



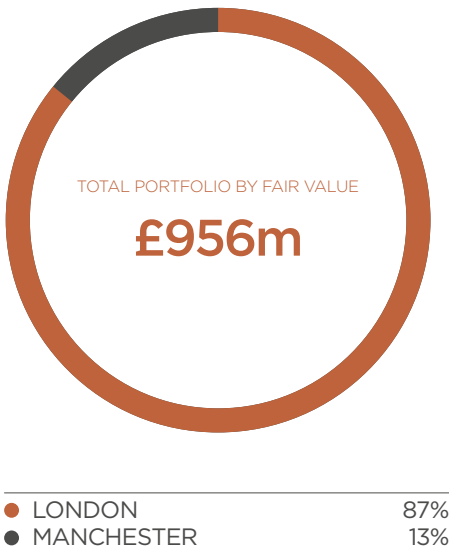
HELICAL



**HELICAL PLC**  
**HALF YEAR RESULTS**  
for the six months to 30 September 2019

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# — The Helical difference



## **Our portfolio is a select showcase for London and Manchester.**

We create buildings for today's occupiers who demand more inspiring space with distinctive architectural detail, carefully curated public realm, market leading amenities, high quality management and our flexible approach to leasing.

Applying this philosophy we seek to maximise Shareholder returns through delivering income growth from creative asset management and capital gains from our development activity.



## FINANCIAL HIGHLIGHTS

Helical's premium portfolio continues to attract new tenants with 244,000 sq ft of lettings in London and Manchester since April 2019.

### NET ASSETS (£M)

574

(31 March 2019: £567m)

### EPRA NET ASSET VALUE PER SHARE<sup>1</sup> (P)

486

(31 March 2019: 482p)

### PROFIT BEFORE TAX (£M)

13.1

2018: £29.1m

### INTERIM DIVIDEND DECLARED PER SHARE (P)

2.70

2018: 2.60p



# Highlights

## IFRS EARNINGS PER SHARE

**11.7p**

2018

21.8p

## SEE-THROUGH LOAN TO VALUE<sup>1</sup>

**35.3%**

31 March 2019

30.6%

## TOTAL ACCOUNTING RETURN<sup>1</sup>

**2.7%**

2018

5.1%

## TOTAL PROPERTY RETURN<sup>1</sup>

**£28.6m**

2018

£43.2m

## EPRA TRIPLE NET ASSET VALUE PER SHARE<sup>1</sup>

**466p**

31 March 2019

465p

## EPRA EARNINGS PER SHARE<sup>1</sup>

**5.4p**

2018

Loss of 4.6p

<sup>1</sup> See Glossary for definition of terms. The half year unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). 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 Real Estate Association ("EPRA"), with others designed to give more relevant information about the Group's share of assets and liabilities, income and expenses in subsidiaries and joint ventures.



# Creating inspiring workplaces

Helical understands that attracting and retaining the best people is at the heart of our customers' priorities when choosing their offices. Our buildings are designed to the highest connectivity and sustainability standards, to provide space for creativity and collaboration. This helps our customers in winning the "war for talent".



# Built for the future

## PLACEMAKING

At Helical we take a design led approach to both refurbishments and new developments; this is tailored to each building to ensure that it not only integrates with but adds to the local environment. By working closely with leading architects and consultants we provide high quality, innovative and sustainable spaces that meet occupiers' needs.

## CONNECTIVITY

We have achieved either a Gold or Platinum WiredScore on all our completed offices. This benchmark ensures the high quality of the buildings' digital infrastructure.

## SUSTAINABILITY

We always aim to achieve either an Excellent or Very Good BREEAM score on our developments and refurbishments, demonstrating the environmental, social and economic sustainability performance of our buildings.

## A FLEXIBLE APPROACH

Helical applies a flexible approach to leasing as we understand the need to accommodate our tenants' changing business requirements; several occupiers have moved within the portfolio as their businesses have grown.

## ACTIVE MANAGEMENT

We take an active role in the management of all our buildings, meeting regularly with individual tenants.

Equally, we understand the importance of measuring our performance and the results of our most recent occupier survey were extremely positive. The constructive feedback we received has allowed us to improve the service we offer our tenants.

## SOCIAL SPACES

One of the key elements of feedback from our occupier survey was that tenants felt they would benefit from more networking opportunities on-site. As such we have implemented various tenant engagement initiatives including educational talks, charity events, fitness classes and post work drink receptions.



## CHIEF EXECUTIVE'S STATEMENT

GERALD KAYE  
CHIEF EXECUTIVE

# SIGNIFICANT PROGRESS MADE

### OVERVIEW

The results for the half year to 30 September 2019 reflect continued progress on all fronts.

We are rapidly approaching the completion of the current development programme, which started in March 2011 with the acquisition, in joint venture, of land and buildings at Barts Square, London EC1. On completion of the third and final phase of Barts Square and Kaleidoscope, London EC1, both anticipated by early 2020, we will have built or refurbished 2.3m sq ft of office space and delivered 236 residential units in the last nine years. Of this, we have retained 1.1m sq ft of these offices and added 200,000 sq ft at 33 Charterhouse Street, London EC1 to our investment portfolio, valued at £901.0m and generating £36.4m of contracted rent.

We have made good progress in the first half of the financial year by attracting new tenants to 172,860 sq ft of space, generating £3.9m (our share) of contracted rental income, and since 30 September 2019 have let a further 71,525 sq ft, generating an additional £2.1m

of rental income for the Group. As we let the remaining 121,000 sq ft of available space and the 99,000 sq ft of developments due to achieve practical completion by January 2020, we will make significant headway towards capturing the portfolio's see-through ERV of £59.6m. The success we have had since 1 April this year underpins our belief that the enduring quality and location of our buildings will continue to attract tenants, boosting our earnings and dividend cover.

### RESULTS FOR THE HALF YEAR

The profit before tax for the half year to 30 September 2019 was £13.1m (2018: £29.1m) with a Total Property Return of £28.6m (2018: £43.2m). The increase in net rents to £13.0m (2018: £11.7m) reflects the impact of our letting success over the period. Developments contributed profits of £6.9m (2018: £4.1m) before provisions of £1.2m (2018: £6.2m). The gain on sale and revaluation of the investment portfolio contributed £9.9m (2018: £33.6m).



Total see-through finance costs were £8.9m (2018: £8.4m), offset by interest receivable of £1.3m (2018: £1.0m) to give net finance costs of £7.6m (2018: £7.4m). A reduction in expected future interest rates led to a charge from the valuation of the Group's derivative financial instruments of £5.0m (2018: credit of £0.3m). Recurring administration costs were £5.3m (2018: £5.6m) with £0.3m (2018: £0.2m) in our joint ventures. The provision for performance related remuneration, including associated NIC, was £1.7m (2018: £2.3m).

A corporation tax charge of £1.2m (2018: £11.2m) has been recognised in the Half Year Results. With a reduction in the Group's deferred tax provision of £2.1m, a net tax credit of £0.9m (2018: charge of £3.2m) has been recognised.

The profit for the period, after recognition of this tax credit, was £14.0m (2018: £25.9m) and this result allows the Board to declare an Interim Dividend of 2.70p (2018: 2.60p), an increase of 3.8%.

## FINANCE

The see-through loan to value ratio ("LTV") increased to 35.3% at the half year end (31 March 2019: 30.6%) reflecting the acquisition, in joint venture, of our new scheme at 33 Charterhouse Street, London EC1 and capital expenditure on our portfolio, particularly at Kaleidoscope, London EC1. Our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, increased from 47.3% as at 31 March 2019 to 58.8%.

During the period under review, the average debt maturity on secured loans, on a see-through basis, increased to 4.5 years (31 March 2019: 3.4 years) as we increased and extended our Revolving Credit Facility from £150m to £400m, repaying the £200m development facility on The Bower, London EC1. The weighted average cost of debt fell from 4.0%, at 31 March 2019, to 3.5% at the period end. Our £100m Convertible Bond was repaid in June 2019. The Group has £261m of cash and unutilised bank facilities available to fund capital works on the portfolio and future acquisitions.

## BOARD MATTERS

At the 2019 AGM held in July, we said goodbye to Mike Slade, the founder and former Chief Executive of Helical, who stepped down from the Board after 35 years to be replaced as Chairman by Richard Grant. The whole Board congratulates Mike on his remarkable career and wishes him every success with his continued endeavours for charity as well as a happy and relaxing retirement.

During the period we appointed Sue Farr as an independent Non-Executive Director of the Board and a member of the Audit and Risk, Nominations and Remuneration Committees. Sue brings considerable expertise in marketing, branding and consumer issues to the team and I welcome her to the Company.

## SUSTAINABILITY

We have long recognised that our business impacts on the environment and the wider communities in which we operate and we seek to create sustainable buildings through our development and refurbishment activities. During the period we formalised many of our ESG policies, establishing a Sustainability Committee headed by our Property Director, Matthew Bonning-Snook, and incorporating representatives from each of our internal departments. In addition to seeking individual ratings for our portfolio under BREEAM, where we have achieved "Excellent" for all of the redeveloped properties within our London portfolio, we also look to measure and improve our corporate ESG ratings under the assessments made by EPRA, MSCI and the Carbon Disclosure Project ("CDP"). During the period, we added GRESB to the list of measures and benchmarks against which we assess our sustainability achievements.

## OUTLOOK

We operate in a climate of political uncertainty and we hope that the forthcoming General Election will provide clarity in a manner which is positive for the UK economy.

We remain a Company focused on the creation of capital profits through the development and letting of the high quality office space that today's occupiers are seeking. Our current portfolio will continue to generate such profits as it reaches its fully let and stabilised potential. Further growth is dependent on the Group unearthing new opportunities and management's efforts are focused on achieving this. With our experience and track record, we are confident in our ability to add to our pipeline and to continue the growth of Helical.

## GERALD KAYE

Chief Executive  
21 November 2019

# CAPTURING THE MARKET

## OVERVIEW

Helical's core business is developing and owning dynamic, well located office space in London and Manchester. With intelligent stock selection, we aim to maximise returns by development and refurbishment as well as through significant asset management initiatives.

## LONDON

In our judgement, the London commercial property market continues to provide the best source of capital profits in the UK. As evidenced by the continued strong tenant demand for Grade A office space, we expect this to remain the case for the foreseeable future, assuming a government supportive of business.

In order for Helical to generate capital profits, the Group needs to identify those areas where it believes tenant demand is, or will become, strong and to source opportunities in those areas at an appropriate entry price. Equally important, we need to provide inspiring working environments suited to the needs of our customers, the tenants. Using the skills, knowledge and expertise gained over many years, the Helical team aims to deliver attractive and exciting office space in our identified locations. In a low growth environment, stock selection needs to reflect the granular characteristics that will attract our target market of occupiers.

Helical has based its investment decisions in London on four continuing major developments in the office market. First, the growth of the London population; second, the continuing and rapid expansion of the creative industries (predominantly in technology and media); third, the migration of occupiers across Central London to the City and East London; and fourth, a fast-growing market in flexible leasing.

London's population is forecast to grow to 9.5m by 2026, a 9% increase since mid-2016. This will present challenges, particularly in terms of infrastructure, but will also provide opportunities, such as the demand for new and refurbished offices. Whilst the Elizabeth Line has again been delayed, its eventual opening will be a boost to travelling in London.

The UK is a global leader in the creative industries, an area we have targeted with our portfolio. Companies involved in media, advertising and marketing, technology and other creative industries now comprise 52% of our tenant base.



The third factor influencing our choice of location for our portfolio is the migration of occupiers from West to East across Central London to the City and East London. The desire to be part of creative hubs, surrounded by like-minded individuals, located a short travelling distance from home are common themes in discussing requirements with tenants. Most obviously, those hubs are in the Tech Belt from King's Cross to Whitechapel.

Finally, the growth of flexible leasing is having a continuing effect on the commercial office letting market in London and has spread to regional cities. At Helical we seek early and continued engagement with customers and look to develop long-standing relationships with them. By offering flexible leases on our multi-let assets, which allow them to occupy space commensurate with their requirements, we target long-term retention of our customers. We continue to evolve our tenant offering to reflect trends in demand, specifically with the recent introduction of fitted "plug and play" solutions on some of the buildings where we have smaller floor plates.

In London, Helical has been building up a portfolio of multi-tenanted office buildings in the Tech Belt locations of Farringdon, the Old Street roundabout and Whitechapel. We also own two assets in Chiswick, West London. By owning these "clusters" or "villages" of office buildings, the Company now has a portfolio of assets with multiple lease events leading to ongoing asset management opportunities with the potential to lock in future rental growth.

The Company is also seeking to expand its portfolio by taking on additional schemes in Central London either on its own balance sheet, or in the case of larger projects, by co-investment or by forward selling/funding them, to create the opportunity for significant profit shares but with reduced balance sheet exposure.

