



# HELICAL





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We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

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





# Highlights 2023

## Financial highlights

9.4p

EPRA earnings per share<sup>1</sup>  
2022: 5.2p

11.75p<sup>+5.4%</sup>

Total dividend for the year  
2022: 11.15p

493p

EPRA net tangible asset value per share<sup>1</sup> down 13.8% to 493p (31 March 2022: 572p).

-5.6%

Total Property Return, as measured by MSCI, of -5.6%, compared to the MSCI Central London Offices Total Return Index of -8.6%.

27.5%

See-through loan to value<sup>1</sup> decreased to 27.5% (31 March 2022 restated<sup>2</sup>: 35.0%).

3.4%

See-through average cost of secured facilities<sup>1</sup> of 3.4% (31 March 2022: 3.2%).

### Earnings and Dividends

- IFRS loss of £64.5m (2022: profit of £88.9m).
- IFRS basic loss per share of 52.6p (2022: earnings of 72.8p).
- Final dividend proposed of 8.70p per share (2022: 8.25p), an increase of 5.5%.
- See-through Total Property Return<sup>1</sup> of -£51.4m (2022: £89.5m):
  - Group's share<sup>1</sup> of net rental income increased 7.2% to £33.5m (2022: £31.2m).
  - Net loss on sale and revaluation of investment properties of £88.1m (2022: gain of £51.7m).
  - Development profits of £3.2m (2022: £6.6m).

### Balance Sheet

- Net asset value down 11.4% to £608.7m (31 March 2022: £687.0m).
- Total Accounting Return<sup>1</sup> on IFRS net assets of -9.4% (2022: 15.0%).
- Total Accounting Return<sup>1</sup> on EPRA net tangible assets of -12.1% (2022: 10.2%).
- EPRA net disposal value per share<sup>1</sup> down 11.1% to 490p (31 March 2022: 551p).

### Financing

- See-through net borrowings<sup>1</sup> of £231.4m (31 March 2022 restated<sup>2</sup>: £388.3m).
- Average maturity of the Group's share<sup>1</sup> of secured debt of 2.9 years (31 March 2022: 3.0 years).
- Change in fair value of derivative financial instruments credit of £12.8m (2022: £18.0m).
- Group's share<sup>1</sup> of cash and undrawn bank facilities of £244.2m (31 March 2022 restated<sup>2</sup>: £147.0m).
- Helical elected to become a REIT, effective 1 April 2022, and is exempt from UK corporation tax on relevant property activities.

## Operational highlights

### Disposals of £233m (our share £213m) achieved at 3.7% above book value

- On 21 September 2022, we completed the disposal of the single asset company, Farringdon East (Jersey) Limited, which owns the long leasehold interest in Kaleidoscope, EC1, to Chinachem Group. The disposal price of £158.5m, a premium to 31 March 2022 book value, reflected a net initial yield of 4.3% and a capital value of £1,789 psf.
- We also completed the disposal of Trinity in Manchester on 20 May 2022 to clients of Mayfair Capital for £34.6m (£590 psf), reflecting a net initial yield of 5.0%. The sale represented a premium to 31 March 2022 book value, net of rental top ups, and concluded the disposal of our Manchester office portfolio.
- 55 Bartholomew, EC1, an office building located in the Barts Square development, was sold on 14 June 2022 to a private European investor for £16.5m (our share £8.2m), reflecting a net initial yield of 4.5% and a premium to 31 March 2022 book value.
- We completed the sale of 14 apartments at Barts Square for total sale proceeds of £19.7m (our share £9.9m), with the sale of the final apartment in this 236 unit residential scheme completing after the year end. We also completed the sale of the freehold of the entire residential estate to its residents for £3.7m (our share £1.8m).

### Continued lettings momentum delivering £5.4m (our share £3.4m) of contracted rent at a 6.9% premium

- In the year, we completed nine new lettings totalling 65,550 sq ft, delivering contracted rent of £5.4m (our share £3.4m) at a 6.9% premium to 31 March 2022 ERVs.

### Development milestone hit at 100 New Bridge Street, EC4

- At 100 New Bridge Street, EC4, the City of London has resolved to grant planning permission and the formal decision notice will be issued upon signing of the Section 106 Agreement. On completion in Q2 2025, the carbon friendly new building will be one of the most sustainable in London and will provide 192,000 sq ft of net internal area across 10 floors, including two additional new floors which will benefit from exceptional views of St Paul's Cathedral. Construction work is anticipated to commence in Q4 2023 once Baker McKenzie vacate the building.

### 600,000 sq ft expansion of development pipeline following TFL joint venture selection

- In February 2023, Helical was selected by Transport for London's wholly owned commercial property company, TTL Properties Limited, as the investment partner for its commercial office portfolio joint venture. Contracts are expected to be signed shortly to formalise the joint venture. The portfolio will create well connected, highly sustainable and inclusive workspaces across central London and initially will be seeded with three over-station development sites, namely:
  - Bank Over-Station Development – located above the recently opened Bank station entrance on Cannon Street. This eight-storey office development will measure 142,000 sq ft and the joint venture intends to start on site in 2024.
  - Southwark Over-Station Development – located above Southwark Tube station. The scheme has consent for a 220,000 sq ft hybrid timber office building over 17 floors. The development is expected to start on site in 2025.
  - Paddington Over-Station Development – located on the Grand Union Canal, close to the Elizabeth Line station at Paddington. This 19-storey building will provide 235,000 sq ft of office space and construction is expected to commence in 2026.



## Sustainability highlights

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

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

2. See Note 37.

# Well positioned with 790,000 sq ft development pipeline



Gerald Kaye  
Chief Executive

## Overview

The central London office market has suffered a fall in capital values over the last year and Helical has not been immune to these market movements, with our portfolio experiencing a valuation decline of 10.1% (on a like-for-like basis).

While previous valuation falls have been caused by recessions following periods of economic exuberance leading to an oversupply of new office space, the current decline in values reflects a number of differing cyclical and structural factors.

The economy has been affected by multiple geopolitical and economic events which have generated high levels of inflation and a steep rise in interest rates. We have had ultra-low interest rates since 2009 and with the base rate rising from 0.10% in December 2021 to the current 4.50%, the financing of real estate has become significantly more expensive. The rise in interest rates has also led to a repricing of government bonds across the market. Consequently, valuation yields have risen.

In addition, structural changes are impacting the office market, with the latest sustainability criteria challenging the suitability of older office buildings.



Tenant demand for the best, newly developed or refurbished buildings at the forefront of sustainability with top quality amenities is strong, and seeing rising rental values.”

Around 75% of buildings in the central London office market do not meet the MEES (Minimum Energy Efficiency Standards) rating of EPC A or B rating required by 2030 and these buildings will need significant capex to bring them up to the necessary standard when leases end and tenants vacate. Previously, these less sustainable buildings could have remained in the market with a low cost refurbishment and a reletting at a significantly lower rent than for the better buildings. For buildings below an EPC rating of B this will no longer be an option. The additional cost of bringing these older buildings up to the required standard is exacerbated by the significant build cost inflation we have seen in the last year.

The impact of all these factors has accelerated the bifurcation in the market. With best-in-class property valuations adjusting to reflect the movement in bond yields, it is the older, poorer quality buildings that are facing what is likely to be a deeper correction, with downward price discovery potentially not reaching an endpoint until a lease ends and the rent stops, or from refinancing events.

Tenant demand for the best, newly developed or refurbished buildings at the forefront of sustainability with top quality amenities is strong, and seeing rising rental values.

Against this backdrop, Helical has continued to recycle capital out of its mature, stabilised assets, reduced leverage and cut its ongoing core administration costs by over 13% for the year ahead. As a result, it is well placed to capitalise on any ongoing market dislocation and the structural trends impacting the office sector.



### Our pipeline

The Group seeks to grow the business by realising surpluses from its recently developed investment assets, and reinvesting that recycled equity into new opportunities.

In the year to 31 March 2023, the judicious sales of Kaleidoscope, EC1 and Trinity, Manchester realised revaluation surpluses of over £53m and reduced our gearing level from an LTV at 31 March 2022 of 35.0% to 27.5% at 31 March 2023.

Being selected by Transport for London ("TfL") as their joint venture partner for the Platinum Portfolio was a significant milestone, boosting our development pipeline by almost 600,000 sq ft, with the potential for additional schemes to be added to the joint venture in the future. This collaboration with TfL, one of London's largest landowners, is an endorsement of the Helical brand and recognises our track record of producing high quality, successful developments across central London over many years.

With 100 New Bridge Street, EC4, our 192,000 sq ft office scheme, due to start later this year and the three TfL schemes anticipated to start over the period from 2024 to 2026, this pipeline, our most significant for a number of years, is scheduled to deliver best-in-class office space to an undersupplied market from 2025 to 2029.

### Results for the year

The loss for the year to 31 March 2023 was £64.5m (2022: profit of £88.9m) with a see-through Total Property Return of -£51.4m (2022: +£89.5m). See-through net rental income increased by 7.2% to £33.5m (2022: £31.2m) while developments generated see-through profits of £3.2m (2022: £6.6m). The see-through net loss on sale and revaluation of the investment portfolio was £88.1m (2022: net gain of £51.7m).

Total see-through net finance costs reduced to £12.0m (2022: £19.7m), reflecting a lower level of debt and much lower debt cancellation costs of £0.1m (2022: £5.9m). An increase in expected future interest rates led to a £12.8m credit (2022: £18.0m) from the valuation of the Group's derivative financial instruments. Recurring see-through administration costs were 4.2% higher at £10.3m (2022: £9.9m), with performance related awards, reflecting the results for the year, reduced to £2.7m (2022: gain of £6.0m) and National Insurance on these awards of £0.3m (2022: £1.2m).

The election to become a REIT from 1 April 2022 has resulted in a £nil (2022: credit of £16.0m) tax charge for the year.

