HELICAL PLC

("Helical" or the "Group" or the "Company")

Annual Results for the Year to 31 March 2021

HELICAL, THE FUTURE OF OFFICES

Gerald Kaye, Chief Executive, commented:

"We announce these annual results as the country emerges from the Covid-19 pandemic with businesses re-opening and employees returning to their usual places of work. It is hoped all remaining restrictions are lifted on 21 June in accordance with the Government roadmap. Removing these restrictions is vital to the recovery of the economy so that businesses can operate efficiently and effectively in a post-Covid world.

"The office sector is on the cusp of considerable change and we believe there are four key trends that will shape the use of offices going forward and provide a clear differentiation across the sector.

"First, sustainability is at the top of corporate agendas. This is exemplified by the 2021 annual letter to CEOs from Larry Fink, the CEO of BlackRock. He wrote of a tectonic shift in the reallocation of capital to sustainable assets. Tenants will want to occupy the most sustainable and environmentally favourable buildings to achieve both their own net zero carbon targets and those of their stakeholders. For the same reasons, investors will actively seek to acquire these buildings. We believe there will be a "green" rental and yield premium for the most sustainable assets.

"The second trend is wellness. In a post-Covid environment, tenants will require the most efficient and up to date air conditioning systems to minimise the risk from airborne viruses. Sensors showing air quality in a building will be essential and office density per worker will decrease so employees will benefit from a more comfortable environment.

"Third, buildings will see greater use of technology to optimise their environment and the workplace experience. Sensors that record occupation levels will improve energy efficiency and the management of buildings.

"The fourth and final trend is enhanced amenity. There will be greater demand for secure bike parking and high-quality "club style" changing facilities. Buildings should provide an attractive working environment with food and beverage facilities close at hand. As part of this enhanced amenity, we will see an increasing "hotelification" of office buildings, with five-star management a necessity. Assets are moving from passive, low risk, long lease investments to intensively managed shorter leased buildings where maximising tenant retention, rental growth and building performance will be the priorities.

"There will be bifurcation in the office sector as the "real" Grade A buildings, which incorporate these facilities and amenities, diverge from the rest in both capital value and rental growth. I would expect this pattern to accelerate as tenants seek working environments that match the expectations of their employees.

"We believe Helical's current portfolio already incorporates the attributes identified by these trends and, for that reason, both our rental and capital values have performed well. With our see-through LTV at 22.6%, we have considerable firepower at our disposal and our main focus is now on identifying and acquiring new projects. These will be a combination of repositioning, refurbishment or redevelopment opportunities, delivering best-in-class office space commensurate with a more sustainable post-Covid world."

Strong Operational Performance

- At Kaleidoscope, London EC1, successful letting of the whole of the 88,581 sq ft office building to TikTok Information Technologies UK Limited on a 15 year lease term. The letting achieved an annual rent of £7.6m, reflecting a 5.4% premium to the 31 March 2020 ERV.
- At The Bower, the first rent review has been completed, achieving a 31% uplift on the previous contracted rent.
- Completion of a further 11 new lettings in the year, representing 35,002 sq ft, delivering contracted rent of £1.3m (Helical's share £1.2m) at 5.5% above 31 March 2020 ERV. The new lettings have been partially offset by rent lost on sales, lease breaks and expiries, resulting in an overall increase in contracted rent by £0.2m to £37.8m.
- Sale of 90 Bartholomew Close, London EC1, completed for £48.5m, reflecting a net initial yield of 3.92% (£1,594 psf capital value) and The Powerhouse Portfolio (three properties in Manchester) for £114.8m, reflecting a net initial yield of 5.2% on the contracted rent and a capital value of £329 psf.
- Good progress at 33 Charterhouse Street, London EC1, with the grant of a new 150 year lease, a £140m "Green Loan" facility secured from Allianz to finance the development and the appointment of Mace as principal contractor. The development, which has achieved the UK's first BREEAM 2018 New Construction "Outstanding" rating at the design stage, is due to achieve practical completion in September 2022.
- 93.3% of all rent contracted and payable for the March, June, September and December 2020 quarters has been collected, with a further 1.8% subject to ongoing discussion. 84.5% of the March 2021 quarter rents due to date has been collected and the Company anticipates, through further cash receipts from agreed payment plans, to have collected between 91% and 95% by the end of June 2021.

Financial Highlights

Earnings and Dividends

- IFRS Profit before tax of £20.5m (2020: £43.0m).
- See-through Total Property Return[1] of £48.6m (2020: £83.9m):
  - Group's share[1] of net rental income of £25.0m (2020: £28.5m).
  - Development losses of £0.3m (2020: profits of £9.9m), after provisions of £0.1m (2020: £0.3m).
  - Net gain on sale and revaluation of investment properties of £23.9m (2020: £45.5m).
- Total Property Return, as measured by MSCI, of 7.0% compared to the MSCI Central London Offices Total Return Index of -1.7%.
- IFRS basic earnings per share of 14.8p (2020: 32.3p).
- EPRA loss per share[1] of 1.8p (2020: earnings of 7.6p).
- Final dividend proposed of 7.40p per share (2020: 6.00p), an increase of 23.3%.
- Total dividend for the year of 10.10p (2020: 8.70p), an increase of 16.1%, returning to pre-Covid level in 2019.

Balance Sheet

- Net asset value up 1.6% to £608.2m (31 March 2020: £598.7m).
- Total Accounting Return[1] on EPRA net tangible assets of 4.5% (2020: 9.3%).
- EPRA net tangible asset value per share[1] up 1.7% to 533p (31 March 2020: 524p).
- EPRA net asset value per share[1] up 0.6% to 514p (31 March 2020: 511p).
- EPRA net disposal value per share[1] up 1.0% to 485p (31 March 2020: 480p).

Financing

- Change in fair value of derivative financial instruments credit of £2.9m (2020: charge of £7.7m).
- See-through loan to value[1] decreased to 22.6% (31 March 2020: 31.4%).
- See-through net borrowings[1] of £193.9m (31 March 2020: £298.5m).

- Average maturity of the Group's share[1] of secured debt of 3.2 years (31 March 2020: 4.1 years), increasing to 4.7 years on exercise of options to extend current facilities and on a fully utilised basis.
- See-through average cost of secured facilities[1] of 3.5% (31 March 2020: 3.5%).
- Group's share[1] of cash and undrawn bank facilities of £423m (31 March 2020: £279m).

Portfolio Update

- IFRS property portfolio value of £740.2m (31 March 2020: £819.6m).
- 3.4% valuation increase, on a like-for-like basis[1], of our see-through investment portfolio, valued at £857.0m, compared to £949.3m at 31 March 2020.
- Contracted rents of £37.8m (31 March 2020: £37.6m) compared to an ERV[1] of £52.1m (31 March 2020: £60.0m).
- See-through portfolio WAULT[1] of 6.9 years (31 March 2020: 6.1 years).
- Vacancy rate reduced from 17.2% to 10.5%.

Sustainability Highlights

- In April, Helical launched "Designing for Net Zero", a guide to assist our transition to a low carbon business, following on from our new Sustainability Strategy, "Built for the Future", launched in 2020.
- Improvements across all sustainability measures and ratings with a 3* Green GRESB rating, MSCI ESG of AAA, EPRA Sustainability BPR of Silver and CDP score of B.
- 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.

For further information, please contact:

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Results Presentation

Helical will be holding an audio webcast with a live Q&A for analysts and investors starting at 9am on Tuesday 25 May 2021.

The presentation will be on the Company's website www.helical.co.uk and a conference call facility will be available. The dial-in and webcast details are as follows:

Participants, Local – London, United Kingdom:	+44 (0)330 336 9125
Participation Code:	1827725

Webcast Link:
https://webcasting.brrmedia.co.uk/broadcast/6076bc620386285386cc85ae

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

Chief Executive's Statement

Overview

We announce these annual results as the country emerges from the Covid-19 pandemic with businesses re-opening and employees returning to their usual places of work. It is hoped all remaining restrictions are lifted on 21 June in accordance with the Government roadmap. Removing these restrictions is vital to the recovery of the economy so that businesses can operate efficiently and effectively in a post-Covid world.

Helical has performed well over the past year, despite the challenges presented by the pandemic, collecting over 93% of rents from its tenants and reducing both finance and administration costs. Our investment portfolio has contributed rental growth and capital surpluses, mainly as the result of our letting successes at Kaleidoscope, London EC1 and Trinity in Manchester. We have strengthened the Balance Sheet by selling investment assets above book value (before transaction costs) and have reduced the Group's gearing level to its lowest for 30 years.

Sustainability

During the year, we announced our new Sustainability Strategy, "Built for the Future", which sets out our long-term vision and associated targets for our key areas: Our Environment, Our People and Our Communities. In April we launched "Designing for Net Zero", a guide to aid our professional teams as they collaborate on development projects. This latter guide covers the entire development process from design to construction through to operation and occupation and will assist the Company in transitioning to a low carbon business.

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

In July 2020, we achieved the UK's first BREEAM 2018 New Construction "Outstanding" rating for the design stage of 33 Charterhouse Street, London EC1, a significant milestone for the Company. We have also improved our GRESB score from a 2* to a 3* Green rating, increasing our score from 63 to 76, and have improved our MSCI ESG rating from AA to AAA, the top rating. Further, we have been awarded a Silver rating under the EPRA Sustainability BPR, up from Bronze, and finally our CDP score has improved from C to B.

On a portfolio level, 99% by value of our completed portfolio has an EPC rating of A or B (the remaining one has a C rating) and each of our refurbished or redeveloped office buildings has a BREEAM rating of Excellent.

Overall, the Group has made good progress in responding to the climate change challenge and meeting its sustainability targets and, importantly, has a clear path to continue on this journey.

Results for the Year

The profit before tax for the year to 31 March 2021 was £20.5m (2020: £43.0m) with a see-through Total Property Return of £48.6m (2020: £83.9m). See-through net rental income of £25.0m (2020: £28.5m) was earned during the year while developments generated a small see-through loss of £0.3m (2020: profit of £9.9m). The see-through net gain on sale and revaluation of the investment portfolio at £23.9m was lower than the prior year (2020: £45.5m) and was the key reason for the reduction in profit for the year.

Total see-through finance costs decreased to £14.9m (2020: £17.0m), offset by interest receivable of £0.1m (2020: £1.4m) to give net finance costs of £14.8m (2020: £15.6m). An increase in expected future interest rates led to a £2.9m credit (2020: charge of £7.7m) from the valuation of the Group's derivative financial instruments. Recurring see-through administration costs were 13% lower at £9.7m (2020: £11.1m), with performance related awards also reduced by 18% to £4.3m (2020: £5.3m) and with National Insurance on these awards of £0.8m (2020: £0.9m). The Group did not utilise the Government's Coronavirus Job Retention Scheme (Furlough).

A corporation tax charge of £0.9m has been recognised in the annual results. With an increase in the Group's deferred tax provision of £1.7m, a total tax charge of £2.6m (2020: £4.3m) has been recognised.

The profit for the year, after recognition of this tax charge, was £17.9m (2020: £38.7m). There was an IFRS basic earnings per share of 14.8p (2020: 32.3p) and an EPRA loss per share of 1.8p (2020: earnings of 7.6p).

On a like-for-like basis, the investment portfolio increased in value by 3.4% (2.7% including purchases and gains on sales). The see-through total portfolio value reduced to £857.0m (31 March 2020: £949.3m), following the sale of four investment assets during the year.

The unleveraged return of our property portfolio, as measured by MSCI, was 7.0% (2020: 9.6%), showing strong outperformance of its benchmark. We compare our portfolio performance to the MSCI UK Central London Offices Total Return Index which produced a return of -1.7% (2020: 4.5%) with an upper quartile return of 1.6% (2020: 6.2%).

The portfolio was 89.5% let at 31 March 2021, generating contracted rents of £37.8m (2020: £37.6m), at an average of £60 psf, growing to £40.9m on the letting of currently vacant space, towards an ERV of £52.1m (2020: £60.0m). The Group's contracted rent has a Weighted Average Unexpired Lease Term ("WAULT") of 6.9 years.

The Total Accounting Return ("TAR"), being the growth in the net asset value of the Group, plus dividends paid in the year, was 3.3% (2020: 7.7%). Based on EPRA net tangible assets, the TAR was 4.5% (2020: 9.3%). EPRA net tangible assets per share were up 1.7% to 533p (31 March 2020: 524p), with EPRA net disposal value per share up 1.0% to 485p (31 March 2020: 480p).

Balance Sheet Strength and Liquidity

The Group has a significant level of liquidity with see-through cash and unutilised bank facilities of £423m (31 March 2020: £279m) to fund capital works on its portfolio and future acquisitions.

At 31 March 2021, the Group had £78.3m of cash deposits available to deploy without restrictions and a further £83.9m 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 has £260.5m of loan facilities available to draw on plus £28.1m of currently uncharged property.

The see-through loan to value ratio ("LTV") reduced to 22.6% at the year end (31 March 2020: 31.4%) and our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, reduced to 31.9% (31 March 2020: 49.9%) over the same period.

At the year end, the average debt maturity on secured loans, on a see-through basis, was 3.2 years (31 March 2020: 4.1 years), increasing to 4.7 years on exercise of options to extend the Group's facilities and on a fully utilised basis. The average cost of debt at 31 March 2021 was 3.5% (31 March 2020: 3.5%).

Dividends

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

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

Last year, commensurate with action taken elsewhere to reduce outgoings and preserve the Group's cash resources, the Board recommended a reduced final dividend of 6.00p per share, with a total dividend of 8.70p, a reduction of 13.9% on the previous year.

During this year we have successfully let the whole of Kaleidoscope, London EC1 and almost half of the space at Trinity, Manchester, at rents above 31 March 2020 ERV, significantly reducing the Group's vacancy rates. We have sold £137.6m of see-through investment assets, generating realised capital profits of £35.9m.