## MANCHESTER

Manchester continues to present attractive opportunities for us outside London and its city centre has seen the highest take-up figures on record for the first half of 2019. With 824,021 sq ft let across 124 transactions, it is well on track to exceed the five year rolling average of 1.2m sq ft. Meanwhile, Grade A office supply continues to fall and is currently at its lowest reported level.

Prime rents have risen to £36.50 psf and, with a lack of Grade A supply, it is likely rental growth will continue and it is expected to reach £40.00 psf by the end of 2020. Whilst investment volumes are significantly down in 2019, prime yields have remained steady.

Over the past decade Manchester's population has seen the greatest percentage growth outside London. Urbanisation continues, with city centre living having risen by 185% over the past 15 years. This increase has helped drive significant employment growth and this is expected to continue, predicted to increase by 11.8% over the next five years.

Manchester is well known for having the highest graduate retention rate outside London. The city's young and highly skilled workforce has seen it attract tech businesses which now occupy 35% of commercial property within the city.

As with London, we believe in clustering assets together. Our four offices are all within a ten minute walk of one another, enabling us to offer tenants a choice in design, size and rental tone and aiding in the long term retention of our tenants.

## LOOKING FORWARD

Our ambition is to have a balanced portfolio that generates sufficient net rental income to firstly, exceed all of our recurring costs and second, provide a surplus significantly greater than our annual dividend to Shareholders. We have a see-through ERV on the portfolio of £59.6m and expect to generate this surplus once all of our current development and asset management activities are complete. We are also seeking a pipeline of opportunities to grow the balance sheet through the creation of development profits and capital surpluses.

**MATTHEW BONNING-SNOOK**  
PROPERTY DIRECTOR

## FINANCIAL REVIEW

### OVERVIEW

The half year has seen continued letting success, particularly at The Tower, London EC1 and One Bartholomew, London EC1. Combined with the development progress made at Kaleidoscope, London EC1 and the recognition of the final profit on exit from One Creechurh Place, London EC3, the resultant valuation gains and development profits recognised have driven the Group's net asset growth.

With the repayment of the £100m Convertible Bond in June 2019 and the completion of the expanded £400m Revolving Credit Facility, the Group has reduced its average cost of debt whilst extending the maturity of its borrowings.

### IFRS PERFORMANCE

#### PROFIT BEFORE TAX

**£13.1m**

(2018: £29.1m)

#### IFRS EPS

**11.7p**

(2018: 21.8p)

#### IFRS DILUTED NAV PER SHARE

**472p**

(31 March 2019: 469p)

### EPRA PERFORMANCE

#### EPRA EARNINGS

**£6.5m**

(2018: Loss of £5.5m)

#### EPRA EPS

**5.4p**

(2018: Loss of 4.6p)

#### EPRA NAV PER SHARE

**486p**

(31 March 2019: 482p)

**TIM MURPHY**  
FINANCE DIRECTOR



## RESULTS FOR THE HALF YEAR

The see-through results for the half year to 30 September 2019 include net rental income of £13.0m, a net gain on sale and revaluation of the investment portfolio of £9.9m and development profits of £5.7m, leading to a Total Property Return of £28.6m (2018: £43.2m). Total administration costs of £7.4m (2018: £8.0m) and net finance costs of £7.6m (2018: £7.4m) contributed to a pre-tax profit of £13.1m (2018: £29.1m). EPRA net asset value per share increased by 0.8% to 486p (31 March 2019: 482p).

The interim dividend, payable on 31 December 2019, will be 2.70p per share, a 3.8% increase on the previous interim period.

The Group's real estate portfolio, including its share of assets held in joint ventures, increased to £955.8m (31 March 2019: £876.4m) as a result of the acquisition, in joint venture, of 33 Charterhouse Street, London EC1, capital expenditure and net revaluation gains on the investment portfolio.

The expenditure on the investment portfolio during the period increased the Group's see-through loan to value to 35.3% (31 March 2019: 30.6%). Repayment of the Convertible Bond and refinancing The Bower, London EC1 into an expanded £400m Revolving Credit Facility reduced the Group's weighted average cost of debt to 3.5% (31 March 2019: 4.0%) and increased the weighted average debt maturity to 4.5 years (31 March 2019: 2.7 years). The average maturity of the facilities would increase to 5.8 years on exercise of the two one-year extension options on the Revolving Credit Facility and on a fully utilised basis.

At 30 September 2019, the Group had unutilised bank facilities of £210m and £51m of cash on a see-through basis. The bank facilities are primarily available to fund the development of Kaleidoscope, London EC1, the construction of the last phase of residential at Barts Square, London EC1 and future property acquisitions.

## TOTAL ACCOUNTING RETURN

The Total Accounting Return is the growth in the net asset value of the company 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 2020 %	Year to 2019 %	Year to 2018 %	Year to 2017 %	Year to 2016 %	Year to 2015 %
Total Accounting Return	2.7	8.4	5.3	8.3	22.5	21.1

## 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 2020 £m	Year to 2019 £m	Year to 2018 £m	Year to 2017 £m	Year to 2016 £m	Year to 2015 £m
Total Property Return	28.6	81.4	68.8	79.9	164.6	155.3

## EARNINGS PER SHARE

The IFRS earnings per share decreased from 21.8p to 11.7p and are based on the after tax earnings attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the period.

On an EPRA basis, the loss per share of 4.6p in 2018 improved to a positive earnings per share of 5.4p, reflecting the Group's share of net rental income of £13.0m (2018: £11.7m) and development profits of £5.7m (2018: losses of £2.1m), but excluding gains on sale and revaluation of Investment properties of £9.9m (2018: £33.6m).

## NET ASSET VALUE PER SHARE

IFRS diluted net asset value per share increased from 469p to 472p 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 tawards.

EPRA net asset value per share increased by 0.8% to 486p per share (31 March 2019: 482p). This movement arose principally from a total comprehensive income (retained profits) of £14.1m (2018: £25.9m), less £9.0m of dividends (2018: £8.3m).

EPRA triple net asset value per share marginally increased to 466p (31 March 2019: 465p).

## FINANCIAL REVIEW

### CONTINUED

## INCOME STATEMENT

### RENTAL INCOME AND PROPERTY OVERHEADS

Gross rental income receivable by the Group in respect of wholly owned properties increased to £14.5m (2018: £13.5m), reflecting letting success and partial capture of the investment portfolio's reversionary potential, offset by sales of assets during the prior periods. In the joint ventures, gross rents remained steady at £0.4m (2018: £0.4m). Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures fell by 20.8% to £1.9m (2018: £2.4m). After taking account of net rents receivable from our profit share partners of £nil (2018: £0.1m), see-through net rents increased to £13.0m (2018: £11.7m).

### DEVELOPMENT PROFITS

In the period under review, from our role as development manager at One Creechurch Place, London EC3, we recognised £0.8m of profit. A further profit of £0.9m was recognised for carrying out a similar role at Barts Square, London EC1.

Project expenditure of £0.4m on potential new opportunities and to satisfy cost indemnities given on the sale of our Retirement Villages in 2017, and provisions of £0.1m against our legacy retail development programme, combined with other net income of £0.2m, contributed to a net development profit of £1.4m (2018: £1.7m).

### SHARE OF RESULTS OF JOINT VENTURES

The revaluation of our investment assets held in joint ventures generated a surplus of £0.5m (2018: £1.1m). Under our development management agreement for One Bartholomew, London EC1, we recognised a net development fee of £5.4m as a result of letting progress, but a reassessment of the expected sales proceeds from the remaining units in the first phase of residential at Barts Square resulted in a provision of £1.1m. The sale of the Group's 10% investment in One Creechurch Place, London EC3 resulted in a profit of £1.3m.

Finance, administration, taxation and other sundry items added a further £0.7m of costs. An adjustment to reflect our economic interest in the Barts Square, London EC1 development and to ensure our investment in One Creechurch Place, London EC3 is shown at its recoverable amount, generated surpluses of £2.6m, leaving a net profit from our joint ventures of £8.0m (2018: loss of £3.9m).

### GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

The valuation of our investment portfolio, on a see-through basis, continued to reflect the benefit of our refurbishment activities in London where we generated a valuation surplus of 1.7% (including purchases and gains on sales) and 1.8% on a like-for-like basis. In Manchester, the portfolio remained unchanged on a like-for-like basis. In total, the see-through investment portfolio showed a valuation surplus of 1.4% (including purchases and gains on sales), or 1.5% on a like-for-like basis.

The total impact on our results of the gain on sale and revaluation of our investment portfolio, including in joint ventures, was a net gain of £9.9m (2018: £33.6m).

### ADMINISTRATIVE EXPENSES

Administration costs in the Group, before performance-related awards, reduced from £5.6m to £5.3m.

Performance related share awards and bonus payments, including National Insurance costs, were £1.7m (2018: £2.3m). Of this amount, £0.9m (2018: £0.9m), 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.

#### Administrative Expenses

	2019 £000	2018 £000
Administrative expenses (excluding performance related awards)	5,324	5,552
Performance related awards, including NIC	1,730	2,309
Group	7,054	7,861
In joint ventures	335	161
Total	7,389	8,022

### FINANCE COSTS, FINANCE INCOME AND DERIVATIVE FINANCIAL INSTRUMENTS

Interest payable on secured bank loans, including our share of loans on assets held in joint ventures, but before capitalised interest, reduced to £6.1m (2018: £6.3m). Interest payable in respect of the unsecured bonds was £0.9m (2018: £2.0m). Bank charges, commitment fees, sundry interest and the amortisation of refinancing costs increased to £3.0m (2018: £2.4m) due to the early repayment of The Bower, London EC1 facility upon the



transfer of the property into the expanded Revolving Credit Facility. Capitalised interest reduced from £2.3m to £1.1m as development schemes progressed and as a result of the completion of The Tower, London EC1 in August 2018. Total finance costs, including in joint ventures, increased to £8.9m (2018: £8.4m).

Finance income earned, including in joint ventures, was £1.4m (2018: £1.1m). The movement in medium and long-term interest rate projections during the period contributed to a charge of £5.0m (2018: credit of £0.3m) on their mark-to-market valuation. The repayment of the £100m Convertible Bond resulted in a credit of £0.5m (2018: £1.0m) on the reversal of the 31 March 2019 mark-to-market valuation.

### TAXATION

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

The decrease in current tax charge for the period to £1.2m from £11.2m is primarily a result of the tax charge on the capital gain on the sale of The Shepherds Building, London W14 in the prior period.

### DIVIDENDS

Helical follows a progressive dividend policy of increasing its dividends whilst retaining the majority of funds generated for investment to grow the business. As the Group completes and lets its current development programme, it expects to be able to reflect the growth in earnings in increased dividends paid to Shareholders. The Company has proposed an interim dividend of 2.70p, an increase of 3.8% on the previous period (2018: 2.60p).

## BALANCE SHEET

### SHAREHOLDERS' FUNDS

Shareholders' Funds at 1 April 2019 were £567.4m. The Group's results for the period added £14.1m (2018: £25.9m), net of tax, representing the total comprehensive income for the period. Movements in reserves arising from the Group's share schemes increased funds by £1.2m. The Company paid dividends to Shareholders amounting to £9.0m leaving a net increase in Shareholders' Funds from Group activities during the period of £6.3m to £573.7m.

### INVESTMENT PORTFOLIO

In the period to 30 September 2019, the Group acquired 33 Charterhouse Street, London EC1 in joint venture for £37.1m (our share). The Group spent £34.7m on capital works on the investment portfolio, mainly at Kaleidoscope, London EC1 (£20.6m), The Tower, London EC1 (£6.6m), Barts Square, London EC1 (£1.7m), The Tootal Buildings (formally called Churchgate and Lee), Manchester (£3.2m) and Fourways House, Manchester (£0.9m). Revaluation gains added £12.6m to increase the see-through value of the portfolio, before lease incentives, to £901.0m (31 March 2019: £816.6m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £885.7m (31 March 2019: £804.0m).

### 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 2019	791,250	25,382	816,632	2,189	(14,781)	804,040
Acquisitions	-	-	-	-	-	-
- wholly owned	-	-	-	-	-	-
- joint ventures	-	37,114	37,114	-	-	37,114
Capital expenditure	31,965	-	31,965	(21)	-	31,944
- wholly owned	31,965	-	31,965	(21)	-	31,944
- joint ventures	-	2,698	2,698	-	-	2,698
Revaluation surplus	11,885	-	11,885	-	(2,443)	9,442
- wholly owned	11,885	-	11,885	-	(2,443)	9,442
- joint ventures	-	676	676	-	(204)	472
<b>Valuation at 30 September 2019</b>	<b>835,100</b>	<b>65,870</b>	<b>900,970</b>	<b>2,168</b>	<b>(17,428)</b>	<b>885,710</b>

## FINANCIAL REVIEW

### CONTINUED

#### DEBT AND FINANCIAL RISK

In total, Helical's outstanding debt at 30 September 2019 of £395.2m (31 March 2019: £479.2m) had a weighted interest cost of 3.5% (31 March 2019: 4.0%) and a weighted average debt maturity of 4.5 years (31 March 2019: 2.7 years). The average maturity of the facilities would increase to 5.8 years following exercise of the two one-year extensions of the Group's £400m Revolving Credit Facility on a fully utilised basis.

