

HELICAL

HELICAL PLC

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

Results for the Half Year to 30 September 2022 (the "Period")

LEASING PROGRESS WITH STRONG RENTS FOR BEST-IN-CLASS PORTFOLIO

Gerald Kaye, Chief Executive, commented:

"Helical has had a good half year. Lettings were achieved at significant premiums to March ERVs and development gains were generated at The JJ Mack Building, EC1, with these successes offset by yield expansion on our standing investments as a consequence of higher interest rates.

"We are seeing strong demand from tenants for best-in-class office space, as evidenced by the Partners Group letting at The JJ Mack Building, EC1. We believe there is an intrinsic shortage of this top quality space as demand exceeds supply over the short and medium term.

"The bifurcation that has been evident for a few years in the leasing market, between the best-in-class most sustainable buildings and the rest, has now appeared in the investment market, accentuated by rising bond yields and interest rates. We anticipate this will accelerate, with yields stabilising and rents continuing to grow for the best-in-class most sustainable buildings, such as those that comprise the Helical portfolio, and yields moving outwards and rents falling for the rest.

"Price discovery will continue for the poorer quality less sustainable second-hand buildings as they decouple from the rest of the market. In time, these assets will provide Helical with the opportunity to turn these tired office buildings into market leading and highly sustainable new spaces providing amenity rich and technologically enabled offices which will appeal to discerning tenants seeking the best environment for their staff. This will enable us to continue to provide strong returns from our developments over the medium term."

Operational Highlights

Strong Leasing Performance

- We completed four new lettings during the Period totalling 19,642 sq ft, delivering contracted rent of £1.3m (our share £1.2m) at a 2.2% premium to 31 March 2022 ERVs.
- Since the half year, we have let 37,880 sq ft at The JJ Mack Building, EC1, delivering contracted rent of £3.8m (our share £1.9m) at an 11.7% premium to 31 March 2022 ERVs. Two further lettings totalling 4,818 sq ft have completed, delivering contracted rent of £0.2m (our share £0.2m).

Good Progress on Developments

- Practical completion was achieved at The JJ Mack Building, EC1, on 30 September 2022, as scheduled. Two floors are now let in this highly sustainable 205,958 sq ft office development and the remaining space is being marketed.
- At 100 New Bridge Street, EC4, we have submitted a planning application for the sustainable refurbishment of the building, which should be determined soon. Once approved, the redevelopment work is anticipated to commence in late 2023 after vacant possession has been achieved.

Over £200m of Sales during the Period, all above March Book Value

- During the Period we sold over £196m of investment properties, all at premiums to 31 March 2022 valuations, and £5m (our share) of residential apartments at Barts Square, EC1.

Financial Highlights

Earnings and Dividends

- IFRS profit after tax of £17.2m (2021: £22.2m).
- IFRS basic earnings per share of 14.1p (2021: 18.2p).
- EPRA earnings per share¹ of 4.8p (2021: 0.9p).
- Interim dividend increased by 5.2% to 3.05p per share (2021: 2.90p).

Balance Sheet

- Net asset value up 0.8% to £692.7m (31 March 2022: £687.0m).
- Total Accounting Return¹ on IFRS net assets of 2.3% (2021: 3.9%).
- Total Accounting Return¹ on EPRA net tangible assets of -2.5% (2021: 5.1%).
- EPRA net tangible asset value per share¹ down 3.3% to 553p (31 March 2022: 572p).
- EPRA net disposal value per share¹ up 1.5% to 559p (31 March 2022: 551p).

Financing

- See-through loan to value¹ reduced to 26.4% (31 March 2022: 36.4%).
- See-through net borrowings¹ of £241.8m (31 March 2022: £402.9m).
- Average maturity of the Group's share¹ of secured debt of 3.4 years (31 March 2022: 3.0 years).
- 100% of drawn debt protected by interest rate hedging to expiry of facilities.
- Gain in valuation of derivative financial instruments of £26.6m (2021: £4.6m).
- See-through average cost of secured facilities¹ of 3.0% (31 March 2022: 3.2%).
- Group's share¹ of cash and undrawn bank facilities of £293.1m (31 March 2022: £132.3m).

Portfolio Update

- IFRS investment property portfolio value of £738.5m (31 March 2022: £938.8m).
- Our see-through investment portfolio, valued at £907.7m (31 March 2022: £1,097.3m), is down 2.2% with like-for-like yield expansion of 22bps offset by 4.3% ERV growth.
- See-through contracted rents¹ of £37.0m (31 March 2022: £46.4m) compared to an ERV of £59.7m (31 March 2022: £67.1m).
- See-through portfolio WAULT¹ of 4.6 years (31 March 2022: 5.6 years).
- Vacancy rate increased from 6.0% to 7.0% on a like-for-like basis and from 6.7% to 19.2% for the whole portfolio, following practical completion of The JJ Mack Building, EC1.

Sustainability Highlights

- Net Zero Carbon Pathway published in May 2022, setting out our commitment to becoming a net zero carbon business by 2030. Signatory to the BPF Net Zero Pledge and the Better Build Partnership Climate commitment.
- The JJ Mack Building, EC1 achieved 2018 BREEAM "Outstanding" at the design stage and an EPC A rating following practical completion. A NABERS 5 Star rating is anticipated, reflecting our commitment to achieve excellent energy efficiency in operation.
- Improvements across sustainability measures, with 5 Star GRESB ratings awarded for both our standing investments and our developments, and retention of MSCI ESG AAA and EPRA Sustainability BPR Gold.

Interim Dividend Timetable

Announcement date	22 November 2022
Ex-dividend date	1 December 2022
Record date	2 December 2022
Dividend payment date	13 January 2023

Equiniti were appointed the Company's Registrar on 31 October 2022.

For further information, please contact:

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Results Presentation

Helical will be holding a presentation for analysts and investors starting at 10:30am on Tuesday 22 November 2022 at the offices of Numis. If you would like to attend, please contact FTI Consulting on 020 3727 1000, or email schelical@fticonsulting.com

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

Participants, Local – London, United Kingdom: +44 (0) 33 0551 0200
Participation Code: Quote Helical when prompted by operator

Webcast Link:

<https://stream.brrmedia.co.uk/broadcast/633d925051e5f558854f51ba>

Half Year Results Statement

At Helical, sustainability is at the heart of everything we do and forms one of the key pillars of our strategy. With this in mind, we have taken the decision to cease mailing hard copies of our half year results reports to our Shareholders and other stakeholders unless specifically requested. Should you wish to receive a hard copy of our Results for the Half Year to 30 September 2022 by post, please email your request to companysecretary@helical.co.uk. An electronic version of our Results for the Half Year to 30 September 2022 will be made available on our website (<https://www.helical.co.uk/investors/results-and-presentations/>) on 22 November 2022.

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

Helical has had a good half year. Lettings were achieved at significant premiums to March ERVs and development gains were generated at The JJ Mack Building, EC1, with these successes offset by yield expansion on our standing investments as a consequence of higher interest rates.

During the last 14 years of ultra-low interest rates, the UK had become complacent, expecting a gradual return to normal financing levels whenever the Bank of England decided to implement a long-awaited reversal of quantitative easing. The delay in taking such action left the market exposed to events and the post-Covid inflation spike, accentuated by the energy crisis arising out of the invasion of Ukraine, have caused interest rates and bond yields to rise sharply. Property yields have, as a consequence, expanded to reflect this change in the cost of capital.

We are seeing strong demand from tenants for best-in-class office space, as evidenced by the Partners Group letting at The JJ Mack Building, EC1. We believe there is an intrinsic shortage of this top quality space as demand exceeds supply over the short and medium term.

The Bond Street station of the Elizabeth Line opened on 24 October and the entire route is now complete. Almost all of our portfolio is within a 12 minute walk of the Elizabeth Line which will transform journeys across Central London. As investors in London, we are hugely proud of an extraordinary feat of engineering which is a fitting tribute to our late Queen.

Sustainability

Sustainability remains at the heart of our business, both on a corporate and asset level.

In May, we published our "Net Zero Carbon Pathway", setting out how we intend to reduce our carbon emissions across our development activities and existing portfolio. More recently, we have been ranked the number one company in the UK Office Listed sector for our standing investment properties, scoring 88%, in the GRESB annual sustainability performance index, with a score of 94% for our developments. Alongside this, we also received a 5 Star GRESB rating for both our Standing Investments and Developments and retained our Green Star status. For our sustainability reporting, we won a Gold Award for the second consecutive year, for reporting in accordance with EPRA's European Sustainability Best Practice Recommendations (sBPR).

Our portfolio is very well placed in terms of energy efficiency, with 99% of our assets (by value) already compliant with the proposed legislative requirement that all rented commercial buildings achieve a minimum EPC rating of B by 2030.

On 30 September 2022, The JJ Mack Building, EC1 reached practical completion, the UK's first commercial building to be awarded BREEAM "Outstanding" at the design stage under the 2018 assessment criteria. In addition, the building is rated EPC A and is anticipated to receive a NABERS 5 Star for the commitment to achieve excellent energy efficiency in operation. It is intended that The JJ Mack Building, EC1 will be Helical's first net zero carbon building.

Results for the Half Year

The profit after tax for the half year to 30 September 2022 was £17.2m (2021: £22.2m), reflecting a nil tax charge (2021: £8.8m) following the conversion of Helical into a UK REIT on 1 April 2022.

The see-through Total Property Return of £4.0m (2021: £44.9m), incorporating the Group's share of results of its joint ventures, includes see-through net rental income of £18.2m (2021: £14.1m), a 29% increase, while developments generated see-through profits of £0.9m (2021: profit of £1.0m). The see-through net loss on sale and revaluation of the investment portfolio was £15.1m (2021: gain of £29.8m).

Total see-through net finance costs reduced to £7.2m (2021: £7.8m). An increase in expected future interest rates led to a £26.6m gain (2021: £4.6m) in the valuation of the Group's derivative financial instruments. See-through total administration costs, including performance related awards and NIC, were down 19% to £6.0m (2021: £7.4m).

There was an IFRS basic earnings per share of 14.1p (2021: 18.2p) and an EPRA earnings per share of 4.8p (2021: 0.9p).

On a like-for-like basis, the see-through investment portfolio fell in value by 2.2% (1.1% including sales and purchases).

The portfolio was 81% let at 30 September 2022, generating contracted rents of £37.0m, at an average of £58 psf, growing to £48.7m on the letting of currently vacant space and moving towards capturing its ERV of £59.7m (31 March 2022: £67.1m). The Group's contracted rent has a Weighted Average Unexpired Lease Term ("WAULT") of 4.6 years.

The Total Accounting Return ("TAR"), being the growth in the IFRS net asset value of the Group, plus dividends paid in the period, was 2.3% (2021: 3.9%). Based on EPRA net tangible assets, the TAR was -2.5% (2021: 5.1%). EPRA net tangible assets per share were down 3.3% to 553p (31 March 2022: 572p), with EPRA net disposal value per share up 1.5% to 559p (31 March 2022: 551p).