In the light of this, the Board is proposing a return to the level of dividends paid in respect of the year to 31 March 2019 and will be recommending to Shareholders a final dividend of 7.40p per share, an increase of 23.3% on last year (6.00p). If approved by Shareholders at the 2021 AGM, the total dividend for the year will be 10.10p, up 16.1% on 2020.

Outlook

The office sector is on the cusp of considerable change and we believe there are four key trends that will shape the use of offices going forward and provide a clear differentiation across the sector.

First, sustainability is at the top of corporate agendas. This is exemplified by the 2021 annual letter to CEOs from Larry Fink, the CEO of BlackRock. He wrote of a tectonic shift in the reallocation of capital to sustainable assets. Tenants will want to occupy the most sustainable and environmentally favourable buildings to achieve both their own net zero carbon targets and those of their stakeholders. For the same reasons, investors will actively seek to acquire these buildings. We believe there will be a "green" rental and yield premium for the most sustainable assets.

The second trend is wellness. In a post-Covid environment, tenants will require the most efficient and up to date air conditioning systems to minimise the risk from airborne viruses. Sensors showing air quality in a building will be essential and office density per worker will decrease so employees will benefit from a more comfortable environment.

Third, buildings will see greater use of technology to optimise their environment and the workplace experience. Sensors that record occupation levels will improve energy efficiency and the management of buildings.

The fourth and final trend is enhanced amenity. There will be greater demand for secure bike parking and high-quality "club style" changing facilities. Buildings should provide an attractive working environment with food and beverage facilities close at hand. As part of this enhanced amenity, we will see an increasing "hotelification" of office buildings, with five-star management a necessity. Assets are moving from passive, low risk, long lease investments to intensively managed shorter leased buildings where maximising tenant retention, rental growth and building performance will be the priorities.

There will be bifurcation in the office sector as the "real" Grade A buildings, which incorporate these facilities and amenities, diverge from the rest in both capital value and rental growth. I would expect this pattern to accelerate as tenants seek working environments that match the expectations of their employees.

We believe Helical's current portfolio already incorporates the attributes identified by these trends and, for that reason, both our rental and capital values have performed well. With our see-through LTV at 22.6%, we have considerable firepower at our disposal and our main focus is now on identifying and acquiring new projects. These will be a combination of repositioning, refurbishment or redevelopment opportunities, delivering best-in-class office space commensurate with a more sustainable post-Covid world.

Gerald Kaye
Chief Executive
25 May 2021

Our Market

The past year has seen significant challenges for the commercial property market as the pandemic has curtailed economic and social activity across the globe. However, as the vaccination programme progresses at pace, optimism and confidence are returning in the UK. The past year has seen an acceleration of several key themes within the commercial property sector and we believe that our strategy and high quality, recently refurbished or redeveloped portfolio are well placed to capitalise upon the significant growth opportunities that will arise as we move forward.

Why London?

We continue to view the London commercial property market as the best source of capital profits and we believe that our experience and skills are best deployed in this sector. Economic activity in London has been significantly restricted over the past year but we are heartened by the fact that London has always demonstrated great resilience and agility in the face of adversity. As a global economic centre that attracts a diverse range of innovation and creativity led businesses, London should be able to recover quickly and strongly. With a highly skilled workforce located in close proximity to the city centre, and 47% of the population under 35 years old, London is particularly well placed to capture the potential of new growth sectors such as Fintech, Life Sciences and Artificial Intelligence.

The London Market

The past year has seen a contrasting trend in the letting and investment markets.

The London commercial office letting market has been constrained as many occupiers adopted a "wait and see" approach to their decision making. CBRE has reported that for the year to 31 March 2021 the rolling 12 month take up is down 66% and this decline in activity has seen the central London vacancy rate rise from 4.5% to 8.9%. However, it is important to consider the underlying data when assessing these results as a clear bifurcation of buildings between the high quality space satisfying the latest needs of tenants and poorer quality space is already becoming evident.

The availability of second hand, predominantly tenant controlled, space is 111% above the average and represents 77% of the available space in the market, whilst newly supplied, available space is only 8% above average. Similarly, as demonstrated by our recent letting of Kaleidoscope, London EC1 to TikTok, prime rents have increased, with CBRE's research highlighting the resilience of the Tech Belt market. We anticipate that best-in-class space will continue to achieve rental growth as the market becomes increasingly bifurcated with tenants competing to occupy a limited number of high quality buildings which offer their employees the optimal working environment.

As we have previously highlighted prior to the pandemic, the long-term future supply of space is constrained, and the pipeline is continuing to decrease as developers defer capital investment decisions. Knight Frank reports that 44% of the pipeline under construction is pre-let and that, even if demand for new and refurbished space were to decline to levels last seen in 2009, during the global financial crisis, the current stock under construction and due to complete this year (excluding pre-let space) would be unable to satisfy requirements. As businesses will increasingly seek to occupy new, best-in-class buildings, this supply shortage is likely to be exacerbated in the medium term.

The investment market has been more resilient throughout the last year, with London finishing 2020 strongly and ranked as the world's number one city for cross border commercial office investment according to Knight Frank. With £50bn of global capital said to be targeting London commercial property, the trend in yield compression seen recently is expected to continue for best-in-class assets. Furthermore, the benefits of investment into property have been highlighted by the volatility seen in global equity markets and the historically low fixed income returns available elsewhere. Investors are increasingly focusing on the covenant strength of the tenant base, and the multi-let nature of our buildings are aligned with these requirements.

Key Market Trends

Going forward, it will be increasingly important to take advantage of the strong relationships we have built with our customers to understand their evolving business models and occupational requirements as they return to fully utilising their existing office space and look to grow. Occupiers are still considering their future occupational requirements, but initial feedback suggests a wider proliferation of agile working models by businesses. We will look to build upon our existing flexible, customer focused approach to ensure our buildings continue to attract and retain new tenants.

As customers pay particular attention to the wellbeing of their employees, quality design and amenities are increasingly important. We have always considered public realm and enhanced amenity provision to be a key offer of our buildings and we are benefitting from this trend. Sustainability and technologies are likely to become key differentiators for decision makers in the commercial property sector going forward. Sustainability sits at the heart of all Helical developments, guided by our "Built for the Future" strategy, and we continue to ensure all our assets maximise their performance throughout their whole life cycle, from initial development through to operational use. Similarly, exceptional digital connectivity is critical to all occupiers, with an increasing emphasis placed upon the integration of adaptable technology to ensure buildings are smart and capable of harnessing the extensive data that they generate. Our portfolio of tech-enabled, amenity rich, high quality assets is particularly well placed to capitalise upon these requirements.

Looking Forward

The change in occupier priorities when considering their office requirements is likely to result in an expedited obsolescence of older buildings. With our strategy of repositioning, refurbishing and redeveloping we can play a key role in the regeneration of these "brown" spaces, sustainably restoring them to the highest occupational and technological standards and we have a strong track record of achieving this. We will continue to work with existing owners, or new investors seeking to deploy capital into the central London commercial office market and to do this in an equity efficient structure.

Our experience of the pandemic has reinforced our view that our investment in multi-let offices in well-located and accessible Grade A buildings, incorporating the latest in sustainable building design, offering state of the art technology with occupier health and wellbeing at their core, provides the most resilient defence against adversity and the best opportunity for continued growth.

Sustainability

A Year of Significant Progress

Last year we announced our new sustainability strategy "Built for the Future" and are pleased to report we have made significant progress against the aspirations set out in that document. As an industry, we are challenged to assess the risks and opportunities that are posed by climate change. We have completed this assessment and, as a consequence, have elected to incorporate the findings of the Task Force on Climate-related Financial Disclosures into our Annual Report. Additionally, we have addressed the emissions we produce at a corporate level and, through championing energy saving initiatives, we have worked to reduce our head office and associated emissions by 54% over the past three years. We have also selected to offset the residual carbon emissions using Gold Standard verified credits and Helical is now a carbon neutral business. Going forward, we will focus on how to reduce emissions from our existing assets and new development projects.

In support of our carbon ambitions, we have launched "Designing for Net Zero", a guide to aid our professional teams as we collaborate on development projects. A key pillar of our approach is the appointment of a Carbon Champion for each project, who will ensure carbon is continually challenged from the design stage through to post occupancy. We believe this guide will be instrumental in creating low carbon buildings which are adaptable to future climate change risks.

The sustainability credentials of our latest office development at 33 Charterhouse Street, London EC1 were endorsed with the project achieving the UK's first BREEAM 2018 New Construction "Outstanding" rating for the design stage. In achieving this rating, the building's design has demonstrated it will:

- Use "smart" building technology to monitor the building's performance and encourage occupier engagement through a specific app;
- Deliver a site-specific ecology plan;
- Use market leading water management systems; and
- Eliminate the use of fossil fuels, including refrigerants, on site.

33 Charterhouse Street is on track to achieve a 20% embodied carbon reduction and, when operational, will produce 47% fewer carbon emissions. By demonstrating the future sustainability credentials of this project, the development loan facility from our funding partner, Allianz, has been verified as a "Green Loan".

With our portfolio now primarily focused in London, we have a collection of assets with high performing sustainability credentials. All but one of our assets hold an EPC rating of A or B, equating to 99% by value. This leaves our portfolio well placed when considering its exposure to the current consultation on raising minimum energy efficiency standards in tenanted commercial buildings to an EPC rating of B or above by 2030. We are also pleased to report that six of our office buildings hold a BREEAM rating of "Excellent" or "Outstanding".

Our significant progress in the year has been validated through the improvement in all of our benchmark scoring. We have seen our GRESB score improve by 20%, taking us to a 3 Star Green rating, we have been awarded a Silver by the EPRA Sustainability Best Practice Recommendation and, most notably, our CDP score has improved from a C to a B rating.

In May 2021, we joined the UK Green Building Council ("UK GBC"). We believe the aspirations set out by the UK GBC align with Helical's and we look forward to contributing to the work they undertake.

Performance

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

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

MSCI Property Index

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

MSCI has compared the ungeared performance of Helical's total property portfolio against that of portfolios within MSCI for over 20 years. The Group targets outperforming the MSCI Central London Office Total Return Index by 3.25%. Helical's ungeared performance for the year to 31 March 2021 was 7.0% (2020: 9.6%). This compares to the MSCI Central London Offices Total Return Index of -1.7% (2020: 4.5%) and the upper quartile return of 1.6% (2020: 6.2%).

Helical's share of the development portfolio (2% of gross property assets) is included in its performance, as measured by MSCI, at the lower of book cost or fair value and uplifts are only included on the sale of an asset.

Helical's unleveraged portfolio returns to 31 March 2021 were as follows:

	1 year	3 years	5 years	10 years	20 years
Helical (%)	7.0	8.9	9.4	12.5	11.8
MSCI Central London Offices Total Return Index (%)	-1.7	2.5	3.4	9.5	8.0

Source: MSCI

Total Accounting Return

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

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

The Total Accounting Return on IFRS net assets in the year to 31 March 2021 was 3.3% (2020: 7.7%).

	2021	2020	2019	2018	2017
Total Accounting Return on IFRS net assets	**3.3**	7.7	8.4	5.3	8.3

EPRA Net Tangible Asset Value Per Share

The Group's main objective is to maximise growth in net asset value per share, which we seek to achieve through increases in investment portfolio values and from retained earnings from other property related activity. EPRA net tangible asset value per share is the property industry's preferred measure of the proportion of net assets attributable to each share as it includes the fair value of net assets on an ongoing long-term basis. The adjustments to net asset value to arrive at this figure are shown in Note 21 to the financial statements.

The Group is targeted with increasing its Net Assets, of which EPRA net tangible asset growth is a key component.

The EPRA net tangible asset value per share at 31 March 2021 increased by 1.7% to 533p (31 March 2020: 524p).

	2021	2020	2019	2018	2017
EPRA net tangible assets per share	**533p**	524p	494p	468p*	473p*

*Calculated using EPRA net assets.

Total Shareholder Return

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

The Group targets exceeding the upper quartile when compared to its peers.

The Total Shareholder Return in the year to 31 March 2021 was 21.2% (2020: 8.7%).

	Performance Measured Over					
	1 year Total return pa %	3 years Total return pa %	5 years Total return pa %	10 years Total return pa %	15 years Total return pa %	20 years Total return pa %
Helical plc[1]	21.2	11.5	3.8	6.9	2.4	7.9
UK Equity Market[2]	26.7	3.2	6.3	6.0	5.2	5.3
Listed Real Estate Sector Index[3]	18.4	0.3	1.6	6.5	0.5	4.8
Direct Property – monthly data[4]	0.0	1.9	4.1	7.3	4.7	7.0

1. Growth over all years to 31/03/21.
2. Growth in FTSE All-Share Return Index over all years to 31/03/21.
3. Growth in FTSE 350 Real Estate Super Sector Return Index over all years to 31/03/21. For data prior to 30 September 1999, the FTSE All Share Real Estate Sector Index has been used.
4. Growth in Total Return of MSCI UK Monthly Index (All Property) over all years to 31/03/21.

Average Length of Employee Service and Average Staff Turnover

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

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

The average length of service of the Group's head office employees at 31 March 2021 was 11.0 years and the average staff turnover during the year to 31 March 2021 was 3.6%.

	2021	2020	2019	2018	2017
Average length of service at 31 March – years	**11.0**	10.0	8.7	7.9	8.0
Staff turnover during the year to 31 March – %	**3.6**	10.3	6.9	15.2	5.7

BREEAM and EPC Ratings

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

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

At 31 March 2021, six of our nine (31 March 2020: eight of our 14) office buildings had achieved, or were targeting, a BREEAM certification of “Excellent” or “Outstanding”. Those six buildings account for c.85% of the portfolio by value.

Building	BREEAM Rating	EPC Rating
33 Charterhouse Street, London EC1[1]	Outstanding (2018)	A
The Warehouse and Studio, London EC1	Excellent (2014)	B
The Tower, London EC1	Excellent (2014)	B
25 Charterhouse Square, London EC1	Excellent (2014)	B
Kaleidoscope, London EC1	Excellent (2014)	B
55 Bartholomew, London EC1	Excellent (2014)	B

[1] Certified at design stage.