#### SECURED DEBT

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

##### Investment Facilities

We have a £400m Revolving Credit Facility that enables the Group to acquire, refurbish, reposition and hold significant parts of our investment portfolio with the remaining London investment assets held in a £93m term loan secured facility. The value of the Group's properties secured in these facilities at 30 September 2019 was £717m (31 March 2019: £698m) with a corresponding loan to value of 43.8% (31 March 2019: 44.4%). The average maturity of the Group's investment facilities at 30 September 2019 was 4.9 years (31 March 2019: 3.5 years), increasing to 6.5 years on a fully utilised basis and following the two one-year extensions of the Revolving Credit Facility. The weighted average interest rate was 3.2% (31 March 2019: 3.9%). The marginal cost of fully utilising the undrawn Revolving Credit Facility was 2.2% (31 March 2019: 2.1%).

#### Development Facilities

This facility finances the over-station development at Kaleidoscope, London EC1. The maturity of the Group's development facility at 30 September 2019 was 3.9 years (31 March 2019: 4.4 years) with a weighted average interest rate of 4.9% (31 March 2019: 6.3%). Excluding the impact of commitment fees, the weighted average interest rate of this facility is 4.2% (31 March 2019: 4.2%).

#### Joint Venture Facilities

We hold a number of investment and development properties in joint venture with third parties and include in our reported figures our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 30 September 2019 was 2.3 years (31 March 2019: 2.8 years) with a weighted average interest rate of 3.9% (31 March 2019: 4.0%).

#### UNSECURED DEBT

The Group's unsecured debt, following the repayment of the £100m Convertible Bond in June 2019, is £nil (31 March 2019: £100.5m), as follows:

#### Short-term Working Capital Facilities

These undrawn facilities provide access to additional working capital for the Group.

#### Debt Profile at 30 September 2019 – Including Commitment Fees but Excluding the Amortisation of Arrangement Fees

	Total facility £000	Total utilised £000	Available facility £000	Weighted average interest rate %	Average maturity Years	Extended <sup>1</sup> average maturity Years
Investment facilities	493,000	314,000	179,000	3.2	4.9	6.5
Development facilities	50,400	32,770	17,630	4.9	3.9	3.9
<b>Total wholly owned</b>	<b>543,400</b>	<b>346,770</b>	<b>196,630</b>	<b>3.4</b>	<b>4.8</b>	<b>6.2</b>
In joint ventures	51,684	48,446	3,238	3.9	2.3	2.3
<b>Total secured debt</b>	<b>595,084</b>	<b>395,216</b>	<b>199,868</b>	<b>3.5</b>	<b>4.5</b>	<b>5.9</b>
Working capital	10,000	–	10,000	–	–	1.0
<b>Total unsecured debt</b>	<b>10,000</b>	<b>–</b>	<b>10,000</b>	<b>–</b>	<b>–</b>	<b>1.0</b>
<b>Total debt</b>	<b>605,084</b>	<b>395,216</b>	<b>209,868</b>	<b>3.5</b>	<b>4.5</b>	<b>5.8</b>

<sup>1</sup> Calculated on a fully utilised basis with the two one-year extensions of the Revolving Credit Facility included.

## CASH AND CASH FLOW

At 30 September 2019, the Group had £261m (31 March 2019: £382m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures, as well as £62m (31 March 2019: £25m) of uncharged property on which it could borrow funds.

## NET BORROWINGS AND GEARING

Total gross borrowings of the Group, including in joint ventures, have decreased from £479.2m to £395.2m during the six month period to 30 September 2019. After deducting cash balances of £51.3m (31 March 2019: £205.2m) and unamortised refinancing costs of £6.6m (31 March 2019: £5.4m), net borrowings increased from £268.6m to £337.4m. The see-through gearing of the Group, including in joint ventures, increased from 47.3% to 58.8%.

	30 September 2019	31 March 2019
See-through gross borrowings	<b>£395.2m</b>	£479.2m
See-through cash balances	<b>£51.3m</b>	£205.2m
Unamortised refinancing costs	<b>£6.6m</b>	£5.4m
See-through net borrowings	<b>£337.4m</b>	£268.6m
Shareholders' Funds	<b>£573.7m</b>	£567.4m
See-through gearing – IFRS net asset value	<b>58.8%</b>	47.3%

## HEDGING

At 30 September 2019, the Group had £243.0m (31 March 2019: £363.0m) of fixed rate debt with an average effective interest rate of 3.0% (31 March 2019: 3.7%) and £103.8m (31 March 2019: £67.2m) of floating rate debt with an average effective interest rate of 4.4% (31 March 2019: 5.7%). In addition, the Group had £210m of interest rate caps at an average of 1.54% (31 March 2019: £240m at 1.69%). In our joint ventures, the Group's share of fixed rate debt was £nil (31 March 2019: £nil) and £48.4m (31 March 2019: £49.0m) of floating rate debt with an effective rate of 3.9% (31 March 2019: 4.0%), with interest rate caps set at 1.5% plus margin on £32.9m (31 March 2019: £11.0m at 0.5%).

	30 September 2019 £m	Effective interest rate %	31 March 2019 £m	Effective interest rate %
Fixed rate debt				
Secured	<b>243.0</b>	<b>3.0</b>	262.5	3.6
Convertible Bond	-	-	100.0	4.0
Fair value of Convertible Bond	-	-	0.5	-
<b>Total fixed rate debt</b>	<b>243.0</b>	<b>3.0</b>	363.0	3.7
Floating rate debt				
Secured	<b>103.8</b>	<b>4.4<sup>1</sup></b>	67.2	5.7 <sup>1</sup>
<b>Total wholly owned</b>	<b>346.8</b>	<b>3.4</b>	430.2	4.0
In joint ventures				
Floating rate	<b>48.4</b>	<b>3.9</b>	49.0	4.0
<b>Total borrowings</b>	<b>395.2</b>	<b>3.5</b>	479.2	4.0

<sup>1</sup> This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 3.1% (31 March 2019: 3.7%).

## TIM MURPHY

Finance Director  
21 November 2019





## THE LONDON PORTFOLIO

Our strategy is to continue to increase our London holdings, focusing on areas where we see strong tenant demand and growth potential, such as the “Tech Belt” that runs from King’s Cross through Old Street and Shoreditch to Whitechapel. Our London portfolio comprises income-producing multi-let offices, office refurbishments and developments and a mixed use commercial/residential scheme.

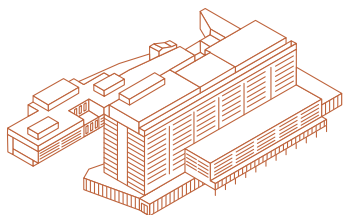
### EAST

- 1 33 Charterhouse Street** EC1
- 2 25 Charterhouse Square** EC1
- 3 Kaleidoscope** EC1
- 4 The Bower** EC1
- 5 Barts Square** EC1
- 6 One Creechurch Place** EC3
- 7 The Loom** E1

### WEST

- 8 Power Road Studios** W4
- 9 The Powerhouse** W4

# THE BOWER



## EC1

The Bower is a landmark estate immediately adjacent to the Old Street roundabout and features 312,575 sq ft of innovative, high quality office space along with 21,280 sq ft of restaurant and retail space.

## THE WAREHOUSE AND THE STUDIO

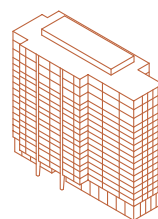
The Warehouse comprises 122,858 sq ft of offices and The Studio 18,283 sq ft of offices with 10,298 sq ft of retail space at the two buildings. The repositioning of The Warehouse entailed a complete refurbishment of the building whilst retaining its original 1960s characteristics. The Studio was a ground up development on the former car park site. The buildings were fully pre-let when they completed in November 2015.



## THE TOWER

The Tower offers 171,434 sq ft of office space with a contemporary façade and innovatively designed interconnecting floors, along with 10,982 sq ft of restaurant space let to Albion & East (trading as Serata Hall) and Wagamama.

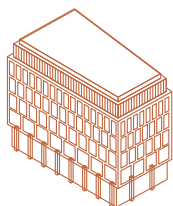
In the period we have let the 14th floor on a fitted basis to Snowflake Computing, the cloud-built data warehouse solutions provider, and the 16th floor to Incubeta, a global digital marketing performance group. Since the period end the 12th floor has also been let, on a fitted basis, to an existing tenant, Brilliant Basics, an Infosys company and the 13th floor to OpenPayd, a banking and payments platform for businesses. Following these lettings, The Tower is now 93% let with only the 15th floor available.



## KALEIDOSCOPE

### EC1

The over-station development at the Farringdon East Elizabeth Line station, which will comprise a six storey 86,183 sq ft office building, with a 2,497 sq ft restaurant unit on the ground floor, is due to complete in January 2020. The building sits immediately east of Smithfield Market with views over Charterhouse Square and towards St Paul's Cathedral. The building is being marketed with good interest being expressed by potential tenants.



## 25 CHARTERHOUSE SQUARE

### EC1

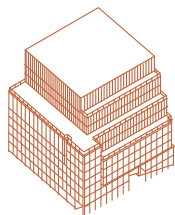
In January 2016, Helical was granted a new 155 year leasehold interest in 25 Charterhouse Square from the Governors of Sutton's Hospital in Charterhouse for £16m. The building is a Grade A office adjacent to the new Farringdon East station on the Elizabeth Line and overlooks the historic Charterhouse Square. Helical carried out a major refurbishment of the existing building, which increased the previous 34,000 sq ft to 38,355 sq ft of offices with the addition of a new sixth floor, and 5,138 sq ft of retail space. The building achieved practical completion on 28 March 2017 and was fully let to Anomaly, Peakon, Hudson Sandler and Senator International by December 2017, less than two years after it was acquired.







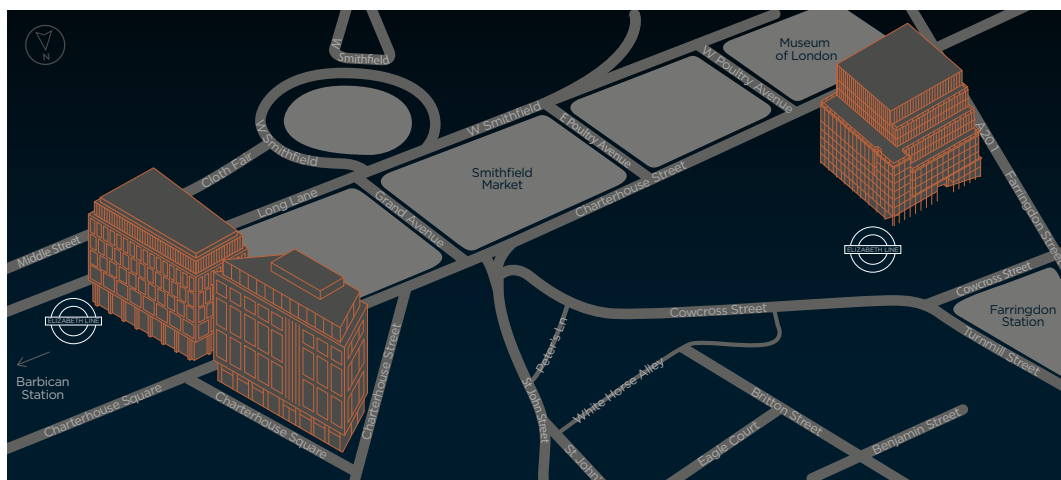
## 33 CHARTERHOUSE STREET



### EC1

In May 2019 we acquired the rights to a long leasehold interest in 33 Charterhouse Street, a major development site located in Farringdon, in a 50:50 joint venture with AshbyCapital. The site is situated on the corner of Charterhouse Street and Farringdon Road, adjacent to Farringdon Station and immediately opposite the future Museum of London site at Smithfield General Market.

Since acquisition, extensive work has been undertaken to refine the existing planning consent such that the building is now expected to provide for c.190,000 sq ft of offices across ten floors and c.10,000 sq ft of ground floor retail. Work on site will commence shortly and completion is anticipated in Spring 2022.



# BARTS SQUARE

## EC1

In a joint venture with The Baupost Group LLC, Helical owns the freehold interest of Barts Square, a 3.2 acre site between St Paul's and Smithfield Market, situated a short walk from the Farringdon East Elizabeth Line station.

Barts Square provides a new quarter in the City, consisting of 236 residential apartments, three office buildings of 214,434 sq ft, 24,013 sq ft and 10,187 sq ft together with 21,122 sq ft of retail/A3 at ground floor as well as major public realm improvements.