Balance Sheet Strength and Liquidity

The Group has a significant level of liquidity, with see-through cash and unutilised bank facilities of £293.1m (31 March 2022: £132.3m) to fund capital works on its portfolio or future acquisitions.

At 30 September 2022, the Group had £46.1m of cash deposits available to deploy without restrictions and a further £12.8m of rent in bank accounts available to service payments under loan agreements, cash held at managing agents and cash held in joint ventures. Furthermore, the Group had £234.2m of loan facilities available to draw on, with £60.0m expiring in December 2022.

The see-through loan to value ratio ("LTV") reduced to 26.4% at the balance sheet date (31 March 2022: 36.4%) and our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, reduced to 34.9% (31 March 2022: 58.6%) over the same period.

At the Period end, the average debt maturity on secured loans, on a see-through basis, was 3.4 years (31 March 2022: 3.0 years). The average cost of debt, on a see-through basis, at 30 September 2022 was 3.0% (31 March 2022: 3.2%).

Dividends

Helical is a capital growth stock, seeking to maximise value by successfully letting redeveloped and refurbished 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.

In the half year to 30 September 2022, the additional rental income from the purchase of 100 New Bridge Street, EC4 in March 2022 boosted EPRA earnings per share to 4.8p (2021: 0.9p). The sales of over £196m of investment assets during the Period realised £53.4m of capital profits.

In considering the appropriate level of interim dividend to be paid in respect of the half year results, the Board has assessed the financial success of the Period against the economic backdrop that the Company is operating in. Accordingly, the Board has approved a 5.2% increase in the interim dividend to 3.05p per share (2021: 2.90p).

Following its conversion to a UK REIT, dividends payable by Helical will comprise a Property Income Distribution ("PID") from the operations that fall under the REIT regime, and a dividend from those operations that fall outside the REIT regime. None of the interim dividend is to be paid as a PID.

Outlook

The bifurcation that has been evident for a few years in the leasing market, between the best-in-class most sustainable buildings and the rest, has now appeared in the investment market, accentuated by rising bond yields and interest rates. We anticipate this will accelerate, with yields stabilising and rents continuing to grow for the best-in-class most sustainable buildings, such as those that comprise the Helical portfolio, and yields moving outwards and rents falling for the rest.

Price discovery will continue for the poorer quality less sustainable second-hand buildings as they decouple from the rest of the market. In time, these assets will provide Helical with the opportunity to turn these tired office buildings into market leading and highly sustainable new spaces providing amenity rich and technologically enabled offices which will appeal to discerning tenants seeking the best environment for their staff. This will enable us to continue to provide strong returns from our developments over the medium term.

Gerald Kaye
Chief Executive
22 November 2022

Sustainability and Net Zero Carbon

We continue to make good progress against the targets we set out in our sustainability strategy “Built for the Future” and our aim to become a net zero carbon business by 2030. With the publication of our “Net Zero Carbon Pathway” in May 2022, our progress towards rapidly decreasing our emissions across our development activities and existing portfolio has been recognised by our improved GRESB status.

We have been ranked the number one company in the UK Office Listed sector, scoring 88% and receiving a 5 Star GRESB rating in the annual sustainability performance index for our standing investment properties. Alongside this, we received a 5 Star GRESB rating for our developments, scoring 94%.

For our sustainability reporting, we won a Gold Award for the second consecutive year, for reporting in accordance with EPRA’s European Sustainability Best Practice Recommendations (sBPR). The EPRA sBPR is intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe.

Our portfolio is well placed in terms of energy efficiency, with 99% of our assets (by value) already compliant with the proposed legislative requirement that all rented commercial buildings achieve a minimum EPC rating of B by 2030. Market research suggests that only circa 20% of commercial assets are currently compliant, with significant capital outlay likely to be required to take non-compliant buildings up to the minimum standard. Likewise, 99% of our assets (by value) hold a BREEAM certification, with 87% being “Outstanding” or “Excellent” (excluding 100 New Bridge Street, EC4, which is to be refurbished).

On 30 September 2022, The JJ Mack Building, EC1 reached practical completion, the UK’s first commercial building to be awarded BREEAM “Outstanding” at the design stage under the 2018 regulations. Through the use of recycled materials, earth friendly concrete and modern methods of construction, we have reduced embodied carbon to 42% below the current “Business as Usual” RIBA target. Operationally, it is estimated that carbon emissions will be circa 53% lower than the regulated Targeted Emissions Rate as defined by Part L of the Building Regulations (2013). This reduction is a result of sustainable, intelligent and renewable technologies designed into the building alongside connection to the Citigen District Energy Network. Our embodied carbon from construction is in the process of being offset and, once completed, will provide us with our first net zero carbon building.

Going forward, we will continue to focus, where we can, on delivering “carbon friendly new build” schemes, such as the planned redevelopment of 100 New Bridge Street, EC4, where we will re-use or recycle large portions of the existing building and look to incorporate the existing structural frame to minimise the carbon impact.

Our Market

General overview

The past six months have seen a period of intense global macro-economic volatility. Central banks have sought to raise interest rates to combat the increasingly persistent inflation rates seen as economies recover from the impacts of Covid-19 and rising energy costs. Domestically, the volatility has been heightened over recent months. Investors across all asset classes continue to recalibrate return expectations following the end to the period of ultra-low interest rates which has run since 2008.

The commercial property sector has been impacted by these wider economic forces and yields across all sectors have moved out over the period as investors seek to retain a risk premium over the rising equivalent risk free rate. However, against these negative economic trends we continue to see evidence of an acceleration in the bifurcation of real estate assets, particularly in the Central London office market, which supports our continued belief that our best-in-class, new, sustainable portfolio should prove resilient to current pressures and be well positioned to grow going forward.

Leasing Market

The leasing market continues to show encouraging signs with year to date take-up of 9.0m sq ft, 48% up on the same period in 2021. 3.8m sq ft is also reported to be under offer, which is above the 10 year average. However, demand is not evenly distributed across the market with tenants focusing upon the limited supply of the best-in-class space that delivers extensive tenant amenity and is at the forefront of sustainability. Second-hand space has become increasingly hard to let and now represents 68% of the total availability of 24.7m sq ft in the marketplace at the end of Q3.

These dynamics have resulted in demonstrable rental growth across most Central London sub-markets. Occupiers from the professional services continue to make up the majority of tenant demand as they seek to provide exciting workspaces for their staff who have now returned to predominately office based working. Demand from these sectors is compensating for the reduced demand from the TMT sector which is currently experiencing specific challenges.

Investment Market

After an encouraging start to the year, driven by a number of large lot size transactions, investment activity in Central London has slowed. Investors are having to consider the impacts of cost inflation, rising costs of borrowing and general economic uncertainty on the value of their assets and their future investment strategies.

The rise globally of risk-free rates has had a consequential impact upon property yields, causing a general outward movement. However, this cannot be applied uniformly across all assets and investors must assess the intrinsic value of each property. There remains considerable demand for best-in-class buildings which are designed to satisfy modern occupiers' needs, are well located and are let to a strong mix of tenants. This bifurcation has been demonstrated within the investment market with transactions for best-in-class buildings, such as Kaleidoscope, EC1, showing price resilience.

While we believe pricing for these best-in-class assets will move in a narrow range, at the other end of the spectrum poor quality second-hand space is experiencing a significant repricing as landlords take into account the significant capital expenditure required to ensure buildings are attractive to the discerning tenant. With only circa 20% of the Central London office stock currently achieving the EPC A or B ratings necessary to comply with the proposed regulations for office occupation from 2030, there is a significant amount of capital expenditure required, as well as skill to be deployed, to ensure that this extensive portion of the market does not become obsolete.

There remains a substantial and deep pool of capital seeking to invest into the Central London commercial office market due to its continuing reputation as an innovative and resilient marketplace. In particular, there are significant capital allocations by equity led investors, such as sovereign or private capital, which will not be directly impacted by the current volatility in the debt markets and which can be

deployed promptly when opportunities are identified. Furthermore, the continued relative weakness of the Pound has seen overseas investors continue to remain interested, with 82% of all transactions in Central London in Q3 being undertaken by foreign investors. As there remains an inherent lack of best-in-class investment properties there will likely be a depth of demand which should ensure pricing remains competitive when these assets are traded, with yields somewhat decoupled from risk free rate movements.

Supply Constraints

The volatility in the global financial markets and challenges in supply chains are also adversely impacting new developments starting on site, with construction cost inflation and increasing borrowing costs affecting the viability of marginal schemes. In Deloitte's Summer 2022 Crane Survey, these "new starts" fell by one third and more projects are anticipated to have been postponed as the economic environment has worsened over the course of the Autumn. Furthermore, of the planned London office completions in 2025 and 2026 reported by Savills, only 33% of these are currently under construction. This is expected to result in a significant shortfall in new completions in the medium-term and provide an advantage for those who proceed with schemes in this period, such as ourselves at 100 New Bridge Street, EC4. This limited development pipeline is feeding through to the leasing market where tenants are having to make early commitments to the best space, with pre-letting activity increasing.

The recent trends towards developments delivering the highest sustainability credentials has continued, even in light of cost pressures, with 91% of all new starts being on refurbishment projects, whilst new-build construction starts are at their lowest levels since 2015.

Conclusion

There continue to be significant challenges facing the Central London office market with rising borrowing costs, inflationary pressures and global supply chain instability dampening economic growth and consequentially causing pricing adjustments in the market. However, within this turbulence there is clear evidence of an increasing bifurcation with best-in-class assets, those that are well located, offering extensive amenity and which have been sustainably developed, proving to be vastly more resilient in both occupational and investor demand.

Our existing portfolio is well positioned to benefit from growing demand from tenants and investors alike for the limited supply of best-in-class space. We remain focused upon sourcing new opportunities which we expect to arise during this period of dislocation. We continue to be discerning in our asset selection but retain a strong belief that through deploying our extensive experience and skill there is the potential to deliver a significant number of highly sought after, best-in-class assets into a supply constrained market place.

Helical's Property Portfolio – 30 September 2022

Property Overview

Helical's portfolio comprises income producing multi-let offices, office refurbishments and developments and a mixed use commercial/residential scheme, all located in Central London. Our strategy is to continue to increase our Central London holdings, focusing on areas where we see strong tenant demand and growth potential for our best-in-class office schemes.

The JJ Mack Building, 33 Charterhouse Street, EC1

The development of the 205,958 sq ft office building, in 50:50 joint venture with AshbyCapital, reached practical completion in line with the original programme on 30th September 2022. The JJ Mack Building, EC1, named after the market trader who occupied the site in the 1940s, is one of London's smartest and most sustainable new office buildings.

The building is situated in vibrant Farringdon, just 150m from the Elizabeth Line, providing occupiers with unparalleled connectivity and cultural offerings. The building has adopted market leading technologies and design and operational practices to provide highly sustainable premises. This commitment to sustainability has been recognised by a BREEAM 2018 New Construction "Outstanding" rating at design stage which is currently being certified, an EPC A rating and an anticipated NABERS 5 Star rating. It also provides a technologically pioneering environment for occupiers, with smart building systems and a fully integrated building management app for tenants.