The IFRS basic loss per share was 52.6p (2022: earnings of 72.8p) and EPRA earnings per share were 9.4p (2022: 5.2p).

On a like-for-like basis, the investment portfolio fell in value by 10.1% (7.7% including purchases and gains on sales). The see-through total portfolio value reduced to £839.5m (31 March 2022: £1,097.3m), reflecting the revaluation loss and the sales of Kaleidoscope, EC1, 55 Bartholomew, EC1 and Trinity, Manchester in the year.

The total return of our property portfolio, as measured by MSCI, was -5.6% (2022: 10.7%), which outperformed the Central London Offices Total Return Index of -8.6%.

The portfolio was 83.9% let at 31 March 2023 and generated contracted rents of £39.0m (2022: £46.4m), equating to an average of £60 psf. This increases to £48.9m on the letting of currently vacant space as we move towards capturing the portfolio ERV of £60.4m (2022: £67.1m). The Group's contracted rent has a Weighted Average Unexpired Lease Term ("WAULT") of 5.0 years.

The Total Accounting Return ("TAR"), being the growth in the IFRS net asset value of the Group, plus dividends paid in the year, was -9.4% (2022: 15.0%). Based on EPRA net tangible assets, the TAR was -12.1% (2022: 10.2%). EPRA net tangible assets per share fell by 13.8% to 493p (31 March 2022: 572p), with EPRA net disposal value per share falling by 11.1% to 490p (31 March 2022: 551p).

### Balance Sheet strength and liquidity

The Group has a significant level of liquidity with see-through cash and unutilised bank facilities of £244.2m (31 March 2022: £147.0m) to fund capital works on its portfolio and future acquisitions.

At 31 March 2023, the Group had £31.9m of cash deposits available to deploy without restrictions and a further £13.7m of rent in bank accounts available to service payments under loan agreements, cash held at managing agents and cash held in joint ventures. In addition, the Group held rental deposits from tenants of £9.1m. Furthermore, the Group had £189.5m of loan facilities available to draw on.

The see-through loan to value ratio ("LTV") reduced to 27.5% at the Balance Sheet date (31 March 2022: 35.0%) and our see-through net gearing, the ratio of net borrowings to the net asset value of the Group, reduced to 38.0% (31 March 2022: 56.5%) over the same period.

At the year end, the average debt maturity on secured loans, on a see-through basis, was 2.9 years (31 March 2022: 3.0 years). The average cost of debt, on a see-through basis, was 3.4% (31 March 2022: 3.2%).

### Dividends

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

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

In the year to 31 March 2023, EPRA earnings per share increased by 80% from 5.2p last year to 9.4p this year. The sales of Kaleidoscope, EC1, 55 Bartholomew, EC1 and Trinity, Manchester, during the year realised capital profits of £53.4m, transferred into distributable retained earnings.

In the light of the increased EPRA earnings and the capital profits realised in the year, the Board will be recommending to Shareholders a final dividend of 8.70p per share, an increase of 5.5% on last year. If approved by Shareholders at the 2023 AGM, the total dividend for the year will be 11.75p, up 5.4% on 2022.

This final dividend, if approved, will be paid out of distributable reserves generated from the Group's activities. Following its conversion to a UK REIT, dividends payable by Helical will comprise a Property Income Distribution ("PID") from the operations that fall under the REIT regime, and a dividend from those operations that fall outside the REIT regime. The PID, for the year to 31 March 2023, will be 5.70p, with the balance of the final dividend of 3.00p representing an additional ordinary dividend.

### Sustainability

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

We have made good progress in the year and continue to perform strongly against the targets we have set. Despite increasing occupancy levels, energy intensity across our like-for-like portfolio fell by 8% during the year to an average of 129 kWh/m<sup>2</sup>, on track for our 2030 net zero carbon target of 90kwh/m<sup>2</sup>.

The JJ Mack Building, EC1 completed in September 2022, at which point we have accounted for 100% of the associated upfront embodied carbon emissions in our reporting. The building achieved an embodied carbon intensity of 741 kgCO<sub>2</sub>e/m<sup>2</sup>, on track for our 2030 net zero carbon target of 600 kgCO<sub>2</sub>e/m<sup>2</sup>. This considerable reduction was achieved through a combination of using materials with a high recycled content, adopting modern methods of construction

## Sustainability and net zero carbon

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

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

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

We also improved our CDP score to B, up from C, demonstrating our rigorous approach to assessing climate change risks and opportunities and our transparent disclosures.

Our portfolio is well placed in terms of energy efficiency, with 99% of our assets (by value) already compliant with the proposed legislative requirement that all rented commercial buildings achieve a minimum EPC rating of B by 2030. Market research suggests that only c.25% of commercial assets are currently compliant, with significant capital outlay likely to be required to take non-compliant buildings up to the minimum standard. Likewise, 99% of our assets (by value) hold a BREEAM certification, with 88% being "Outstanding" or "Excellent" (excluding 100 New Bridge Street, EC4 which is to be refurbished).

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

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

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With an experienced management team, a substantial development pipeline, no legacy assets and historically low gearing levels, Helical is well positioned to capitalise on the structural trends impacting the office sector."

and embedding circular economy principles into the design and delivery of the project. The building received an EPC A rating and is anticipated to achieve a NABERS 5 Star for the commitment to excellent energy efficiency in operation. Furthermore, the building received BREEAM "Outstanding" at the design stage, which is expected to be retained upon final certification.

We continue to perform well across the industry benchmarks we participate in. We received a 5 Star GRESB rating for both our standing investments and developments and retained our Green Star status. For our sustainability reporting, we were granted a Gold Award for the second consecutive year, for reporting in accordance with EPRA's European Sustainability Best Practice Recommendations (sBPR). We were also pleased to receive an improved CDP score of B, further demonstrating our commitment to best practice disclosure and enhanced climate change risk assessment.

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

Looking forward, we plan to define our approach to carbon offsetting and uphold our commitment to deliver all future developments as net zero carbon.

### The opportunity

London remains a leading world city and, barring economic or geopolitical catastrophe, there will be ongoing demand for best-in-class office buildings from occupiers who require well located, highly sustainable offices with good amenities, which are essential in attracting and retaining the top talent. There remains a shortage of this best-in-class newly refurbished or redeveloped office space in central London, enabling landlords to command premium rents, a dynamic that is likely to persist for the rest of this decade as the market plays catch up.

With an experienced management team, a substantial development pipeline, no legacy assets and historically low gearing levels, Helical is well positioned to capitalise on the structural trends impacting the office sector.

### Finally

It is with great sadness that we record the death on 7 April of Nigel MacNair-Scott. Nigel was Finance Director of Helical Bar plc from 1986 to 2013 after which he became Chairman, retiring in 2016. Nigel was the other half of the duo with Michael Slade who jointly turned Helical from producing steel rebar for the construction industry into a highly successful property company. Nigel's financial acumen and general shrewdness, coupled with Mike's property skills, enabled Helical to survive the major downturns of the early 1990s and the Global Financial Crisis in 2008-2009 and prosper in subsequent years, becoming a well-known brand in the property sector.

**Gerald Kaye**  
Chief Executive  
23 May 2023





**Matthew Bonning-Snook**  
Property Director

# Rental growth for best-in-class

## Our market

The past year has seen significant headwinds impact the central London office market. The macroeconomic landscape has been altered by multiple geopolitical and economic events which have weakened the economic outlook; this and the recent rapid paradigm shift in monetary policy have combined to present a difficult environment for real estate.

The fundamentals of the office occupier market remain robust and aligned to our strategy. Occupiers continue to seek to provide best-in-class working environments for their employees.

## The economic environment

Over the course of the past year the Bank of England's Monetary Policy Committee has pursued an agenda of sustained, rapid interest rate rises to moderate the inflationary pressures experienced across the economy. On 1 April 2022 the Bank Rate stood at 0.75% and it has subsequently increased nine times to 4.50%. The impact of this adjustment to monetary policy has been felt throughout the economy and within the central London office market it has been most keenly felt in two areas: outward yield shift and increased cost of debt.



The MSCI London City Equivalent Yield, which includes both prime and non-prime office buildings, has moved to 6.40% in April 2023 from 5.31% in April 2022. However, best-in-class office yields have been less impacted, with our portfolio adjusting by 79bps over the same period.”

## Investment market

After an encouraging rebound in investment volumes in 2021 and early 2022, the investment market was subdued in the second half of 2022 as the market paused to assess the impact of interest rate rises upon yields. At £0.7bn, the volume of investment transactions in Q4 2022 represented the lowest quarterly figure since 1996 and illustrated the impact of the increasing cost of debt and economic uncertainty. Transaction volumes increased in Q1 2023 to £1.7bn, albeit this is still below the long-term average and there remains limited transactional evidence to fully substantiate pricing.

The MSCI London City Equivalent Yield, which includes both prime and non-prime office buildings, has moved to 6.40% in April 2023 from 5.31% in April 2022. However, best-in-class office yields have been less impacted, with our portfolio adjusting by 79bps over the same period.

Whilst limited in number, the transactions that have taken place have demonstrated less dramatic outward movements in pricing for the best-in-class assets. In contrast, poorer quality assets, characterised by significant vacancy, short unexpired lease terms and weak sustainability credentials resulting in the imminent need to invest significant capital expenditure, have seen continued significant downward repricing, further illustrating the bifurcation within the market.

The volatility in swap rates and the rapid increase in the Bank Rate have had significant adverse implications for the cost of external debt which has also suppressed investment volumes. Yet the debt markets remain open, with an increasingly diverse lender pool seeking opportunities to deploy significant amounts of capital. Undoubtedly, the challenges presented in the current market are making lenders more discerning in their choice of counterparty, but leverage is still available for experienced borrowers delivering credible business plans. The rise in the all-in cost of debt has required a reassessment of the composition of capital structures, with external debt no longer being as accretive to value but continuing to enable equity to be spread across new opportunities.