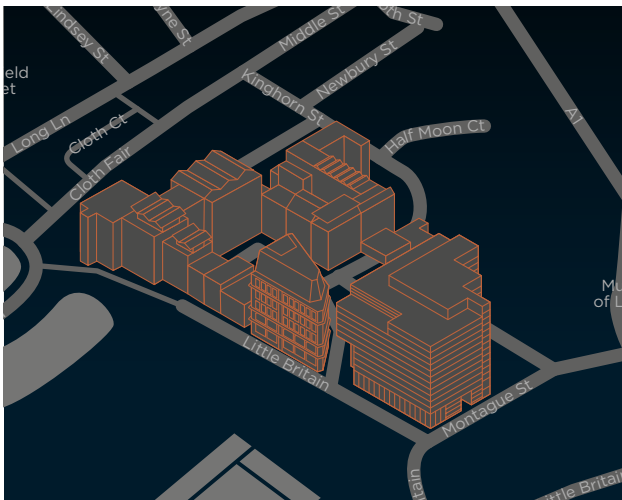
## PHASE ONE

### RESIDENTIAL/RETAIL

Phase One of Barts Square comprises 144 residential units, 3,101 sq ft of retail space and extensive public realm improvements. In the period we completed the sales of two residential units taking the total sales to 136 residential units, with a total value of £173.9m at an average price of £1,555 psf. Following the completion of one further sale after the period end, seven apartments remain available. The landscaping of the new public square has been completed with the restaurant space let to Stem + Glory and Halfcup.

### 90 BARTHOLOMEW CLOSE - OFFICE/RESTAURANT

The 24,013 sq ft office building, with 6,414 sq ft of restaurant space, completed in March 2018. In the period we let the fourth and fifth floors to Sia Partners, taking the building to 61% let. Since the end of the period, we have let all of the remaining floors with the second floor let as expansion space to an existing Helical tenant on a fitted basis, the third floor to Constantine Cannon and the sixth floor to Eric Salmon.



## PHASE TWO

### ONE BARTHOLOMEW – OFFICE

One Bartholomew was sold to clients of AshbyCapital for £102.4m in August 2015. The demolition of the existing building and the construction of a new 12 storey Grade A office block of 214,434 sq ft commenced in January 2016 and completed in December 2018. AshbyCapital's clients financed the development costs and now that the building is completed and successfully let, the joint venture is entitled to receive a profit share payment.

During the period, we have let the ground, first and second floors to The University of Chicago Booth School of Business, the sixth floor to Sopra Steria and the seventh floor to InfraRed Capital Partners, taking the building to 73% let. Since the period end the third and fourth floors have been let to BDB Pitmans taking the building to 91% let, with only the fifth floor available.



## PHASE THREE

### RESIDENTIAL/RETAIL

Construction works on Phase Three of Barts Square are nearing completion with the first block having reached practical completion in November 2019 and the remaining two due to complete in January and February 2020. This phase comprises 92 apartments and 11,607 sq ft of retail space. During the period, contracts were exchanged on seven units, taking the total number of units exchanged to 44, at a value of £69.7m and an average price of £1,793 psf. Following exchange on one further unit since the period end, 46 units are available for sale and one additional unit that will be released at a later date.

### 55 BARTHOLOMEW – OFFICE

With completion of this refurbishment project due in December 2019 we have commenced marketing of the newly created 10,187 sq ft of office space spread over five floors. The works comprised the substantial refurbishment and extension of the original building and the addition of a new fifth floor.

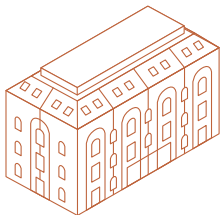


## THE LOOM

### E1

This 108,610 sq ft building is one of London's few remaining former Victorian wool warehouses and was acquired in 2013. Works to transform this asset completed in September 2016 and included a new entrance and reception onto Gowers Walk, a café, showers and a bike store. The Loom has won both a RIBA London and National Award as well as an Architects Journal Retrofit Award.

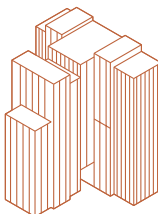
Since 1 April 2019, we have let three units at a premium to 31 March 2019 ERVs taking the building to 97% let.



## ONE CREECHURCH PLACE

### EC3

The sale of our 10% shareholding in One Creechurch Place to our joint venture partner, HOOPP, took place in September 2019, completing our involvement in the development.

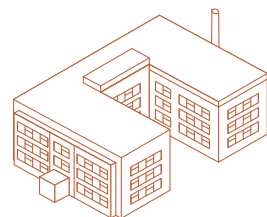


# POWER ROAD STUDIOS

## W4

The site comprises 57,164 sq ft of offices across four studio buildings and is multi-let to a wide range of predominantly media tenants. In October 2017 we completed the refurbishment of Studio 1, a project comprising c.16,000 sq ft of Grade A space, refurbished common parts and added two new lift shafts to accommodate a consented future roof extension of 13,000 sq ft. We have also secured planning consent for a new 30,000 sq ft building.

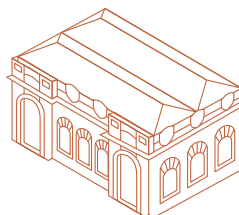
In the period we have completed five lettings representing 16,160 sq ft, at a 10.8% average premium to 31 March 2019 ERVs taking the building to 88% let.



## THE POWERHOUSE

### W4

Helical acquired this 24,288 sq ft office and recording studios by way of sale and leaseback in 2013. The Powerhouse is a listed building on Chiswick High Road and is fully let on a long lease to Metropolis Music Group.





## THE MANCHESTER PORTFOLIO

Manchester is a city with a diverse, thriving and growing economy that is widely regarded as England's second city and the centre of the "Northern Powerhouse". Helical has found that the approach it applies to development and asset management in London is equally well received by the tenants in Manchester.

- 1 Trinity**
- 2 The Tootal Buildings**
- 3 35 Dale Street**
- 4 Fourways House**

# THE TOOTAL BUILDINGS



The buildings, formerly referred to as Churchgate and Lee, comprise 243,666 sq ft of multi-let offices. The assets were 64% let when acquired in March 2014. Since their purchase, we have refurbished the Churchgate House reception and 94,493 sq ft of office space, with a further 46,739 sq ft currently being refurbished as expansion space for an existing tenant. In the period we have completed the lettings of the recently refurbished third floor in Churchgate House and the sixth and seventh floors in Lee House to Capita Business Services. Following the completion of these lettings the building is now fully let. We continue to actively manage the buildings, with a recently completed full refurbishment of the reception at Lee House.

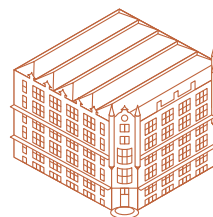




## 35 DALE STREET

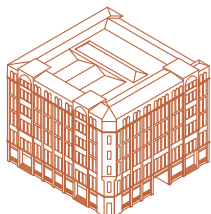


35 Dale Street is a 56,124 sq ft office building situated in the Northern Quarter of Manchester, acquired in March 2015. The building underwent a comprehensive refurbishment which completed in June 2018. During the period, Couchbase have taken occupation of the newly reconfigured former loading bay for office use.



## FOURWAYS HOUSE

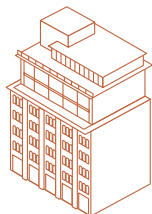
This 58,369 sq ft brick built Grade 2 listed former packing warehouse was acquired in July 2018 for £16.5m, representing a net initial yield of 5.3%. We have begun our management programme and have let two units in the period at a 12.7% premium to 31 March 2019 ERVs and have let a further unit since the period end. We have recently obtained planning permission to undertake a significant refurbishment of the atrium and common parts and works will commence shortly, with completion expected in July 2020.



# TRINITY



Trinity, purchased in May 2017 for £12.9m, underwent a full redevelopment which completed in January 2019. The repositioned building comprises 54,651 sq ft of office space and 4,300 sq ft of retail/restaurant space, both of which are available to let.



## HELICAL'S PROPERTY PORTFOLIO CONTINUED

### PORTFOLIO ANALYTICS

#### SEE-THROUGH VALUATION MOVEMENTS

	Val change inc purchases & gains on sales %	Val change excl purchases & gains on sales %	Investment portfolio weighting 30 September 2019 %	Investment portfolio weighting 31 March 2019 %
London Offices				
Completed, let and available to let	1.4	1.4	70.2	75.3
Being redeveloped	2.6	3.9	15.7	9.7
<b>Total London</b>	<b>1.7</b>	<b>1.8</b>	<b>85.9</b>	<b>85.0</b>
Manchester Offices				
Completed, let and available to let	0.0	0.0	14.1	15.0
<b>Total Manchester</b>	<b>0.0</b>	<b>0.0</b>	<b>14.1</b>	<b>15.0</b>
<b>Total</b>	<b>1.4</b>	<b>1.5</b>	<b>100.0</b>	<b>100.0</b>

#### SEE-THROUGH TOTAL PORTFOLIO BY FAIR VALUE

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
Completed, let and available to let	632.7	70.2	-	-	632.7	66.2
Being redeveloped	141.2	15.7	-	-	141.2	14.8
Held for redevelopment	-	-	0.3	0.5	0.3	0.0
London Residential	-	-	53.2	97.1	53.2	5.6
<b>Total London</b>	<b>773.9</b>	<b>85.9</b>	<b>53.5</b>	<b>97.6</b>	<b>827.4</b>	<b>86.6</b>
Manchester Offices						
Completed, let and available to let	127.0	14.1	-	-	127.0	13.3
<b>Total Manchester</b>	<b>127.0</b>	<b>14.1</b>	<b>-</b>	<b>-</b>	<b>127.0</b>	<b>13.3</b>
<b>Total Core Portfolio</b>	<b>900.9</b>	<b>100.0</b>	<b>53.5</b>	<b>97.6</b>	<b>954.4</b>	<b>99.9</b>
Other	0.1	0.0	-	-	0.1	0.0
Regional Retail	-	-	0.7	1.3	0.7	0.1
Land	-	-	0.6	1.1	0.6	0.0
<b>Total Non-Core Portfolio</b>	<b>0.1</b>	<b>0.0</b>	<b>1.3</b>	<b>2.4</b>	<b>1.4</b>	<b>0.1</b>
<b>Total</b>	<b>901.0</b>	<b>100.0</b>	<b>54.8</b>	<b>100.0</b>	<b>955.8</b>	<b>100.0</b>

#### SEE-THROUGH TRADING AND DEVELOPMENT PORTFOLIO

	Book value £m	Fair value £m	Surplus £m	Fair value %
London Offices	0.3	0.3	-	0.5
London Residential	53.2	53.2	-	97.1
<b>Total Core Portfolio</b>	<b>53.5</b>	<b>53.5</b>	<b>-</b>	<b>97.6</b>
Regional Retail	0.7	0.7	-	1.3
Land	-	0.6	0.6	1.1
<b>Total Non-Core Portfolio</b>	<b>0.7</b>	<b>1.3</b>	<b>0.6</b>	<b>2.4</b>
<b>Total</b>	<b>54.2</b>	<b>54.8</b>	<b>0.6</b>	<b>100.0</b>

## CAPITAL EXPENDITURE

We have a committed and planned development and refurbishment programme.

Property	Capex budget (Helical share) £m	Remaining spend (Helical share) £m	Pre-redeveloped space Sq ft	New space Sq ft	Total completed space Sq ft	Completion date
<b>Investment – committed</b>						
The Tower, London EC1	109.8	5.7	114,000	68,416	182,416	Completed
Kaleidoscope, London EC1 <sup>1</sup>	59.0	16.3	–	88,680	88,680	January 2020
55 Bartholomew, London EC1	2.4	0.4	9,000	1,187	10,187	December 2019
<b>Investment – planned</b>						
33 Charterhouse Street, London EC1	62.8	62.0	–	200,000	200,000	H1 2022
<b>Development – committed</b>						
Barts Square, London EC1 – Phase One	64.7	0.3	–	127,364	127,364	Completed
Barts Square, London EC1 – Phase Three	39.8	4.5	–	89,383	89,383	November 2019 to February 2020 in three phases

<sup>1</sup> Includes deferred consideration payment due in April 2020.

## 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.

See-through Investment portfolio	Fair value weighting %	Passing rent £m	%	Contracted rent £m	%	ERV £m	ERV change like-for-like %
London Offices							
Completed, let and available to let	70.2	22.6	82.7	30.2	83.2	35.1	58.9
Being redeveloped	15.7	–	–	–	–	15.3	25.7
<b>Total London</b>	<b>85.9</b>	<b>22.6</b>	<b>82.7</b>	<b>30.2</b>	<b>83.2</b>	<b>50.4</b>	<b>84.6</b>
Manchester Offices							
Completed, let and available to let	14.1	4.7	17.2	6.1	16.7	9.1	15.3
<b>Total Manchester</b>	<b>14.1</b>	<b>4.7</b>	<b>17.2</b>	<b>6.1</b>	<b>16.7</b>	<b>9.1</b>	<b>15.3</b>
Other	–	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total</b>	<b>100.0</b>	<b>27.4</b>	<b>100.0</b>	<b>36.4</b>	<b>100.0</b>	<b>59.6</b>	<b>100.0</b>

During the period, total contracted income increased by £3.2m as a result of new lettings and rent reviews.