Since the Period end, we have let two floors, comprising 37,880 sq ft of offices, to Partners Group, a leading global private markets firm, with rent at an 11.7% premium to 31 March 2022 ERVs.

100 New Bridge Street, EC4

We have submitted a planning application for the substantial refurbishment of this 1990s building which, when approved, will enable the prominently located building to be significantly enhanced to ensure it delivers a best-in-class occupier experience. The major refurbishment will involve recladding the facades and incorporating the latest technology into the building, as well as providing high quality tenant amenities to create a new office building, which will operate to the highest standards of sustainability. We have also proposed to the City of London that we will undertake significant public realm improvements around the site.

Work is anticipated to commence in late 2023 once existing tenants, Baker McKenzie, vacate the building. The completed building should be available for occupation in Spring 2025.

Kaleidoscope, EC1

Helical completed the sale of the single asset company which held the long leasehold interest in Kaleidoscope, EC1 to Chinachem Group on 21 September 2022. The 88,581 sq ft office building, which was let in its entirety to TikTok Information Technologies UK Limited on a 15 year lease term at an annual rent of £7.6m was sold for a headline disposal price of £158.5m. The sale reflected a premium to the 31 March 2022 book value and represented a record capital value per square foot for the sub-market of £1,789 psf.

The Bower, EC1

The Bower, EC1 is a landmark estate comprising 312,573 sq ft of innovative, high quality office space along with 21,059 sq ft of restaurant and retail space. The estate is located adjacent to the Old Street roundabout where the significant public realm works are due to complete shortly providing a better experience for occupiers and a much improved access to Old Street Station.

The Warehouse and The Studio

The Warehouse comprises 122,858 sq ft of offices and The Studio 18,283 sq ft of offices, both fully let, with 10,298 sq ft of retail space across the two buildings.

The Tower

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

We have let the 12th floor, previously occupied by Brilliant Basics, to Stenn on a five year lease for a rent which is in line with the 31 March 2022 ERV.

Barts Square, EC1

Residential

At Barts Square, EC1, we exchanged contracts for the sale of the ground rent investment asset for £3.7m (Helical share £1.8m) to the residents of Barts Square prior to the Period end and have subsequently completed the sale.

We have also completed the sale of a further six apartments during the Period and one further apartment sale has completed following the Period end. This leaves eight apartments available in this 236 unit residential scheme, of which two are reserved.

Retail

The retail space in Phase One is fully let to Stem + Glory and Halfcup. We have let one unit in Phase Two to the award winning restaurateurs behind London restaurants NEST and FENN who opened Restaurant St Barts in early October. Since the Period end, one further unit has been let to LAP Bikes and another is under offer which, if let, would leave just two remaining vacant retail units.

55 Bartholomew

At 55 Bartholomew, EC1 we sold the comprehensively refurbished 10,976 sq ft office building during the Period to a private European investor for £16.5m (Helical share £8.25m). The sale price reflected a net initial yield of 4.5% and represented a premium to book value, net of rental top ups.

The Loom, E1

At this 107,404 sq ft former Victorian wool warehouse, all units within the building have now been refurbished and we have recently launched a marketing campaign for the vacant units. We have completed a letting of 3,495 sq ft, and have let a further unit of 3,504 sq ft since the Period end.

25 Charterhouse Square, EC1

25 Charterhouse Square, EC1 comprises 42,921 sq ft of offices adjacent to the newly operational Farringdon East Elizabeth Line station and overlooking the historic Charterhouse Square.

The newly refurbished ground floor unit has been let to natural stone purveyors, SolidNature. The comprehensive refurbishment of the fourth floor has been completed and the floor is now available to let.

The Power House, W4

The Power House is a listed building, providing 21,268 sq ft of office and recording studio space on Chiswick High Road and is fully let on a long lease to Metropolis Music Group. The significant capital works to improve the roof, undertaken on behalf of the tenants, have now been successfully completed.

Trinity, Manchester

We simultaneously exchanged and completed contracts in May for the sale of Trinity, to clients of Mayfair Capital, for £34.55m (£590 psf), reflecting a net initial yield of 5.0%. The sale represented a premium to book value, net of rental top ups. Helical acquired the property in May 2017 for £12.9m and undertook a comprehensive remodelling and refurbishment to deliver 58,533 sq ft of modern office space across ground and seven upper floors, which was 76% let to eight occupiers upon disposal. Its sale concludes the disposal of Helical's Manchester office portfolio.

Portfolio Analytics

See-through Total Portfolio by Fair Value

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
- Completed properties	747.6	82.4	-	0.0	747.6	81.7
- Development pipeline	160.0	17.6	-	0.0	160.0	17.5
London Residential	-	0.0	4.7	66.1	4.7	0.5
Total London Core	907.6	100.0	4.7	66.1	912.3	99.7
Other	0.1	0.0	2.4	33.9	2.5	0.3
Total Non-Core Portfolio	0.1	0.0	2.4	33.9	2.5	0.3
Total	907.7	100.0	7.1	100.0	914.8	100.0

See-through Land and Development Portfolio

	Book value £m	Fair value £m	Surplus £m	Fair value %
London residential	4.7	4.7	0.0	66.1
Land and developments	2.1	2.4	0.3	33.9
Total	6.8	7.1	0.3	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 JJ Mack Building, EC1	66.0	3.7	-	205,958	205,958	30 September 2022
Investment – planned						
- 100 New Bridge Street, EC4	118.1	115.4	167,026	24,346	191,372	Early 2025

Asset Management

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

Investment portfolio	Fair value weighting %	Passing rent £m	Contracted rent %	Contracted rent £m	%	ERV £m	ERV change like-for-like %
London Offices							
- Completed properties	82.4	27.1	79.0	29.8	80.5	43.1	72.2
- Development pipeline	17.6	7.2	21.0	7.2	19.4	16.5	27.6
Total London	100.0	34.3	100.0	37.0	99.9	59.6	99.8
Other	0.0	0.0	0.0	0.0	0.1	0.1	0.2
Total	100.0	34.3	100.0	37.0	100.0	59.7	100.0

	See-through total portfolio contracted rent £m
Rent lost at break/expiry	(1.1)
New lettings – London	1.2
Total increase in the Period from asset management activities	0.1
Contracted rent reduced from disposals of London Offices	(8.1)
Contracted rent reduced from disposals of Manchester Offices	(1.4)
Total contracted rental change from sales and purchases	(9.5)
Net decrease in contracted rents in the Period	(9.4)

Investment Portfolio

Valuation Movements

	Valuation change inc sales and purchases %	Valuation change excl sales and purchases %	Investment portfolio weighting 30 September 2022 %	Investment portfolio weighting 31 March 2022 %
London Offices				
- Completed properties	(1.2)	(2.2)	82.4	71.5
- Development pipeline	(2.1)	(2.1)	17.6	25.7
Total London	(1.3)	(2.2)	100.0	97.2
Manchester Offices				
- Completed properties	4.9	-	-	2.8
Total Manchester	4.9	-	-	2.8
Total	(1.1)	(2.2)	100.0	100.0

Portfolio Yields

	EPRA topped up NIY 30 September 2022 %	EPRA topped up NIY 31 March 2022 %	Reversionary yield 30 September 2022 %	Reversionary yield 31 March 2022 %	True equivalent yield 30 September 2022 %	True equivalent yield 31 March 2022 %
London Offices						
- Completed properties	3.6	4.2	5.3	4.8	5.1	4.9
- Development pipeline	4.2	4.2	4.5	4.5	4.4	4.2
Total London	3.7	4.2	5.0	4.7	4.9	4.6
Manchester Offices						
- Completed properties	n/a	4.1	n/a	5.4	n/a	5.3
Total Manchester	n/a	4.1	n/a	5.4	n/a	5.3
Total	3.7	4.2	5.0	4.7	4.9	4.6

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

	Capital value 30 September 2022 £ psf	Capital value 31 March 2022 £ psf	Vacancy rate 30 September 2022 %	Vacancy rate 31 March 2022 %	WAULT 30 September 2022 Years	WAULT 31 March 2022 Years
London Offices						
- Completed properties	1,246	1,289	23.7	6.9	5.4	6.3
- Development pipeline	958	1,086	2.6	0.0	1.2	1.7
Total London	1,192	1,213	19.2	5.4	4.6	5.6
Manchester Offices						
- Completed properties	n/a	530	n/a	23.9	n/a	6.1
Total Manchester	n/a	530	n/a	23.9	n/a	6.1
Total	1,192	1,175	19.2	6.7	4.6	5.6

See-through Lease Expiries or Tenant Break Options

	Half year to 2023	Year to 2024	Year to 2025	Year to 2026	Year to 2027	2027 onward
% of rent roll	1.9	34.0	9.9	1.4	10.4	42.4
Number of leases	9	27	11	4	10	31
Average rent per lease (£)	77,454	465,525	333,949	124,773	386,233	502,961

Top 15 Tenants

We have a strong rental income stream and a diverse tenant base. The top 15 tenants account for 80.9% of the total rent roll.

Rank	Tenant	Tenant industry	Contracted rent £m	Rent roll %
1	Baker McKenzie	Legal services	7.0	19.0
2	Farfetch	Online retail	4.3	11.7
3	WeWork	Flexible offices	4.0	10.8
4	Brilliant Basics	Technology	2.4	6.4
5	VMware	Technology	2.2	5.9
6	Anomaly	Marketing	1.4	3.8
7	Viacom	Media	1.2	3.2
8	Allegis	Media	1.1	2.9
9	Dentsu	Marketing	1.1	2.8
10	Stripe	Financial services	1.0	2.6
11	Verkada	Technology	1.0	2.6
12	Incubeta	Marketing	0.9	2.5
13	Openpayd	Financial services	0.9	2.4
14	Snowflake	Technology	0.8	2.2
15	Stenn	Financial services	0.8	2.1
Total			30.1	80.9

Letting Activity – New Leases Completed During the Period

	Area sq ft	Contracted rent (Helical's share) £	Rent £ psf	Increase above 31 March 2022 ERV (exc Plug and Play and managed lettings) %	Average lease term to expiry Years
Investment Properties					
London Offices					
- The Tower, EC1	9,572	766,000	80.00	0.1	5.00
- The Loom, E1	3,495	210,000	60.00	9.2	5.00
- 25 Charterhouse Square, EC1	1,880	141,000	75.00	0.0	5.00
London Offices Total	14,947	1,117,000	74.69	1.7	5.00
London Retail					
- Barts Square, EC1	4,695*	75,000	31.95	6.6	25.0
Total	19,642	1,192,000	64.48	2.2	6.3

* 100% (Helical's share: 2,347 sq ft).