The past year has seen best-in-class assets continue to outperform. Record rents continue to be achieved for the limited best-in-class space available, as tenants demonstrate a willingness to pay a premium to occupy these buildings, as seen at The JJ Mack Building, EC1. In contrast, secondary buildings are becoming increasingly obsolete as tenant demand for these assets shrinks and tenant controlled secondary supply remains high. New build vacancy remains low at 1.4% whilst overall vacancy remains above the long-term average at 8.5%, driven by second-hand space which represents 67% of total availability in the central London market.





Our portfolio of best-in-class, sustainable buildings remains optimally placed to outperform the market in the current environment. Furthermore, Helical's expertise is well suited to take advantage of the challenges that face the sector and seize upon the undoubted opportunities that exist within the central London market."

Furthermore, energy intensive materials, such as concrete and plasterboard, remain exposed to future volatility as energy price protections are slowly released.

Moving forward, the expectation is for inflationary pressures to moderate, with property consultancy, Arcadis, predicting a more stable 3% building cost inflation forecast over the medium term, although uncertainty remains.

While we remain of the view that the opportunity exists to deliver best-in-class product into a supply constrained market, some investors will be reassessing business plans in light of significant rises in material and debt costs alongside an increasingly complex planning environment.

Deloitte's latest Crane Survey highlights new starts have begun to increase, with 4.4m sq ft of new sites commencing in the six months to 31 March 2023, across 50 schemes. Of these new starts, the trend towards refurbishment is also illustrated, with 37 of the 50 schemes recorded as refurbishment projects. These levels of development, while encouraging, will be insufficient to accommodate the 23.5m sq ft of lease expiries occurring up to 2027 on office space over 20,000 sq ft in London identified by Knight Frank, where tenants are likely to look for best-in-class alternative space.

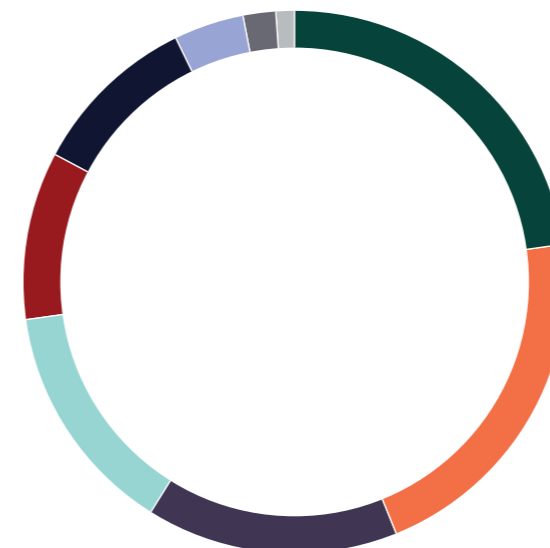
Alongside new starts, work will be required across central London to upgrade the existing unsustainable occupied buildings ahead of 2030, with c.75% of space currently below EPC B. With many assets facing obsolescence upon upcoming lease events, owners will be required to invest considerable capital to bring these assets back to the market in a manner which will be both sustainable and attractive to occupiers. At present a disparity continues to exist between the value expectations of buyers and sellers, driven partly by the mispricing of the costs of refurbishment. However, once the gap has sufficiently closed there will be good opportunity to acquire and reposition these assets, allowing us to take advantage of our skillset and track record.

### Overall

Our portfolio of best-in-class, sustainable buildings remains optimally placed to outperform the market in the current environment. Furthermore, Helical's expertise is well suited to take advantage of the challenges that face the sector and seize upon the undoubted opportunities that exist within the central London market.

### Our tenant make-up

Professional services	23%	Financial services	10%
Technology	21%	Retail	4%
Media	15%	Other	2%
Online leisure	14%	Government/charity	1%
Flexible office providers	10%		



### Occupational market

Following the Covid-19 related lockdowns, we have seen an extended period of stability enabling businesses to refine their workplace practices to reflect lower occupational densities and, while more flexible ways of working exist, there is still the need to accommodate peak occupancy. These trends have resulted in generally similar space requirements compared to pre-pandemic levels, with certain sectors expanding their footprint to accommodate growth and increasing amenity offerings to employees.

Increasingly businesses are encouraging employees to work primarily in the office and the sustained return to office working has exceeded the predictions of the more negative commentators. Employers and employees alike are experiencing the benefits to culture and innovation the office environment brings and this is apparent with take-up for 2022 up 28% on 2021 levels at 12.3m sq ft. Occupiers remain focused upon providing their employees with the optimal workplace environment and continue to seek buildings with the highest levels of amenity, connectivity, service and sustainability, which aligns with our portfolio characteristics.

The current macroeconomic turbulence has had contrasting impacts on sectors throughout the economy. While the technology sector has experienced a year of rebalancing, the banking, finance and professional services sectors have demonstrated their resilience and make up 61% of the 9.0m sq ft of active demand in the market as at February 2023, according to global real estate consultancy JLL.

Occupiers are not immune to cost pressures, with rising fit-out costs and operational energy price increases impacting the all-in cost of occupation, and this may moderate the pace of rental growth in the short term for the best space. However, the benefits of investment in best-in-class product should translate into continued and strong demand from occupiers across a variety of sectors.

### Development pipeline

The past year has seen significant construction cost inflation, peaking within the London market at over 10% in 2022. The impact of energy price rises and imbalances in supply and demand dynamics for key materials as well as labour shortages have all contributed to persistently high inflation. The effect of rising building costs upon the sector is nuanced with the broad headline rate only partially articulating the wider picture, with specific areas of the construction sector including steel, rebar and structural timber seeing greater levels of inflation.



We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

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

# The Helical difference



## 01

### Sustainable business model

Sustainability is at the core of all activities at Helical. We recognise the impact the buildings we develop have on the environment and are focused on reducing our carbon footprint throughout a property's lifecycle, achieving Net Zero by 2030.

→ See page 54

## 02

### Best-in-class portfolio

Helical holds a portfolio of newly developed or recently refurbished high quality office assets with attractive amenities and excellent sustainability credentials. They are located in culturally rich sub-markets which benefit from excellent transport links, attracting a diverse range of clients.

→ See page 24

## 03

### A customer focused approach

Helical creates buildings which appeal to occupiers looking for design led, sustainable and amenity rich workplaces, and that support talent attraction and retention. Whether the properties are built from the ground up, or are re-imagined existing assets, they aim to be best-in-class, respecting the history and culture of the area. Once complete and let, Helical applies the same philosophy of excellence to its ongoing asset management, ensuring the occupiers receive the very best service.

→ See page 18

## 04

### Market knowledge and relationships

With over 35 years' experience as a property company, through multiple property cycles, Helical has developed a comprehensive knowledge of the market and built an extensive network from which it can source new development opportunities and access capital.

→ See page 8

## 05

### Robust financial position

The Group uses gearing on a tactical basis, increasing it to accentuate returns in a rising market, or reducing debt to prepare for more challenging times whilst retaining firepower to take advantage of opportunities that arise.

→ See page 38

## 06

### Strong track record

Each of the Executive Directors has over 28 years of experience at Helical. Acting with integrity and supported by a dynamic and collaborative team, they have developed award-winning buildings that appeal to the most demanding of occupiers.

→ See page 90



# Our strategy

To create value for Shareholders and society in a sustainable way, delivering market leading returns by developing customer focused and design led properties, letting them to a diverse tenant base, and applying a proactive approach to asset management.

## Why Helical?

We are a property development and investment business with a sustainability-led and stakeholder-focused value proposition:

### Our Vision

To develop the most sustainable, technologically advanced, wellness promoting and amenity rich offices.

### Our Purpose

"We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

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

Our Purpose forms the foundation of our strategy.

We have five pillars which support our strategy:

## 01 Growth

**Maximise Shareholder returns** by increasing the net asset value of the Group through capital gains and growing our rental income stream to cover dividends.

### Strategic priorities

Deliver long-term sustainable growth.

Clear focus on Total Shareholder Return, delivering capital growth and income.

Purpose and Values embedded effectively in the operational policies and practices of the Group.

Incentivise management to outperform the Group's competitors by setting challenging performance targets, against which rewards are measured.

### 2022/23 Achievements/value creation

TOTAL SHAREHOLDER RETURN (3 YEAR)	-2.5%
EPRA NTA	493p
EPRA EARNINGS PER SHARE	9.4p

### Associated information

#### Key performance indicators

- Total Shareholder Return
- Total Accounting Return
- EPRA Total Accounting Return
- EPRA Net Tangible Assets

#### Principal associated risks

- Poor management of stakeholder relations and non-compliance with prevailing legislation, regulation and best practice
- Geopolitical and economic
- The Group's strategy is inconsistent with the market
- Significant business disruption/external catastrophic event
- cyber-attacks to our business and our buildings

#### Relevant stakeholders

- Shareholders
- Employees

## 02 Property

**Manage a "best-in-class", balanced portfolio** with a clear market focus, combining assets with significant development and asset management potential with a strong rental income stream.

### Strategic priorities

A focus on London, delivering income growth from asset management and capital gains from development activity.

Locate sites where complexity presents opportunity to add significant value through innovative development and asset management.

Maximise income through attracting a diverse and financially robust portfolio of tenants.

Continue a culture that is committed to the highest standards in health and safety.

Improve the communities in which we are active and ensure sustainability underpins our approach.