	See-through total portfolio contracted rent £m
Rent lost at break/expiry	(0.8)
Rent reviews and uplifts on lease renewals	0.1
New lettings	
London	3.0
Manchester	0.9
<b>Total increase in the period from asset management activities</b>	<b>3.2</b>
<b>Total contracted rental change from sales and purchases</b>	<b>–</b>
<b>Net increase in contracted rents in the period</b>	<b>3.2</b>



## HELICAL'S PROPERTY PORTFOLIO CONTINUED

### PORTFOLIO YIELDS

	EPRA topped up NIY 30 September 2019 %	EPRA topped up NIY 31 March 2019 %	Reversionary yield 30 September 2019 %	Reversionary yield 31 March 2019 %	True equivalent yield 30 September 2019 %	True equivalent yield 31 March 2019 %
London Offices						
Completed, let and available to let	4.5	4.2	5.2	5.2	5.1	5.1
Being redeveloped	n/a	n/a	5.3	5.7	4.9	4.9
<b>Total London</b>	<b>4.5</b>	<b>4.2</b>	<b>5.2</b>	<b>5.3</b>	<b>5.0</b>	<b>5.1</b>
Manchester Offices						
Completed, let and available to let	4.6	4.2	6.3	6.3	6.1	6.1
<b>Total Manchester</b>	<b>4.6</b>	<b>4.2</b>	<b>6.3</b>	<b>6.3</b>	<b>6.1</b>	<b>6.1</b>
<b>Total</b>	<b>4.5</b>	<b>4.2</b>	<b>5.4</b>	<b>5.4</b>	<b>5.2</b>	<b>5.2</b>

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

	30 September 2019 Capital value psf £	30 September 2019 Vacancy rate %	30 September 2019 WAULT Years	31 March 2019 WAULT Years
London Offices				
Completed, let and available to let	1,090	8.9	7.4	8.0
Being redeveloped	610	n/a	n/a	n/a
<b>Total London</b>	<b>927</b>	<b>8.9</b>	<b>7.4</b>	<b>8.0</b>
Manchester Offices				
Completed, let and available to let	304	17.7	4.3	3.9
<b>Total Manchester</b>	<b>304</b>	<b>17.7</b>	<b>4.3</b>	<b>3.9</b>
<b>Total</b>	<b>731</b>	<b>12.5</b>	<b>6.9</b>	<b>7.3</b>

### SEE-THROUGH LEASE EXPIRIES OR TENANT BREAK OPTIONS

	Period to 2020	Year to 2021	Year to 2022	Year to 2023	Year to 2024
% of rent roll	3.1	6.0	11.5	10.4	12.8
Number of leases	17	20	31	19	24
Average rent per lease (£)	66,689	109,858	134,432	200,005	193,356

## TOP 10 TENANTS

We have a strong rental income stream and a diverse tenant base. The top 10 tenants account for 47.6% of the total rent roll and the tenants come from a variety of industries.

Rank	Tenant	Tenant industry	Contracted rent £m	Rent roll %
1	Farfetch	Online retail	3.9	10.8
2	WeWork	Flexible offices	3.8	10.5
3	Pivotal	Technology	2.0	5.5
4	Infosys	Technology	1.4	3.9
5	Anomaly	Marketing	1.4	3.9
6	CBS	Media	1.0	2.9
7	Allegis	Recruitment	1.0	2.7
8	Finabl	Financial services	0.9	2.6
9	Incubeta	Marketing	0.9	2.5
10	Stripe	Technology	0.8	2.3
<b>Total</b>			<b>17.1</b>	<b>47.6</b>

## PRINCIPAL LETTINGS DURING THE PERIOD

Property	Tenant	Area Sq ft	Lease term to expiry years
The Tower, London EC1	Incubeta	11,306	10
The Tower, London EC1	Snowflake Computing	9,568	5
The Tootal Buildings, Manchester	Capita Business Services	35,118	11
Power Road Studios, London W4	So Energy	7,135	5
90 Bartholomew Close, London EC1	Sia Partners	7,564	10
Power Road Studios, London W4	HOPP	5,495	3
The Loom, London E1	UI Centric	3,048	5
The Loom, London E1	Qbic Hotels	1,407	3
The Loom, London E1	Oyster Information Management Solutions	1,706	10
Power Road Studios, London W4	Kobayashi Healthcare	1,971	5

## LETTING ACTIVITY

	Area Sq ft	Contracted rent (Helical's Share) £	Rent per sq ft £	% Above 31 March 2019 ERV %
<b>Investment Properties</b>				
London Offices				
The Tower, The Bower, EC1	20,874	1,726,000	82.69	2.4 <sup>1</sup>
The Loom, E1	6,161	359,000	58.22	10.4
Power Road Studios, W4	16,160	682,000	41.53	10.8
90 Bartholomew Close, EC1	7,564	245,000	74.05	0.9
<b>Total London</b>	<b>50,759</b>	<b>3,012,000</b>	<b>59.34</b>	<b>5.9</b>
Manchester Offices				
The Tootal Buildings	35,118	755,000	21.50	0.1
Fourways House	4,524	120,000	26.51	12.7
<b>Total Manchester</b>	<b>39,642</b>	<b>875,000</b>	<b>22.07</b>	<b>1.6</b>
<b>Total</b>	<b>90,401</b>	<b>3,887,000</b>	<b>43.00</b>	<b>4.7</b>
<b>Development Properties</b>				
London Offices				
One Bartholomew, EC1	82,459	-	78.96	n/a

1 Excludes leases on a fitted basis.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

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

Balances with related parties at 30 September 2019, 30 September 2018 and 31 March 2019 are disclosed in Note 25.

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

The half year statement was approved by the Board on 21 November 2019 and is available from the Company's registered office at 5 Hanover Square, London, W1S 1HQ and on the Company's website at [www.helical.co.uk](http://www.helical.co.uk).

On behalf of the Board

### **TIM MURPHY**

Finance Director  
21 November 2019



## INDEPENDENT REVIEW REPORT TO THE MEMBERS OF HELICAL PLC

### INTRODUCTION

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2019 which comprises the Unaudited Consolidated Income Statement, Unaudited Consolidated Statement of Comprehensive Income, Unaudited Consolidated Balance Sheet, Unaudited Consolidated Cash Flow Statement and Unaudited Consolidated Statement of Changes in Equity, the cash flow statement and related notes 1 to 29. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

### DIRECTORS' RESPONSIBILITIES

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

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

### OUR RESPONSIBILITY

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

### SCOPE OF REVIEW

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

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### DELOITTE LLP

Statutory Auditor  
London, United Kingdom  
21 November 2019

## UNAUDITED CONSOLIDATED INCOME STATEMENT

For the Half Year to 30 September 2019

	Notes	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
<b>Revenue</b>	3	<b>22,055</b>	23,395	44,175
Net rental income	4	<b>12,811</b>	11,747	24,599
Development property profit/(loss)	5	<b>1,441</b>	1,686	(1,781)
Share of results of joint ventures	13	<b>7,982</b>	(3,874)	(3,217)
Other operating income		<b>44</b>	4	-
<b>Gross profit before net gain on sale and revaluation of Investment properties</b>		<b>22,278</b>	9,563	19,601
(Loss)/gain on sale of Investment properties	6	<b>(28)</b>	1,102	15,008
Revaluation of Investment properties	12	<b>9,442</b>	31,435	44,284
Change in fair value of available-for-sale investments	16	-	144	144
<b>Gross profit</b>		<b>31,692</b>	42,244	79,037
Administrative expenses	7	<b>(7,054)</b>	(7,861)	(16,753)
<b>Operating profit</b>		<b>24,638</b>	34,383	62,284
Finance costs	8	<b>(8,315)</b>	(7,616)	(17,407)
Finance income		<b>1,311</b>	1,033	983
Change in fair value of derivative financial instruments	22	<b>(4,980)</b>	325	(3,322)
Change in fair value of Convertible Bond		<b>468</b>	958	865
Foreign exchange gain		<b>9</b>	65	53
<b>Profit before tax</b>		<b>13,131</b>	29,148	43,456
Tax on profit on ordinary activities	9	<b>898</b>	(3,224)	(836)
<b>Profit for the period</b>		<b>14,029</b>	25,924	42,620
<b>Earnings per share</b>	11			
Basic		<b>11.7p</b>	21.8p	35.8p
Diluted		<b>11.6p</b>	21.6p	35.3p

## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year to 30 September 2019

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
<b>Profit for the period</b>	<b>14,029</b>	25,924	42,620
Exchange difference on retranslation of net investments in foreign operations	<b>55</b>	(47)	(51)
<b>Total comprehensive income for the period</b>	<b>14,084</b>	25,877	42,569

The exchange differences on retranslation of net investments in foreign operations will be reclassified to the Income Statement on disposal.

## UNAUDITED CONSOLIDATED BALANCE SHEET

At 30 September 2019

	Notes	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
<b>Non-current assets</b>				
Investment properties	12	820,138	744,850	778,752
Owner occupied property, plant and equipment		6,394	1,783	1,747
Investment in joint ventures	13	78,073	31,519	24,676
Derivative financial instruments	22	319	1,703	915
		904,924	779,855	806,090
<b>Current assets</b>				
Land, developments and trading properties	14	1,035	4,048	2,311
Investment property held for sale	15	-	125,200	-
Trade and other receivables	17	36,539	98,700	58,726
Cash and cash equivalents	18	47,726	63,093	197,570
		85,300	291,041	258,607
<b>Total assets</b>		990,224	1,070,896	1,064,697
<b>Current liabilities</b>				
Trade and other payables	19	(52,539)	(55,652)	(43,159)
Lease liability	20	(599)	-	-
Corporation tax payable		(280)	(6,874)	(2,561)
Borrowings	21	-	(100,375)	(100,468)
		(53,418)	(162,901)	(146,188)
<b>Non-current liabilities</b>				
Borrowings	21	(340,603)	(332,290)	(324,814)
Derivative financial instruments	22	(8,017)	(1,529)	(4,158)
Lease liability	20	(7,872)	(2,189)	(2,189)
Trade and other payables	19	(590)	(10,815)	(11,405)
Deferred tax liability	9	(6,066)	(8,576)	(8,518)
		(363,148)	(355,399)	(351,084)
<b>Total liabilities</b>		(416,566)	(518,300)	(497,272)
<b>Net assets</b>		573,658	552,596	567,425
<b>Equity</b>				
Called-up share capital	23	1,465	1,459	1,459
Share premium account		103,462	101,304	101,304
Revaluation reserve		140,492	194,852	131,050
Capital redemption reserve		7,478	7,478	7,478
Other reserves		291	291	291
Retained earnings		320,470	247,212	325,843
<b>Total equity</b>		573,658	552,596	567,425



## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the Half Year to 30 September 2019

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
<b>Cash flows from operating activities</b>			
Profit before tax	13,131	29,148	43,456
Adjustment for:			
Depreciation	409	151	296
Revaluation surplus on Investment properties	(9,442)	(31,435)	(44,284)
Loss/(gain) on sale of Investment properties	28	(1,102)	(15,008)
Profit on sale of plant and equipment	(11)	(35)	(52)
Net financing costs	7,004	6,583	16,424
Change in value of derivative financial instruments	4,980	(325)	3,322
Change in fair value of Convertible Bond	(468)	(958)	(865)
Share based payment charge	920	898	2,274
Share of results of joint ventures	(7,982)	3,874	3,217
Change in fair value of available-for-sale investment	-	(144)	(144)
Foreign exchange movement	55	(47)	(52)
<b>Cash inflows from operations before changes in working capital</b>	<b>8,624</b>	<b>6,608</b>	<b>8,584</b>
Change in trade and other receivables	16,394	(6,463)	40,561
Change in land, developments and trading properties	1,276	1,994	3,731
Change in trade and other payables	3,231	2,660	(3,176)
<b>Cash inflows generated from operations</b>	<b>29,525</b>	<b>4,799</b>	<b>49,700</b>
Finance costs	(12,525)	(13,525)	(25,358)
Finance income	6,680	87	461
Tax paid	(3,482)	-	(2,200)
	(9,327)	(13,438)	(27,097)
<b>Net cash generated from/(used by) operating activities</b>	<b>20,198</b>	<b>(8,639)</b>	<b>22,603</b>
<b>Cash flows from investing activities</b>			
Additions to Investment property	(32,423)	(58,959)	(79,742)
Net (costs)/proceeds from sale of Investment property	(28)	29,036	164,058
Investments in joint ventures and subsidiaries	(46,748)	-	-
Proceeds from disposal of joint ventures	1,334	-	-
Dividends from joint ventures	-	416	416
Receipts from available-for-sale investments	-	144	144
Sale of plant and equipment	26	41	155
Purchase of leasehold improvements, plant and equipment	(7)	(114)	(320)
<b>Net cash (used by)/generated from investing activities</b>	<b>(77,846)</b>	<b>(29,436)</b>	<b>84,711</b>
<b>Cash flows from financing activities</b>			
Borrowings drawn down	213,747	25,132	64,089
Borrowings repaid	(296,679)	(7,540)	(54,306)
Finance lease repayments	(290)	-	-
Shares issued	6	8	8
Equity dividends paid	(8,980)	(8,303)	(11,406)
<b>Net cash (used by)/generated from financing activities</b>	<b>(92,196)</b>	<b>9,297</b>	<b>(1,615)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(149,844)</b>	<b>(28,778)</b>	<b>105,699</b>
Cash and cash equivalents at start of period	197,570	91,871	91,871
<b>Cash and cash equivalents at end of period</b>	<b>47,726</b>	<b>63,093</b>	<b>197,570</b>