Financial Review

IFRS Performance

Profit after tax
£17.2m (2021: £22.2m)

Earnings per share (EPS)
14.1p (2021: 18.2p)

Diluted NAV per share
558p (31 March 2022: 551p)

Total Accounting Return
2.3% (2021: 3.9%)

EPRA Performance

EPRA profit
£5.8m (2021: £1.1m)

EPRA EPS
4.8p (2021: 0.9p)

EPRA NTA per share
553p (31 March 2022: 572p)

Total Accounting Return on EPRA NTA
-2.5% (2021: 5.1%)

Overview

In a challenging economic environment with high inflation and rising interest rates, the Group sold over £200m of properties above 31 March 2022 book values, strengthening its balance sheet by reducing its loan to value to 26.4% (31 March 2022: 36.4%) and increasing cash and undrawn bank facilities.

Net rental income increased by 29% compared to the corresponding period last year, largely due to the acquisition of 100 New Bridge Street, EC4 in March, and rent collection remained strong. Finance costs are protected to the expiry of current loan facilities and this protection, through a combination of interest rate swaps in the main Group and a fixed rate in joint ventures, has given rise to a significant gain in the fair value of the Group's derivative financial instruments.

The valuation of the Group's investment portfolio reflected a yield expansion on the main portfolio, offset by valuation gains at the recently completed The JJ Mack Building, EC1 which achieved practical completion in September.

Results for the Period

The IFRS profit after tax for the Period of £17.2m (2021: £22.2m) includes revenue from rental income and development management fees of £23.5m, offset by direct costs of £4.6m. The net loss on sale and revaluation of investment properties of £30.4m was partially offset by profit from joint venture activities of £15.1m, including a £15.3m gain on revaluation of investment properties held in joint venture. A gain in the fair value of derivatives of £26.6m (2021: £4.6m) was offset by administration expenses of £5.6m (2021: £7.1m) and net finance costs of £7.3m (2021: £7.5m).

The Group holds a significant proportion of its property assets in joint ventures. As the risk and rewards of ownership of these underlying properties are the same as those it wholly owns, Helical supplements its IFRS disclosure with a "see-through" analysis of alternative performance measures, which looks through the structure to show the Group's share of the underlying business.

The see-through results for the Period to 30 September 2022 include net rental income of £18.2m, a net loss on sale and revaluation of the investment portfolio of £15.1m and development profits of £0.9m, leading to a Total Property Return of £4.0m (2021: £44.9m). Total see-through administration costs of £6.0m (2021: £7.4m), see-through net finance costs of £7.2m (2021: £7.8m) and see-through gains from the mark-to-market valuation of derivative financial instruments of £26.6m (2021: £4.6m) contributed to an IFRS pre-tax profit of £17.2m (2021: £31.0m).

The interim dividend, payable on 13 January 2023, will be 3.05p per share (2021: 2.90p), an increase of 5.2%.

The EPRA net tangible asset value per share decreased by 3.3% to 553p (31 March 2022: 572p).

The Group's real estate portfolio, including its share of assets held in joint ventures, decreased to £914.8m (31 March 2022: £1,108.1m) primarily due to the sales of Kaleidoscope, EC1, Trinity, Manchester and 55 Bartholomew, EC1, residential apartment sales at Barts Square, EC1 and the net loss on sale and revaluation of the investment portfolio of £15.1m, offset by capital expenditure on the investment portfolio of £16.5m.

The sale of investment properties allowed the Group to repay debt during the Period which resulted in a decrease in the Group's see-through loan to value to 26.4% (31 March 2022: 36.4%). The Group's weighted average cost of debt at 30 September 2022 was 3.0% (31 March 2022: 3.2%) and the weighted average debt maturity was 3.4 years (31 March 2022: 3.0 years).

At 30 September 2022, the Group had unutilised bank facilities of £234.2m (of which £60m expires in December 2022) and cash of £58.9m on a see-through basis. These are primarily available to fund future property acquisitions and the completion of works at The JJ Mack Building, EC1.

Total Property Return

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

	Half year to 2022 £m	Half year to 2021 £m	Half year to 2020 £m
Total Property Return	4.0	44.9	6.9

See-through Total Accounting Return

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

	Half year to 2022 %	Half year to 2021 %	Half year to 2020 %
Total Accounting Return on IFRS net assets	2.3	3.9	(2.0)

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

	Half year to 2022 %	Half year to 2021 %	Half year to 2020 %
Total Accounting Return on EPRA net tangible assets	(2.5)	5.1	(2.5)

Earnings Per Share

The IFRS earnings per share is based on the after tax earnings attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the Period and it reduced to 14.1p for the half year to 30 September 2022 (2021: 18.2p).

On an EPRA basis, the earnings per share is 4.8p compared to 0.9p in 2021, reflecting an increase in the Group's share of net rental income to £18.2m (2021: £14.1m) plus development profits of £0.9m (2021: £1.0m), but excluding losses on sale and revaluation of investment properties of £15.1m (2021: gains of £29.8m).

Net Asset Value

IFRS diluted net asset value per share increased by 1.3% to 558p per share (31 March 2022: 551p) and is a measure of Shareholders' Funds divided by the number of shares in issue at the Period end, adjusted to allow for the effect of all dilutive share awards. This movement arose principally from a total comprehensive income (retained profits) of £17.2m (2021: £22.2m), less £10.1m of dividends (2021: £9.0m). EPRA net tangible asset value per share decreased by 3.3% to 553p per share (31 March 2022: 572p).

EPRA net disposal value per share increased by 1.5% to 559p per share (31 March 2022: 551p).

Income Statement

Rental Income and Property Overheads

Gross rental income for the Group in respect of wholly owned properties increased to £19.2m (2021: £15.7m), with gross rents in joint ventures increasing to £0.3m (2021: £0.1m). Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures decreased to £1.3m (2021: £1.8m). Overall, see-through net rents increased by 29% to £18.2m (2021: £14.1m).

Included within gross rental income is £2.5m (30 September 2021: £3.1m, 31 March 2022: £5.8m) of accrued income for rent free periods.

The table below demonstrates the movement of the see-through accrued income balance for rent free periods granted and the respective rental income adjustment over the period to 31 March 2026, based on the tenant leases as at 30 September 2022. The actual adjustment will vary depending on lease events such as new lettings and early terminations and future acquisitions or disposals.

	Accrued income £000	Adjustment to rental income £000
6 months to 31 March 2023	13,958	(991)
Year to 31 March 2024	11,518	(2,439)
Year to 31 March 2025	9,311	(2,207)
Year to 31 March 2026	7,223	(2,089)

Rent Collection

	March 2022 - September 2022 quarters %
Rent collected to date	97.7
Rent under discussion	1.4
Rent concessions	0.9

At 21 November 2022, the Group had collected 97.7% of all rent contracted and payable for the March, June and September 2022 quarters.

Development Profits

In the Period, from our role as development manager at The JJ Mack Building, EC1, we recognised £0.7m of fee income. Additional fees of £0.1m were recognised for carrying out accounting and corporate services at Barts Square, EC1 and The JJ Mack Building, EC1. Further development income on closing out legacy projects of £0.2m, offset by other costs of £0.3m, contributed to a net development profit in the Group of £0.7m (2021: £1.0m).

Share of Results of Joint Ventures

The revaluation of our investment properties held in joint ventures generated a surplus of £15.3m (2021: £10.0m). A profit of £0.2m (2021: loss of £0.1m) was recognised in respect of apartment sales at our Barts Square, EC1 residential development.

Finance, administration and other sundry costs totalling £0.3m (2021: £0.5m) were incurred and after a tax charge of £0.1m (2021: £3.2m), there was a net profit from our joint ventures of £15.1m (2021: £6.2m).

Loss on Sale and Revaluation of Investment Properties

The loss on valuation, partially offset by the gain on sales, of our investment portfolio on a see-through basis resulted in an overall loss on sale and revaluation, including in joint ventures, of £15.1m (2021: gain of £29.8m).

Administrative Expenses

Administration costs in the Group, before performance related awards, increased from £4.7m to £5.3m.

Performance related share awards and bonus payments, before National Insurance costs, reduced to £0.2m (2021: £1.9m). Of this amount, £0.1m (2021: £1.1m), 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.

	2022 £000	2021 £000
Administrative expenses (excluding performance related awards)	5,323	4,712
Performance related awards	220	1,905
NIC	41	525
Group	5,584	7,142
In joint ventures	452	230
Total	6,036	7,372

Finance Costs and Derivative Financial Instruments

Total finance costs after cancellation of loans, including in joint ventures, reduced to £7.3m (2021: £7.8m).

		2022 £000	2021 £000
Interest payable on secured bank loans	– subsidiaries	5,214	5,212
	– joint ventures	1,619	1,080
Amortisation of refinancing costs	– subsidiaries	658	519
Sundry interest and bank charges	– subsidiaries	1,525	1,085
	– joint ventures	101	107
Interest capitalised	– joint ventures	(1,815)	(919)
Total before cancellation of loans		7,302	7,084
Cancellation of loans	– subsidiaries	5	719
Total		7,307	7,803

The significant movement upwards in medium and long-term interest rate projections during the Period contributed to a gain of £26.6m (2021: £4.6m) on the mark-to-market valuation of the derivative financial instruments.

Taxation

The Group elected to become a REIT, effective from 1 April 2022, and is now exempt from UK corporation tax on the profit of its property activities that fall within the REIT regime. Helical will continue to pay corporation tax on its profits that are not within this regime.

As a consequence, the tax charge for the Period was £nil (2021: £8.8m).

Dividends

The Board has declared an interim dividend for the Period of 3.05p (2021: 2.90p), an increase of 5.2%. None of this dividend is to be paid as a PID.

Balance Sheet

Shareholders' Funds

Shareholders' Funds at 31 March 2022 were £687.0m. The Group's results for the Period added £17.2m (2021: £22.2m), net of tax, representing the total comprehensive income for the Period. Movements in reserves arising from the Group's share schemes decreased funds by £1.4m. The Company paid dividends to Shareholders during the Period of £10.1m. The net increase in Shareholders' Funds from Group activities during the Period was £5.7m to £692.7m.

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 2022	961,500	135,820	1,097,320	6,524	(25,002)	1,078,842
Capital expenditure						
– wholly owned	4,427	-	4,427	(7)	-	4,420
– joint ventures	-	12,067	12,067	(15)	-	12,052
Letting costs amortised						
– wholly owned	(135)	-	(135)	-	-	(135)
Disposals						
– wholly owned	(178,736)	-	(178,736)	-	9,166	(169,570)
– joint ventures	-	(7,999)	(7,999)	-	98	(7,901)
Revaluation (deficit)/surplus						
– wholly owned	(35,806)	-	(35,806)	-	812	(34,994)
– joint ventures	-	15,418	15,418	-	(79)	15,339
Economic interest adjustment						
– joint ventures	-	1,179	1,179	-	(14)	1,165
Valuation at 30 September 2022	751,250	156,485	907,735	6,502	(15,019)	899,218

The Group expended £16.5m on capital works across the investment portfolio, at The JJ Mack Building, EC1 (£11.9m), 100 New Bridge Street, EC4 (£3.5m), The Bower, EC1 (£0.2m), The Loom, E1 (£0.5m), 25 Charterhouse Square, EC1 (£0.1m), Barts Square, EC1 (£0.2m) and Trinity, Manchester (£0.1m).