### 2022/23 Achievements/value creation

TOTAL PROPERTY RETURN (1 YEAR)	-5.6%
TOTAL PROPERTY RETURN (3 YEAR)	3.8%

### Associated information

#### Key performance indicators

- MSCI Property Index (1 Year)
- MSCI Property Index (3 Year)

#### Principal associated risks

- Property values decline/reduced tenant demand for space
- The Group carries out significant development projects
- Health and safety risk

#### Relevant stakeholders

- Occupiers (tenants/customers)
- Suppliers and contractors
- Local communities



# 03 Sustainability

Ensure that sustainability is at the heart of our business decisions creating a portfolio which is futureproofed for all our stakeholders.

Strategic priorities	
Transition to a Net Zero carbon business.	
Buy, use and re-use resources efficiently.	
Bring social, economic and environmental benefits to the areas in which we operate.	
Design and operate our buildings to support health and wellbeing.	
2022/23 Achievements/value creation	
EMBODIED CARBON OF THE JJ MACK BUILDING, EC1, AHEAD OF 2030 RIBA TARGET	741 kgCO <sub>2</sub> e/m <sup>2</sup>
COMPLETED BUILDINGS, BY VALUE, WITH AN EPC OF A OR B	99%
Associated information	
<b>Key performance indicators</b>	
• BREEAM and EPC ratings	
<b>Principal associated risks</b>	
• Climate change	
<b>Relevant stakeholders</b>	
• Occupiers (tenants/customers)	
• Local communities	
• Government and regulatory bodies	

# 04 People

Attract and retain the best people encouraging their development and progression to ensure future succession is secured.

Strategic priorities	
Small and empowered core team supported by valued advisors to allow scalability.	
Work with joint venture partners to increase project scale and to manage risk.	
Clear plan for succession.	
Strong relationships and a reputation which generates off-market opportunities.	
A trusted team of external consultants to enable us to deliver quickly and to a very high standard.	
2022/23 Achievements/value creation	
AVERAGE STAFF RETENTION	92.3%
AVERAGE LENGTH OF EMPLOYEE SERVICE	13.2 years
Associated information	
<b>Key performance indicators</b>	
• Average length of employee service	
• Average staff turnover	
<b>Principal associated risks</b>	
• Our people and relationships with business partners and reliance on external parties	
<b>Relevant stakeholders</b>	
• Employees	
• Partners	
• Suppliers and contractors	

# 05 Financing

Operate a sustainable capital structure in which the core business costs are covered by income from the investment portfolio. Use gearing on a tactical basis throughout the cycle to accentuate returns.

Strategic priorities	
Maintain an appropriate risk-adjusted LTV.	
Use of joint venture structures to manage risk and maximise returns.	
Strong banking relationships for quick access to finance at competitive pricing.	
Build cash reserves to cope with market fluctuations and take advantage of opportunities as they arise.	
2022/23 Achievements/value creation	
SEE-THROUGH AVERAGE COST OF SECURED FACILITIES	3.4%
LOAN TO VALUE	27.5%
Associated information	
<b>Principal associated risks</b>	
• Availability and cost of bank borrowing, cash resources and potential breach of loan covenants	
<b>Relevant stakeholders</b>	
• Shareholders	
• Partners	

## Goals for 2024

- Maintain effective channels of engagement with our stakeholders
- Fully-let The JJ Mack Building, EC1 development
- Progress our joint venture with TFL
- Acquire new schemes
- Commence development of 100 New Bridge Street, EC4 and arrange appropriate finance
- Continue to be recognised as a leading supplier of sustainable office buildings in London
- Continue our pathway to Net Zero

## Our business model – Delivering against our strategy

We are confident that the successful delivery of our strategy in recent years means we are well positioned, with our Grade A buildings offering an appealing environment for businesses seeking high quality space.

Our business model, which informs how the Company operates and how value is created for our stakeholders, is designed to deliver the Group's strategy.

Given the relationship between Helical's strategy and its business model, the Board keeps the business model under constant review throughout the year to ensure it aligns with the Group's strategy. An annual evaluation of the business model is undertaken as part of the Annual Strategy Review (for more information please see page 94 of the Corporate Governance Report).



→ See page 18



# Building value

Our Purpose forms the foundation of our strategy which, through the application of our business model, drives long-term, sustainable growth and value for all our stakeholders.

## Our Purpose

Underpinned by

## Our Values and Culture

Aligned with

## Our Strategy

### Our strategic pillars:

- Growth
- Property
- Sustainability
- People
- Financing

→ See pages 14 to 17

## External opportunities and threats

We respond to external opportunities and mitigate threats coming from:

### Our market

The London office property market.

→ See page 8

### Risks

Strategic, Operational, Financial and Reputational risks considered over short, medium and long-term timescales.

→ See page 44

## Resources

The assets, skills and knowledge to create our competitive advantage:

### Property

A high quality portfolio of land, buildings and identified future opportunities.

### People and culture

A motivated, qualified and experienced team.

### Market expertise

Comprehensive knowledge of the markets in which we operate, built through multiple property cycles.

### Relationships and reputation

An extensive network of joint venture partners, advisors and industry contacts. A long-standing reputation for speed of execution and excellence in delivery.

### Financing

A strong financial position with access to a variety of sources of funds, from Shareholder capital to external borrowings.

## Business activities



### 01/ Structure and funding

#### Long term

Use our own capital combined with external debt where we see value in holding an asset for long-term income and capital growth.

#### Short/Medium term

Identify a joint venture partner, limiting our capital commitment and risk exposure, whilst linking our return to performance.

### 02/ Develop

Actively manage our assets throughout their development, working with trusted suppliers and focusing on quality, efficiency and safety.

### 03/ Let

Look to let our properties on flexible terms to a diverse, financially robust tenant base.

### 04/ Manage

Through proactive asset management we drive the rental value forward whilst maximising occupancy.

## Value creation

Enhanced value for reinvestment or realisation

### Property

£681.7m

Investment property value

3.8%

Total Property Return (3 year)

5

Office buildings certified or targeting BREEAM "Excellent" or above

### People and culture

92.3%

Average staff retention

13.2 years

Average length of employee service

### Market expertise

3

Sites for development in joint venture with TfL

### Relationships and reputation

98.9%

Of all contracted rent collected

### Financing

3.4%

See-through average cost of debt

27.5%

Loan to value



We measure our performance against our strategic objectives, using several financial and non-financial Key Performance Indicators (“KPIs”).

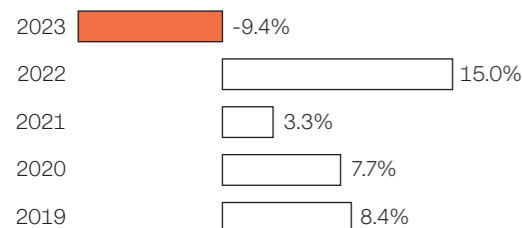
# Measuring our performance

The KPIs have been selected as the most appropriate measures to assess our progress in achieving our strategy, successfully applying our business model and generating value for our Shareholders.

We design our remuneration packages to align management’s interests with Shareholders’ aspirations.

## TOTAL ACCOUNTING RETURN

# -9.4%



### Description

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

### Performance

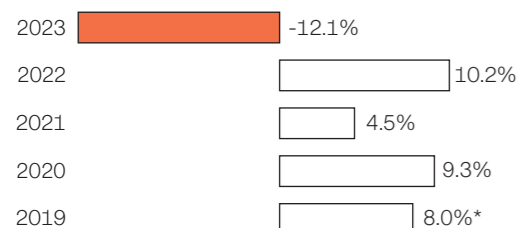
The Group targets a Total Accounting Return of 5-10%. The Total Accounting Return on IFRS net assets in the year to 31 March 2023 was -9.4% (2022: 15.0%).

**Link to remuneration Annual Bonus Scheme 2018**  
40% of the maximum bonus is payable based on the Total Accounting Return (growth in net asset value plus dividends).

**Link to strategic pillar**  
• Growth

## EPRA TOTAL ACCOUNTING RETURN

# -12.1%



### Description

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

### Performance

The Group targets an EPRA Total Accounting Return of 5-10%. The Total Accounting Return on EPRA net assets in the year to 31 March 2023 was -12.1% (2022: 10.2%).

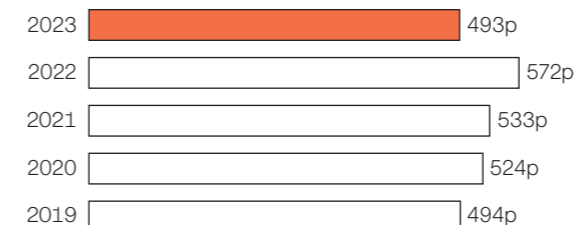
**Link to remuneration Annual Bonus Scheme 2018**  
40% of the maximum bonus is payable based on the EPRA Total Accounting Return (growth in net asset value plus dividends).

**Link to strategic pillar**  
• Growth

\* Calculated using EPRA net assets.

## EPRA NET TANGIBLE ASSET VALUE PER SHARE

# 493p



### Description

The Group’s main objective is to maximise growth in net asset value per share, which we seek to achieve through increases in investment portfolio values and from retained earnings from other property related activity. EPRA net tangible asset value per share is the property industry’s preferred measure of the proportion of net assets attributable to each share as it includes the fair value of net assets on an ongoing long-term basis. The adjustments to net asset value to arrive at this figure are shown in Note 34 to the financial statements.

### Performance

The Group targets increasing its net assets, of which EPRA net tangible asset growth is a key component.

