	6,366	8,393	14,023
Deferred income	7,704	7,399	6,668
Total trade and other payables	30,572	32,808	46,764

**18. LEASE LIABILITY**

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Current lease liability	646	622	634
Non-current lease liability	6,604	7,250	6,929

Included within the lease liability are £646,000 (30 September 2020: £622,000, 31 March 2021: £634,000) of current and £4,415,000 (30 September 2020: £5,060,000, 31 March 2021: £4,740,000) of non-current lease liabilities which relate to the long leasehold of the Group's head office.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 19. BORROWINGS

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Current borrowings	-	-	-
Borrowings repayable within:			
- two to three years	65,000	48,085	49,705
- three to four years	271,825	226,361	286,998
- four to five years	-	80,099	-
Non-current borrowings	336,825	354,545	336,703
Total borrowings	336,825	354,545	336,703

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Total borrowings	336,825	354,545	336,703
Cash	(134,751)	(62,284)	(154,448)
Net borrowings	202,074	292,261	182,255

Net borrowings exclude the Group's share of borrowings in joint ventures of £29,509,000 (30 September 2020: £12,241,000, 31 March 2021: £19,469,000) and cash of £4,533,000 (30 September 2020: £9,163,000, 31 March 2021: £7,781,000). All borrowings in joint ventures are secured.

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Net assets	622,584	579,232	608,161
Gearing	32%	51%	30%

## 20. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Derivative financial instruments asset	1,492	58	171
Derivative financial instruments liability	(4,382)	(15,760)	(7,601)

A gain on the change in fair value of £4,552,000 has been recognised in the Unaudited Consolidated Income Statement (30 September 2020: loss of £5,333,000, 31 March 2021: £2,938,000).

The fair values of the Group's outstanding interest rate swaps and caps have been estimated by calculating the present values of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined in IFRS 13 *Fair Value Measurement*.

## 21. SHARE CAPITAL

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Authorised	39,577	39,577	39,577

The authorised share capital of the Company is £39,577,000 divided into ordinary shares of 1p each and deferred shares of 1/8p each.

<b>Allotted, called up and fully paid:</b>			
- 122,325,413 (30 September 2020: 121,265,710, 31 March 2021: 121,265,710) ordinary shares of 1p each	1,224	1,213	1,213
- 212,145,300 deferred shares of 1/8p each	265	265	265
	1,489	1,478	1,478

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

## 22. NET ASSETS PER SHARE

	At 30 September 2021 £000	Number of shares 000	p	At 31 March 2021 £000	Number of shares 000	p
IFRS net assets	622,584	122,325		608,161	121,266	
Adjustments:						
- deferred shares	(265)			(265)		
Basic net asset value	622,319	122,325	509	607,896	121,266	501
- share settled bonus		513			718	
- dilutive effect of Performance Share Plan		1,130			1,519	
Diluted net asset value	622,319	123,968	502	607,896	123,503	492
Adjustments:						
- fair value of financial instruments	2,890			7,431		
- deferred tax	30,866			18,348		
- fair value of land and developments	578			578		
- real estate transfer tax	60,250			56,877		
EPRA net reinstatement value	716,903	123,968	578	691,130	123,503	560
- real estate transfer tax	(25,817)			(24,862)		
- deferred tax	(7,871)			(7,605)		
EPRA net tangible asset value	683,215	123,968	551	658,663	123,503	533
- real estate transfer tax	(34,433)			(32,015)		
- deferred tax	7,871			7,605		
EPRA net asset value	656,653	123,968	530	634,253	123,503	514

	At 30 September 2021 £000	Number of shares 000	p	At 31 March 2021 £000	Number of shares 000	p
Diluted net assets	622,319	123,968	502	607,896	123,503	492
Adjustments:						
- surplus on fair value of stock	578			578		
- fair value of fixed rate loan	(7,731)			(9,622)		
EPRA net disposal value/EPRA triple net asset value	615,166	123,968	496	598,852	123,503	485