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 September 2019

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2018	1,451	98,798	162,753	7,478	291	263,123	533,894
Total comprehensive income	-	-	-	-	-	42,569	42,569
Revaluation surplus	-	-	44,284	-	-	(44,284)	-
Realised on disposals	-	-	(75,987)	-	-	75,987	-
Issued share capital	8	2,506	-	-	-	-	2,514
Performance Share Plan	-	-	-	-	-	2,274	2,274
Performance Share Plan – deferred tax	-	-	-	-	-	94	94
Share settled Performance Share Plan	-	-	-	-	-	(1,837)	(1,837)
Share settled bonus	-	-	-	-	-	(677)	(677)
Dividends paid	-	-	-	-	-	(11,406)	(11,406)
At 31 March 2019	1,459	101,304	131,050	7,478	291	325,843	567,425
Balances at 1 April 2019, as previously reported	1,459	101,304	131,050	7,478	291	325,843	567,425
Impact of transition to IFRS 16	-	-	-	-	-	(548)	(548)
Adjusted balances at 1 April 2019	1,459	101,304	131,050	7,478	291	325,295	566,877
<b>Total comprehensive income</b>	-	-	-	-	-	<b>14,084</b>	<b>14,084</b>
<b>Revaluation surplus</b>	-	-	<b>9,442</b>	-	-	<b>(9,442)</b>	-
<b>Issued share capital</b>	<b>6</b>	<b>2,158</b>	-	-	-	-	<b>2,164</b>
<b>Performance Share Plan</b>	-	-	-	-	-	<b>920</b>	<b>920</b>
<b>Performance Share Plan – deferred tax</b>	-	-	-	-	-	<b>355</b>	<b>355</b>
<b>Share settled Performance Share Plan</b>	-	-	-	-	-	<b>(1,349)</b>	<b>(1,349)</b>
<b>Share settled bonus</b>	-	-	-	-	-	<b>(413)</b>	<b>(413)</b>
<b>Dividends paid</b>	-	-	-	-	-	<b>(8,980)</b>	<b>(8,980)</b>
<b>At 30 September 2019</b>	<b>1,465</b>	<b>103,462</b>	<b>140,492</b>	<b>7,478</b>	<b>291</b>	<b>320,470</b>	<b>573,658</b>

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

The credit adjustment to retained earnings of £920,000 (31 March 2019: £2,274,000) is the contra to 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 £7,303,000 (31 March 2019: £9,038,000) made up of the Performance Share Plan credit of £920,000 (31 March 2019: £2,274,000) and related deferred tax credit of £355,000 (31 March 2019: £94,000), dividends paid of £8,980,000 (31 March 2019: £11,406,000), the issue of share capital of £6,000 (31 March 2019: £8,000) and corresponding share premium of £2,158,000 (31 March 2019: £2,506,000), share settled Performance Share Plan awards charge of £1,349,000 (31 March 2019: £1,837,000) and the share settled bonus awards charge of £413,000 (31 March 2019: £677,000).

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### CONTINUED

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2018	1,451	98,798	162,753	7,478	291	263,123	533,894
Total comprehensive income	-	-	-	-	-	25,877	25,877
Revaluation surplus	-	-	31,435	-	-	(31,435)	-
Realised on disposals	-	-	664	-	-	(664)	-
Issued share capital	8	2,506	-	-	-	-	2,514
Performance Share Plan	-	-	-	-	-	898	898
Performance Share Plan – deferred tax	-	-	-	-	-	230	230
Share settled Performance Share Plan	-	-	-	-	-	(1,837)	(1,837)
Share settled bonus	-	-	-	-	-	(677)	(677)
Dividends paid	-	-	-	-	-	(8,303)	(8,303)
At 30 September 2018	1,459	101,304	194,852	7,478	291	247,212	552,596

The credit adjustment to retained earnings of £898,000 is the contra to 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 £7,175,000 made up of the Performance Share Plan credit of £898,000 and related deferred tax credit of £230,000, share settled Performance Share Plan charge of £1,837,000, share settled bonus charge of £677,000, dividends paid of £8,303,000, the issue of share capital of £8,000 and corresponding share premium of £2,506,000.

## 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 2019, which were prepared under International Financial Reporting Standards as adopted by the European Union and which received an unqualified report from the Auditors, and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006, have been filed with the Registrar of Companies.

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 2019.

These interim condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. The same accounting policies and methods of computation are followed in the 30 September 2019 interim condensed unaudited consolidated financial statements as in the most recent annual financial statements.

### NEW STANDARDS ADOPTED DURING THE PERIOD

During the six months to 30 September 2019, the following accounting standards and interpretations have been adopted by the Group:

#### Adoption of IFRS 16 'Leases'

The Group has adopted IFRS 16 'Leases', effective from 1 April 2019. This standard introduces significant changes for lessees by removing the distinction between operating and finance leases, requiring the recognition of a 'Right of Use Asset' and a 'Lease Liability' on the Balance Sheet. This applies to the Group and Company's lease of its head office premises, which was previously an operating lease under IAS 17 'Leases', and the headlease payments due under the long leasehold Investment properties. The accounting for rental income earned by the Group as a lessor remains unchanged.

#### Revised accounting policy

The Group assesses whether a contract contains a lease on entering into the contract. IFRS 16 expressly excludes short leases (under 12 months) and leases of low value. Where the Group has these leases, lease payments are recognised as operating expenses on a straight-line basis over the lease term.

IFRS 16 requires that a Lease Liability and corresponding Right of Use Asset are recognised on the Balance Sheet.

The Lease Liability is initially measured at the present value of future lease payments discounted at the rate implicit in the lease or, if this is not readily available, the Group's incremental borrowing rate. The Lease Liability is subsequently increased by the interest charge and decreased by lease payments made. The Lease Liability is adjusted for changes in the lease term or payments and contract modifications as they arise.

The Right of Use Asset initially comprises the corresponding Lease Liability, lease payments made at or before the commencement date and any direct costs. Where the Group has an obligation to restore the premises at the end of the lease term, a provision is made under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The costs are added to the Right of Use Asset. It is subsequently measured at cost less accumulated depreciation and impairment losses.

#### Approach to transition

The Group has applied IFRS 16 using the modified retrospective approach and therefore the results for the year to 31 March 2019 have not been restated. The Lease Liability is calculated at transition using the incremental borrowing rate at that date of 3.79%, being the weighted average cost of general debt at 31 March 2019. The Right of Use Asset is measured applying IFRS 16.C8(b)(i) where the Standard is assumed to apply from the commencement of the lease but discounted at the incremental borrowing rate at 31 March 2019. The resulting cumulative charge to 31 March 2019 is recognised as an adjustment to retained earnings on transition of £548,000. No practical expedients have been applied on transition.

#### Additional changes from previous lessee accounting

In addition to the new requirement for leases previously considered operating leases to be reflected as a Right of Use Asset and a Lease Liability on the Balance Sheet, the following changes apply:

- lease incentives are to be recognised as part of the initial measurement on the Balance Sheet where they were previously a lease incentive liability, amortised on a straight-line basis;
- Right of Use Assets are to be tested for impairment under IAS 36 'Impairment of Assets', replacing the onerous lease provisions under IAS 17;
- the rental expense in Administrative Expenses is replaced by depreciation of the Right of Use Asset and interest on the Lease Liability; and



## UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

- the cash payments are to be recognised within financing activities (principal payment) and interest paid (interest payment) in the Consolidated and Company Cash Flow Statements, where all lease payments were previously shown as operating cash outflows.

The following table sets out the adjustments made on transition to IFRS 16:

	Under IAS 17 31 March 2019 £000	Impact of IFRS 16 £000	Under IFRS 16 1 April 2019 £000
<b>Non-current assets</b>			
Owner occupied property, plant and equipment	-	5,064	<b>5,064</b>
<b>Current assets</b>			
Trade and other receivables	189	(189)	-
<b>Total assets</b>	189	4,875	<b>5,064</b>
<b>Current liabilities</b>			
Trade and other payables	(1,150)	1,150	-
<b>Non-current liabilities</b>			
Lease liability	-	(6,573)	<b>(6,573)</b>
<b>Total liabilities</b>	(1,150)	(5,423)	<b>(6,573)</b>
<b>Retained earnings</b>	325,843	(548)	<b>325,295</b>
<b>Net assets</b>	567,425	(548)	<b>566,877</b>

The difference between the operating lease commitments of £7,773,000 disclosed at 31 March 2019 and the Lease Liability of £6,573,000 at 1 April 2019 is due to discounting.

### GOING CONCERN

The Directors have assessed the going concern of the Group for a period of five years to March 2024, being the period for which the Board regularly reviews forecasts and which encompasses the lifetime of the Group's major development projects.

In making its assessment, the Board considers the principal risks and then assesses the potential impacts in severe, but plausible, downside scenarios together with the likely effectiveness of mitigating actions that the Group would have at its disposal.

Based on their assessment the Directors have a reasonable expectation that the Group will continue in operational existence for the foreseeable future and have, therefore, used the going concern basis in preparing the condensed unaudited financial statements.

### 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 Risk** – risks that could affect the Group in all aspects of its strategy.

There have been no significant changes to these risk areas in the period nor are there expected to be for the half year to 31 March 2020. A further analysis of these risks is included within the consolidated financial statements of the Group for the year ended 31 March 2019.

### CRITICAL ACCOUNTING JUDGEMENTS

In addition to those noted in the 31 March 2019 Annual Report the Group made the following judgement:

#### Accounting treatment for 33 Charterhouse Street, London EC1.

During the period the Group acquired, in joint venture, a Development Agreement which contains the right to develop the 33 Charterhouse Street, London EC1 office building. In return, and once practical completion has been achieved, it will receive the long leasehold interest in the site. The Group has determined that the Development Agreement represents an agreement for lease and it should be accounted for as an Investment property at fair value, under IAS 40 'Investment Property', as the intention is to complete the development of the office and hold it for rental income and capital appreciation.

### KEY SOURCES OF ESTIMATION

There were no new estimates in addition to those noted in the 31 March 2019 Annual Report.

## 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Development property income	3,080	5,545	7,963
Service charge income	4,422	4,319	8,058
Other revenue	47	4	-
Total revenue from contracts with customers	7,549	9,868	16,021

The total revenue from contracts with customers is the revenue recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'. This reflects the Development property income and Other revenue in Note 3.

No impairment of contract assets was recognised in the half year to 30 September 2019 (half year to 30 September 2018: £nil; year to 31 March 2019: £nil).