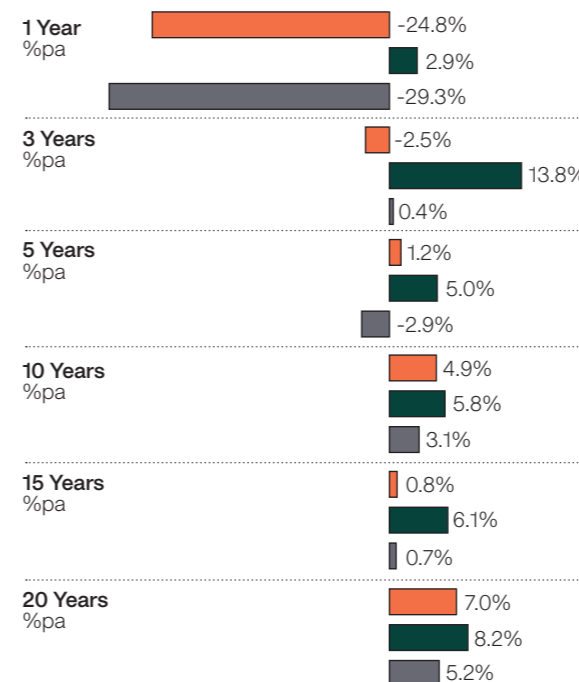
The EPRA net tangible asset value per share at 31 March 2023 was 493p (31 March 2022: 572p).

**Link to remuneration Performance Share Plan 2014**  
37.5% (2024: 40%) of the maximum Performance Share Plan (“PSP”) award is based on the compound growth in net asset value (“NAV”) over three years.

**Link to strategic pillar**  
• Growth

## TOTAL SHAREHOLDER RETURN

# -24.8%



### Description

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

### Performance

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

The Total Shareholder Return in the year to 31 March 2023 was -24.8% (2022: 1.7%).

### Link to remuneration

**Performance Share Plan 2014**  
37.5% (2024: 40%) of the maximum PSP award is based on the Group’s TSR performance compared with its peers.

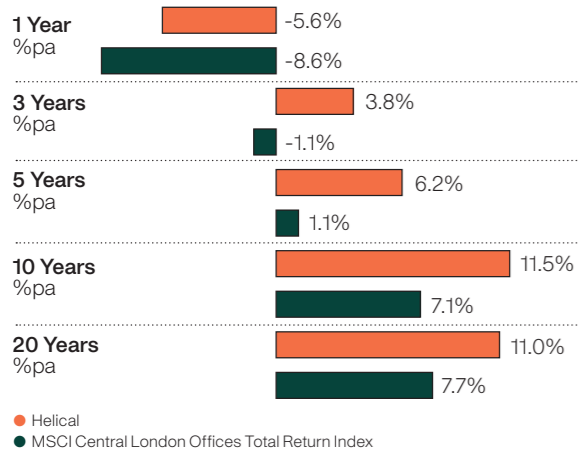
**Link to strategic pillar**  
• Growth

● Growth over all years to 31/03/23.  
● Growth in FTSE All-Share Return Index over all years to 31/03/23.  
● Growth in FTSE 350 Real Estate Super Sector Return Index over all years to 31/03/23.



### MSCI PROPERTY INDEX

# -5.6%



Source: MSCI

#### Description

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

#### Performance

MSCI has compared the ungeared performance of Helical's total property portfolio against that of portfolios within MSCI for over 20 years. Helical's ungeared performance for the year to 31 March 2023 was -5.6% (2022: 10.7%). This compares to the MSCI Central London Offices Total Return Index of -8.6% (2022: 7.9%) and the upper quartile return of -5.4% (2022: 9.9%).

Helical's share of the development portfolio (<1% of gross property assets) is included in its performance, as measured by MSCI, at the lower of book cost or fair value and uplifts are only included on the sale of an asset.

#### Link to remuneration

**Annual Bonus Scheme 2018**  
30% (2024: 20%) of the Annual Bonus Scheme 2018 performance criteria is based on the Group's performance compared to the MSCI Central London Offices Capital Index, with target performance being to match the index and outperformance exceeding it by 4.5%.

**Performance Share Plan 2014**  
25% (2024: 20%) of the maximum PSP award is based on the Group's performance as compared with the performance of the MSCI Central London Offices Total Return Index over three years.

#### Link to strategic pillar

- Property

### BREEAM AND EPC RATINGS

Building	BREEAM rating	EPC rating
<b>Completed properties</b>		
The JJ Mack Building, EC1	Outstanding (2018) <sup>1</sup>	A
The Warehouse and Studio, EC1	Excellent (2014)	B
The Tower, EC1	Excellent (2014)	B
25 Charterhouse Square, EC1	Excellent (2014)	B
<b>Development pipeline</b>		
100 New Bridge Street, EC4	Outstanding (2018) <sup>2</sup>	A <sup>2</sup>

<sup>1</sup> Certified at design stage.  
<sup>2</sup> Targeted.

At the Loom, E1, it was not possible to obtain a BREEAM certification at the design or development stage, however, the building achieved a BREEAM In Use rating of "Very Good", a high accolade given the listed status of the building.

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

#### Description

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

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

#### Performance

At 31 March 2023, five of our seven (31 March 2022: seven of our ten) office buildings had achieved, or were targeting, a BREEAM certification of "Excellent" or "Outstanding". These five buildings account for c.88% of the portfolio by value.

#### Link to remuneration

**Annual Bonus Scheme 2018**  
10% of the maximum annual bonus is payable based on meeting ESG objectives.

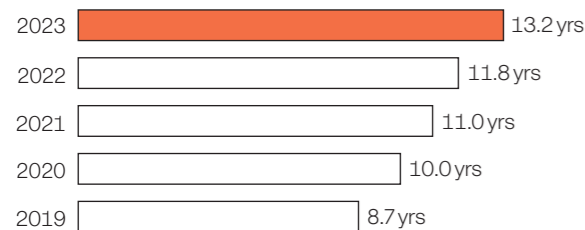
#### Link to strategic pillar

- Sustainability

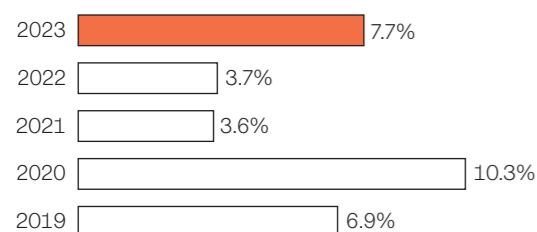
### AVERAGE LENGTH OF EMPLOYEE SERVICE AND AVERAGE STAFF TURNOVER

# 13.2 yrs

#### Average length of service at 31 March – years



#### Staff turnover during the year to 31 March – %



#### Description

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

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

#### Performance

The average length of service of the Group's employees at 31 March 2023 was 13.2 years and the average staff turnover during the year to 31 March 2023 was 7.7%.

#### Link to remuneration

**Annual Bonus Scheme 2018**  
Deferred shares awarded under the Annual Bonus Scheme 2018 are required to be held for a period of three years.

**Performance Share Plan 2014**  
These awards have a three-year vesting period and Executive Directors are required to hold them for a further two years after they vest.

#### Share Incentive Plan 2002

These awards are made to all staff and are required to be held for a period of three years.

#### Link to strategic pillar

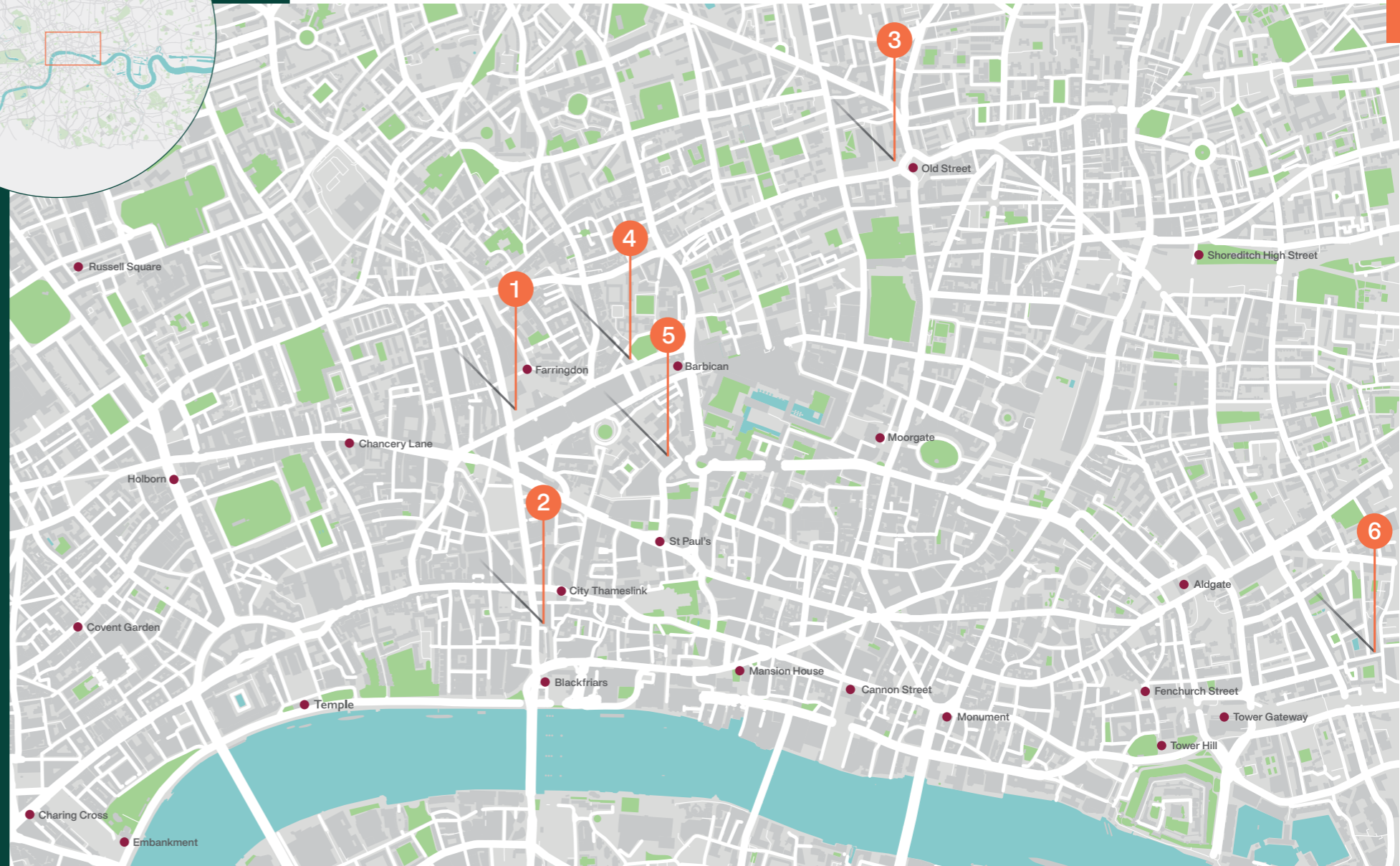
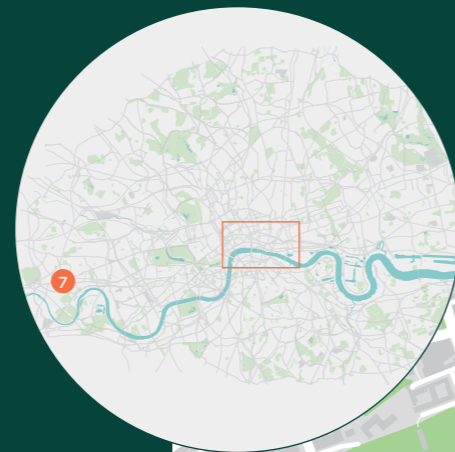
- People