	At 30 September 2020 £000	Number of shares 000	p
IFRS net assets	579,232	121,266	
Adjustments:			
- deferred shares	(265)		
- own shares held		(437)	
Basic net asset value	578,967	120,829	479
- share settled bonus		719	
- dilutive effect of Performance Share Plan		537	
Diluted net asset value	578,967	122,085	474
Adjustments:			
- fair value of financial instruments	15,702		
- deferred tax	15,381		
- fair value of land and developments	578		
- real estate transfer tax	60,867		
EPRA net reinstatement value	671,495	122,085	550
- real estate transfer tax	(48,011)		
- deferred tax	(6,475)		
EPRA net tangible asset value	617,009	122,085	505
- real estate transfer tax	(12,856)		
- deferred tax	6,475		
EPRA net asset value	610,628	122,085	500

	At 30 September 2020 £000	Number of shares 000	p
Diluted net assets	578,967	122,085	474
Adjustments:			
- surplus on fair value of stock	578		
- fair value of fixed rate loan	(12,150)		
EPRA net disposal value/EPRA triple net asset value	567,395	122,085	465

The net asset values per share have been calculated in accordance with guidance issued by the European Public Real Estate Association ("EPRA").

The adjustments to the net asset value comprise the amounts relating to the Group and its share of joint ventures.

The calculation of EPRA net disposal value and triple net asset value per share reflects the fair value of all the assets and liabilities of the Group at 30 September 2021. One of the loans held by the Group is at a fixed rate and therefore not at fair value. The adjustment of £7,731,000 (30 September 2020: £12,150,000, 31 March 2021: £9,622,000) is the increase from book to fair value.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

### 23. RELATED PARTY TRANSACTIONS

The following amounts were due from the Group's joint ventures:

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Charterhouse Place Limited	–	7,000	–
Charterhouse Street Limited	400	–	400
Barts Square companies	24	86	16
Old Street Holdings LP	3	3	3
Shirley Advance LLP	8	7	8

A development management, accounting and corporate services fee of £25,000 (30 September 2020: £25,000, 31 March 2021: £50,000) was charged by the Group to the Barts Square companies. In addition, a development management, accounting and corporate services fee of £425,000 (30 September 2020: £426,000, 31 March 2021: £850,000) was charged by the Group to the Charterhouse Place Limited group.

### 24. SEE-THROUGH ANALYSIS

Helical holds a significant proportion of its property assets in joint ventures with partners that provide a significant equity contribution, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account under IFRS for its share of the net results and net assets of joint ventures in limited detail in the Income Statement and Balance Sheet. Net asset value per share, a key performance measure used in the real estate industry, as reported in the financial statements under IFRS, does not provide Shareholders with the most relevant information on the fair value of assets and liabilities within an ongoing real estate company with a long-term investment strategy.

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures' results into a "see-through" analysis of its property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

#### SEE-THROUGH NET RENTAL INCOME

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures is shown in the table below.

		Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Gross rental income	– subsidiaries	15,725	13,420	28,007
	– joint ventures	105	87	156
Total gross rental income		15,830	13,507	28,163
Rents payable	– subsidiaries	(76)	(122)	(232)
Property overheads	– subsidiaries	(1,636)	(1,348)	(2,810)
	– joint ventures	(42)	(125)	(131)
<b>See-through net rental income</b>		<b>14,076</b>	<b>11,912</b>	<b>24,990</b>

**SEE-THROUGH NET DEVELOPMENT PROFITS/(LOSSES)**

Helical's share of development profits/(losses) from property assets held in subsidiaries and in joint ventures is shown in the table below.

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
In parent and subsidiaries	1,210	333	678
In joint ventures	(41)	(504)	(948)
Total gross development profit/(loss)	1,169	(171)	(270)
Provision against stock			
- subsidiaries	(165)	(281)	(82)
<b>See-through development profits/(losses)</b>	<b>1,004</b>	<b>(452)</b>	<b>(352)</b>

**SEE-THROUGH NET GAIN/(LOSS) ON SALE AND REVALUATION OF INVESTMENT PROPERTIES**

Helical's share of the net gain/(loss) on the sale and revaluation of Investment properties held in subsidiaries and joint ventures is shown in the table below.

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Revaluation surplus/(deficit) on Investment properties			
- subsidiaries	19,906	(6,019)	19,387
- joint ventures	9,962	2,032	6,423
Total revaluation surplus/(deficit)	29,868	(3,987)	25,810
Net loss on sale of Investment properties			
- subsidiaries	(88)	(4)	(1,341)
- joint ventures	-	(552)	(553)
Total net loss on sale of Investment properties	(88)	(556)	(1,894)
<b>See-through net gain/(loss) on sale and revaluation of Investment properties</b>	<b>29,780</b>	<b>(4,543)</b>	<b>23,916</b>

**SEE-THROUGH NET FINANCE COSTS**

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings and cash deposits in subsidiaries and joint ventures is shown in the table below.