## 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.

Revenue	Investments Half Year to 30.09.19 £000	Developments Half Year to 30.09.19 £000	Total Half Year to 30.09.19 £000	Investments Half Year to 30.09.18 £000	Developments Half Year to 30.09.18 £000	Total Half Year to 30.09.18 £000
Rental income	14,506	-	14,506	13,527	-	13,527
Service charge income	4,422	-	4,422	4,319	-	4,319
Development property income	-	3,080	3,080	-	5,545	5,545
Other revenue	47	-	47	4	-	4
Revenue	18,975	3,080	22,055	17,850	5,545	23,395

Revenue	Investments Year to 31.03.19 £000	Developments Year to 31.03.19 £000	Total Year to 31.03.19 £000
Rental income	28,154	-	28,154
Development property income	-	7,963	7,963
Service charge income	8,058	-	8,058
Revenue	36,212	7,963	44,175

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 3. SEGMENTAL INFORMATION CONTINUED

	Investments Half Year to 30.09.19 £000	Developments Half Year to 30.09.19 £000	Total Half Year to 30.09.19 £000	Investments Half Year to 30.09.18 £000	Developments Half Year to 30.09.18 £000	Total Half Year to 30.09.18 £000
<b>Profit before tax</b>						
Net rental income	12,811	-	12,811	11,769	(22)	11,747
Development property gain	-	1,441	1,441	-	1,686	1,686
Share of results of joint ventures	6,514	1,468	7,982	1,252	(5,126)	(3,874)
Gain on sale and revaluation of Investment properties	9,414	-	9,414	32,537	-	32,537
	28,739	2,909	31,648	45,558	(3,462)	42,096
Fair value movement of available-for- sale investments			-			144
Other operating income			44			4
Gross profit			31,692			42,244
Administrative expenses			(7,054)			(7,861)
Net finance costs			(7,004)			(6,583)
Change in fair value of derivative financial instruments			(4,980)			325
Change in fair value of Convertible Bond			468			958
Foreign exchange gain			9			65
Profit before tax			13,131			29,148

	Investments Year to 31.03.19 £000	Developments Year to 31.03.19 £000	Total Year to 31.03.19 £000
<b>Profit before tax</b>			
Net rental income	24,599	-	24,599
Development property loss	-	(1,781)	(1,781)
Share of results of joint ventures	5,203	(8,420)	(3,217)
Gain on sale and revaluation of Investment properties	59,292	-	59,292
	89,094	(10,201)	78,893
Fair value movement of available-for-sale investments			144
Gross profit			79,037
Administrative expenses			(16,753)
Net finance costs			(16,424)
Change in fair value of derivative financial instruments			(3,322)
Change in fair value of Convertible Bond			865
Foreign exchange gain			53
Profit before tax			43,456

### 3. SEGMENTAL INFORMATION CONTINUED

	Investments At 30.09.19 £000	Developments At 30.09.19 £000	Total At 30.09.19 £000	Investments At 30.09.18 £000	Developments At 30.09.18 £000	Total At 30.09.18 £000
<b>Net Assets</b>						
Investment properties	820,138	-	820,138	744,850	-	744,850
Land, development and trading properties	-	1,035	1,035	-	4,048	4,048
Investment in joint ventures	31,739	46,334	78,073	13,604	17,915	31,519
	851,877	47,369	899,246	758,454	21,963	780,417
Other assets			90,978			290,479
Total assets			990,224			1,070,896
Liabilities			(416,566)			(518,300)
Net assets			573,658			552,596

	Investments At 31.03.19 £000	Developments At 31.03.19 £000	Total At 31.03.19 £000
<b>Net assets</b>			
Investment properties	778,752	-	778,752
Land, development and trading properties	-	2,311	2,311
Investment in joint ventures	17,556	7,120	24,676
	796,308	9,431	805,739
Other assets			258,958
Total assets			1,064,697
Liabilities			(497,272)
Net assets			567,425

### 4. NET RENTAL INCOME

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Gross rental income	14,506	13,527	28,154
Property overheads	(1,695)	(1,919)	(3,695)
	12,811	11,608	24,459
Net rental expense attributable to profit share partner	-	139	140
Net rental income	12,811	11,747	24,599



## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 5. DEVELOPMENT PROPERTY PROFIT/(LOSS)

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Development property income	3,080	5,545	7,963
Cost of sales	(1,493)	(1,980)	(5,399)
Sales expenses	(20)	-	-
Provision against book values	(126)	(1,879)	(4,345)
Development property profit/(loss)	1,441	1,686	(1,781)

#### 6. (LOSS)/GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Net (costs)/proceeds from the sale of Investment properties	(28)	29,046	164,058
Book value (Note 12)	-	(26,469)	(147,550)
Tenants' incentives on sold Investment properties	-	(1,475)	(1,500)
(Loss)/gain on sale of Investment properties	(28)	1,102	15,008

#### 7. ADMINISTRATIVE EXPENSES

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Administration costs	(5,324)	(5,552)	(10,858)
Performance related awards	(1,366)	(2,033)	(5,202)
National Insurance on performance related awards	(364)	(276)	(693)
Administrative expenses	(7,054)	(7,861)	(16,753)

#### 8. FINANCE COSTS

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Interest payable on bank loans, bonds and overdrafts	(6,756)	(8,263)	(16,414)
Other interest payable and similar charges	(2,686)	(1,618)	(4,208)
Interest capitalised	1,127	2,265	3,215
Finance costs	(8,315)	(7,616)	(17,407)

## 9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
The tax charge is based on the profit for the period and represents:			
United Kingdom corporation tax at 19%			
Group corporation tax	(1,201)	(11,201)	(8,813)
Adjustment in respect of prior periods	-	-	315
Use of tax losses	-	-	(509)
Current tax charge	(1,201)	(11,201)	(9,007)
Deferred tax			
Capital allowances	(576)	252	(1,003)
Tax losses	147	(1,498)	(677)
Unrealised chargeable gains	2,029	10,250	10,647
Other temporary differences	499	(1,027)	(796)
Deferred tax credit	2,099	7,977	8,171
Total tax credit/(charge) for period	898	(3,224)	(836)

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
<b>Deferred tax</b>			
Capital allowances	(3,839)	(2,008)	(3,263)
Tax losses	2,167	1,198	2,019
Unrealised chargeable gains	(7,131)	(9,556)	(9,159)
Other temporary differences	2,737	1,790	1,885
Deferred tax liability	(6,066)	(8,576)	(8,518)

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

If upon sale of the Investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £3,839,000 (net) would be released and further capital allowances of £62,519,000 (gross) would be available to reduce future tax liabilities.

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

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 10. DIVIDENDS

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Attributable to equity share capital			
Ordinary			
Interim paid 2.60p per share	-	-	3,103
Prior period final paid 7.50p per share (2018: 7.00p)	8,980	8,303	8,303
	8,980	8,303	11,406

The interim dividend of 2.70p (30 September 2018: 2.60p per share) was approved by the Board on 21 November 2019 and will be paid on 31 December 2019 to Shareholders on the register on 29 November 2019. This interim dividend, amounting to £3,239,000, has not been included as a liability as at 30 September 2019.

#### 11. 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 options.

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 2019 000s	Half Year to 30 September 2018 000s	Year to 31 March 2019 000s
Ordinary shares in issue	119,957	119,363	119,363
Weighting adjustment	(237)	(613)	(307)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	119,720	118,750	119,056
Weighted average ordinary shares issued on share settled bonuses	636	735	862
Weighted average ordinary shares to be issued under Performance Share Plan	868	326	778
Weighted average ordinary shares in issue for calculation of diluted earnings per share	121,224	119,811	120,696
	£000	£000	£000
Earnings used for calculation of basic and diluted earnings per share	14,029	25,924	42,620
Basic earnings per share	11.7p	21.8p	35.8p
Diluted earnings per share	11.6p	21.6p	35.3p

## 11. EARNINGS PER SHARE CONTINUED

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Earnings used for calculation of basic and diluted earnings per share	14,029	25,924	42,620
Net gain on sale and revaluation of Investment properties			
Subsidiaries	(9,414)	(32,537)	(59,292)
Joint ventures	(472)	(1,081)	(1,288)
Tax on profit on disposal of Investment property held for sale	-	13,641	-
Tax on profit on disposal of Investment properties	-	270	14,130
Tax on gain on settlement of derivative component of Convertible Bond	1,556	-	-
Gain on movement in share of joint ventures	(2,404)	-	-
Fair value movement on derivative financial instruments			
Subsidiaries	4,980	(325)	3,322
Joint ventures	34	22	35
Fair value movement on Convertible Bond	(468)	(958)	(865)
Profit on cancellation of derivative financial instruments	(218)	(72)	(72)
Expense on cancellation of loans	1,131	-	1,458
Fair value movement of available-for-sale investments	-	(144)	(144)
Deferred tax on adjusting items	(2,270)	(10,202)	(9,935)
Earnings/(loss) used for calculations of EPRA earnings per share	6,484	(5,462)	(10,031)
EPRA earnings/(loss) per share	5.4p	(4.6)p	(8.4)p

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



## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 12. INVESTMENT PROPERTIES

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Book value at 1 April	778,752	791,948	791,948
Additions at cost	31,944	72,040	90,320
Disposals	-	(26,469)	(147,550)
Transfer of Investment property held for sale	-	(125,200)	-
Revaluation surplus	9,442	32,781 <sup>1</sup>	44,284
Revaluation deficit attributable to profit share partners	-	(250)	(250)
As at period end	820,138	744,850	778,752

<sup>1</sup> Revaluation surplus is presented net of the transaction expenditure on The Shepherds Building, London, W14 of £1,346,000 which had been accrued for the period to 30 September 2018.

All properties are stated at market value as at 30 September 2019, 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 at 30 September 2019 is as follows:

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Book value	820,138	744,850	778,752
Lease incentives and costs included in trade and other receivables	17,130	11,589	14,687
Head leases capitalised	(2,168)	(2,189)	(2,189)
Fair value	835,100	754,250	791,250

Interest capitalised in respect of the refurbishment of Investment properties at 30 September 2019 amounted to £12,484,000 (30 September 2018: £11,322,000; 31 March 2019: £11,357,000). Interest capitalised during the period in respect of the refurbishment of Investment properties amounted to £1,127,000 (30 September 2019: £2,265,000, 31 March 2019: £3,215,000).

The historical cost of Investment property is £676,356,000 (30 September 2018: £635,488,000; 31 March 2019: £645,521,000).

### 13. JOINT VENTURES

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
<b>Share of results of joint ventures</b>			
<b>Revenue</b>	<b>6,746</b>	37,848	52,402
Gross rental income	392	426	971
Property overheads	(162)	(466)	(411)
<b>Net rental income/(expense)</b>	<b>230</b>	(40)	560
Gain on revaluation of Investment properties	472	1,081	1,288
Development profit	5,355	500	4,570
Provision against book values	(1,083)	(4,288)	(7,198)
Other operating income	-	31	9
<b>Gross profit/(loss)</b>	<b>4,974</b>	(2,716)	(771)
Administrative expenses	(335)	(161)	(406)
<b>Operating profit/(loss)</b>	<b>4,639</b>	(2,877)	(1,177)
Finance costs	(595)	(807)	(2,087)
Finance income	41	32	92
Change in fair value of derivative financial instruments	(34)	(22)	(35)
<b>Profit/(loss) before tax</b>	<b>4,051</b>	(3,674)	(3,207)
Tax	(31)	(967)	(1,399)
<b>Profit/(loss) after tax</b>	<b>4,020</b>	(4,641)	(4,606)
Reversal of One Creechchurch Place loss <sup>1</sup>	224	767	1,389
Profit on sale of interest in One Creechchurch Place	1,334	-	-
Uplift for Barts Square economic interest <sup>2</sup>	2,404	-	-
<b>Share of results of joint ventures</b>	<b>7,982</b>	(3,874)	(3,217)

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

2 This is an adjustment to reflect the impact of the consolidation of a joint venture at its economic interest of 43.8% rather than its actual ownership interest of 33.3%, following additional equity invested during the period.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 13. JOINT VENTURES CONTINUED

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
<b>Investment in joint ventures</b>			
<b>Summarised balance sheets</b>			
<b>Non-current assets</b>			
Investment properties	65,572	24,427	25,289
Owner occupied property, plant and equipment	111	26	106
Deferred tax	1,687	2,110	23
Derivative financial instruments	6	37	1,774
	<b>67,376</b>	<b>26,600</b>	<b>27,192</b>
<b>Current assets</b>			
Land, development and trading properties	53,188	53,466	56,935
Trade and other receivables	14,605	12,626	10,554
Cash and cash equivalents	3,551	17,629	7,612
	<b>71,344</b>	<b>83,721</b>	<b>75,101</b>
<b>Current liabilities</b>			
Trade and other payables	(12,376)	(18,559)	(13,599)
	<b>(12,376)</b>	<b>(18,559)</b>	<b>(13,599)</b>
<b>Non-current liabilities</b>			
Trade and other payables	(323)	(17,814)	(20,419)
Borrowings	(48,026)	(46,680)	(48,473)
	<b>(48,349)</b>	<b>(64,494)</b>	<b>(68,892)</b>
<b>Net assets pre-adjustment</b>	<b>77,995</b>	<b>27,268</b>	<b>19,802</b>
Reversal of One Creechurch Place net liability position <sup>1</sup>	-	4,251	4,874
Acquisition costs	78	-	-
<b>Investment in joint ventures</b>	<b>78,073</b>	<b>31,519</b>	<b>24,676</b>

<sup>1</sup> This is an adjustment that has been made to add back the Group's share of the loss incurred in one of its joint ventures arising from finance and other costs in the period to ensure that the Group's interest is shown at its recoverable amount.

The Directors' valuation of trading and development stock shows a surplus of £nil (30 September 2018: £800,000; 31 March 2019: £nil) above book value. This surplus has been included in the EPRA net asset value (Note 24).