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

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

Helical's Property Portfolio – 31 March 2021

Property Overview

Helical's portfolio is comprised of income-producing multi-let offices, office refurbishments and developments and a mixed use commercial/residential scheme. As at 31 March 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 "Tech Belt" that runs from King's Cross through Old Street and Shoreditch to Whitechapel.

Kaleidoscope, London 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. The tenant has a break at year ten, and a market rent free period has been granted. The letting achieved an annual rent of £7.6m, reflecting a 5.4% premium to the 31 March 2020 ERV.

33 Charterhouse Street, London EC1

The development of our 205,369 sq ft office building, in 50:50 joint venture with AshbyCapital, is progressing in line with the programme and is due to achieve practical completion in September 2022. The site is situated just 100m from Farringdon Station and directly opposite the location for the new Museum of London, offering future tenants excellent connectivity and amenity.

During the year, we exercised the option under the Development Agreement with the City of London to secure a new 150-year lease of the site. Following the grant of the new lease, Mace was appointed as principal contractor. We have also secured a £140m development facility from Allianz, which has subsequently been independently verified as a "Green Loan", which will fully fund all future budgeted development costs.

In line with Helical's sustainability ambitions, 33 Charterhouse Street has also been awarded the UK's first BREEAM 2018 New Construction "Outstanding" rating for the design stage.

The Bower, London EC1

The Bower is a landmark estate comprising 312,575 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, with 10,298 sq ft of retail space across the two buildings. The offices are fully let and we have completed a lease renewal with Stripe Payments at the Warehouse, extending the lease by three years and achieving a contracted rent 5% above 31 March 2020 ERV. We have also completed the first rent review, achieving a 31% uplift on the previous contracted rent, and continue discussions on the remaining office tenants' rent reviews.

The retail operators are Bone Daddies, Brewdog, Honest Burger and new tenants, Crudo Cevicheria and Strap and Scraper.

The Tower

The Tower, completed in August 2018, offers 171,434 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.

Barts Square, London EC1

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 and 55 Bartholomew and eight retail units, as well as extensive new public realm.

90 Bartholomew Close

In April 2020, we completed the sale of 90 Bartholomew Close to La Française Real Estate Partners International, a pan-European investment business acting on behalf of a French collective real estate investment vehicle. The disposal price of £48.5m reflected a net initial yield of 3.92% (£1,594 psf capital value).

55 Bartholomew

At 55 Bartholomew, we have let the 2,564 sq ft ground floor to Clevertouch at a headline rent of £75.00 psf, a 15% premium to 31 March 2020 ERV. Four floors, including the fitted-out second floor, remain available in this recently refurbished 10,976 sq ft office building.

Residential/Retail

In Phase One of our residential scheme at Barts Square, we have completed the sale of five apartments since 1 April 2020, three of which exchanged during the year, leaving just one apartment available for sale.

In Phase Two, we completed the sale of 31 apartments during the year, 12 of which exchanged during the year, and the freehold sale of the former marketing suite at 56 West Smithfield. A further sale completed after the end of the year. In total, 65 apartments have been sold in the second phase, leaving 27 apartments remaining to sell of which four are currently under offer.

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

The Loom, London E1

At this 108,606 sq ft listed former Victorian wool warehouse, we have undertaken further asset management activities, reconfiguring units as they become available to offer larger floorplates and offering "plug and play" space to complement the existing variety of units. As a result of lease events during the year, 16,041 sq ft is currently available across seven units.

25 Charterhouse Square, London EC1

25 Charterhouse Square comprises 42,921 sq ft of offices adjacent to the new Farringdon East Elizabeth Line station, overlooking the historic Charterhouse Square. The building was extensively refurbished upon acquisition and is currently 74% let to Anomaly, Peakon and Hudson Sandler.

The ground floor and first floor space is currently available following a tenant lease event. The ground floor units, which were previously used as office furniture showrooms, have been significantly remodelled and now benefit from a change of use to allow them to be occupied as office accommodation going forward.

The Powerhouse, London W4

The Powerhouse is a listed building, providing 24,288 sq ft of office and recording studio space, on Chiswick High Road and is fully let on a long lease to Metropolis Music Group.

Trinity, Manchester

In the year, we have let the third and fourth floors to Kennedys Law LLP, the two fifth floor units to Tosca Debt Capital LLP and Saffrey Champness LLP, and both of the ground floor retail units. These lettings total 26,982 sq ft and deliver £0.8m of contracted rent at a 5.8% premium to the 31 March 2020 ERV. With a further floor let after the year end, the 58,760 sq ft building is now 55% let.

Portfolio Analytics

See-through Total Portfolio by Fair Value

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
– Completed, let and available to let	742.7	88.5	-	-	742.7	86.7
– Being redeveloped	69.3	8.2	-	-	69.3	8.1
London Residential	-	-	16.5	94.2	16.5	1.9
Total London	812.0	96.7	16.5	94.2	828.5	96.7
Manchester Offices						
– Completed, let and available to let	27.3	3.3	-	-	27.3	3.2
Total Manchester	27.3	3.3	-	-	27.3	3.2
Total Core Portfolio	839.3	100.0	16.5	94.2	855.8	99.9
Other	0.1	0.0	1.1	5.8	1.2	0.1
Total Non-Core Portfolio	0.1	0.0	1.1	5.8	1.2	0.1
Total	839.4	100.0	17.6	100.0	857.0	100.0

See-through Land and Development Portfolio

	Book value £m	Fair value £m	Surplus £m	Fair value %
London Residential	16.5	16.5	0.0	94.2
Land	0.5	1.1	0.6	5.8
Total	17.0	17.6	0.6	100.0

Capital Expenditure

We have a committed and planned development and refurbishment programme.

Property	Capex budget (Helical share) £m	Remaining spend (Helical share) £m	Pre-redeveloped space sq ft	New space sq ft	Total completed space sq ft	Completion date
Investment – committed						
The Tower, The Bower, London EC1	110.0	3.0	114,000	68,195	182,195	Completed
33 Charterhouse Street, London EC1	65.9	44.4	-	205,369	205,369	September 2022
The Loom, London E1	0.8	0.8	-	-	108,606	Ongoing refurbishment
Other	5.3	0.8	-	-	-	Ongoing refurbishment
Development – committed						
Barts Square, London EC1 – Phase One	69.9	0.2	-	127,364	127,364	Completed
Barts Square, London EC1 – Phase Three	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 without relying on market movements.

See-through 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	88.5	26.5	99.6	37.0	97.9	41.6	79.8	1.0
– Being redeveloped	8.2	-	-	-	-	8.6	16.5	1.2
Total London	96.7	26.5	99.6	37.0	97.9	50.2	96.3	1.1
Manchester Offices								
– Completed, let and available to let	3.3	0.1	0.4	0.8	2.1	1.8	3.5	5.8
Total Manchester	3.3	0.1	0.4	0.8	2.1	1.8	3.5	5.8
Other	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0
Total	100.0	26.6	100.0	37.8	100.0	52.1	100.0	1.2

During the year, total contracted income increased by £0.2m, primarily as a result of rent from new lettings and rent reviews. This income more than offset the reduction in contracted income from the sale of 90 Bartholomew Close and The Powerhouse Portfolio, Manchester and losses from breaks and lease expiries.

	See-through total portfolio contracted rent £m
Rent lost at break/expiry	(1.5)
Rent reviews and uplifts on lease renewals	0.2
New lettings	
- London	8.0
- Manchester	0.8
Total increase in the year from asset management activities	7.5
Contracted rent reduced through disposals of London Offices	(0.9)
Contracted rent reduced through disposals of Manchester Offices	(6.4)
Total contracted rental change from sales and purchases	(7.3)
Net increase in contracted rents in the year	0.2

Investment Portfolio

See-through Valuation Movements

	Valuation change inc purchases & gains on sales %	Valuation change excl purchases & gains on sale %	Investment portfolio weighting 31 March 2021 %	Investment portfolio weighting 31 March 2020 %
London Offices				
– Completed, let and available to let	2.5	2.6	88.5	80.1
– Being redeveloped	9.2	9.2	8.2	4.9
Total London	3.0	3.2	96.7	85.0
Manchester Offices				
– Completed, let and available to let	1.1	10.0	3.3	15.0
Total Manchester	1.1	10.0	3.3	15.0
Total	2.7	3.4	100.0	100.0

Portfolio Yields

	EPRA Topped Up NIY 31.3.2021 %	EPRA Topped Up NIY 31.3.2020 %	Reversionary Yield 31.3.2021 %	Reversionary Yield 31.3.2020 %	True Equivalent Yield 31.3.2021 %	True Equivalent Yield 31.3.2020 %
London Offices						
– Completed, let and available to let	4.5	3.9	5.1	5.2	5.0	5.0
– Being redeveloped	n/a	n/a	5.6	5.5	4.9	4.9
Total London	4.5	3.9	5.3	5.3	4.9	5.0
Manchester Offices						
– Completed, let and available to let	2.4	4.4	5.9	6.2	5.7	6.0
Total Manchester	2.4	4.4	5.9	6.2	5.7	6.0
Total	4.5	4.0	5.3	5.4	5.0	5.1

See-through Capital Values, Vacancy Rates and Unexpired Lease Terms

	31 March 2021 Capital value psf £	31 March 2021 Vacancy rate %	31 March 2021 WAULT Years	31 March 2020 WAULT Years
London Offices				
– Completed, let and available to let	1,215	5.8	6.9	6.6
– Being redeveloped	674	n/a	n/a	n/a
Total London	1,081	5.8	6.9	6.6
Manchester Offices				
– Completed, let and available to let	465	54.1	8.4	3.9
Total Manchester	465	54.1	8.4	3.9
Total	1,040	10.5	6.9	6.1

See-through Lease Expiries or Tenant Break Options

	Year to 2022	Year to 2023	Year to 2024	Year to 2025	Year to 2026	2026 Onward
% of rent roll	10.6	12.0	9.3	5.5	1.1	61.5
Number of leases	23	15	12	5	5	34
Average rent per lease (£)	173,880	302,442	291,618	413,643	84,982	679,270

Of the total leases, 61.5% of contracted rent is secure for in excess of five years.

Top 10 Tenants

We have a strong rental income stream and a diverse tenant base. The top 10 tenants account for 68.9% of the total rent roll and the tenants come from a variety of industries.

Rank	Tenant	Tenant industry	Contracted rent £m	Rent roll %
1	TikTok	Technology	7.6	20.2
2	Farfetch	Online retail	3.9	10.4
3	WeWork	Flexible offices	3.8	10.2
4	Brilliant Basics	Technology	3.2	8.4
5	VMware	Technology	2.0	5.3
6	Anomaly	Marketing	1.4	3.7
7	John Brown Media	Media	1.1	2.8
8	CBS	Media	1.0	2.8
9	Allegis	Recruitment	1.0	2.6
10	Incubeta	Marketing	0.9	2.5
Total			25.9	68.9

Letting Activity

	Area sq ft	Contracted rent (Helical's share) £	Rent psf £	Change to 31 March 2020 ERV %	Lease term to expiry Years
Investment Properties					
London					
Completed, let and available to let – offices					
– Kaleidoscope, London EC1	88,581	7,633,000	86.17	5.4	15.0
– The Loom, London E1	3,813	210,000	55.00	(0.1)	5.0
– 55 Bartholomew, London EC1	2,564	90,000	75.00	15.4	5.0
Completed, let and available to let – retail					
– The Warehouse, The Bower, London EC1	691	38,000	54.99	(21.4)	4.0
– Barts Square, London EC1	952	21,000	47.27	23.9	4.0
Total London	96,601	7,992,000	84.04	5.4	14.5
Manchester					
Completed, let and available to let – offices					
– Trinity	22,682	676,000	29.80	4.4	8.0
Completed, let and available to let – retail					
– Trinity	4,300	100,000	23.26	16.2	10.0
Total Manchester	26,982	776,000	28.76	5.8	9.4
Total	123,583	8,768,000	71.97	5.4	14.1

Financial Review

IFRS Performance	EPRA Performance
Profit Before Tax £20.5m (2020: £43.0m)	EPRA Loss £2.2m (2020: earnings of £9.1m)
EPS 14.8p (2020: 32.3p)	EPRA EPS Loss of 1.8p (2020: earnings of 7.6p)
Diluted NAV Per Share 492p (31 March 2020: 489p)	EPRA NTA Per Share 533p (31 March 2020: 524p)
Total Accounting Return 3.3% (2020: 7.7%)	Total Accounting Return on EPRA NTA 4.5% (2020: 9.3%)

Overview

The Group has made good progress during the year, with the successful letting of the whole of Kaleidoscope, London EC1 and the ongoing development of 33 Charterhouse Street, London EC1 driving its positive financial results.

The quality of the portfolio, and the tenants it attracts, has resulted in a strong rent collection of 93.3% for the year, despite operating in the Covid-19 global pandemic. For those tenants that have been hardest hit, primarily food and beverage operators, Helical has offered rent holidays and concessions. Unfortunately, a small number of tenants have ceased trading.

The sales of four investment assets and completion of the sale of 37 residential units for a combined £163.4m have improved the Group's cash resources, reducing its LTV and providing additional firepower to deploy into new opportunities.

Results for the Year

The see-through results for the year to 31 March 2021 include net rental income of £25.0m, a net gain on sale and revaluation of the investment portfolio of £23.9m and development losses of £0.3m, leading to a Total Property Return of £48.6m (2020: £83.9m). Total administration costs of £14.8m (2020: £17.3m) and net finance costs, also of £14.8m (2020: £15.6m), contributed to a pre-tax profit of £20.5m (2020: £43.0m). EPRA net tangible asset value per share increased by 1.7% to 533p (31 March 2020: 524p).

The Company has proposed a final dividend of 7.40p per share (2020: 6.00p) which, if approved by Shareholders at the 2021 AGM, will be payable on 26 July 2021. The total dividend paid or payable in respect of the year to 31 March 2021 will be 10.10p (2020: 8.70p), an increase of 16.1%.