	Half Year to 30 September 2021 £000	Half Year to 30 September 2020 £000	Year to 31 March 2021 £000
Interest payable on bank loans and overdrafts			
- subsidiaries	5,212	5,489	10,697
- joint ventures	1,080	547	1,163
Total interest payable on bank loans and overdrafts	6,292	6,036	11,860
Other interest payable and similar charges			
- subsidiaries	2,323	1,747	3,382
- joint ventures	107	94	156
Interest capitalised			
- subsidiaries	-	-	-
- joint ventures	(919)	-	(514)
Total finance costs	7,803	7,877	14,884
Interest receivable and similar income			
- subsidiaries	(2)	(20)	(58)
- joint ventures	-	(4)	(5)
<b>See-through net finance costs</b>	<b>7,801</b>	<b>7,853</b>	<b>14,821</b>

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 24. SEE-THROUGH ANALYSIS CONTINUED

##### SEE-THROUGH PROPERTY PORTFOLIO

Helical's share of the investment, land and development property portfolio in subsidiaries and joint ventures is shown in the table below.

		At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Investment property fair value	- subsidiaries	781,425	832,400	756,875
	- joint ventures	107,477	66,008	82,516
Total Investment property fair value		888,902	898,408	839,391
Land and development stock	- subsidiaries	66	52	448
	- joint ventures	12,369	19,184	16,545
Total land and development stock		12,435	19,236	16,993
Land and development stock surplus	- subsidiaries	578	578	578
Total land and development stock surpluses		578	578	578
Total land and development stock at fair value		13,013	19,814	17,571
<b>See-through property portfolio</b>		<b>901,915</b>	<b>918,222</b>	<b>856,962</b>

##### SEE-THROUGH NET BORROWINGS

Helical's share of borrowings and cash deposits in subsidiaries and joint ventures is shown in the table below.

		At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Gross borrowings more than one year	- subsidiaries	336,825	354,545	336,703
Total		336,825	354,545	336,703
Gross borrowings less than one year	- joint ventures	8,293	-	11,455
Gross borrowings more than one year	- joint ventures	21,216	12,241	8,014
Total		29,509	12,241	19,469
Cash and cash equivalents	- subsidiaries	(134,751)	(62,284)	(154,448)
	- joint ventures	(4,533)	(9,163)	(7,781)
Total		(139,284)	(71,447)	(162,229)
<b>See-through net borrowings</b>		<b>227,050</b>	<b>295,339</b>	<b>193,943</b>

#### 25. SEE-THROUGH NET GEARING AND LOAN TO VALUE

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Property portfolio	901,915	918,222	856,962
Net borrowings	227,050	295,339	193,943
Net assets	622,584	579,232	608,161
See-through net gearing	36.5%	51.0%	31.9%
See-through loan to value	25.2%	32.2%	22.6%

## 26. TOTAL ACCOUNTING RETURN

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Brought forward IFRS net assets	608,161	598,689	598,689
Carried forward IFRS net assets	622,584	579,232	608,161
Increase/(decrease) in IFRS net assets	14,423	(19,457)	9,472
Dividends paid	9,035	7,254	10,528
Total accounting return	23,458	(12,203)	20,000
Total accounting return percentage	3.9%	(2.0)%	3.3%

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
Brought forward EPRA net tangible assets	658,663	640,424	640,424
Carried forward EPRA net tangible assets	683,215	617,009	658,663
Increase/(decrease) in EPRA net tangible assets	24,552	(23,415)	18,239
Dividends paid	9,035	7,254	10,528
Total EPRA accounting return	33,587	(16,161)	28,767
Total EPRA accounting return percentage	5.1%	(2.5)%	4.5%

## 27. TOTAL PROPERTY RETURN

	At 30 September 2021 £000	At 30 September 2020 £000	At 31 March 2021 £000
See-through net rental income	14,076	11,912	24,990
See-through development profits/(losses)	1,004	(452)	(352)
See-through revaluation surplus/(deficit)	29,868	(3,987)	25,810
See-through net loss on sale of Investment properties	(88)	(556)	(1,894)
Total property return	44,860	6,917	48,554

## 28. CAPITAL COMMITMENTS

The Group has a commitment of £30,900,000 (30 September 2020: £65,134,000, 31 March 2021: £4,400,000), all of which relates to 33 Charterhouse Street, London EC1, due to be completed in the period to March 2023.