# London Portfolio

Helical's portfolio is comprised of income-producing multi-let offices and office refurbishments and developments, all located in central London within 12 minutes of the Elizabeth Line. Our strategy is to continue to increase our central London holdings, focusing on areas where we see strong tenant demand and growth potential for our best-in-class office led schemes.

- 1 The JJ Mack Building EC1
- 2 100 New Bridge Street EC4
- 3 The Bower EC1
- 4 25 Charterhouse Square EC1
- 5 Barts Square EC1
- 6 The Loom E1
- 7 The Powerhouse W4





# The JJ Mack Building, EC1

The development of our 206,050 sq ft office building, in 50:50 joint venture with AshbyCapital, achieved practical completion on 30 September 2022. The JJ Mack Building, named after the market trader who occupied the site in the 1940s, is one of London's smartest and most sustainable new office buildings.

**42% lower embodied carbon** than the RIBA benchmark

**11.7% premium** to 31 March 2022 ERV on letting of sixth and seventh floors

**206,050 sq ft** office reached practical completion on 30 September 2022

The building is situated in vibrant Midtown, just 100m from Farringdon Station and the Elizabeth Line, which provides occupiers with unparalleled connectivity. The building has adopted market leading technologies, design and operational practices so that it is highly sustainable. This commitment to market leading sustainability has been recognised by a BREEAM 2018 New Construction "Outstanding" rating at the design stage which is currently being reconfirmed post completion, an EPC A rating and an anticipated NABERS 5 Star rating. It also provides a technologically pioneering environment for occupiers with smart building systems and a fully integrated building management app for tenants.

In November 2022, we completed the first letting of the sixth and seventh floors, comprising 37,880 sq ft, to Partners Group, a leading global private markets firm, for its new London office.

## SUSTAINABILITY RATINGS

BREEAM	Outstanding <sup>1</sup>
NABERS	5 <sup>2</sup>
EPC	A

<sup>1</sup> Certified at design stage.  
<sup>2</sup> Targeted.



→ Find out more:  
[helical.co.uk/our-portfolio](https://helical.co.uk/our-portfolio)







# 100 New Bridge Street, EC4

The City of London has resolved to grant planning permission and the formal decision notice will be issued upon signing of the Section 106 Agreement for the substantial redevelopment of this 1990s office building, located adjacent to City Thameslink and a short walk from Farringdon and Blackfriars stations. Work to deliver the scheme will commence in November 2023 when vacant possession of the building, currently occupied by Baker McKenzie, is achieved. The building is targeted for completion in spring 2025.

This major refurbishment will achieve the highest standards of sustainability through the retention of the existing structure, with three facades reclad, and the re-use of materials wherever possible. The new building will provide high quality tenant amenities, including extensive cycle parking and changing facilities, and will be equipped with the latest technology to create a new best-in-class office building. We are targeting BREEAM "Outstanding", EPC A, NABERS 5 Star and WELL Platinum.

Two new floors will be added to the building, increasing the net internal area from 167,026 sq ft to 192,000 sq ft. Extensive outdoor space will be incorporated, including an impressive 5,000 sq ft terrace on the eighth floor overlooking St Paul's Cathedral and St Bride's Church. We will also undertake significant public realm improvements around the site in conjunction with the City of London to enhance the arrival experience and benefit the wider community.

Acquired in March 2022 and currently occupied by international law firm Baker McKenzie

Originally developed in 1992, the building will be sustainably refurbished to deliver a best-in-class modern office

192,000 sq ft office building, with two new floors

## SUSTAINABILITY RATINGS

BREEAM	Outstanding <sup>1</sup>
NABERS	5* <sup>1</sup>
EPC	A <sup>1</sup>

1 Targeted

Find out more: [helical.co.uk/our-portfolio](https://helical.co.uk/our-portfolio)





**Sold**  
to ChinaChem Group  
on 21 September 2022  
at a NIY of 4.25%

**Entire building let**  
to TikTok Information  
Technologies UK Limited  
for a 15-year term

**88,581 sq ft**  
office located directly  
above the newly opened  
Farringdon East  
Elizabeth Line station



# The Bower, EC1

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

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

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

We have let the 12th floor, previously occupied by Brilliant Basics, to Stenn on a five-year lease at a rent which is in line with the 31 March 2022 ERV. We expect the 14th floor to be returned in May 2023 when existing tenants, Snowflake, vacate to take expansion space elsewhere and the floor will be marketed as a fitted option for tenants.

SUSTAINABILITY RATINGS	
BREEAM	Excellent
EPC	B

**312,573 sq ft**  
of innovative, high  
quality office space

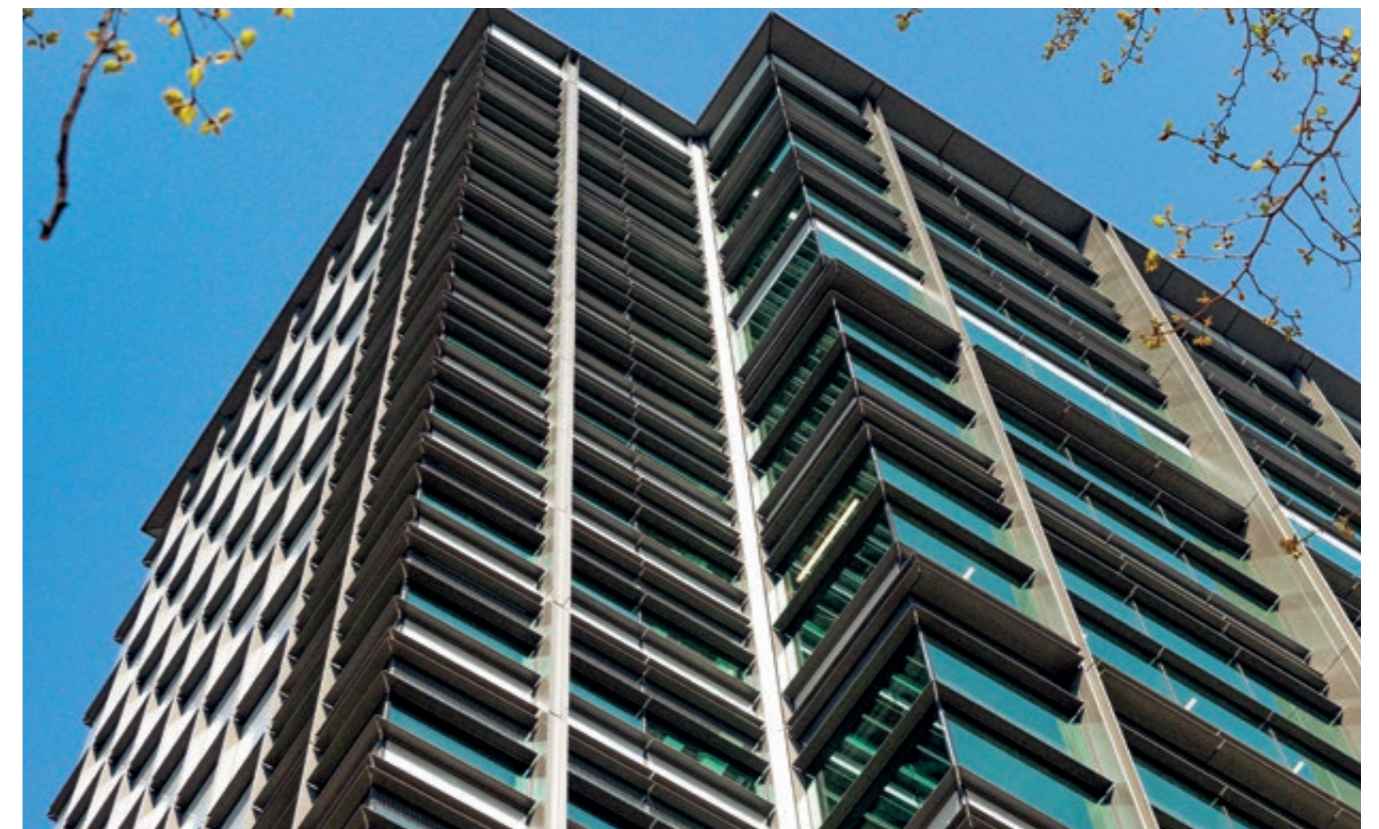
**21,059 sq ft**  
of restaurant  
and retail space

**100% of offices let**  
across The Warehouse,  
The Studio and  
The Tower

# Kaleidoscope, EC1

Helical completed the sale of the single asset company which held the long leasehold interest in Kaleidoscope to Chinachem Group on 21 September 2022. The 88,581 sq ft office building, which was let in its entirety to TikTok Information Technologies UK Limited on a 15-year lease term at an annual rent of £7.6m, was sold for a headline disposal price of £158.5m. The sale reflected a net initial yield of 4.25% and a premium to the 31 March 2022 book value and represented a record capital value per square foot for the sub-market at £1,789 psf.