The Group's real estate portfolio, including its share of assets held in joint ventures, decreased to £857.0m (31 March 2020: £949.3m) primarily as a result of the sale of investment assets, offset by net revaluation gains on the investment portfolio and capital expenditure at 33 Charterhouse Street, London EC1.

The sale of investment properties facilitated the repayment of debt during the year and decreased the Group's see-through loan to value to 22.6% (31 March 2020: 31.4%). The Group's weighted average cost of debt remained at 3.5% (31 March 2020: 3.5%) and the weighted average debt maturity was 3.2 years (31 March 2020: 4.0 years). The average maturity of the facilities would increase to 4.6 years on exercise of the available extension options, on a fully utilised basis.

At 31 March 2021, the Group had unutilised bank facilities of £260.5m and £162.2m of cash on a see-through basis. These are primarily available to fund the development of 33 Charterhouse Street, London 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.

	Year to 2021 £m	Year to 2020 £m	Year to 2019 £m	Year to 2018 £m	Year to 2017 £m
Total Property Return	**48.6**	83.9	81.4	68.8	79.9

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

	Year to 2021 %	Year to 2020 %	Year to 2019 %	Year to 2018 %	Year to 2017 %
Helical's unleveraged portfolio	**7.0**	9.6	10.1	10.8	9.3

Total Accounting Return

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

The Total Accounting Return on IFRS net assets in the year to 31 March 2021 was 3.3% (2020: 7.7%).

	Year to 2021 %	Year to 2020 %	Year to 2019 %	Year to 2018 %	Year to 2017 %
Total Accounting Return on IFRS net assets	**3.3**	7.7	8.4	5.3	8.3

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 year, expressed as a percentage of EPRA net asset value at the beginning of the year.

	Year to 2021 %	Year to 2020 %	Year to 2019 %	Year to 2018 %	Year to 2017 %
Total Accounting Return on EPRA net tangible assets	**4.5**	9.3	8.0*	1.0*	4.2*

* Calculated using EPRA net assets.

Earnings Per Share

The IFRS earnings per share decreased from 32.3p to 14.8p and are based on the after tax earnings attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the year.

On an EPRA basis, the loss per share was 1.8p compared to earnings per share of 7.6p in 2020, reflecting the Group's share of net rental income of £25.0m (2020: £28.5m) and development losses of £0.3m (2020: profits of £9.9m), but excluding gains on sale and revaluation of investment properties of £23.9m (2020: £45.5m).

Net Asset Value

IFRS diluted net asset value per share increased from 489p to 492p and is a measure of Shareholders' Funds divided by the number of shares in issue at the year end, adjusted to allow for the effect of all dilutive share awards.

EPRA has introduced three new asset value measures which are applicable to Helical's results for the year to 31 March 2021. The new measures replace the existing EPRA net asset value and triple net asset value metrics. Helical considers the EPRA net tangible asset measure to be the most relevant for its business. EPRA net tangible asset value per share increased by 1.7% to 533p per share (31 March 2020: 524p). This movement arose principally from a total comprehensive income (retained profits) of £17.9m (2020: £38.8m), less £10.5m of dividends (2020: £12.2m).

EPRA net disposal value per share increased to 485p (31 March 2020: 480p).

Income Statement

Rental Income and Property Overheads

Gross rental income for the Group in respect of wholly owned properties decreased to £28.0m (2020: £31.6m), mainly reflecting the sale of three Manchester offices during the year. In the joint ventures, gross rents decreased to £0.2m (2020: £0.9m) due to the sale of 90 Bartholomew Close, London EC1 at the beginning of the year. Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures decreased in line with rents at £3.2m (2020: £4.1m). Overall, see-through net rents decreased by 12.3% to £25.0m (2020: £28.5m).

Rent Collection

	March – December 2020 quarters %
Rent collected to date	93.3
Rent under discussion	1.8
Rent concessions	4.9

The Group has collected 93.3% of all rent contracted and payable for the March, June, September and December 2020 quarters. This is a strong performance in light of the impact of the global pandemic.

Development Profits

In the year, from our role as development manager at 33 Charterhouse Street, London EC1, we recognised £0.8m of fees. Further fees of £0.1m were recognised for carrying out accounting and corporate services at Barts Square, London EC1 and 33 Charterhouse Street, London EC1.

Ongoing costs of closing out our legacy retail development programme of £0.3m offset these to give a net development profit in the main group of £0.6m (2020: £3.3m).

The prior year profit of £3.3m included £0.8m of fees from our role as development manager of One Creechurch Place, London EC3 and a write back of a provision in relation to the sale of Retirement Villages in 2018.

Share of Results of Joint Ventures

The revaluation of our investment assets held in joint ventures generated a surplus of £6.4m (2020: £8.5m). A loss of £0.9m was recognised in respect of our Barts Square, London EC1 residential development as a result of marketing and void costs. Transaction costs on the sale of 90 Bartholomew Close, London EC1 resulted in a net loss on sale of investment properties of £0.6m (year to 31 March 2020: £4.7m valuation surplus).

Finance, administration, taxation and other sundry items added a further £1.7m of costs. An adjustment to reflect our economic interest in the Barts Square, London EC1 development to its recoverable amount generated a loss of £0.8m, leaving a net profit from our joint ventures of £2.4m (2020: £13.4m).

Gain on Sale and Revaluation of Investment Properties

The valuation of our investment portfolio, on a see-through basis, continued to reflect the benefit of our letting and development activities where we generated a see-through valuation surplus of £23.9m (2020: £45.5m), or 2.7% (including purchases and gains on sales) and 3.4% on a like-for-like basis. Transaction costs on the sale of the three Manchester assets resulted in a net loss on sale of £1.3m.

Administrative Expenses

Administration costs in the Group, before performance-related awards, reduced from £10.5m to £9.3m as a result of the impact of Covid-19 and actions taken in response.

Performance related share awards and bonus payments, including National Insurance costs, decreased to £5.1m (2020: £6.2m). Of this amount, £2.0m (2020: £2.8m), 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)	**9,276**	10,524
Performance related awards, including NIC	**5,140**	6,191
Group	**14,416**	16,715
In joint ventures	**432**	596
Total	**14,848**	17,311

Finance Costs, Finance Income and Derivative Financial Instruments

Total finance costs, including in joint ventures, fell during the year to £14.9m (2020: £17.0m), reflecting the lower level of borrowings.

		2021 £000	2020 £000
Interest payable on secured bank loans	– subsidiaries	10,567	11,292
	– joint ventures	1,319	543
Interest payable on unsecured bonds		-	855
Loan cancellation costs		-	1,692
Amortisation of refinancing costs		1,111	2,270
Sundry interest and bank charges	– subsidiaries	2,401	1,736
	– joint ventures	-	328
Interest capitalised		(514)	(1,745)
Total		14,884	16,971

Finance income earned, including in joint ventures, was £0.1m (2020: £1.4m). The movement upwards in medium and long-term interest rate projections during the year contributed to a credit of £2.9m (2020: charge of £7.7m) 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 year increased to £0.9m from £0.5m. This was offset by a decrease in the deferred tax charge to £1.7m from £3.8m, resulting in a total tax charge for the year of £2.6m (2020: £4.3m).

Dividends

The interim dividend paid on 31 December 2020 of 2.70p was unchanged from the previous interim dividend of 2.70p. The Company has proposed a final dividend of 7.40p, an increase of 23.3% on the previous year (2020: 6.00p), for approval by Shareholders at the 2021 AGM. If approved, the total dividend paid or payable in respect of the results for the year to 31 March 2021 will be 10.10p (2020: 8.70p), an increase of 16.1%.

Balance Sheet

Shareholders' Funds

Shareholders' Funds at 1 April 2020 were £598.7m. The Group's results for the year added £17.9m (2020: £38.8m), net of tax, representing the total comprehensive income for the year. Movements in reserves arising from the Group's share schemes increased funds by £2.1m. The Company paid dividends to Shareholders during the year of £10.5m. The net increase in Shareholders' Funds from Group activities during the year was £9.5m to £608.2m.

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 2020		836,875	76,809	913,684	2,161	(20,131)	895,714
Acquisitions	– wholly owned	-	-	-	-	-	-
	– joint ventures	-	-	-	4,421	-	4,421
Capital expenditure	– wholly owned	13,163	-	13,163	(14)	-	13,149
	– joint ventures	-	18,459	18,459	-	-	18,459
Letting costs amortised	– wholly owned	(19)	-	(19)	-	-	(19)
	– joint ventures	-	-	-	-	-	-
Disposals	– wholly owned	(114,144)	-	(114,144)	-	2,261	(111,883)
	– joint ventures	-	(20,305)	(20,305)	-	606	(19,699)
Revaluation surplus	– wholly owned	21,000	-	21,000	-	(1,613)	19,387
	– joint ventures	-	6,474	6,474	-	(51)	6,423
Economic interest adjustment	– joint ventures	-	1,079	1,079	-	(6)	1,073
Valuation at 31 March 2021		756,875	82,516	839,391	6,568	(18,934)	827,025

The Group spent £31.6m on capital works across the Investment portfolio, mainly at 33 Charterhouse Street, London EC1 (£18.4m), Kaleidoscope, London EC1 (£7.5m), The Tower, London EC1 (£2.8m), Fourways, Manchester (£1.1m), Trinity, Manchester (£0.8m) and The Tootal Buildings, Manchester (£0.5m). Three assets in Manchester, The Tootal Buildings, 35 Dale Street and Fourways, were sold during the year for a combined book value of £114.1m. In the joint ventures, 90 Bartholomew Close, London EC1 was sold in the year with a book value of £20.3m.

Revaluation gains added £27.5m to increase the see-through value of the portfolio, before lease incentives, to £839.4m (31 March 2020: £913.7m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £827.0m (31 March 2020: £895.7m).

Debt and Financial Risk

In total, the see-through outstanding debt at 31 March 2021 of £362.2m (31 March 2020: £386.9m) had a weighted average interest cost of 3.5% (31 March 2020: 3.5%) and a weighted average debt maturity of 3.2 years (31 March 2020: 4.0 years). The average maturity of the facilities would increase to 4.6 years following exercise of the two one-year extensions of the Group's £400m Revolving Credit Facility, and the one-year extension of the joint venture development loan, on a fully utilised basis.

Debt Profile at 31 March 2021 – Including Commitment Fees but Excluding the Amortisation of Arrangement Fees

	Total facility £000	Total utilised £000	Available facility £000	Weighted average interest rate %	Average maturity Years	Extended* average maturity Years
Investment facilities	531,150	341,150	190,000	3.3	3.3	4.8
Total wholly owned	531,150	341,150	190,000	3.3	3.3	4.7
In joint ventures	81,513	21,024	60,489	6.5	1.9	3.8
Total secured debt	612,663	362,174	250,489	3.5	3.2	4.7
Working capital	10,000	-	10,000	-	-	1.0
Total unsecured debt	10,000	-	10,000	-	-	1.0
Total debt	622,663	362,174	260,489	3.5	3.2	4.6

* Calculated on a fully utilised basis with the two one-year extensions of the Revolving Credit Facility included and one-year extension 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 £131m of term loan secured facilities. The value of the Group's properties secured in these facilities at 31 March 2021 was £729m (31 March 2020: £709m) with a corresponding loan to value of 46.8% (31 March 2020: 43.8%). The average maturity of the Group's investment facilities at 31 March 2021 was 3.3 years (31 March 2020: 4.4 years), increasing to 4.8 years on a fully utilised basis and following the two one-year extensions of the Revolving Credit Facility. The weighted average interest rate was 3.3% (31 March 2020: 3.3%). The marginal cost of fully utilising the undrawn Revolving Credit Facility was 1.5% (31 March 2020: 2.2%).

– **Joint Venture Facilities**
  We hold a number of investment and development properties in joint venture with third parties and include in our reported figures our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 31 March 2021 was 1.9 years (31 March 2020: 1.8 years) with a weighted average interest rate of 6.5% (31 March 2020: 4.2%). The average interest rate will fall as the 33 Charterhouse Street, London EC1 development facility is drawn down and would be 4.7% on a fully utilised basis, reducing to 2.25% once the building is complete and let.

Unsecured Debt

The Group's unsecured debt, following the repayment of the £5m working capital facility in July 2020, is £nil (31 March 2020: £5.0m).

Cash and Cash Flow

At 31 March 2021, the Group had £423m (31 March 2020: £279m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures, as well as £28.1m (31 March 2020: £70m) of uncharged property on which it could borrow funds.

Net Borrowings and Gearing

Total gross borrowings of the Group, including in joint ventures, have decreased from £386.9m to £362.2m during the year to 31 March 2021. After deducting cash balances of £162.2m (31 March 2020: £83.0m) and unamortised refinancing costs of £6.1m (31 March 2020: £6.0m), net borrowings decreased from £298.5m to £193.9m. The see-through gearing of the Group, including in joint ventures, decreased from 49.9% to 31.9%.

	31 March 2021	31 March 2020
See-through gross borrowings	**£362.2m**	£386.9m
See-through cash balances	**£162.2m**	£83.0m
Unamortised refinancing costs	**£6.1m**	£6.0m
See-through net borrowings	**£193.9m**	£298.5m
Shareholders' Funds	**£608.2m**	£598.7m
See-through gearing – IFRS net asset value	**31.9%**	49.9%

Hedging

At 31 March 2021, the Group had £280.8m (31 March 2020: £285.8m) of fixed rate debt with an average effective interest rate of 3.1% (31 March 2020: 3.0%) and £60.4m (31 March 2020: £68.0m) of floating rate debt with an average effective interest rate of 4.2% (31 March 2020: 4.9%). In addition, the Group had £240m of interest rate caps at an average of 1.75% (31 March 2020: £240m at 1.75%). In our joint ventures, the Group's share of fixed rate debt was £9.4m (31 March 2020: £nil) with an effective rate of 10.7% and £11.6m (31 March 2020: £33.1m) of floating rate debt with an effective rate of 3.1% (31 March 2020: 4.2%), with interest rate caps set at 1.5% plus margin on £35.3m (31 March 2020: £32.3m at 1.5%).