Revaluation losses resulted in a £20.4m decrease in the see-through fair value of the portfolio, before lease incentives, to £907.7m (31 March 2022: £1,097.3m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £899.2m (31 March 2022: £1,078.8m).

Debt and Financial Risk

In total, the see-through outstanding debt at 30 September 2022 of £305.7m (31 March 2022: £440.9m) had a weighted average interest cost of 3.0% (31 March 2022: 3.2%) and a weighted average debt maturity of 3.4 years (31 March 2022: 3.0 years).

Debt Profile at 30 September 2022 – Including Commitment Fees but Excluding the Amortisation of Arrangement Fees

	Total facility £000s	Total utilised £000s	Available facility £000s	Weighted average interest rate %	Average maturity of borrowings Years
£400m Revolving Credit Facility	400,000	250,000	150,000	2.7	3.8
£60m Revolving Credit Facility	60,000	-	60,000	-	-
Total wholly owned	460,000	250,000	210,000	2.7	3.8
In joint ventures	69,900	55,705	14,195	4.2	1.8
Total secured debt	529,900	305,705	224,195	3.0	3.4
Working capital	10,000	-	10,000	-	-
Total unsecured debt	10,000	-	10,000	-	-
Total debt	539,900	305,705	234,195	3.0	3.4

Secured Debt

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

- £400m Revolving Credit Facility

The Group has a £400m Revolving Credit Facility in which all of its wholly owned investment assets are secured. The value of the Group's properties secured in this facility at 30 September 2022 was £736m (31 March 2022: £870m) with a corresponding loan to value of 34.0% (31 March 2022: 46.0%). The average maturity of the facility at 30 September 2022 was 3.8 years (31 March 2022: 3.1 years).

- £60m Revolving Credit Facility

The Group has a £60m Revolving Credit Facility to provide short-term liquidity to acquire new property opportunities. The maturity of this undrawn facility was 0.2 years.

- Joint Venture Facilities

The Group has a number of investment and development properties in joint venture with third parties and includes our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 30 September 2022 was 1.8 years (31 March 2022: 2.3 years) with a weighted average interest rate of 4.2% (31 March 2022: 5.6%). The average interest rate will fall as The JJ Mack Building, EC1 development facility is drawn down and would be 4.00% on a fully utilised basis, reducing to 2.25% once the building is let.

Unsecured Debt

The Group's unsecured debt is £nil (31 March 2022: £nil).

Cash and Cash Flow

At 30 September 2022, the Group had £293.1m (31 March 2022: £132.3m) of cash and agreed, undrawn, committed bank facilities (of which £60m expires in December 2022) including its share in joint ventures.

Net Borrowings and Gearing

Total gross borrowings of the Group, including in joint ventures, have decreased from £440.9m to £305.7m during the Period to 30 September 2022. After deducting cash balances of £58.9m (31 March 2022: £33.3m) and unamortised refinancing costs of £5.0m (31 March 2022: £4.7m), net borrowings decreased from £402.9m to £241.8m. The see-through net gearing of the Group, including in joint ventures, decreased from 58.6% to 34.9%.

	30 September 2022	31 March 2022
See-through gross borrowings	£305.7m	£440.9m
See-through cash balances	£58.9m	£33.3m
Unamortised refinancing costs	£5.0m	£4.7m
See-through net borrowings	£241.8m	£402.9m
Shareholders' funds	£692.7m	£687.0m
See-through gearing – IFRS net asset value	34.9%	58.6%

Hedging

At 30 September 2022, the Group had £250.0m (31 March 2022: £300.0m) of borrowings protected by interest rate swaps, with an average effective interest rate of 2.2% (31 March 2022: 2.8%) and average maturity of 2.8 years (31 March 2022: 3.3 years). The Group had £nil floating rate debt (31 March 2022: £100.0m) with an effective rate of nil (31 March 2022: 3.5%). In addition, the Group had £105m of interest rate caps at an average rate of 1.75% (31 March 2022: £145m at 1.75%) and with an average maturity of 0.8 years. In our joint ventures, the Group's share of fixed rate debt was £55.7m (31 March 2022: £40.9m) at 0.5% plus margin with an effective rate at 30 September 2022 of 4.2% and no floating rate debt (31 March 2022: none).

	30 September 2022 £m	Effective interest rate %	31 March 2022 £m	Effective interest rate %
Fixed rate debt				
– Secured borrowings	250.0	2.2 ¹	300.0	2.8
Total	250.0	2.2	300.0	2.8
Floating rate debt				
– Secured borrowings	-	-	100.0	3.5 ²
Total	-	2.7	400.0	3.0
In joint ventures				
– Fixed rate	55.7	4.2 ³	40.9	5.6 ³
Total borrowings	305.7	3.0	440.9	3.2

1. The impact of interest rate hedging above the level of outstanding borrowings was to reduce the effective interest rate to 2.2%. Following a restructure of the hedging post Period end, to ensure all current borrowings were protected against interest rate rises to the end of the Group's bank facilities, the effective interest rate increased to 2.8%.

2. This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 2.7%.

3. This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 4.00% (31 March 2022: 4.95%).

Tim Murphy
Chief Financial Officer
22 November 2022

Unaudited Consolidated Income Statement

For the Half Year to 30 September 2022

	Notes	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Revenue	3	23,461	25,099	51,146
Cost of sales	3	(4,623)	(10,041)	(14,228)
Net property income	4	18,838	15,058	36,918
Share of results of joint ventures	12	15,101	6,244	20,708
Gross profit before net (loss)/gain on sale and revaluation of Investment properties		33,939	21,302	57,626
Gain/(loss) on sale of Investment properties	5	4,606	(88)	(45)
Revaluation (loss)/gain on Investment properties	11	(34,994)	19,906	33,311
Gross profit		3,551	41,120	90,892
Administrative expenses	6	(5,584)	(7,142)	(16,768)
Operating (loss)/gain		(2,033)	33,978	74,124
Finance costs	7	(7,402)	(7,535)	(19,234)
Finance income		96	2	6
Change in fair value of derivative financial instruments	20	26,564	4,552	17,996
Profit before tax		17,225	30,997	72,892
Tax on profit on ordinary activities	8	-	(8,809)	16,002
Profit for the period		17,225	22,188	88,894
Earnings per share	10			
Basic		14.1p	18.2p	72.8p
Diluted		14.0p	18.0p	71.4p

Unaudited Consolidated Statement of Comprehensive Income

For the Half Year to 30 September 2022

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Profit for the period	17,225	22,188	88,894
Total comprehensive income for the period	17,225	22,188	88,894

Unaudited Consolidated Balance Sheet

At 30 September 2022

	Notes	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Non-current assets				
Investment properties	11	738,518	761,268	938,797
Owner occupied property, plant and equipment		4,358	5,003	4,631
Investment in joint ventures	12	105,895	82,845	100,604
Other investments	13	306	354	306
Derivative financial instruments	20	36,758	1,492	11,104
		885,835	850,962	1,055,442
Current assets				
Land and developments	14	2,089	66	2,089
Corporation tax receivable		-	-	338
Trade and other receivables	15	36,551	38,581	48,453
Cash and cash equivalents	16	54,378	134,751	28,807
		93,018	173,398	79,687
Total assets		978,853	1,024,360	1,135,129
Current liabilities				
Trade and other payables	17	(33,225)	(30,572)	(43,986)
Lease liability	18	(670)	(646)	(658)
Corporation tax payable		(230)	(563)	-
		(34,125)	(31,781)	(44,644)
Non-current liabilities				
Borrowings	19	(246,100)	(336,825)	(396,633)
Derivative financial instruments	20	-	(4,382)	(538)
Lease liability	18	(5,933)	(6,604)	(6,271)
Deferred tax liability	8	-	(22,184)	-
		(252,033)	(369,995)	(403,442)
Total liabilities		(286,158)	(401,776)	(448,086)
Net assets		692,695	622,584	687,043
Equity				
Called-up share capital	21	1,233	1,489	1,223
Share premium account		116,619	112,600	112,654
Revaluation reserve		109,276	184,222	197,627
Capital redemption reserve		7,743	7,478	7,743
Own shares held		(1,535)	-	-
Other reserves		291	291	291
Retained earnings		459,068	316,504	367,505
Total equity		692,695	622,584	687,043

Unaudited Consolidated Cash Flow Statement

For the Half Year to 30 September 2022

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Cash flows from operating activities			
Profit before tax	17,225	30,997	72,892
Adjustment for:			
Depreciation	382	386	766
Revaluation deficit/(surplus) on Investment properties	34,994	(19,906)	(33,311)
Letting cost amortisation	135	109	226
(Gain)/loss on sale of Investment properties	(4,606)	88	45
Profit on sale of plant and equipment	-	(11)	(11)
Net financing costs	7,306	7,533	19,228
Change in value of derivative financial instruments	(26,564)	(4,552)	(17,996)
Share based payment charge	54	1,063	3,843
Share of results of joint ventures	(15,101)	(6,244)	(20,708)
Cash inflows from operations before changes in working capital	13,825	9,463	24,974
Change in trade and other receivables	(504)	1,752	(7,926)
Change in land, developments and trading properties	-	382	(1,641)
Change in trade and other payables	(11,385)	(7,891)	5,941
Cash inflows generated from operations	1,936	3,706	21,348
Finance costs	(6,952)	(6,813)	(18,335)
Finance income	96	2	6
Tax received	568	12	13
	(6,288)	(6,799)	(18,316)
Net cash (used by)/generated from operating activities	(4,352)	(3,093)	3,032
Cash flows from investing activities			
Additions to Investment property	(4,420)	(9,815)	(174,057)
Purchase of other investments	-	(354)	(306)
Net proceeds/(costs) from sale of Investment property	186,583	(88)	(45)
Return on investments/(investments) in joint ventures and subsidiaries	3,323	-	(3,323)
Dividends from joint ventures	6,488	3,352	3,381
Sale of plant and equipment	-	43	44
Purchase of leasehold improvements, plant and equipment	(108)	(59)	(68)
Net cash generated from/(used by) investing activities	191,866	(6,921)	(174,374)
Cash flows from financing activities			
Borrowings drawn down	-	50,000	190,000
Borrowings repaid	(150,000)	(50,400)	(131,150)
Finance lease repayments	(326)	(311)	(631)
Shares issued	10	11	10
Purchase of own shares	(1,535)	-	-
Sale of own shares	-	52	54
Equity dividends paid	(10,092)	(9,035)	(12,582)
Net cash (used by)/generated from financing activities	(161,943)	(9,683)	45,701
Net increase/(decrease) in cash and cash equivalents	25,571	(19,697)	(125,641)
Cash and cash equivalents at start of period	28,807	154,448	154,448
Cash and cash equivalents at end of period	54,378	134,751	28,807