SUSTAINABILITY RATINGS	
BREEAM	Excellent
EPC	B





# Barts Square, EC1

**Sales completed**  
of all 236 apartments

**55 Bartholomew**  
Sold during the year  
for a NIY of 4.5%

**Winner**  
of Housing Design Award  
and RIBA London Award



## Residential/Retail

At Barts Square, EC1, we have completed the sale of 14 apartments in the year and post year end completed the sale of the last remaining unit in this 236 unit residential scheme. We also completed the sale of the ground rent investment to the residents of Barts Square.

We have completed four new retail lettings comprising 9,219 sq ft in the year. These lettings to Michelin-starred Restaurant St Barts, Lap Bikes, MyLuthier and Athletic Fitness/Little Farm have enhanced the extensive amenity across the 3.2 acre Barts Square estate. One retail unit remains available.

## 55 Bartholomew

At 55 Bartholomew, EC1 we completed the sale of the comprehensively refurbished 10,976 sq ft office building to a private European investor for £16.5m (Helical share £8.2m). The sale price reflected a net initial yield of 4.5% and represents a premium to book value, net of rental top ups.



# The Loom, E1

At this 106,838 sq ft former Victorian wool warehouse, we have completed two new lettings, totalling 6,999 sq ft, and have continued our active asset management with existing tenants moving units to accommodate business changes.

## SUSTAINABILITY RATINGS

EPC B

**6,999 sq ft**  
let across two units  
at a 4.5% premium to  
31 March 2022 ERV

# 25 Charterhouse Square, EC1

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

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

## SUSTAINABILITY RATINGS

EPC B



**1,880 sq ft**  
ground floor unit  
let to SolidNature

# The Power House, W4

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

## SUSTAINABILITY RATINGS

EPC C





# Trinity, Manchester

We simultaneously exchanged and completed contracts in May 2022 for the sale of Trinity, to clients of Mayfair Capital, for £34.6m (£590 psf), reflecting a net initial yield of 5.0%. The sale represented a premium to book value, net of rental top ups. Helical acquired the property in May 2017 for £12.9m and undertook a comprehensive remodelling and refurbishment to deliver 58,533 sq ft of modern office space across ground and seven upper floors, which was 76% let to eight occupiers upon disposal. Its sale concluded the disposal of Helical's Manchester office portfolio.



**Sold for £34.55m** in May 2022 reflecting a NIY of 5.0%. **58,533 sq ft** office refurbishment

## SUSTAINABILITY RATINGS

EPC B

# The Platinum Portfolio, London



Helical was selected in February 2023 by Transport for London's wholly owned commercial property company, TTL Properties Limited, as the preferred investment partner for its commercial office portfolio joint venture. Contracts are expected to be signed shortly to formalise the joint venture. The portfolio will create well-connected, sustainable and inclusive workspaces across central London and initially will be seeded with three over-station development sites, namely:

### Bank Over-Station Development

Located above the recently opened Bank station entrance on Cannon Street. This eight-storey office development will measure 142,000 sq ft and the joint venture intends to start on site in 2024 with practical completion expected in late 2026.

### Southwark Over-Station Development

Located above Southwark Tube station. The scheme has consent for a 220,000 sq ft hybrid timber office building over 17 storeys. The joint venture is expected to start on site in 2025 with practical completion expected in 2028.

### Paddington Over-Station Development

Located on the Grand Union Canal, close to the Elizabeth Line station at Paddington. This 19-storey building will provide 235,000 sq ft of office space and construction is expected to commence in 2026, with practical completion expected in 2029.

The joint venture company will purchase leasehold interests in the sites from TfL and establish individual property companies for each of the sites. The sites will then be developed directly by the companies, which are to be funded with equity and debt. It is anticipated that other properties and development opportunities will be acquired by the joint venture in the future, expanding the partnership's portfolio, subject to feasibility and assessment.

## The property portfolio in numbers

### Portfolio analytics

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

	Investment £m	Investment %	Development £m	Development %	Total £m	Total %
London Offices						
– Completed properties	699.9	83.4	–	–	699.9	83.3
– Development pipeline	139.5	16.6	–	–	139.5	16.6
London Residential	–	–	0.6	62.0	0.6	0.1
<b>Total London</b>	<b>839.4</b>	<b>100.0</b>	<b>0.6</b>	<b>62.0</b>	<b>840.0</b>	<b>100.0</b>
Other	0.1	0.0	0.3	38.0	0.4	0.0
<b>Total Non-Core Portfolio</b>	<b>0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>38.0</b>	<b>0.4</b>	<b>0.0</b>
<b>Total</b>	<b>839.5</b>	<b>100.0</b>	<b>0.9</b>	<b>100.0</b>	<b>840.4</b>	<b>100.0</b>

#### SEE-THROUGH LAND AND DEVELOPMENT PORTFOLIO

	Book value £m	Fair value £m	Surplus £m	Fair value %
London Residential	0.6	0.6	–	62.0
Land and Developments	–	0.3	0.3	38.0
<b>Total</b>	<b>0.6</b>	<b>0.9</b>	<b>0.3</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's share) £m	Pre-redeveloped space sq ft	New space sq ft	Total completed space sq ft	Completion date
<b>Investment – committed</b>						
– The JJ Mack Building, EC1	66.0	1.7	–	206,050	206,050	September 2022
<b>Investment – planned</b>						
– 100 New Bridge Street, EC4	119.8	116.8	167,026	24,974	192,000	Q2 2025

### ASSET MANAGEMENT

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

Investment portfolio	Fair value weighting %	Passing rent £m	Contracted rent £m	ERV £m	ERV change like-for-like %
London Offices					
– Completed properties	83.4	27.9	31.9	43.5	3.0
– Development pipeline	16.6	7.1	7.1	16.8	13.1
<b>Total London</b>	<b>100.0</b>	<b>35.0</b>	<b>39.0</b>	<b>60.3</b>	<b>5.6</b>
Other	0.0	0.0	0.0	0.1	0.0
<b>Total</b>	<b>100.0</b>	<b>35.0</b>	<b>100.0</b>	<b>60.4</b>	<b>5.6</b>

	See-through total portfolio contracted rent £m
Rent lost at break/expiry	(1.6)
Rent reviews and uplifts on lease renewals	0.1
New lettings	3.4
<b>Total increase in the year from asset management activities</b>	<b>1.9</b>
Contracted rent reduced through disposals of London Offices	(7.9)
Contracted rent reduced through disposals of Manchester Offices	(1.4)
<b>Total contracted rental change from sales</b>	<b>(9.3)</b>
<b>Net decrease in contracted rents in the year</b>	<b>(7.4)</b>

## Investment portfolio

### VALUATION MOVEMENTS

	Valuation change incl. sales and purchases %	Valuation change excl. sales and purchases %	Investment portfolio weighting 31 March 2023 %	Investment portfolio weighting 31 March 2022 %
London Offices				
– Completed properties	(6.4)	(8.5)	83.4	71.5
– Development pipeline	(17.3)	(17.3)	16.6	25.7
<b>Total London</b>	<b>(8.1)</b>	<b>(10.1)</b>	<b>100.0</b>	<b>97.2</b>
Manchester Offices				
– Completed properties	4.9	–	–	2.8
<b>Total Manchester</b>	<b>4.9</b>	<b>–</b>	<b>–</b>	<b>2.8</b>
<b>Total</b>	<b>(7.7)</b>	<b>(10.1)</b>	<b>100.0</b>	<b>100.0</b>

### PORTFOLIO YIELDS

	EPRA topped up NIY 31 March 2023 %	EPRA topped up NIY 31 March 2022 %	Reversionary yield 31 March 2023 %	Reversionary yield 31 March 2022 %	True equivalent yield 31 March 2023 %	True equivalent yield 31 March 2022 %
London Offices						
– Completed properties	4.1	4.2	5.7	4.8	5.6	4.9
– Development pipeline	3.6	4.2	5.1	4.5	4.9	4.2
<b>Total London</b>	<b>4.0</b>	<b>4.2</b>	<b>5.5</b>	<b>4.7</b>	<b>5.4</b>	<b>4.6</b>
Manchester Offices						
– Completed properties	–	4.1	–	5.4	–	5.3
<b>Total Manchester</b>	<b>–</b>	<b>4.1</b>	<b>–</b>	<b>5.4</b>	<b>–</b>	<b>5.3</b>
<b>Total</b>	<b>4.0</b>	<b>4.2</b>	<b>5.5</b>	<b>4.7</b>	<b>5.4</b>	<b>4.6</b>

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

	Capital value 31 March 2023 £ psf	Capital value 31 March 2022 £ psf	Vacancy rate 31 March 2023 %	Vacancy rate 31 March 2022 %	WAULT 31 March 2023 Years	WAULT 31 March 2022 Years
London Offices						
– Completed properties	1,166	1,289	19.8	6.9	5.8	6.3
– Development pipeline	835	1,086	2.6	0.0	0.7	1.7
<b>Total London</b>	<b>1,104</b>	<b>1,213</b>	<b>16.1</b>	<b>5.4</b>	<b>5.0</b>	<b>5.6</b>
Manchester Offices						
– Completed properties	–	530	–	23.9	–	6.1
<b>Total Manchester</b>	<b>–</b>	<b>530</b>	<b>–</b>	<b>23.9</b>	<b>–</b>	<b>6.1</b>
<b>Total</b>	<b>1,104</b>	<b>1,175</b>	<b>16.1</b>	<b>6.7</b>	<b>5.0</b>	<b>5.6</b>

### SEE-THROUGH LEASE EXPIRIES OR TENANT BREAK OPTIONS – EXCLUDING DEVELOPMENT PIPELINE

	Year to 2024	Year to 2025	Year to 2026	Year to 2027	Year to 2028	2028 onward
% of rent roll	17.9	12.5	2.3	12.1	31.7	23.5
Number of leases	18	15	7	9	14	21
Average rent per lease (£)	317,049	264,590	104,473	427,481	720,457	356,483

### TOP 15 TENANTS

We have a strong rental income stream and a diverse tenant base. The top 15 tenants account for 79.4% of the total rent roll.