#### 14. LAND, DEVELOPMENTS AND TRADING PROPERTIES

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Development properties	1,007	4,020	2,283
Properties held as trading stock	28	28	28
	<b>1,035</b>	<b>4,048</b>	<b>2,311</b>

The Directors' valuation of trading and development stock shows a surplus of £578,000 (30 September 2018: £628,000; 31 March 2019: £578,000) above book value. This surplus has been included in the EPRA net asset value (Note 24).

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

#### 15. INVESTMENT PROPERTY HELD FOR SALE

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Transferred from Investment property	-	123,734	-
Outstanding lease incentives	-	1,466	-
	-	125,200	-

In the prior period, the Group unconditionally exchanged contracts on the sale of The Shepherds Building, London W14, for £125.2m. Completion took place after the prior period end on 5 October 2018 and the property was classified as a held for sale asset under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

#### 16. AVAILABLE-FOR-SALE INVESTMENTS

The gain of £144,000 recognised in the prior period is the result of cash received in relation to a previously fully impaired asset.

#### 17. TRADE AND OTHER RECEIVABLES

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Trade receivables	10,588	38,059	9,680
Other receivables	1,656	20,899	22,856
Prepayments	4,210	4,502	4,173
Accrued income	20,085	35,240	22,017
	<b>36,539</b>	<b>98,700</b>	<b>58,726</b>



## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 18. CASH AND CASH EQUIVALENTS

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Cash held at managing agents	4,900	4,118	2,599
Restricted cash	8,330	1,572	2,678
Cash deposits	34,496	57,403	192,293
	47,726	63,093	197,570

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

#### 19. TRADE AND OTHER PAYABLES

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Trade payables	20,200	15,000	13,009
Other payables	1,559	8,731	1,869
Accruals	24,355	25,044	23,368
Deferred income	6,425	6,877	4,913
Current trade and other payables	52,539	55,652	43,159
Accruals	590	10,815	11,405
Non-current trade and other payables	590	10,815	11,405
Total trade and other payables	53,129	66,467	54,564

#### 20. LEASE LIABILITY

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Current lease liability	599	-	-
Non-current lease liability	7,872	2,189	2,189

Included within the lease liability are £599,000 (30 September 2018: £nil, 31 March 2019: £nil) of current and £5,683,000 (30 September 2018: £nil, 31 March 2019: £nil) of non-current lease liabilities which relate to the adoption of IFRS 16 'Leases'.

## 21. BORROWINGS

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Current borrowings	-	100,375	100,468
Borrowings repayable within:			
one to two years	-	184,686	-
two to three years	-	-	195,410
three to four years	31,930	-	-
four to five years	216,591	24,887	37,399
five to six years	92,082	-	92,005
six to ten years	-	122,717	-
Non-current borrowings	340,603	332,290	324,814
Total borrowings	340,603	432,665	425,282

The £100,000,000 Convertible Bond was repaid in June 2019.

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Total borrowings	340,603	432,665	425,282
Cash	(47,726)	(63,093)	(197,570)
Net borrowings	292,877	369,572	227,712

Net borrowings excludes the Group's share of borrowings in joint ventures of £48,026,000 (30 September 2018: £46,680,000; 31 March 2019: £48,473,000) and cash of £3,551,000 (30 September 2018: £17,629,000; 31 March 2019: £7,612,000). All borrowings in joint ventures are secured.

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Net assets	573,658	552,596	567,425
Gearing	51%	67%	40%

## 22. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Derivative financial instruments asset	319	1,703	915
Derivative financial instruments liability	(8,017)	(1,529)	(4,158)

A loss on the change in fair value of £4,980,000 has been recognised in the Unaudited Consolidated Income Statement (30 September 2018: gain of £325,000, 31 March 2019: loss of £3,322,000).

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

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 23. SHARE CAPITAL

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Authorised	39,577	39,577	39,577

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

Allotted, called up and fully paid:

119,956,767 (30 September 2018: 119,363,349; 31 March 2019: 119,363,349) ordinary shares of 1p each	1,200	1,194	1,194
212,145,300 deferred shares of 1/8p each	265	265	265
	1,465	1,459	1,459

#### 24. NET ASSETS PER SHARE

	At 30 September 2019 £000	Number of shares 000s	At 30 September 2019 Pence per share
Net asset value	573,658		
Less: deferred shares	(265)		
Basic net asset value	573,393	119,957	478
Add: share settled bonus		636	
Add: dilutive effect of the Performance Share Plan		926	
Diluted net asset value	573,393	121,519	472
Adjustment for:			
fair value of financial instruments	7,689		
deferred tax	9,309		
Adjusted diluted net asset value	590,391	121,519	486
Adjustment for:			
fair value of trading and development properties	578		
EPRA net asset value	590,969	121,519	486
Adjustment for:			
fair value of fixed rate loans	(7,282)		
fair value of financial instruments	(7,689)		
deferred tax	(9,309)		
EPRA triple net asset value	566,689	121,519	466

The adjustment for the fair value of trading and development properties represents the surplus as at 30 September 2019.

## 24. NET ASSETS PER SHARE CONTINUED

	At 31 March 2019 £000	Number of shares 000s	At 31 March 2019 Pence per share
Net asset value	567,425	119,363	
Less: deferred shares	(265)		
Basic net asset value	567,160	119,363	475
Add: share settled bonus		862	
Add: dilutive effect of the Performance Share Plan		734	
Diluted net asset value	567,160	120,959	469
Adjustment for:			
fair value of financial instruments	3,218		
fair value surplus on Convertible Bond	468		
deferred tax	11,687		
Adjusted diluted net asset value	582,533	120,959	482
Adjustment for:			
fair value of trading and development properties	578		
EPRA net asset value	583,111	120,959	482
Adjustment for:			
fair value of fixed rate loans	(5,449)		
fair value of financial instruments	(3,218)		
deferred tax	(11,687)		
EPRA triple net asset value	562,757	120,959	465

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

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

## 25. RELATED PARTY TRANSACTIONS

The following amounts were due from/(to) the Group's joint ventures:

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
ARE 1 Farringdon SARL	370	-	-
Charterhouse Place Ltd	9	-	-
Barts Square companies	31	2,543	34
Creechurch Place Ltd	-	37,890	22,073
King Street Developments (Hammersmith) Ltd	71	309	71
Old Street Holdings LP	3	3	3
Shirley Advance LLP	14	249	330

During the period, interest on bonds of £745,000 (30 September 2018: £875,000; 31 March 2019: £451,000) and a promote fee for development management services of £305,000 (30 September 2018: £4,874,000; 31 March 2019: £7,142,000) were charged by the Group to Creechurch Place Ltd. A development management, accounting and corporate services fee of £945,000 (30 September 2018: £670,000; 31 March 2019: £821,000) was charged by the Group to the Barts Square companies. In addition, an accounting and corporate services fee of £9,000 (30 September 2018: £nil; 31 March 2019: £nil) was charged by the Group to each of ARE 1 Farringdon SARL and Charterhouse Place Ltd.

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 26. 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 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Gross rental income			
Subsidiaries	14,506	13,527	28,154
Joint ventures	392	426	971
Total gross rental income	14,898	13,953	29,125
Property overheads			
Subsidiaries	(1,695)	(1,919)	(3,695)
Joint ventures	(162)	(466)	(411)
Net rental expense attributable to profit share partner	-	139	140
<b>See-through net rental income</b>	<b>13,041</b>	<b>11,707</b>	<b>25,159</b>

#### See-through Net Development Profits/(Losses)

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

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
In parent and subsidiaries	1,567	3,565	2,564
In joint ventures	5,355	500	4,570
Total gross development profit	6,922	4,065	7,134
Provision against stock			
Subsidiaries	(126)	(1,879)	(4,345)
Joint ventures	(1,083)	(4,288)	(7,198)
<b>See-through development profits/(losses)</b>	<b>5,713</b>	<b>(2,102)</b>	<b>(4,409)</b>



## 26. SEE-THROUGH ANALYSIS CONTINUED

### See-through Net Gain on Sale and Revaluation of Investment Properties

Helical's share of the net 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 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Revaluation surplus on Investment properties			
Subsidiaries	9,442	31,435	44,284
Joint ventures	472	1,081	1,288
Total revaluation surplus	9,914	32,516	45,572
Net (loss)/gain on sale of Investment properties			
Subsidiaries	(28)	1,102	15,008
Total net (loss)/gain on sale of Investment properties	(28)	1,102	15,008
<b>See-through net gain on sale and revaluation of Investment properties</b>	<b>9,886</b>	<b>33,618</b>	<b>60,580</b>

### See-through Net Finance Costs

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

	Half Year to 30 September 2019 £000	Half Year to 30 September 2018 £000	Year to 31 March 2019 £000
Interest payable on bank loans and overdrafts			
Subsidiaries	6,756	8,263	16,414
Joint ventures	267	7	511
Total interest payable on bank loans and overdrafts	7,023	8,270	16,925
Other interest payable and similar charges			
Subsidiaries	2,686	1,618	4,208
Joint ventures	328	800	1,576
Interest capitalised			
Subsidiaries	(1,127)	(2,265)	(3,215)
Total finance costs	8,910	8,423	19,494
Interest receivable and similar income			
Subsidiaries	(1,311)	(1,033)	(983)
Joint ventures	(41)	(32)	(92)
<b>See-through net finance costs</b>	<b>7,558</b>	<b>7,358</b>	<b>18,419</b>

## UNAUDITED NOTES TO THE HALF YEAR RESULTS

### CONTINUED

#### 26. SEE-THROUGH ANALYSIS CONTINUED

##### See-through Property Portfolio

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

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Investment property fair value			
Subsidiaries	835,100	754,250	791,250
Joint ventures	65,870	24,427	25,382
Investment property held for sale			
Subsidiaries	-	125,200	-
Total investment property fair value	900,970	903,877	816,632
Trading and development stock			
Subsidiaries	1,035	4,048	2,311
Joint ventures	53,188	53,466	56,935
Total trading and development stock	54,223	57,514	59,246
Trading and development stock surplus			
Subsidiaries	578	628	578
Joint ventures	-	800	-
Total trading and development stock surpluses	578	1,428	578
Total trading and development stock at fair value	54,801	58,942	59,824
<b>See-through property portfolio</b>	<b>955,771</b>	<b>962,819</b>	<b>876,456</b>

##### See-through Net Borrowings

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

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Gross borrowings less than one year			
Subsidiaries	-	100,375	100,468
Gross borrowings more than one year			
Subsidiaries	340,603	332,290	324,814
Total	340,603	432,665	425,282
Gross borrowings more than one year			
Joint ventures	48,026	46,680	48,473
Total	48,026	46,680	48,473
Cash and cash equivalents			
Subsidiaries	(47,726)	(63,093)	(197,570)
Joint ventures	(3,551)	(17,629)	(7,612)
<b>See-through net borrowings</b>	<b>337,352</b>	<b>398,623</b>	<b>268,573</b>

## 27. SEE-THROUGH GEARING AND LOAN TO VALUE

	At 30 September 2019 £000	At 30 September 2018 £000	At 31 March 2019 £000
Property portfolio	955,771	962,819	876,456
Net borrowings	337,352	398,623	268,573
Net assets	573,658	552,596	567,425
See-through net gearing	58.8%	72.1%	47.3%
See-through loan to value	35.3%	41.4%	30.6%

## 28. CAPITAL COMMITMENTS

The Group has a commitment of £27,188,000 (30 September 2018: £78,746,000; 31 March 2019: £64,900,000) in relation to construction contracts which are due to be completed in the period to March 2021. Of the total, £22,406,000 relates to the Group's Investment property portfolio and £4,782,000 is in relation to the Group's residential scheme at Barts Square.

## 29. POST BALANCE SHEET EVENTS

There are no material post balance sheet events.

## 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 11).

### EPRA net assets per share

Diluted net asset value per share adjusted to exclude fair value surplus of financial instruments and the Convertible Bond, and deferred tax on capital allowances and on Investment properties revaluation, but including the fair value of trading and development properties in accordance with the best practice recommendations of EPRA (see Note 24).

### EPRA topped-up NIY

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

### EPRA triple net asset value per share

EPRA net asset value per share adjusted to include fair value of financial instruments and deferred tax on capital allowances and on Investment properties revaluation (see Note 24).

### Estimated rental value (ERV)

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

### Gearing

Group borrowings expressed as a percentage of net assets.

### Initial yield

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

### Like-for-like valuation change

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

### MSCI Inc. (MSCI IPD)

MSCI Inc. is a company that produces independent benchmarks of property returns.

### Net asset value per share (NAV)

Net assets divided by the number of ordinary shares at the Balance Sheet date (see Note 24).

### 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 26).

### See-through net gearing

The see-through net borrowings expressed as a percentage of net assets (see Note 27).

### 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.

### 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.

### 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

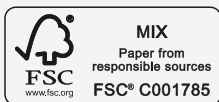
The constant capitalisation rate which, if applied to all cash flows from an Investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value. Assumes rent is received quarterly in advance.

### 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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