Unaudited Consolidated Statement of Changes in Equity

At 30 September 2022

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Own shares held £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2021	1,478	107,990	164,316	7,478	-	291	326,608	608,161
Total comprehensive income	-	-	-	-	-	-	88,894	88,894
Revaluation surplus	-	-	33,311	-	-	-	(33,311)	-
Issued share capital	10	4,610	-	-	-	-	-	4,620
Performance Share Plan	-	-	-	-	-	-	3,223	3,223
Performance Share Plan – deferred tax	-	-	-	-	-	-	(1,325)	(1,325)
Share settled Performance Share Plan	-	-	-	-	-	-	(3,591)	(3,591)
Deferred bonus shares	-	-	-	-	-	-	620	620
Share settled bonus	-	-	-	-	-	-	(1,031)	(1,031)
Profit on sales of shares	-	54	-	-	-	-	-	54
Cancelled deferred shares	(265)	-	-	265	-	-	-	-
Dividends paid	-	-	-	-	-	-	(12,582)	(12,582)
At 31 March 2022	1,223	112,654	197,627	7,743	-	291	367,505	687,043
Total comprehensive income	-	-	-	-	-	-	17,225	17,225
Revaluation deficit	-	-	(34,994)	-	-	-	34,994	-
Realised on disposals	-	-	(53,357)	-	-	-	53,357	-
Issued share capital	10	3,965	-	-	-	-	-	3,975
Performance Share Plan	-	-	-	-	-	-	54	54
Purchase of own shares	-	-	-	-	(1,535)	-	-	(1,535)
Share settled Performance Share Plan	-	-	-	-	-	-	(3,536)	(3,536)
Share settled bonus	-	-	-	-	-	-	(439)	(439)
Dividends paid	-	-	-	-	-	-	(10,092)	(10,092)
At 30 September 2022	1,233	116,619	109,276	7,743	(1,535)	291	459,068	692,695

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

The adjustment to retained earnings of £54,000 (31 March 2022: £3,223,000) adds back the share based payments charge recognised in the Unaudited Consolidated Income Statement, in accordance with IFRS 2 *Share Based Payments*.

There were net transactions with owners of £11,573,000 (31 March 2022: £10,012,000) made up of the Performance Share Plan credit of £54,000 (31 March 2022: £3,223,000) and related deferred tax charge of £nil (31 March 2022: £1,325,000), dividends paid of £10,092,000 (31 March 2022: £12,582,000), the issued share capital of £10,000 (31 March 2022: £10,000) and corresponding share premium of £3,965,000 (31 March 2022: £4,610,000), purchase of own shares charge of £1,535,000 (31 March 2022: £nil), share settled Performance Share Plan awards charge of £3,536,000 (31 March 2022: £3,591,000), the share settled bonus awards charge of £439,000 (31 March 2022: £1,031,000), deferred bonus shares of £nil (31 March 2022: £620,000) and the profit on the sale of shares of £nil (31 March 2022: £54,000).

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2021	1,478	107,990	164,316	7,478	291	326,608	608,161
Total comprehensive income	-	-	-	-	-	22,188	22,188
Revaluation surplus	-	-	19,906	-	-	(19,906)	-
Issued share capital	11	4,610	-	-	-	-	4,621
Performance Share Plan	-	-	-	-	-	1,063	1,063
Performance Share Plan – deferred tax	-	-	-	-	-	155	155
Share settled Performance Share Plan	-	-	-	-	-	(3,591)	(3,591)
Share settled bonus	-	-	-	-	-	(1,030)	(1,030)
Profit on sales of shares	-	-	-	-	-	52	52
Dividends paid	-	-	-	-	-	(9,035)	(9,035)
At 30 September 2021	1,489	112,600	184,222	7,478	291	316,504	622,584

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

There were net transactions with owners of £7,765,000 made up of the Performance Share Plan credit of £1,063,000 and related deferred tax credit of £155,000, dividends paid of £9,035,000, the issued share capital of £11,000 and corresponding share premium of £4,610,000, share settled Performance Share Plan awards charge of £3,591,000, the share settled bonus awards charge of £1,030,000 and the profit on the sale of shares of £52,000.

Unaudited Notes to the Half Year Results

1. Financial Information

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

These interim condensed unaudited consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2022.

These interim condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom. The same accounting policies and methods of computation are followed in the 30 September 2022 interim condensed unaudited consolidated financial statements as in the most recent annual financial statements.

Going Concern

The Directors have considered the appropriateness of adopting a going concern basis in preparing the financial statements. Their assessment is based on forecasts for the next 12 month period, with sensitivity testing undertaken to replicate severe but plausible downside scenarios related to the principal risks and uncertainties associated with the business.

The key assumptions used in the review are summarised below:

- The Group's rental income receipts were modelled for each tenant on an individual basis;
- Existing loan facilities remain available;
- Certain property additions/disposals are assumed in line with the individual asset business plans; and
- Free cash is utilised where necessary to repay debt/cure bank facility covenants.

Compliance with the financial covenants of the Group's main debt facility, its £400m Revolving Credit Facility, was the Directors' key area of review, with particular focus on the following three covenants:

- Loan to Value ("LTV") – the ratio of the drawn loan amount to the value of the secured property as a percentage;
- Loan to Rent Value ("LRV") – the ratio of the loan to the projected contractual net rental income for the next 12 months; and
- Projected Net Rental Interest Cover Ratio ("ICR") – the ratio of projected net rental income to projected finance costs.

The October 2022 compliance position for these covenants is summarised below:

Covenant	Requirement	Actual
LTV	<65%	34%
LRV	<12.0x	7.6x
ICR	>150%	499%

The results of this review demonstrated the following:

- The forecasts show that all bank facility financial covenants will be met throughout the review period, with headroom to withstand a 29% fall in contracted rental income;

- The Group could withstand receiving nil rental income during the going concern period (excluding the impact on income covenants);
- Property values could fall by 53% before loan to value covenants come under pressure;
- Whilst the Group has a WAULT of 4.6 years, in a downside scenario whereby all tenants with lease expiries or break options in the going concern period exercise their breaks or do not renew at the end of their lease, and with no vacant space let or re-let, the rental income covenants would be met throughout the review period; and
- Additional asset sales could be utilised to generate cash to repay debt, materially increasing covenant headroom.

Based on this analysis, the Directors have adopted a going concern basis in preparing the accounts for the Period ended 30 September 2022.

Principal Risks and Uncertainties

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

The Group considers its principal risks to be:

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

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

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

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

There have been no significant changes to these risks in the Period and further analysis is included within the Group's Annual Report and Accounts 2022.

2. Revenue from Contracts with Customers

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Development property income	934	4,951	7,490
Service charge income	3,282	4,423	8,304
Other revenue	-	-	28
Total revenue from contracts with customers	4,216	9,374	15,822

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

No impairment of contract assets was recognised in the Period to 30 September 2022 (half year to 30 September 2021: £nil, year to 31 March 2022: £5,000).

3. Segmental Information

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

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

	Investments Half Year to 30.09.22 £000	Developments Half Year to 30.09.22 £000	Total Half Year to 30.09.22 £000	Investments Half Year to 30.09.21 £000	Developments Half Year to 30.09.21 £000	Total Half Year to 30.09.21 £000
Revenue						
Gross rental income	19,245	-	19,245	15,725	-	15,725
Development property income	-	934	934	-	4,951	4,951
Service charge income	3,282	-	3,282	4,423	-	4,423
Revenue	22,527	934	23,461	20,148	4,951	25,099

	Investments Year to 31.03.22 £000	Developments Year to 31.03.22 £000	Total Year to 31.03.22 £000
Revenue			
Gross rental income	35,324	-	35,324
Development property income	-	7,490	7,490
Service charge income	8,304	-	8,304
Other revenue	28	-	28
Revenue	43,656	7,490	51,146

	Investments Half Year to 30.09.22 £000	Developments Half Year to 30.09.22 £000	Total Half Year to 30.09.22 £000	Investments Half Year to 30.09.21 £000	Developments Half Year to 30.09.21 £000	Total Half Year to 30.09.21 £000
Cost of sales						
Rents payable	(69)	-	(69)	(76)	-	(76)
Property overheads	(1,121)	-	(1,121)	(1,636)	-	(1,636)
Service charge expense	(3,282)	-	(3,282)	(4,423)	-	(4,423)
Development cost of sales	-	(150)	(150)	-	(3,651)	(3,651)
Development sales expenses	-	(1)	(1)	-	(90)	(90)
Provisions	-	-	-	-	(165)	(165)
Cost of sales	(4,472)	(151)	(4,623)	(6,135)	(3,906)	(10,041)

	Investments Year to 31.03.22 £000	Developments Year to 31.03.22 £000	Total Year to 31.03.22 £000
Cost of sales			
Rents payable	(169)	-	(169)
Property overheads	(4,069)	-	(4,069)
Service charge expense	(8,304)	-	(8,304)
Development cost of sales	-	(3,864)	(3,864)
Development sales expenses	-	(107)	(107)
Reversal of provision	-	2,285	2,285
Cost of sales	(12,542)	(1,686)	(14,228)

Results for the Half Year to 30 September 2022

	Investments Half Year to 30.09.22 £000	Developments Half Year to 30.09.22 £000	Total Half Year to 30.09.22 £000	Investments Half Year to 30.09.21 £000	Developments Half Year to 30.09.21 £000	Total Half Year to 30.09.21 £000
Profit before tax						
Net property income	18,055	783	18,838	14,013	1,045	15,058
Share of results of joint ventures	14,750	351	15,101	6,863	(619)	6,244
(Loss)/gain on sale and revaluation of Investment properties	(30,388)	-	(30,388)	19,818	-	19,818
Segmental profit	2,417	1,134	3,551	40,694	426	41,120
Gross profit			3,551			41,120
Administrative expenses			(5,584)			(7,142)
Finance costs			(7,402)			(7,535)
Finance income			96			2
Change in fair value of derivative financial instruments			26,564			4,552
Profit before tax			17,225			30,997

	Investments Year to 31.03.22 £000	Developments Year to 31.03.22 £000	Total Year to 31.03.22 £000
Profit before tax			
Net property income	31,114	5,804	36,918
Share of results of joint ventures	20,603	105	20,708
Gain on sale and revaluation of Investment properties	33,266	-	33,266
Segmental profit	84,983	5,909	90,892
Administrative expenses			(16,768)
Finance costs			(19,234)
Finance income			6
Change in fair value of derivative financial instruments			17,996
Profit before tax			72,892

	Investments at 30.09.22 £000	Developments at 30.09.22 £000	Total at 30.09.22 £000	Investments at 30.09.21 £000	Developments at 30.09.21 £000	Total at 30.09.21 £000
Net assets						
Investment properties	738,518	-	738,518	761,268	-	761,268
Land and developments	-	2,089	2,089	-	66	66
Investment in joint ventures	101,097	4,798	105,895	79,094	3,751	82,845
	839,615	6,887	846,502	840,362	3,817	844,179
Other assets			132,351			180,181
Total assets			978,853			1,024,360
Liabilities			(286,158)			(401,776)
Net assets			692,695			622,584

	Investments Year to 31.03.22 £000	Developments Year to 31.03.22 £000	Total Year to 31.03.22 £000
Net assets			
Investment properties	938,797	-	938,797
Land and developments	-	2,089	2,089
Investment in joint ventures	96,157	4,447	100,604
	1,034,954	6,536	1,041,490
Other assets			93,639
Total assets			1,135,129
Liabilities			(448,086)
Net assets			687,043

4. Net Property Income

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Gross rental income	19,245	15,725	35,324
Head rents payable	(69)	(76)	(169)
Property overheads	(1,121)	(1,636)	(4,069)
Net rental income	18,055	14,013	31,086
Development property income	934	4,951	7,490
Development cost of sales	(150)	(3,651)	(3,864)
Sales expenses	(1)	(90)	(107)
Provision	-	(165)	2,285
Development property profit	783	1,045	5,804
Other revenue	-	-	28
Net property income	18,838	15,058	36,918

Included within Gross rental income above is £2,464,000 (September 2021: £3,077,000, March 2022: £5,782,000) of accrued income for rent free periods.