## GLOSSARY OF TERMS

### CAPITAL VALUE (PSF)

The open market value of the property divided by the area of the property in square feet.

### COMPANY OR HELICAL OR GROUP

Helical plc and its subsidiary undertakings.

### DILUTED FIGURES

Reported amounts adjusted to include the effects of potential shares issuable under the Director and employee remuneration schemes.

### EARNINGS PER SHARE (EPS)

Profit after tax divided by the weighted average number of ordinary shares in issue.

### EPRA

European Public Real Estate Association.

### EPRA EARNINGS PER SHARE

Earnings per share adjusted to exclude gains/losses on sale and revaluation of Investment properties and their deferred tax adjustments, the tax on profit/loss on disposal of Investment properties, trading property profits/losses, movement in fair value of available-for-sale assets and fair value movements on derivative financial instruments, on an undiluted basis. Details of the method of calculation of the EPRA earnings per share are available from EPRA (see Note 10).

### EPRA NET ASSETS PER SHARE

Diluted net asset value per share adjusted to exclude fair value surplus of financial instruments and the Convertible Bond, and deferred tax on capital allowances and on Investment properties revaluation, but including the fair value of trading and development properties in accordance with the best practice recommendations of EPRA (see Note 22).

### EPRA NET DISPOSAL VALUE PER SHARE

Represent the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax (see Note 22).

### EPRA NET REINSTATEMENT VALUE PER SHARE

Net asset value adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 22).

### EPRA NET TANGIBLE ASSETS PER SHARE

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax, but excludes assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 22).

### EPRA TOPPED-UP NIY

The current annualised rent, net of costs, topped-up for contracted uplifts, expressed as a percentage of the fair value of the relevant property.

### EPRA TRIPLE NET ASSET VALUE PER SHARE

EPRA net asset value per share adjusted to include fair value of financial instruments and deferred tax on capital allowances and on Investment properties revaluation (see Note 22).

### ESTIMATED RENTAL VALUE (ERV)

The market rental value of lettable space as estimated by the Group's valuers at each Balance Sheet date.

### GEARING

Group borrowings expressed as a percentage of net assets.

### INITIAL YIELD

Annualised net passing rents on Investment properties as a percentage of their open market value.

### LIKE-FOR-LIKE VALUATION CHANGE

The valuation gain/loss, net of capital expenditure, on those properties held at both the previous and current reporting period end, as a proportion of the fair value of those properties at the beginning of the reporting period plus net capital expenditure.

**MSCI INC. (MSCI IPD)**

MSCI INC. is a company that produces independent benchmarks of property returns using its Investment Property Databank (IPD).

**NET ASSET VALUE PER SHARE (NAV)**

Net assets divided by the number of ordinary shares at the Balance Sheet date (see Note 22).

**NET GEARING**

Total borrowings less short-term deposits and cash as a percentage of net assets.

**PASSING RENT**

The annual gross rental income being paid by the tenant.

**REVERSIONARY YIELD**

The income/yield from the full estimated rental value of the property on the market value of the property grossed up to include purchaser's costs, capital expenditure and capitalised revenue expenditure.

**SEE-THROUGH/GROUP SHARE**

The consolidated Group and the Group's share in its joint ventures (see Note 24).

**SEE-THROUGH NET GEARING**

The see-through net borrowings expressed as a percentage of net assets (see Note 25).

**TOTAL ACCOUNTING RETURN**

The growth in the net asset value of the Company plus dividends paid in the period, expressed as a percentage of net asset value at the start of the period (see Note 26).

**TOTAL PROPERTY RETURN**

The total of net rental income, trading and development profits and net gain on sale and revaluation of Investment properties on a see-through basis (see Note 27).

**TOTAL SHAREHOLDER RETURN (TSR)**

The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.

**TRUE EQUIVALENT YIELD**

The constant capitalisation rate which, if applied to all cash flows from an Investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received quarterly in advance.

**UNLEVERAGED RETURNS**

Total property gains and losses (both realised and unrealised) plus net rental income expressed as a percentage of the total value of the properties.

**WAULT**

The total contracted rent up to the first break, or lease expiry date, divided by the contracted annual rent.

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