	31 March 2021 £m	Effective interest rate %	31 March 2020 £m	Effective interest rate %
Fixed rate debt				
– Secured borrowings	280.8	3.1	280.8	3.0
– Unsecured borrowings	-	-	5.0	3.3
Total	280.8	3.1	285.8	3.0
Floating rate debt				
– Secured	60.4	4.2[1]	68.0	4.9[1]
Total	341.2	3.3	353.8	3.4
In joint ventures				
– Fixed rate	9.4	10.7[2]	-	-
– Floating rate	11.6	3.1	33.1	4.2
Total borrowings	362.2	3.5	386.9	3.5

[1] This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 1.9% (31 March 2020: 3.0%).
[2] This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 4.95% (31 March 2020: nil%).

Tim Murphy
Finance Director
25 May 2021

Consolidated Income Statement

For the year ended 31 March 2021

	Notes	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Revenue	3	38,596	44,361
Cost of sales	3	(12,987)	(13,161)
Net property income	4	25,609	31,200
Share of results of joint ventures	12	2,352	13,396
Gross profit before net gain on sale and revaluation of investment properties		27,961	44,596
Loss on sale of investment properties	5	(1,341)	(1,272)
Revaluation of investment properties	11	19,387	38,351
Gross profit		46,007	81,675
Administrative expenses	6	(14,416)	(16,715)
Operating profit		31,591	64,960
Finance costs	7	(14,079)	(16,100)
Finance income		58	1,345
Change in fair value of derivative financial instruments		2,938	(7,651)
Change in fair value of Convertible Bond		-	468
Foreign exchange gain		-	8
Profit before tax		20,508	43,030
Tax on profit on ordinary activities	8	(2,631)	(4,313)
Profit for the year		17,877	38,717

Earnings per share	10		
Basic		14.8p	32.3p
Diluted		14.5p	31.7p

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Profit for the year	17,877	38,717
Exchange difference on retranslation of net investments in foreign operations	-	68
Total comprehensive income for the year	17,877	38,785

Consolidated Balance Sheet

At 31 March 2021

	Notes	31.3.21 £000	31.3.20 £000
Non-current assets			
Investment properties	11	740,207	819,573
Owner occupied property, plant and equipment		5,362	6,007
Investment in joint ventures	12	79,953	80,818
Derivative financial instruments	19	171	86
		825,693	906,484
Current assets			
Land and developments	13	448	852
Corporation tax receivable		-	1,417
Trade and other receivables	14	40,427	40,382
Cash and cash equivalents	15	154,448	74,586
		195,323	117,237
Total assets		1,021,016	1,023,721
Current liabilities			
Trade and other payables	16	(46,764)	(45,771)
Lease liability	17	(634)	(611)
Corporation tax payable		(655)	-
Borrowings	18	-	(5,000)
		(48,053)	(51,382)
Non-current liabilities			
Borrowings	18	(336,703)	(343,184)
Derivative financial instruments	19	(7,601)	(10,455)
Lease liability	17	(6,929)	(7,563)
Trade and other payables	16	-	(590)
Deferred tax liability	8	(13,569)	(11,858)
		(364,802)	(373,650)
Total liabilities		(412,855)	(425,032)
Net assets		608,161	598,689
Equity			
Called-up share capital	20	1,478	1,465
Share premium account		107,990	103,522
Revaluation reserve		164,316	171,464
Capital redemption reserve		7,478	7,478
Other reserves		291	291
Retained earnings		326,608	314,469
Total equity		608,161	598,689

Consolidated Cash Flow Statement

For the year to 31 March 2021

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Cash flows from operating activities		
Profit before tax	20,508	43,030
Depreciation	791	807
Revaluation surplus on investment properties	(19,387)	(38,351)
Letting cost amortised	19	-
Loss on sale of investment properties	1,341	1,272
Profit on sale of plant and equipment	(14)	(11)
Net financing costs	14,021	14,755
Change in value of derivative financial instruments	(2,938)	7,651
Change in fair value of Convertible Bond	-	(468)
Share based payment charge	2,031	2,814
Share settled bonus	-	1,485
Share of results of joint ventures	(2,352)	(13,396)
Foreign exchange movement	-	67
Cash inflows from operations before changes in working capital	14,020	19,655
Change in trade and other receivables	(2,554)	12,499
Change in land and developments	404	1,459
Change in trade and other payables	3,758	(3,890)
Cash inflows generated from operations	15,628	29,723
Finance costs	(12,902)	(19,630)
Finance income	58	6,717
Tax received/(paid)	1,219	(4,467)
	(11,625)	(17,380)
Cash flows from operating activities	4,003	12,343
Cash flows from investing activities		
Additions to investment property	(16,306)	(44,159)
Net proceeds from sale of investment property	113,207	40,260
Investment in joint ventures	(7,414)	(50,749)
Return on investment in joint ventures	-	1,334
Dividends from joint ventures	10,266	6,670
Sale of plant and equipment	23	27
Purchase of owner occupied property, plant and equipment	(156)	(18)
Net cash generated from/(used by) investing activities	99,620	(46,635)
Cash flows from financing activities		
Borrowings drawn down	12,339	254,038
Borrowings repaid	(25,000)	(329,929)
Lease liability payments	(610)	(588)
Sale of own shares	25	-
Shares issued	13	6
Equity dividends paid	(10,528)	(12,219)
Net cash used by financing activities	(23,761)	(88,692)
Net increase/(decrease) in cash and cash equivalents	79,862	(122,984)
Cash and cash equivalents at start of year	74,586	197,570
Cash and cash equivalents at end of year	154,448	74,586

Consolidated Statement of Changes in Equity

At 31 March 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 2019	1,459	101,304	131,050	7,478	291	325,843	567,425
Balances at 1 April 2019 as previously reported	1,459	101,304	131,050	7,478	291	325,843	567,425
Impact of transition to IFRS 16	-	-	-	-	-	(548)	(548)
Adjusted balances at 1 April 2019	1,459	101,304	131,050	7,478	291	325,295	566,877
Total comprehensive income	-	-	-	-	-	38,785	38,785
Revaluation surplus	-	-	38,351	-	-	(38,351)	-
Realised on disposals	-	-	2,063	-	-	(2,063)	-
Issued share capital	6	2,218	-	-	-	-	2,224
Performance Share Plan	-	-	-	-	-	2,814	2,814
Performance Share Plan – deferred tax	-	-	-	-	-	483	483
Share settled Performance Share Plan	-	-	-	-	-	(1,349)	(1,349)
Share settled bonus	-	-	-	-	-	1,074	1,074
Dividends paid	-	-	-	-	-	(12,219)	(12,219)
At 31 March 2020	1,465	103,522	171,464	7,478	291	314,469	598,689
Total comprehensive income	-	-	-	-	-	17,877	17,877
Revaluation surplus	-	-	19,387	-	-	(19,387)	-
Realised on disposals	-	-	(26,535)	-	-	26,535	-
Issued share capital	13	4,468	-	-	-	-	4,481
Performance Share Plan	-	-	-	-	-	2,031	2,031
Performance Share Plan – deferred tax	-	-	-	-	-	66	66
Share settled Performance Share Plan	-	-	-	-	-	(3,335)	(3,335)
Share settled bonus	-	-	-	-	-	(1,145)	(1,145)
Profit on sale of shares	-	-	-	-	-	25	25
Dividends paid	-	-	-	-	-	(10,528)	(10,528)
At 31 March 2021	1,478	107,990	164,316	7,478	291	326,608	608,161

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

The adjustment against retained earnings of £2,031,000 (31 March 2020: £2,814,000) adds back the share based payments charge in accordance with IFRS 2 *Share Based Payments*.

There were net transactions with owners of £8,405,000 (31 March 2020: £6,973,000) made up of the Performance Share Plan credit of £2,031,000 (31 March 2020: £2,814,000) and related deferred tax credit of £66,000 (31 March 2020: £483,000), dividends paid of £10,528,000 (31 March 2020: £12,219,000), issued share capital of £13,000 (31 March 2020: £6,000) and corresponding share premium of £4,468,000 (31 March 2020: £2,218,000), share settled Performance Share Plan awards charge of £3,335,000 (31 March 2020: £1,349,000), the share settled bonus awards charge of £1,145,000 (31 March 2020: credit of £1,074,000) and profit on sale of shares credit of £25,000 (31 March 2020: £nil).

Notes to the Full Year Results

1. Basis of Preparation

These financial statements have been prepared using the recognition and measurement principles of International accounting standards in conforming with the Companies Act 2006.

The financial statements have been prepared in Sterling (rounded to the nearest thousand) under the historical cost convention as modified by the revaluation of investment properties and derivative financial instruments.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 but has been derived from the Company's audited statutory accounts for the year ended 31 March 2021. These accounts will be delivered to the Registrar of Companies following the Annual General Meeting. The auditor's opinion on the 2021 accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The principal accounting policies of the Group are consistent with those applied in the year to 31 March 2020. The Group Annual Report and Financial Statements for 2020 are available at Companies House or on the Group's website.

The presentation of the Consolidated Income Statement has been amended to include Cost of Sales as a separate line item. This replaces the Net Rental Income, Development Property Profit and Other Operating Income that was previously disclosed on the Consolidated Income Statement. This revised disclosure does not change the previously reported Revenue, Gross Profit, Operating Profit or Profit for the year.

Amendments to standards and interpretations which are mandatory for the year ended 31 March 2021 are detailed below however none of these have had a material impact on the financial statements:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective for periods beginning on or after 1 January 2020);
- Amendments to IFRS 3 Definition of Business (effective for periods beginning on or after 1 January 2020);
- Amendments to IAS 1 and IAS 8 Definition of Material (effective for periods beginning on or after 1 January 2020); and
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform (effective for periods beginning on or after 1 January 2020).

The following standards, interpretations and amendments have been issued but are not yet effective and will be adopted at the point they are effective:

- Amendment to IFRS 16 Covid-19-Related Rent Concessions (effective for periods beginning on or after 1 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Report – Phase 2 (effective for periods beginning on or after 1 January 2021);
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (effective for periods beginning on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018-2020 (effective for periods beginning on or after 1 January 2022);
- Amendments to IFRS 3 Reference to the Conceptual Framework (effective for periods beginning on or after 1 January 2022);
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract (effective for periods beginning on or after 1 January 2022);
- IFRS 17 Insurance Contracts (effective for periods beginning on or after 1 January 2023);

- Amendments to IFRS 17 Insurance Contracts (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for periods beginning on or after 1 January 2023);
- Amendments to IFRS 4 Extension of the Temporary Exemption from Applying IFRS 9 (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (effective for periods beginning on or after 1 January 2023); and
- Amendments to IAS 8 Definition of accounting estimates (effective for periods beginning on or after 1 January 2023).

Going Concern

The Directors have considered the appropriateness of adopting the going concern basis in preparing the financial statements. Their assessment is based on forecasts for the period to 30 September 2022, with the potential impact of Covid-19 being an area of focus and including severe downside scenarios on the principal risks and uncertainties.

The key assumptions used in the review are summarised below:

- The Group 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 £154.4m of cash and £7.8m of cash held in joint ventures with £55.1m available to drawdown on bank facilities at 31 March 2021;
- The forecast shows that all bank facility financial covenants will be met throughout the review period;
- Based on the forecast for the next quarter, June 2021, rental income could fall by 18% before income covenants would come under pressure;
- Property values could fall by 33% in the going concern period before loan to value covenants come under pressure; and
- The Group has also performed a severe stress test which shows that it could withstand receiving no rental income during the going concern period (excluding the impact on income covenants which could be mitigated by cash deposit/repayment cures).

Based on this analysis, the Directors have adopted the going concern basis in preparing the accounts for the year ended 31 March 2021.

Use of Judgements and Estimates

To be able to prepare accounts according to accounting principles, management must make estimates and assumptions that affect the assets and liabilities and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and other assumptions that management and the Board of Directors believe are reasonable under the particular circumstances. The results of these considerations form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

Areas requiring the use of critical judgements and estimates that may significantly impact the Group's earnings and financial position are:

Significant Judgements

The key areas are discussed below:

- Consideration of the nature of joint arrangements. In the context of IFRS 10 Consolidated Financial Statements, this involves consideration of where the control lies and whether either party has the power to vary its returns from the arrangements. In particular, significant judgement is exercised where the shareholding of the Group is not 50% (Note 12).

Key sources of estimation uncertainty

The key areas are discussed below:

- Determination of the most appropriate percentage interest level at which to recognise our share of joint ventures, where our economic interest can differ to our ownership interest (see Note 12). Under the Barts Square joint venture agreement, the Group is entitled to varying returns dependent upon the performance of the development. Whilst the Group holds a 33.3% legal share in the Barts Square group, it has accounted for its share at 47.0% to reflect its expected economic interest in the joint venture. There are several estimates that contribute to this expected economic interest, the most sensitive of which is the estimated sales price of the residential units. If the estimated sales prices were 20% lower, the Group's economic interest would fall by 0.1% (with a net asset decrease of £50,000), whilst an increase of 10% would result in a rise of its economic interest of 1.8% (with a net asset increase of £900,000); and
- Valuation of investment properties. Discussion of the sensitivity of these valuations to changes in the equivalent yields and rental values is included in Note 11.

2. Revenue from Contracts with Customers

	Year ended 31.03.21 £000	Year ended 31.03.20 £000
Development property income	1,700	3,849
Service charge income	8,841	8,790
Other income	48	91
Total revenue from contracts with customers	10,589	12,730

The total revenue from contracts with customers is the revenue recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*. This reflects the development property income, the service charge income and other revenue in Note 3.

Impairments of contract assets recognised in the year to 31 March 2021 amounted to £140,000 (2020: £nil).