5. Gain/(Loss) on Sale of Investment Properties

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Net proceeds/(costs) from the sale of Investment properties	186,583	(88)	(45)
Book value (Note 11)	(169,570)	-	-
Tenants' incentives on sold Investment properties	(12,407)	-	-
Gain/(loss) on sale of Investment properties	4,606	(88)	(45)

6. Administrative Expenses

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Administration costs	(5,323)	(4,712)	(9,598)
Performance related awards, including annual bonuses	(220)	(1,905)	(6,019)
National Insurance on performance related awards	(41)	(525)	(1,151)
Administrative expenses	(5,584)	(7,142)	(16,768)

7. Finance Costs

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Interest payable on bank loans and overdrafts	(5,214)	(5,212)	(10,169)
Other interest payable and similar charges	(2,188)	(2,323)	(3,179)
Cancellation of loans	-	-	(5,886)
Finance costs	(7,402)	(7,535)	(19,234)

8. Tax on Profit on Ordinary Activities

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
The tax charge is based on the profit for the period and represents:			
United Kingdom corporation tax at 19%			
- Group corporation tax	-	-	-
- Adjustment in respect of prior periods	-	-	1,146
- Payment for losses	-	(39)	(38)
Current tax charge	-	(39)	1,108
Deferred tax			
- Capital allowances	-	(2,246)	4,540
- Tax losses	-	1,050	(1,024)
- Unrealised chargeable gains	-	(6,638)	13,512
- Other temporary differences	-	(936)	(2,134)
Deferred tax (charge)/credit	-	(8,770)	14,894
Total tax (charge)/credit for period	-	(8,809)	16,002

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Deferred tax			
Capital allowances	-	(6,786)	-
Tax losses	-	2,074	-
Unrealised chargeable gains	-	(20,150)	-
Other temporary differences	-	2,678	-
Deferred tax liability	-	(22,184)	-

The Group became a UK REIT on 1 April 2022. As a REIT, the Group is not subject to Corporation Tax on the profits of its property rental business and chargeable gains arising on the disposal of investment assets used in the property rental business, but remains subject to tax on profits and chargeable gains arising from non REIT business activities.

On conversion to a REIT, the deferred tax assets and liabilities previously recognised associated with the Group's property business were released. The majority of the liability released related to unrealised revaluation gains on the Group's investment properties. In addition, previously recognised deferred tax assets were released on the basis that it is no longer probable that sufficient taxable profits will be generated in the non property business in the future against which these assets could be offset.

9. Dividends

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Attributable to equity share capital			
Ordinary			
- Interim paid 2.90p per share	-	-	3,547
- Prior period final paid 8.25p per share (2021: 7.40p)	10,092	9,035	9,035
	10,092	9,035	12,582

The interim dividend of 3.05p per share (30 September 2021: 2.90p per share) was approved by the Board on 17 November 2022 and will be paid on 13 January 2023 to Shareholders on the register on 2 December 2022. This interim dividend, amounting to £3,762,000 has not been included as a liability as at 30 September 2022.

10. Earnings Per Share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the Period. This is a different basis to the net asset per share calculations which are based on the number of shares at the Period end.

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

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

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

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Ordinary shares in issue	123,355	122,325	122,325
Own shares held	(398)	-	-
Weighting adjustment	(658)	(481)	(241)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	122,299	121,844	122,084
Weighted average ordinary shares issued on share settled bonuses	561	513	662
Weighted average ordinary shares to be issued under Performance Share Plan	575	1,136	1,700
Weighted average ordinary shares in issue for calculation of diluted earnings per share	123,435	123,493	124,446
	£000	£000	£000
Earnings used for calculation of basic and diluted earnings per share	17,225	22,188	88,894
Basic earnings per share	14.1p	18.2p	72.8p
Diluted earnings per share	14.0p	18.0p	71.4p
	£000	£000	£000
Earnings used for calculation of basic and diluted earnings per share	17,225	22,188	88,894
Net loss/(gain) on sale and revaluation of Investment properties			
– subsidiaries	30,388	(19,818)	(33,266)
– joint ventures	(15,268)	(9,962)	(18,473)
Tax on profit on disposal of Investment properties	228	-	-
Loss/(gain) on movement in share of joint ventures	66	22	(820)
Fair value movement on derivative financial instruments	(26,564)	(4,552)	(17,996)
Expense on cancellation of loans	132	719	5,886
Deferred tax on adjusting items	(377)	12,519	(17,844)
Earnings used for calculations of EPRA earnings per share	5,830	1,116	6,381
	£000	£000	£000
EPRA earnings per share	4.8p	0.9p	5.2p

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

11. Investment Properties

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Book value at 1 April	938,797	740,207	740,207
Additions at cost	4,420	1,264	165,505
Disposals	(169,570)	-	-
Letting cost amortisation	(135)	(109)	(226)
Revaluation (deficit)/surplus	(34,994)	19,906	33,311
As at period end	738,518	761,268	938,797

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

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Book value	738,518	761,268	938,797
Lease incentives and costs included in trade and other receivables	14,858	22,297	24,836
Head leases capitalised	(2,126)	(2,140)	(2,133)
Fair value	751,250	781,425	961,500

Cumulative interest capitalised in respect of the refurbishment of Investment properties at 30 September 2022 amounted to £9,620,000 (30 September 2021: £13,102,000, 31 March 2022: £13,102,000). Interest capitalised during the Period in respect of the refurbishment of Investment properties amounted to £nil (30 September 2021: £nil, 31 March 2022: £nil).

The historical cost of Investment property is £627,437,000 (30 September 2021: £574,973,000, 31 March 2022: £739,231,000).

12. Joint Ventures

	Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Share of results of joint ventures			
Revenue	4,873	4,497	9,495
Gross rental income	269	105	317
Property overheads	(142)	(42)	(175)
Net rental income	127	63	142
Gain on revaluation of Investment properties	15,339	9,962	18,473
Loss on sale of Investment properties	(71)	-	-
Development property profit/(loss)	186	(41)	764
Gross profit	15,581	9,984	19,379
Administrative expenses	(452)	(230)	(295)
Operating profit	15,129	9,754	19,084
Interest payable on bank loans and overdrafts	(1,619)	(1,080)	(2,407)
Other interest payable and similar charges	(101)	(107)	(181)
Interest capitalised	1,815	919	2,142
Finance income	6	-	-
Profit before tax	15,230	9,486	18,638
Tax	(63)	(3,220)	1,249
Profit after tax	15,167	6,266	19,887
Adjustment for Barts Square economic interest ¹	(66)	(22)	821
Share of results of joint ventures	15,101	6,244	20,708

¹ This adjustment reflects the impact of the consolidation of a joint venture at its economic interest of 50.0% (30 September 2021: 47.0%, 31 March 2022: 46.0%) rather than its actual ownership interest of 33.3%.

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Investment in joint ventures			
Summarised balance sheets			
Non-current assets			
Investment properties	160,700	111,732	140,045
Owner occupied property, plant and equipment	154	41	40
	160,854	111,773	140,085
Current assets			
Land and developments	4,663	12,369	8,349
Trade and other receivables	1,240	2,003	2,527
Deferred tax	-	-	172
Cash and cash equivalents	4,516	4,533	4,474
	10,419	18,905	15,522
Current liabilities			
Trade and other payables	(5,573)	(8,700)	(10,062)
Borrowings	-	(8,293)	-
	(5,573)	(16,993)	(10,062)
Non-current liabilities			
Trade and other payables	(406)	(405)	(408)
Borrowings	(54,603)	(21,216)	(39,585)
Leasehold interest	(4,834)	(4,680)	(4,744)
Deferred tax	(55)	(4,632)	(297)
	(59,898)	(30,933)	(45,034)
Net assets pre-adjustment	105,802	82,752	100,511
Acquisition costs	93	93	93
Investment in joint ventures	105,895	82,845	100,604

The fair value of Investment properties at 30 September 2022 is as follows:

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Book value	160,700	111,732	140,045
Lease incentives and costs included in trade and other receivables	161	151	166
Head leases capitalised	(4,376)	(4,406)	(4,391)
Fair value	156,485	107,477	135,820

13. Other Investments

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Book value at 1 April	306	-	-
Acquisitions	-	354	306
As at period end	306	354	306

On 6 August 2021, the Group entered into a commitment of £1,000,000 to invest in the Pi Labs European PropTech Venture Capital Fund ("Fund") of which £306,000 has been invested as at 30 September 2022. The Fund is focused on investing in the next generation of proptech businesses.

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

14. Land and Developments

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
At 1 April	2,089	448	448
Acquisitions and construction costs	-	3,605	2,913
Disposals	-	(3,533)	(3,557)
(Provision)/reversal of provision	-	(454)	2,285
At 30 September	2,089	66	2,089

The Directors' valuation of development stock shows a surplus of £302,000 (30 September 2021: £578,000, 31 March 2022: £302,000) above book value. This surplus has been included in the EPRA net tangible asset value (Note 22).

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

15. Trade and Other Receivables

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Trade receivables	16,168	12,088	18,807
Other receivables	804	663	762
Prepayments	2,503	4,862	4,310
Accrued income	17,076	20,968	24,574
Total trade and other receivables	36,551	38,581	48,453

Included in accrued income are lease incentives of £14,858,000 (30 September 2021: £22,292,000, 31 March 2022: £24,836,000).

16. Cash and Cash Equivalents

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Cash held at managing agents	4,366	3,245	10,589
Restricted cash	3,905	63,534	3,978
Cash deposits	46,107	67,972	14,240
Total cash and cash equivalents	54,378	134,751	28,807

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

17. Trade and Other Payables

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Trade payables	15,551	13,288	23,122
Other payables	1,607	3,214	3,957
Accruals	6,266	6,366	7,418
Deferred income	9,801	7,704	9,489
Total trade and other payables	33,225	30,572	43,986

18. Lease Liability

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Current lease liability	670	646	658
Non-current lease liability	5,933	6,604	6,271

Included within the lease liability are £670,000 (30 September 2021: £646,000, 31 March 2022: £658,000) of current and £3,745,000 (30 September 2021: £4,415,000, 31 March 2022: £4,082,000) of non-current lease liabilities which relate to the long leasehold of the Group's head office.

19. Borrowings

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Current borrowings	-	-	-
Borrowings repayable within:			
- two to three years	-	65,000	100,000
- three to four years	246,100	271,825	296,633
Non-current borrowings	246,100	336,825	396,633
Total borrowings	246,100	336,825	396,633

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Total borrowings	246,100	336,825	396,633
Cash	(54,378)	(134,751)	(28,807)
Net borrowings	191,722	202,074	367,826

Net borrowings exclude the Group's share of borrowings in joint ventures of £54,603,000 (30 September 2021: £29,509,000, 31 March 2022: £39,585,000) and cash of £4,516,000 (30 September 2021: £4,533,000, 31 March 2022: £4,474,000). All borrowings in joint ventures are secured.

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Net assets	692,695	622,584	687,043
Net gearing	28%	32%	54%

20. Derivative Financial Instruments

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Derivative financial instruments asset	36,758	1,492	11,104
Derivative financial instruments liability	-	(4,382)	(538)

A gain on the change in fair value of £26,564,000 has been recognised in the Unaudited Consolidated Income Statement (30 September 2021: £4,552,000, 31 March 2022: £17,996,000) as a result of the significant movements upwards in the medium and long term interest rate projections.

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

21. Share Capital

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Authorised	39,577	39,577	39,577

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

Allotted, called up and fully paid:			
- 123,355,197 (30 September 2021: 122,325,413, 31 March 2022: 122,325,413) ordinary shares of 1p each	1,233	1,224	1,223
- nil deferred shares at 1/8p each (30 September 2021: 212,145,300, 31 March 2022: nil)	-	265	-
	1,233	1,489	1,223

22. Net Assets Per Share

	At 30 September 2022 £000	Number of shares 000	p	At 31 March 2022 £000	Number of shares 000	p
Ordinary shares in issue		123,355			122,325	
Own shares held		(328)			-	
IFRS basic net assets	692,695	122,957	563	687,043	122,325	562
- share settled bonus		561			662	
- dilutive effect of Performance Share Plan		543			1,657	
Diluted net asset value	692,695	124,061	558	687,043	124,644	551

Adjustments:

- fair value of financial instruments	(36,758)			(10,565)		
- deferred tax	126			503		
- fair value of land and developments	302			302		
- real estate transfer tax	61,043			73,155		
EPRA net reinstatement value	717,408	124,061	578	750,438	124,644	602
- real estate transfer tax	(31,674)			(36,656)		
- deferred tax	(126)			(503)		
EPRA net tangible asset value	685,608	124,061	553	713,279	124,644	572

	At 30 September 2022 £000	Number of shares 000	p	At 31 March 2022 £000	Number of shares 000	p
Diluted net asset value	692,695	124,061	558	687,043	124,644	551

Adjustments:

- surplus on fair value of stock	302			302		
EPRA net disposal value	692,997	124,061	559	687,345	124,644	551

	At 30 September 2021 £000	Number of shares 000	p
IFRS net assets	622,584	122,325	
Adjustments:			
- deferred shares	(265)		
Basic net asset value	622,319	122,325	509
- share settled bonus		513	
- dilutive effect of Performance Share Plan		1,130	
Diluted net asset value	622,319	123,968	502

Adjustments:

- fair value of financial instruments	2,890		
- deferred tax	30,866		
- fair value of land and developments	578		
- real estate transfer tax	60,250		
EPRA net reinstatement value	716,903	123,968	578
- real estate transfer tax	(25,817)		
- deferred tax	(7,871)		
EPRA net tangible asset value	683,215	123,968	551

	At 30 September 2021 £000	Number of shares 000	p
Diluted net assets	622,319	123,968	502
Adjustments:			
- surplus on fair value of stock	578		
- fair value of fixed rate loan	(7,731)		
EPRA net disposal value	615,166	123,968	496

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

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

The calculation of EPRA net disposal value per share reflects the fair value of all the assets and liabilities of the Group at 30 September 2022. As at 30 September 2021, one of the loans held by the Group was at a fixed rate and therefore not at fair value, resulting in an adjustment of £7,731,000 to reflect the increase from book to fair value.

23. Related Party Transactions

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

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Charterhouse Street Limited group	565	400	405
Barts Square companies	76	24	79
Old Street Holdings LP	-	3	3
Shirley Advance LLP	8	8	8

A development management, accounting and corporate services fee of £25,000 (30 September 2021: £25,000, 31 March 2022: £50,000) was charged by the Group to the Barts Square companies. In addition, a development management, accounting and corporate services fee of £699,000 (30 September 2021: £425,000, 31 March 2022: £1,380,000) was charged by the Group to the Charterhouse Place Limited group.

24. See-through Analysis

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

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

See-through Net Rental Income

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

		Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Gross rental income	– subsidiaries	19,245	15,725	35,324
	– joint ventures	269	105	317
Total gross rental income		19,514	15,830	35,641
Rents payable	– subsidiaries	(69)	(76)	(169)
Property overheads	– subsidiaries	(1,121)	(1,636)	(4,069)
	– joint ventures	(142)	(42)	(175)
See-through net rental income		18,182	14,076	31,228

See-through Net Development Profits

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

		Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
In parent and subsidiaries		783	1,210	3,519
In joint ventures		186	(41)	764
Total gross development profit		969	1,169	4,283
(Provision)/reversal of provision against stock	– subsidiaries	-	(165)	2,285
See-through development profits		969	1,004	6,568

See-through Net (Loss)/Gain on Sale and Revaluation of Investment Properties

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

		Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Revaluation (deficit)/surplus on Investment properties	– subsidiaries	(34,994)	19,906	33,311
	– joint ventures	15,339	9,962	18,473
Total revaluation (deficit)/surplus		(19,655)	29,868	51,784
Net gain/(loss) on sale of Investment properties	– subsidiaries	4,606	(88)	(45)
	– joint ventures	(71)	-	-
Total net gain/(loss) on sale of Investment properties		4,535	(88)	(45)
See-through net (loss)/gain on sale and revaluation of Investment properties		(15,120)	29,780	51,739

See-through Administration Expenses

Helical's share of the administration expenses incurred in subsidiaries and joint ventures is shown in the table below.

		Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Administration expenses	– subsidiaries	5,323	4,712	9,598
	– joint ventures	452	230	295
Total administration expenses		5,775	4,942	9,893
Performance related awards, including NIC	– subsidiaries	261	2,430	7,170
Total performance related awards, including NIC		261	2,430	7,170
See-through administration expenses		6,036	7,372	17,063

See-through Net Finance Costs

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

		Half Year to 30 September 2022 £000	Half Year to 30 September 2021 £000	Year to 31 March 2022 £000
Interest payable on bank loans and overdrafts	– subsidiaries	5,214	5,212	10,169
	– joint ventures	1,619	1,080	2,407
Total interest payable on bank loans and overdrafts		6,833	6,292	12,576
Other interest payable and similar charges	– subsidiaries	2,188	2,323	9,065
	– joint ventures	101	107	181
Interest capitalised	– joint ventures	(1,815)	(919)	(2,142)
Total finance costs		7,307	7,803	19,680
Interest receivable and similar income	– subsidiaries	(96)	(2)	(6)
	– joint ventures	(6)	-	-
See-through net finance costs		7,205	7,801	19,674

See-through Property Portfolio

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

		At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Investment property fair value	– subsidiaries	751,250	781,425	961,500
	– joint ventures	156,485	107,477	135,820
Total Investment property fair value		907,735	888,902	1,097,320
Land and development stock	– subsidiaries	2,089	66	2,089
	– joint ventures	4,663	12,369	8,349
Total land and development stock		6,752	12,435	10,438
Land and development stock surplus	– subsidiaries	302	578	302
Total land and development stock surpluses		302	578	302
Total land and development stock at fair value		7,054	13,013	10,740
See-through property portfolio		914,789	901,915	1,108,060

See-through Net Borrowings

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

		At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Gross borrowings more than one year	– subsidiaries	246,100	336,825	396,633
Total		246,100	336,825	396,633
Gross borrowings less than one year	– joint ventures	-	8,293	-
Gross borrowings more than one year	– joint ventures	54,603	21,216	39,585
Total		54,603	29,509	39,585
Cash and cash equivalents	– subsidiaries	(54,378)	(134,751)	(28,807)
	– joint ventures	(4,516)	(4,533)	(4,474)
Total		(58,894)	(139,284)	(33,281)
See-through net borrowings		241,809	227,050	402,937

25. See-through Net Gearing and Loan to Value

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Property portfolio	914,789	901,915	1,108,060
Net borrowings	241,809	227,050	402,937
Net assets	692,695	622,584	687,043
See-through net gearing	34.9%	36.5%	58.6%
See-through loan to value	26.4%	25.2%	36.4%

26. Total Accounting Return

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Brought forward IFRS net assets	687,043	608,161	608,161
Carried forward IFRS net assets	692,695	622,584	687,043
Increase in IFRS net assets	5,652	14,423	78,882
Dividends paid	10,092	9,035	12,582
Total accounting return	15,744	23,458	91,464
Total accounting return percentage	2.3%	3.9%	15.0%

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
Brought forward EPRA net tangible assets	713,279	658,663	658,663
Carried forward EPRA net tangible assets	685,608	683,215	713,279
(Decrease)/increase in EPRA net tangible assets	(27,671)	24,552	54,616
Dividends paid	10,092	9,035	12,582
Total EPRA accounting return	(17,579)	33,587	67,198
Total EPRA accounting return percentage	(2.5%)	5.1%	10.2%

27. Total Property Return

	At 30 September 2022 £000	At 30 September 2021 £000	At 31 March 2022 £000
See-through net rental income	18,182	14,076	31,228
See-through development profits	969	1,004	6,568
See-through revaluation (deficit)/surplus	(19,655)	29,868	51,784
See-through net gain/(loss) on sale of Investment properties	4,535	(88)	(45)
Total property return	4,031	44,860	89,535

28. Capital Commitments

The Group has a commitment of £3,700,000 (30 September 2021: £30,900,000, 31 March 2022: £13,100,000), all of which relates to the finalisation of works at The JJ Mack Building, EC1.

Appendix 1 – Glossary of Terms

Capital value (psf)

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

Company or Helical or Group

Helical plc and its subsidiary undertakings.

Diluted figures

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

Earnings per share (EPS)

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

EPRA

European Public Real Estate Association.

EPRA earnings per share

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

EPRA net disposal value per share

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 22).

EPRA net reinstatement value per share

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

EPRA net tangible assets per share

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

EPRA topped-up NIY

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

Estimated rental value (ERV)

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

Initial yield

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

Like-for-like valuation change

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

MSCI INC. (MSCI IPD)

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

Net asset value per share (NAV)

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

Net gearing

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

Passing rent

The annual gross rental income being paid by the tenant.

Reversionary yield

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

See-through/Group share

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

See-through net gearing

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

Total Accounting Return

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

Total Property Return

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

Total Shareholder Return (TSR)

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

True equivalent yield

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

Unleveraged returns

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

WAULT

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

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