3. Segmental Information

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

- investment properties, which are owned or leased by the Group for long-term income and for capital appreciation; and,

- development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

Revenue	Investment Year ended 31.03.21 £000	Developments Year ended 31.03.21 £000	Total Year ended 31.03.21 £000	Investment Year ended 31.03.20 £000	Developments Year ended 31.03.20 £000	Total Year ended 31.03.20 £000
Gross rental income	28,007	-	28,007	31,631	-	31,631
Development property income	-	1,700	1,700	-	3,849	3,849
Service charge income	8,841	-	8,841	8,790	-	8,790
Other revenue	48	-	48	91	-	91
Revenue	36,896	1,700	38,596	40,512	3,849	44,361

Cost of sales	Investment Year ended 31.03.21 £000	Developments Year ended 31.03.21 £000	Total Year ended 31.03.21 £000	Investment Year ended 31.03.20 £000	Developments Year ended 31.03.20 £000	Total Year ended 31.03.20 £000
Rents payable	(232)	-	(232)	(178)	-	(178)
Property overheads	(2,810)	-	(2,810)	(3,615)	-	(3,615)
Service charge expense	(8,841)	-	(8,841)	(8,790)	-	(8,790)
Development cost of sales	-	(1,018)	(1,018)	-	(1,744)	(1,744)
Development sales expenses	-	(4)	(4)	-	(29)	(29)
Expected credit loss (provision)/reversal	-	(82)	(82)	-	1,198	1,198
Other expense	-	-	-	(3)	-	(3)
Cost of sales	(11,883)	(1,104)	(12,987)	(12,586)	(575)	(13,161)

Profit before tax	Investment Year ended 31.03.21 £000	Developments Year ended 31.03.21 £000	Total Year ended 31.03.21 £000	Investment Year ended 31.03.20 £000	Developments Year ended 31.03.20 £000	Total Year ended 31.03.20 £000
Net rental income	24,965	-	24,965	27,838	-	27,838
Development property profit	-	596	596	-	3,274	3,274
Share of results of joint ventures	4,389	(2,037)	2,352	11,880	1,516	13,396
Gain on sale and revaluation of Investment properties	18,046	-	18,046	37,079	-	37,079
Segmental profit/(loss)	47,400	(1,441)	45,959	76,797	4,790	81,587
Other operating income			48			88
Gross profit			46,007			81,675
Administrative expenses			(14,416)			(16,715)
Net finance costs			(14,021)			(14,755)
Change in fair value of derivative financial instruments			2,938			(7,651)
Change in value of Convertible Bond			-			468
Foreign exchange gain			-			8
Profit before tax			20,508			43,030

Net assets	Investment 31.03.21 £000	Developments 31.03.21 £000	Total 31.03.21 £000	Investment 31.03.20 £000	Developments 31.03.20 £000	Total 31.03.20 £000
Investment properties	740,207	-	740,207	819,573	-	819,573
Land and developments	-	448	448	-	852	852
Investment in joint ventures	74,165	5,788	79,953	73,643	7,175	80,818
	814,372	6,236	820,608	893,216	8,027	901,243
Other assets			200,408			122,478
Total assets			1,021,016			1,023,721
Liabilities			(412,855)			(425,032)
Net assets			608,161			598,689

4. Net Property Income

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Gross rental income	28,007	31,631
Head rents payable	(232)	(178)
Property overheads	(2,810)	(3,615)
Net rental income	24,965	27,838
Development property income	1,700	3,849
Development cost of sales	(1,018)	(1,744)
Sales expenses	(4)	(29)
Change in expected credit loss – (provision)/reversal of provision	(82)	1,198
Development property profit	596	3,274
Other revenue	48	91
Other expense	-	(3)
Net property income	25,609	31,200

5. Loss on Sale of Investment Properties

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Proceeds from the sale of investment properties	114,800	41,580
Sale expenses	(1,593)	(1,320)
Book value (Note 11)	(111,883)	(41,481)
Tenants' incentives on sold investment properties	(2,665)	(51)
Loss on sale of investment properties	(1,341)	(1,272)

6. Administrative Expenses

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Administration costs	(9,276)	(10,524)
Performance related awards	(4,341)	(5,279)
National Insurance on performance related awards	(799)	(912)
Administrative expenses	(14,416)	(16,715)

7. Finance Costs

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Interest payable on bank loans, bonds and overdrafts	(10,697)	(12,147)
Other interest payable and similar charges	(3,382)	(5,698)
Interest capitalised	-	1,745
Finance costs	(14,079)	(16,100)

8. Tax on Profit on Ordinary Activities

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
The tax charge is based on the profit for the year and represents:		
United Kingdom corporation tax at 19% (2020: 19%)		
– Group corporation tax	(1,218)	(470)
– Adjustment in respect of prior years	365	(19)
Current tax charge	(853)	(489)
Deferred tax		
– Capital allowances	(398)	(879)
– Tax losses	(794)	(201)
– Unrealised chargeable gains	338	(4,691)
– Other timing differences	(924)	1,947
Deferred tax charge	(1,778)	(3,824)
Total tax charge for the year	(2,631)	(4,313)

Deferred tax	31.3.21 £000	31.3.20 £000
Capital allowances	(4,540)	(4,142)
Tax losses	1,024	1,818
Unrealised chargeable gains	(13,512)	(13,850)
Other timing differences	3,459	4,316
Deferred tax liability	(13,569)	(11,858)

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 £4,540,000 (31 March 2020: £4,142,000) would be released and further capital allowances of £76,028,000 (31 March 2020: £87,274,000) would be available to reduce future tax liabilities.

The net deferred tax asset in respect of other timing 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.

9. Dividends

	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Attributable to equity share capital		
Ordinary		
– Interim paid 2.70p per share (2020: 2.70p)	3,274	3,239
– Prior year final paid 6.00p per share (2019: 7.50p)	7,254	8,980
	10,528	12,219

A final dividend of 7.40p, if approved at the AGM on 15 July 2021, will be paid on 26 July 2021 to Shareholders on the register on 25 June 2021. This final dividend, amounting to £8,974,000, has not been included as a liability as at 31 March 2021, in accordance with IFRS.

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

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

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

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

		Year ended 31.3.21 000	Year ended 31.3.20 000
Ordinary shares in issue		121,266	119,978
Weighting adjustment		(282)	(133)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share		120,984	119,845
Weighted average ordinary shares issued on share settled bonuses		719	973
Weighted average ordinary shares to be issued under Performance Share Plan		1,434	1,385
Weighted average ordinary shares in issue for calculation of diluted earnings per share		123,137	122,203
		£000	£000
Earnings used for calculation of basic and diluted earnings per share		17,877	38,717
Basic earnings per share		14.8p	32.3p
Diluted earnings per share		14.5p	31.7p
		£000	£000
Earnings used for calculation of basic and diluted earnings per share		17,877	38,717
Net gain on sale and revaluation of investment properties	– subsidiaries	(18,046)	(37,079)
	– joint ventures	(5,870)	(8,451)
Tax on profit on disposal of investment properties		4,936	599
Tax on gain on settlement of derivative component of Convertible Bond		-	1,555
Gain on movement in share of joint ventures		767	(275)
Fair value movement on derivative financial instruments	– subsidiaries	(2,938)	7,651
	– joint ventures	-	39
Fair value movement on Convertible Bond		-	(468)
Profit on cancellation of derivative financial instruments		-	(233)
Expense on cancellation of loans		-	2,939
Deferred tax on adjusting items		1,075	4,088
(Loss)/earnings used for calculations of EPRA earnings per share		(2,199)	9,082
EPRA (loss)/earnings per share		(1.8)p	7.6p

The loss/earnings used for the calculation of EPRA earnings per share includes net rental income and development property profits/losses.

11. Investment Properties

	31.3.21 £000	31.3.20 £000
Book value at 1 April	819,573	778,752
Additions	13,149	43,951
Disposals	(111,883)	(41,481)
Letting cost amortisation	(19)	-
Revaluation surplus	19,387	38,351
Book value at 31 March	740,207	819,573

All properties are stated at market value as at 31 March 2021, of which £756,725,000 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 ("RICS"). The remaining £150,000 was valued by the Directors. The fair value of the investment properties at 31 March 2021 is as follows:

	31.3.21 £000	31.3.20 £000
Book value at 31 March	740,207	819,573
Lease incentives and letting costs included in trade and other receivables	18,815	19,463
Head leases capitalised	(2,147)	(2,161)
Fair value at 31 March	756,875	836,875

Cumulative interest capitalised in respect of the refurbishment of investment properties at 31 March 2021 amounted to £13,102,000 (31 March 2020: £13,102,000).

The historical cost of investment property is £573,709,000 (31 March 2020: £645,927,000).

The fair value of the Group's investment property as at 31 March 2021 was determined by independent external valuers at that date, except for investment properties valued by the Directors. The valuations are in accordance with the RICS Valuation – Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties.

Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields as discussed below. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property.

The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation outputs, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

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

There are interrelationships between all the inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions.

Details of the investment portfolio yields can be found on page 19.

A sensitivity analysis was performed to ascertain the impact of a 25 basis point shift in the equivalent yield and a £2.50 psf shift in London ERVs and a £1.00 psf shift in Manchester ERVs for the wholly owned investment portfolio:

Change in portfolio value	London %	Manchester %	Total %	Total £000
Equivalent yield				
+ 25 bps	(5.2)	(4.8)	(5.2)	(39,275)
- 25 bps	5.8	5.3	5.8	43,725
ERV				
+ £2.50 (London) & £1.00 (Manchester)	2.9	2.8	2.9	22,175
- £2.50 (London) & £1.00 (Manchester)	(3.0)	(2.6)	(3.0)	(22,575)

12. Investments in Joint Ventures

Share of results of joint ventures	Year ended 31.3.21 £000	Year ended 31.3.20 £000
Summarised consolidated income statement		
Revenue	26,024	32,162
Gross rental income	156	898
Property overheads	(131)	(298)
Net rental income	25	600
Gain on revaluation of investment properties	6,423	8,451
Loss on sale of investment properties	(553)	-
Development (loss)/profit	(948)	8,124
Provision against stock	-	(1,481)
Other operating expenses	-	(21)
Gross profit	4,947	15,673
Administrative expenses	(432)	(596)
Operating profit	4,515	15,077
Interest payable on bank loans and overdrafts	(1,319)	(543)
Other interest payable and similar charges	-	(328)
Interest capitalised	514	-
Finance income	5	54
Change in fair value of derivative financial instruments	-	(39)
Profit before tax	3,715	14,221
Tax	(596)	(2,658)
Profit after tax	3,119	11,563
Reversal of One Creechurch Place loss*	-	224
Profit on sale of interest in One Creechurch Place	-	1,334
Adjustment for Barts Square economic interest**	(767)	275
Share of results of joint ventures	2,352	13,396

* This is an adjustment that has been made to add back the Group's share of the loss incurred in one of its joint ventures, arising from finance and other costs in the year, to ensure the Group's interest is shown at its recoverable amount.

** This is an adjustment to reflect the impact of the consolidation of a joint venture at its economic interest of 47.0% (2020: 43.0%) rather than its actual ownership interest of 33.3%.

Investment in joint ventures	31.3.21 £000	31.3.20 £000
Summarised balance sheets		
Non-current assets		
Investment properties	86,817	76,141
Owner occupied property, plant and equipment	41	41
	86,858	76,182
Current assets		
Land and developments	16,545	34,164
Trade and other receivables	1,661	3,780
Cash and cash equivalents	7,781	7,821
	25,987	45,765
Current liabilities		
Trade and other payables	(7,098)	(7,162)
Borrowings	(11,455)	-
	(18,553)	(7,162)
Non-current liabilities		
Trade and other payables	(408)	(316)
Borrowings	(8,014)	(32,754)
Long leasehold liability	(4,584)	-
Deferred tax	(1,422)	(976)
	(14,428)	(34,046)
Net assets before acquisition costs	79,864	80,739
Acquisition costs	89	79
Net assets	79,953	80,818

The fair value of investment properties at 31 March 2021 is as follows:

	31.3.21 £000	31.3.20 £000
Book value	86,817	76,141
Lease incentives and letting costs included in trade and other receivables	(4,301)	668
Fair value	82,516	76,809

The Directors' valuation of land and developments shows a surplus of £nil (31 March 2020: £nil) above book value.

13. Land and Developments

	31.3.21 £000	31.3.20 £000
Land and developments	448	852

The Directors' valuation of land and developments shows a surplus of £578,000 (31 March 2020: £578,000) above book value. This surplus has been included in the EPRA net asset value (Note 21).

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

14. Trade and Other Receivables

	31.3.21 £000	31.3.20 £000
Trade receivables	17,426	11,698
Other receivables	544	3,265
Prepayments	4,597	3,986
Accrued income	17,860	21,433
	40,427	40,382

Included within accrued income are lease incentives of £17,179,000 (31 March 2020: £19,463,000).

15. Cash and Cash Equivalents

	31.3.21 £000	31.3.20 £000
Cash held at managing agents	3,289	3,563
Restricted cash	72,878	7,245
Cash deposits	78,281	63,778
	154,448	74,586

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

16. Trade and Other Payables

	31.3.21 £000	31.3.20 £000
Trade payables	24,194	28,378
Other payables	1,879	2,060
Accruals	14,023	9,277
Deferred income	6,668	6,056
Current trade and other payables	46,764	45,771
Accruals	-	590
Non-current trade and other payables	-	590
Total trade and other payables	46,764	46,361

17. Lease Liability

	31.3.21 £000	31.3.20 £000
Current lease liability	634	611
Non-current lease liability	6,929	7,563

Included within lease liability are £634,000 (31 March 2020: £611,000) of current and £4,740,000 (31 March 2020: £5,374,000) of non-current lease liabilities which relate to the long leasehold of the Group's head office.

18. Borrowings

	31.3.21 £000	31.3.20 £000
Current borrowings	-	5,000
Borrowings repayable within:		
– one to two years	-	-
– two to three years	49,705	-
– three to four years	286,998	37,190
– four to five years	-	305,994
Non-current borrowings	336,703	343,184
Total borrowings	336,703	348,184

Net borrowings	31.3.21 £000	31.3.20 £000
Total borrowings	336,703	348,184
Cash	(154,448)	(74,586)
Net borrowings	182,255	273,598

Net borrowings excludes the Group's share of borrowings in joint ventures of £19,469,000 (31 March 2020: £32,754,000) and cash of £7,781,000 (31 March 2020: £7,821,000). All borrowings in joint ventures are secured.

	31.3.21 £000	31.3.20 £000
Net assets	608,161	598,689
Gearing (excluding the Group's share of net borrowings in joint venture)	30%	46%

19. Derivative Financial Instruments

	31.3.21 £000	31.3.20 £000
Derivative financial instruments asset	171	86
Derivative financial instruments liability	(7,601)	(10,455)

The fair values of the Group's outstanding interest rate swaps, caps and floors 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*.

20. Share Capital

	31.3.21 £000	31.3.20 £000
Authorised	39,577	39,577

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

	31.3.21 £000	31.3.20 £000
Allotted, called up and fully paid:		
– 121,265,710 (31 March 2020: 119,977,581) ordinary shares of 1p each	1,213	1,200
– 212,145,300 deferred shares of 1/8p each	265	265
	1,478	1,465

21. Net Assets per Share

	At 31 March 2021 £000	Number of shares 000	p	At 31 March 2020 £000	Number of shares 000	p
IFRS net assets	608,161	121,266		598,689	119,978	
Adjustments:						
– deferred shares	(265)			(265)		
Basic net asset value	607,896	121,266	501	598,424	119,978	499
– share settled bonus		718			973	
– dilutive effect of Performance Share Plan		1,519			1,306	
Diluted net asset value	607,896	123,503	492	598,424	122,257	489
Adjustments:						
- fair value of financial instruments	7,431			10,368		
- deferred tax	18,348			15,668		
- fair value of land and developments	578			578		
- real estate transfer tax	56,877			61,607		
EPRA net reinstatement value	691,130	123,503	560	686,645	122,257	562
- real estate transfer tax	(24,862)			(46,221)		
- deferred tax	(7,605)			-		
EPRA net tangible asset value	658,663	123,503	533	640,424	122,257	524
- real estate transfer tax	(32,015)			(15,386)		
- deferred tax	7,605			-		
EPRA net asset value	634,253	123,503	514	625,038	122,257	511

	At 31 March 2021 £000	Number of shares 000	p	At 31 March 2020 £000	Number of shares 000	p
Diluted net assets	607,896	123,503	492	598,424	122,257	489
Adjustments:						
- surplus on fair value of stock	578			578		
- fair value of fixed rate loan	(9,622)			(12,481)		
EPRA net disposal value/EPRA triple net asset value	598,852	123,503	485	586,521	122,257	480

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

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

The calculation of EPRA net tangible asset value includes a real estate transfer tax adjustment which adds back the benefit of the saving of the purchaser's costs that Helical expects to receive on the sale of the corporate vehicle that owns the building, rather than a direct asset sale.

The calculation of EPRA net disposal value/triple net asset value per share reflects the fair value of all the assets and liabilities of the Group at 31 March 2021. One of the loans held by the Group is at a fixed rate and therefore not at fair value. The adjustment of £9,622,000 (2020: £12,481,000) is the increase from book to fair value.

22. Related Party Transactions

At 31 March 2021 and 31 March 2020 the following amounts were due from the Group's joint ventures.

	31.3.21 £000	31.3.20 £000
King Street Developments (Hammersmith) Limited	-	71
Shirley Advance LLP	8	7
Barts Square companies	16	61
Old Street Holdings LP	3	3
Charterhouse Street Ltd	400	200

23. Capital Commitments

The Group has a commitment of £4,400,000 (31 March 2020: £19,600,000) in relation to development contracts which are due to be completed in the year to March 2022. A further £45,600,000 (31 March 2020: £1,500,000) relates to the Group's share of commitments in joint ventures.

24. Post Balance Sheet Events

There were no material post balance sheet events.

Appendix 1 – See-through Analysis

All appendices are unaudited.

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

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

See-through net rental income

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

		Year ended 31.3.21 £000	Year ended 31.3.20 £000
Gross rental income	– subsidiaries	28,007	31,631
	– joint ventures	156	898
Total gross rental income		28,163	32,529
Rents payable	– subsidiaries	(232)	(178)
Property overheads	– subsidiaries	(2,810)	(3,615)
	– joint ventures	(131)	(298)
See-through net rental income		24,990	28,438

See-through net development property (loss)/profit

Helical's share of development property (loss)/profit from property assets held in subsidiaries and in joint ventures are shown in the table below:

		Year ended 31.3.21 £000	Year ended 31.3.20 £000
In parent and subsidiaries		678	2,076
In joint ventures		(948)	8,124
Total gross development property (loss)/profit		(270)	10,200
(Provision)/reversal of provision	– subsidiaries	(82)	1,198
	– joint ventures	-	(1,481)
See-through development property (loss)/profit		(352)	9,917

See-through net gain on sale and revaluation of investment properties

Helical's share of the net gain on sale and revaluation of investment properties held in subsidiaries and in joint ventures is shown in the table below:

		Year ended 31.3.21 £000	Year ended 31.3.20 £000
Revaluation surplus on investment properties	– subsidiaries	19,387	38,351
	– joint ventures	6,423	8,451
Total revaluation surplus		25,810	46,802
Net loss on sale of investment properties	– subsidiaries	(1,341)	(1,272)
	– joint ventures	(553)	-
Total net loss on sale of investment properties		(1,894)	(1,272)
See-through net gain on sale and revaluation of investment properties		23,916	45,530

See-through net finance costs

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

		Year ended 31.3.21 £000	Year ended 31.3.20 £000
Interest payable on bank loans, bonds and overdrafts	– subsidiaries	10,697	12,147
	– joint ventures	1,319	543
Total interest payable on bank loans, bonds and overdrafts		12,016	12,690
Other interest payable and similar charges	– subsidiaries	3,382	5,698
	– joint ventures	-	328
Interest capitalised	– subsidiaries	-	(1,745)
	– joint ventures	(514)	-
Total finance costs		14,884	16,971
Interest receivable and similar income	– subsidiaries	(58)	(1,345)
	– joint ventures	(5)	(54)
See-through net finance costs		14,821	15,572

See-through property portfolio

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

		31.3.21 £000	31.3.20 £000
Investment property fair value	– subsidiaries	756,875	836,875
	– joint ventures	82,516	76,809
Total investment property fair value		839,391	913,684
Land and development property	– subsidiaries	448	852
	– joint ventures	16,545	34,164
Total land and development property		16,993	35,016
Land and development property surplus	– subsidiaries	578	578
	– joint ventures	-	-
Total land and development property surpluses		578	578
Total land and development property at fair value		17,571	35,594
See-through property portfolio		856,962	949,278

See-through net borrowings

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

		31.3.21 £000	31.3.20 £000
Gross borrowings less than one year	– subsidiaries	-	5,000
Gross borrowings more than one year	– subsidiaries	336,703	343,184
Total gross borrowings in parent and subsidiaries		336,703	348,184
Gross borrowings less than one year	– joint ventures	11,455	-
Gross borrowings more than one year	– joint ventures	8,014	32,754
Total gross borrowings in joint ventures		19,469	32,754
Cash and cash equivalents	– subsidiaries	(154,448)	(74,586)
	– joint ventures	(7,781)	(7,821)
See-through net borrowings		193,943	298,531

See-through analysis ratios

	31.3.21 £000	31.3.20 £000
Balance sheet		
Property portfolio	856,962	949,278
Net borrowings	193,943	298,531
Net assets	608,161	598,689
Loan to value	22.6%	31.4%
Gearing	31.9%	49.9%

Appendix 2 – Total Accounting Return and Total Property Return

	Year ended 31.03.21 £000	Year ended 31.03.20 £000
Brought forward net assets	598,689	567,425
Carried forward net assets	608,161	598,689
Increase in net assets	9,472	31,264
Dividends paid	10,528	12,219
Total Accounting Return	20,000	43,483
Total Accounting Return percentage	3.3%	7.7%

	Year ended 31.03.21 £000	Year ended 31.03.20 £000
Brought forward EPRA net tangible assets	640,424	597,321
Carried forward EPRA net tangible assets	658,663	640,424
Increase in EPRA net tangible assets	18,239	43,103
Dividends paid	10,528	12,219
Total Accounting Return on EPRA net tangible assets	28,767	55,322
Total Accounting Return percentage on EPRA net tangible assets	4.5%	9.3%

	Year ended 31.03.21 £000	Year ended 31.03.20 £000
See-through net rental income	24,990	28,438
See-through development property (losses)/profits	(352)	9,917
See-through revaluation surplus	25,810	46,802
See-through net loss on sale of investment properties	(1,894)	(1,272)
Total Property Return	48,554	83,885

Appendix 3 – Five Year Review

Income Statements

	Year ended 31.3.21 £000	Year ended 31.3.20 £000	Year ended 31.3.19 £000	Year ended 31.3.18 £000	Year ended 31.3.17 £000
Revenue	38,596	44,361	44,175	175,596	99,934
Net rental income	24,965	27,838	24,599	36,329	46,162
Development property profit/(loss)	678	2,076	2,564	(1,961)	7,143
(Provisions)/ reversal of provisions against stock	(82)	1,198	(4,345)	(2,213)	(6,300)
Share of results of joint ventures	2,352	13,396	(3,217)	3,196	(6,528)
Other operating income	48	88	-	111	982
Gross profit before gain on investment properties	27,961	44,596	19,601	35,462	41,459
(Loss)/gain on sale of investment properties	(1,341)	(1,272)	15,008	13,567	1,391
Revaluation surplus on investment properties	19,387	38,351	44,284	23,848	39,152
Fair value movement of available-for-sale assets	-	-	144	1,385	(3,352)
Administrative expenses excluding performance related awards	(9,276)	(10,524)	(10,858)	(11,023)	(10,800)
Performance related awards (including NIC)	(5,140)	(6,191)	(5,895)	(1,742)	(7,572)
Finance costs	(14,079)	(16,100)	(17,407)	(37,438)	(25,598)
Finance income	58	1,345	983	4,303	3,156
Change in fair value of derivative financial instruments	2,938	(7,651)	(3,322)	4,029	789
Change in fair value of Convertible Bond	-	468	865	(1,559)	2,973
Foreign exchange gains/(losses)	-	8	53	(10)	(3)
Profit before tax	20,508	43,030	43,456	30,822	41,595
Tax on profit on ordinary activities	(2,631)	(4,313)	(836)	(4,537)	(2,471)
Profit after tax	17,877	38,717	42,620	26,285	39,124

Balance Sheets

	31.3.21 £000	31.3.20 £000	31.3.19 £000	31.3.18 £000	31.3.17 £000
Investment portfolio at fair value	756,875	836,875	791,250	802,134	1,003,000
Land, trading properties and developments	448	852	2,311	6,042	86,680
Group's share of investment properties held by joint ventures	82,516	76,809	25,382	22,623	13,907
Group's share of land, trading and development properties held by joint ventures	16,545	34,164	56,935	76,474	89,115
Group's share of land and development property surpluses	578	578	578	2,328	12,514
Group's share of total properties at fair value	856,962	949,278	876,456	909,601	1,205,216
Net debt	182,255	273,598	227,712	325,121	574,439
Group's share of net debt of joint ventures	11,688	24,933	40,861	37,733	45,537
Group's share of net debt	193,943	298,531	268,573	362,854	619,976
Net assets	608,161	598,689	567,425	533,894	516,897
EPRA net tangible assets value	658,663	640,424	597,321	561,644*	565,973*
Dividend per ordinary share paid/payable	8.70p	10.20p	9.60p	8.70p	3.12p
Dividend per ordinary share declared	10.10p	8.70p	10.10p	9.50p	8.60p
EPRA (loss)/earnings per ordinary share	(1.8)p	7.6p	(8.4)p	(7.0)p	0.5p
EPRA net tangible assets per share	533p	524p	494p	468p*	473p*

*EPRA net asset value.

Appendix 4 – Property Portfolio

London Portfolio – Investment Properties

Address	Description	Area sq ft (NIA)	Vacancy rate at 31 March 2021	Vacancy rate at 31 March 2020
Completed, let and available to let				
The Warehouse & Studio, The Bower, EC1	Multi-let office building	151,439	0.0%	0.2%
The Tower, The Bower, EC1	Multi-let office building	182,195	0.0%	0.0%
The Loom, E1	Multi-let office building	108,606	14.8%	4.2%
Kaleidoscope, EC1	Single-let over-station office building	88,581	0.0%	100.0%
25 Charterhouse Square, EC1	Multi-let office building	42,921	26.0%	0.0%
55 Bartholomew, EC1	Multi-let office building	10,976	67.2%	90.5%
The Powerhouse, W4	Single-let recording studios/office building	24,288	0.0%	0.0%
		609,006	5.8%	16.5%
Being redeveloped				
33 Charterhouse Street, EC1	Office redevelopment	205,369*	n/a	n/a
		814,375	n/a	n/a

*Estimated space once developed.

London Portfolio – Development Properties

Address	Description	Area sq ft (NIA)	Unsold apartments at 31 March 2021	Unsold apartments at 31 March 2020
Barts Square, EC1	236 residential apartments and 14,730 sq ft retail/leisure	216,717	28	44

Manchester Offices

Address	Description	Area sq ft (NIA)	Vacancy rate at 31 March 2021	Vacancy rate at 31 March 2020
Trinity	Multi-let office building	58,760	54.1%	100.0%

Appendix 5 – Risk Register

Risk	Description	Mitigating actions	Changes in risk severity
Strategic Risks Strategic risks are external risks that could prevent the Group delivering its strategy. It is these risks which principally impact decision-making with respect to the purchasing or selling of property assets.			
The Group's strategy is inconsistent with the market YoY change ↑	Changing market conditions could hinder the Group's ability to buy and sell properties envisioned in its strategy. The location, size and mix of properties in Helical's portfolio determine the impact of the risk. The Covid-19 pandemic has accelerated the move to more agile working practices. Whilst is it clear that there is an important role for the modern office, the full impact of the shift is yet to be determined. If the Group's chosen markets underperform, the impact on the Group's liquidity, investment property revaluations and rental income is greater.	Management constantly monitors the market and makes changes to the Group's strategy in light of market conditions. The Group conducts an annual strategic review and maintains rolling forecasts, with inbuilt sensitivity analysis to model anticipated economic conditions. The Group's management team is highly experienced and has a strong track record of understanding the property market. Due to the Group's small management team, strategic change can be implemented quickly.	As part of the Government's response to Covid-19, non-essential workers (including office staff) were advised to work from home. The Government roadmap announced has resulted in a clearer path to the end of the pandemic but there remains uncertainty over the long-term impact. As such, this risk has increased.
Risks arising from the Group's significant development projects YoY change =	The Group carries out significant development projects over a number of years and is therefore exposed to fluctuations in the market and tenant demand levels over time.	Management carefully reviews the risk profile of individual developments and in some cases builds properties in several phases to minimise the Group's exposure to reduced demand for particular asset classes or geographical locations over time. The Group carries out developments in partnership with other organisations and pre-lets space to reduce development risk, where considered appropriate.	The Group currently has one ongoing development at 33 Charterhouse Street, London EC1 and has made significant progress in fully letting Kaleidoscope, London EC1.

Property values decline/reduced tenant demand for space YoY change ↓	The property portfolio is at risk of valuation falls through changes in market conditions, including underperforming sectors or locations, lack of tenant demand or general economic uncertainty.	The Group's property portfolio has tenants from diverse industries, reducing the risk of over-exposure to one sector. We carry out occupier financial covenant checks ahead of approving leases in order to limit our exposure to tenant failure. Management reviews external data, seeks the advice of industry experts and monitors the performance of individual assets and sectors in order to dispose of non-performing assets and rebalance the portfolio to suit the changing market. Management regularly models different property revaluation scenarios through its forecasting process in order to prepare a considered approach to mitigating the potential impact.	Covid-19 has resulted in a high level of macro-economic uncertainty which is adversely impacting many businesses, particularly retail and leisure. A long-term move to increased home working could reduce demand for office space. The letting of Kaleidoscope in March 2021 has restored some confidence in the desirability of the London office market and as a result the risk level has reduced.
Political risk YoY change ↓	There is a risk that regulatory and tax changes could adversely affect the market in which the Group operates and changes in legislation could lead to delays in receiving planning permission. With an agreement reached between the United Kingdom and the European Union in December 2020 there is a clearer picture as to how the United Kingdom will be impacted. However, we are yet to see how financial services will be impacted and the longer-term effect of the agreement on the case for investment in the UK. Covid-19 has resulted in the Government taking significant measures to respond to this crisis, including providing high levels of financial support and proposing future taxation increases.	Management seeks advice from experts to ensure it understands the political environment and the impact of emerging regulatory and tax changes on the Group. It maintains good relationships with planning consultants and local authorities. Where appropriate, management joins with industry representatives to contribute to policy and regulatory debate relevant to the industry.	Covid-19 has resulted in the Government taking significant measures to respond to this crisis. The agreement reached between the United Kingdom and the European Union has reduced some of the uncertainties surrounding the UK leaving the European single market, and as a result the risk level has been reduced.

Risk of pandemic outbreak (New risk)	A pandemic outbreak could have a considerable impact on the global economy, as well as that of our business and our stakeholders.	In the event of a pandemic: • The Executive Committee will be tasked with the daily monitoring and managing of the risk, and will focus on the impact on property locations, the business and supply chain. • Regular Board discussions will be held during any pandemic to review the Group's response and mitigating actions. • Enhanced engagement with our stakeholders will be conducted (particularly with occupiers, contractors, shareholders and employees). • There will be continuous review of Government guidelines and emerging practice, with risk assessments undertaken as control measures change. • Guidance will be issued to our staff, occupiers and contractors on how to protect themselves and others. The Group ensures that it has adequate Business Continuity Plans and IT Business Continuity Plans in place to enable remote working for all staff. Testing of business resilience and risk planning is conducted throughout the year.	Given the scale of the impact of Covid-19, the risk of pandemic outbreak has been recognised as a separate strategic risk for the Group.
Sustainability risk YoY change =	The Group is exposed to sustainability risks such as climate and legislation changes related to ESG issues.	The Group has a Sustainability Committee, chaired by Matthew Bonning-Snook, which reviews the Group's approach and strategy. The Committee sets appropriate targets and KPIs which are reported on annually. The Group benchmarks its ESG reporting against various industry indicators and instructs an external expert to perform gap analysis on its performance. The Sustainability Strategy and a key performance review document clearly demonstrate the Group's approach to sustainability and the associated risks.	We recognise that the risks associated with the impact of carbon emissions and climate change continue to increase and that businesses that are not responding to these risks are likely to experience operational and reputational damage.
Financial Risks Financial risks are those that could prevent the Group from funding its chosen strategy, both in the long and short term.			
Availability and cost of bank borrowing and cash resources YoY change =	The inability to roll over existing facilities or take out new borrowing could impact on the Group's ability to maintain its current portfolio and purchase new properties. The Group may forego opportunities if it does not maintain sufficient cash to take advantage of them as they arise. The Group is at risk of increased interest rates on unhedged borrowings.	The Group maintains a good relationship with many established lending institutions and borrowings are spread across a number of these. Funding requirements are reviewed monthly by management, who seek to ensure that the maturity dates of borrowings are spread over several years. Management monitors the cash levels of the Group on a daily basis and maintains sufficient levels of cash resources and undrawn committed bank facilities to fund opportunities as they arise. The Group hedges the interest rates on the majority of its borrowings, effectively fixing or capping the rates over several years.	The Group has £154.4m of cash and £7.8m of cash held in joint venture with £55.1m available to drawdown on bank facilities at 31 March 2021.

Breach of loan covenants YoY change =	If the Group breaches debt covenants, lending institutions may require the early repayment of borrowings.	Covenants are closely monitored throughout the year. Management carries out sensitivity analyses to assess the likelihood of future breaches based on significant changes in property values or rental income.	The impact of Covid-19, and the lockdown response in particular, has put businesses under cash flow pressure. This in turn may adversely impact rent collection therefore the income covenants on our debt may come under pressure.
Operational Risks Operational risks are internal risks that could prevent the Group from delivering its strategy.			
Employment and retention of key personnel and business relationships YoY change =	The Group's continued success is reliant on its management and staff and successful relationships with its joint venture partners.	The senior management team is very experienced with a high average length of service. The Nominations Committee and Board review succession planning issues and remuneration is set to attract and retain high calibre staff. Staff are encouraged to undertake personal development and training courses, supported by the Company. The Group nurtures well established relationships with joint venture partners, seeking further projects where it has had previous successful collaborations.	The risk has remained broadly similar due to high staff retention levels and the maintenance of strong business relationships.
Reliance on external partners YoY change =	The Group is dependent on a number of external third parties to ensure the successful delivery of its development programme and asset management of existing assets. These include; • Contractors and suppliers; • Consultants; • Managing agents; and • Legal and professional teams. .	The Group actively monitors its development projects and uses external project managers to provide support. Potential contractors are vetted for their quality, health and safety record and financial viability prior to engagement. The Group has a highly experienced team managing its properties, who regularly conduct on-site reviews and monitor cash flows against budget. The Group seeks to maintain excellent relationships with its specialist professional advisors, often engaging parties with whom it has successfully worked previously. Management actively monitors these parties to ensure they are delivering the required quality on time and strong working relationships are maintained.	No change has been noted or is expected.
Health and safety risk YoY change =	The nature of the Group's operations and markets expose it to potential health and safety risks both internally and externally within the supply chain.	The Group reviews and updates its Health & Safety Policy regularly and it is approved by the Board annually. Contractors are required to comply with the terms of our Health & Safety Policy and the Group engages an external health and safety consultant to review contractor agreements prior to appointment and ensures they have appropriate policies and procedures in place, then monitors the adherence to such policies and procedures throughout the project's lifetime. The Executive Committee reviews the report by the external consultant every month and the Board reviews them at every scheduled meeting. The internal asset managers carry out regular site visits.	Whilst the level of the Group's development activity is expected to be lower, Covid-19 continues to present additional challenges in maintaining safe working environments.

Business disruption and cyber security YoY change ↓	The Group relies on Information Technology to perform effectively and a cyber-attack could result in IT systems being unavailable, adversely affecting the Group's operations. Commercially sensitive and personal information is electronically stored by the Group. Theft of this information could adversely impact the Group's commercial advantage and result in penalties where the information is governed by law (GDPR and Data Protection Act 2018). The Group increasingly employs IT solutions across its property portfolio to ensure its buildings are "smart". The Group is at risk of being a victim of social engineering fraud. An external event such as extreme weather, environmental incident, power shortage, pandemic or terrorist attack could cause significant damage, disruption to the business or reputational damage.	The Group engages and actively manages external Information Technology experts to ensure IT systems operate effectively and that we respond to the evolving IT security environment. This includes regular off-site backups and a comprehensive disaster recovery process. The external provider also ensures the system is secure and this is subject to routine testing including bi-annual disaster recovery tests and annual Cyber Essential Plus Certification. There is a robust control environment in place for invoice approval and payment authorisations including authorisation limits and a dual sign off requirement for large invoices and bank payments. The Group provides training and performs penetration testing to identify emails of a suspicious nature, ensuring these are flagged to the IT providers, and ensures employees are aware they should not open attachments or follow instructions within the email. The Group has a disaster recovery plan, on-site security at its properties and insurance policies in place in order to deal with any external events and mitigate their impact.	The outbreak and spread of Covid-19 has created global economic uncertainty and the significantly increased impact and likelihood of this risk continues. Remote working increases the risk to cyber security. As businesses have adapted to these challenges and the Covid-19 outlook has improved, this risk has reduced.

<table>
<tr><td colspan="4">Reputational Risks
Reputational risks are those that could affect the Group in all aspects of its strategy.</td></tr>
<tr><td>Poor management of stakeholder relations

YoY change
=</td><td>The Group risks suffering from reputational damage resulting in a loss of credibility with key stakeholders including Shareholders, analysts, banking institutions, contractors, managing agents, tenants, property purchasers/sellers and employees.</td><td>The Group believes that successfully delivering its strategy and mitigating its principal risks should protect its reputation.

The Group regularly reviews its strategy and risks to ensure it is acting in the interests of its stakeholders.

The Group maintains a strong relationship with investors and analysts through regular meetings.

Management closely monitors day-to-day business operations and the Group has a formal approval procedure for all press releases and public announcements.

A Group Disclosure Policy and Share Dealing Code, Policy & Procedures have been circulated to all staff in accordance with the EU Market Abuse Regulation (MAR).</td><td>This risk remains and is expected to remain at the same level.</td></tr>
<tr><td>Non-compliance with prevailing legislation, regulation and best practice

YoY change
=</td><td>The nature of the Group's operations and markets exposes it to financial crimes risks (including bribery and corruption risks, money laundering and tax evasion) both internally and externally within the supply chain.

The Group is exposed to the potential risk of acquiring or disposing of a property where the owner/ purchaser has been involved in criminal conduct or illicit activities.

The Group would attract criticism and negative publicity were any instances of modern slavery and human trafficking identified within its supply chain.

The Group would attract criticism and negative publicity if instances of non-compliance with GDPR and the Data Protection Act 2018 were identified. Non-compliance may also result in financial penalties.</td><td>The Group's anti-bribery and corruption and whistleblowing policies and procedures are reviewed and updated annually and emailed to staff and displayed on our website. Projects with greater exposure to bribery and corruption are monitored closely.

The Group avoids doing business in high risk territories. The Group has related policies and procedures designed to mitigate bribery and corruption risks including:

Know Your Client checks; due diligence processes; capital expenditure controls; contracts risk assessment procedures; and competition and anti-trust guidance. The Group engages legal professionals to support these policies where appropriate.

All employees are required to complete anti-bribery and corruption training and to submit details of corporate hospitality and gifts received.

All property transactions are reviewed and authorised by the Executive Committee.

Our Modern Slavery Act statement, which is prominently displayed on our website, gives details of our policy and our approach.

The Group monitors its GDPR and Data Protection Act 2018 compliance to ensure appropriate safeguards, policies, procedures, contractual terms and records are implemented and maintained in accordance with the regulation.</td><td>This risk remains and is expected to remain at the same level.</td></tr>
</table>

Appendix 6 – Glossary

Capital value (psf)
The open market value of the property divided by the net lettable 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/deficit of financial instruments, 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 21).

EPRA net disposal value per share (effective from 1 January 2020)
Represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax (see Note 21).

EPRA net reinstatement value per share (effective from 1 January 2020)
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 21).

EPRA net tangible assets per share (effective from 1 January 2020)
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 21).

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 21).

Estimated rental value (ERV)
The market rental value of lettable space as estimated by the Group's valuers at each balance sheet date.

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

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.

MCSI Inc. (MSCI IPD)
MSCI Inc. is a company that produces independent benchmarks of property returns.

Net asset value per share (NAV)
Net assets divided by the number of ordinary shares at the balance sheet date (see Note 21).

Net initial yield (NIY)
Annualised net passing rents on investment properties as a percentage of their open market value, including costs of purchase.

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 Appendix 1).

See-through net gearing
The see-through net borrowings expressed as a percentage of net assets (see Appendix 1).

Total Accounting Return
The growth in the net asset value of the Company plus dividends paid in the year, expressed as a percentage of net asset value at the start of the year (see Appendix 2).

Total Accounting Return on EPRA net tangible assets
The growth in the EPRA net tangible asset value of the Company plus dividends paid in the year, expressed as a percentage of the EPRA net tangible asset value at the start of the year (see Appendix 2).

Total Property Return
The total of net rental income, trading and development profits and net gain on sale and revaluation of investment properties on a see-through basis (see Appendix 2).

Total Shareholder Return (TSR)
The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the 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.

Weighted Average Unexpired Lease Term (WAULT)
The total contracted rent up to the first break, or lease expiry date, divided by the contracted annual rent.

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