Rank	Tenant	Tenant industry	Contracted rent £m	Rent roll %
1	Baker McKenzie	Legal services	7.0	17.9
2	Farfetch	Online retail	4.3	11.1
3	WeWork	Flexible offices	4.0	10.2
4	Brilliant Basics	Technology	2.4	6.1
5	VMware	Technology	2.2	5.6
6	Partners Group	Financial services	1.9	4.8
7	Anomaly	Marketing	1.4	3.6
8	Viacom	Media	1.2	3.0
9	Allegis	Media	1.1	2.7
10	Dentsu	Marketing	1.1	2.7
11	Stripe	Financial services	1.0	2.5
12	Verkada	Technology	1.0	2.5
13	Incubeta	Marketing	0.9	2.4
14	Openpayd	Financial services	0.9	2.3
15	Snowflake	Technology	0.8	2.0
<b>Total</b>			<b>31.2</b>	<b>79.4</b>

### LETTING ACTIVITY – NEW LEASES

	Area sq ft	Contracted rent (Helical's share) £	Rent £ psf	Change to 31 March 2022 ERV (exc Plug and Play and managed lettings) %	Average lease term to expiry Years
Investment Properties					
London					
– The Tower, EC1	9,572	766,000	80.00	0.1	5.0
– The Loom, E1	6,999	402,000	57.50	4.5	5.5
– 25 Charterhouse Square, EC1	1,880	141,000	75.00	0.0	5.0
– The JJ Mack Building, EC1	37,880	1,892,000	99.90	11.7	15.0
<b>Offices Total</b>	<b>56,331</b>	<b>3,201,000</b>	<b>85.61</b>	<b>7.3</b>	<b>11.0</b>
Barts Retail, EC1	9,219	162,000	35.04	0.4	12.5
<b>Retail Total</b>	<b>9,219</b>	<b>162,000</b>	<b>35.04</b>	<b>0.4</b>	<b>12.5</b>
<b>Total</b>	<b>65,550</b>	<b>3,363,000</b>	<b>80.06</b>	<b>6.9</b>	<b>11.2</b>





**Tim Murphy**  
Chief Financial Officer

Helical aims to deliver market leading returns by investing in and developing real estate that best serves the needs of its tenants and maximises value for its Shareholders.

# 2023 Performance

## Financial highlights

### Overview

In the year to 31 March 2023, the Group made significant progress across the board against its targets for the year. With growth in net rental income, a good level of development profits, reduced administration costs (with savings in core administration costs to come next year) and lower finance costs as the Group continues to benefit from its hedging strategy, EPRA earnings grew to £11.5m, or 9.4p per share compared to £6.4m or 5.2p last year. In addition, the Group disposed of £233m (our share £213m) of properties at 3.7% above book value, reducing its LTV to 27.5% (2022 restated: 35.0%) and increasing cash and undrawn bank facilities.

However, the overall results for the year reflect the impact on the London office market of the challenging environment we have faced over the last 12 months, with the UK experiencing persistently high inflation and rising finance costs, as well as political instability. These factors have impacted on bond yields with a consequent outward shift in valuation yields and significant valuation declines across the portfolio, partially offset by a revaluation gain at The JJ Mack Building, EC1. These net valuation losses have turned what would have been a profitable year into a net loss.

### Results for the year

The loss for the year of £64.5m (2022: profit of £88.9m) includes revenue from rental income and development management of £49.8m, offset by direct costs of £13.6m. The profit from joint venture activities added £3.5m and the net loss on sale and revaluation of investment properties was £93.3m. Administration expenses of £12.8m and net finance costs of £10.9m were offset by a gain in fair value of derivatives of £12.8m.

The Group holds a significant proportion of its property assets in joint ventures. As the risks and rewards of ownership of these underlying

### IFRS PERFORMANCE

#### LOSS AFTER TAX

**£64.5m**

(2022: profit of £88.9m)

#### LOSS PER SHARE (EPS)

**52.6p**

(2022: earnings of 72.8p)

#### DILUTED NAV PER SHARE

**489p**

(31 March 2022: 551p)

#### TOTAL ACCOUNTING RETURN

**-9.4%**

(2022: 15.0%)

### EPRA PERFORMANCE

#### EPRA PROFIT

**£11.5m**

(2022: £6.4m)

#### EPRA EPS

**9.4p**

(2022: 5.2p)

#### EPRA NTA PER SHARE

**493p**

(31 March 2022: 572p)

#### TOTAL ACCOUNTING RETURN ON EPRA NTA

**-12.1%**

(2022: 10.2%)

properties are similar to those it wholly owns, Helical supplements its IFRS disclosure with a "see-through" analysis of alternative performance measures, which looks through the structure to show the Group's share of the underlying business.

The see-through results for the year to 31 March 2023 include net rental income of £33.5m, a net loss on sale and revaluation of the investment portfolio of £88.1m and development profits of £3.2m, leading to a Total Property Return of -£51.4m (2022: £89.5m). Total see-through administration costs of £13.3m (2022: £17.1m) and see-through net finance costs of £12.0m (2022: £19.7m) were partially offset by see-through derivative financial instrument gains of £12.8m (2022: £18.0m) and contributed to an IFRS pre-tax loss of £64.5m (2022: profit of £72.9m).

The election to become a REIT from 1 April 2022 has resulted in a £nil (2022: credit of £16.0m) tax charge for the year.

The loss for the year was £64.5m (2022: profit of £88.9m) and the EPRA net tangible asset value per share decreased by 13.8% to 493p (31 March 2022: 572p).

The Company has proposed a final dividend of 8.70p per share (2022: 8.25p) which, if approved by Shareholders at the 2023 AGM, will be payable on 28 July 2023. The total dividend paid or payable in respect of the year to 31 March 2023 will be 11.75p (2022: 11.15p), an increase of 5.4%.

The Group's real estate portfolio, including its share of assets held in joint ventures, decreased to £840.4m (31 March 2022: £1,108.1m) primarily due to the sales of Kaleidoscope, EC1, Trinity, Manchester, 55 Bartholomew, EC1, the freehold of the estate at Barts Square, EC1, residential apartment sales at Barts Square, EC1 and the net loss on revaluation of the investment portfolio of £92.8m, offset by capital expenditure on the investment portfolio of £24.0m.

The sale of investment properties allowed the Group to repay debt during the year which resulted in a decrease in the Group's see-through loan to value to 27.5% (31 March 2022 restated: 35.0%). The Group's weighted average cost of debt at 31 March 2023 was 3.4% (31 March 2022: 3.2%) and the weighted average debt maturity was 2.9 years (31 March 2022: 3.0 years).

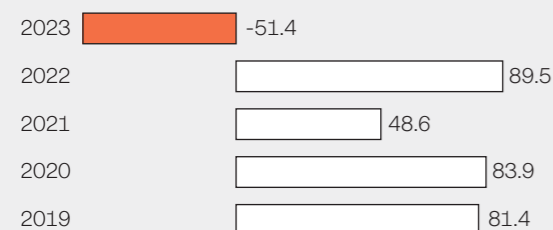
At 31 March 2023, the Group had unutilised bank facilities of £189.5m and cash of £54.7m on a see-through basis. These are primarily available to fund future property acquisitions.

### Total Property Return

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

#### Total Property Return £m

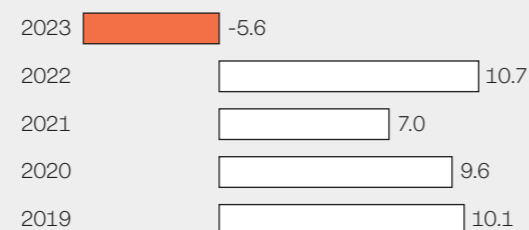
**-£51.4m**



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

#### MSCI Property Index %

**-5.6%**

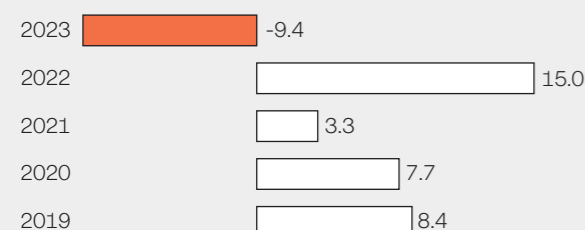


### See-through Total Accounting Return

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

#### Total Accounting Return on IFRS net assets %

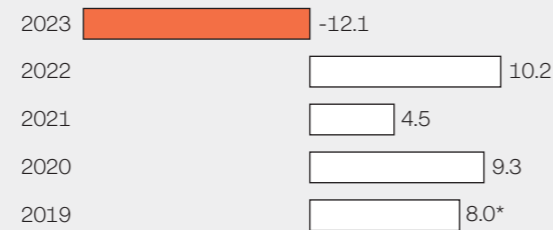
**-9.4%**



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

#### Total Accounting Return on EPRA net tangible assets %

**-12.1%**



\* Calculated using EPRA net assets.

### Earnings/(loss) per share

The IFRS earnings/(loss) per share decreased from earnings of 72.8p to a loss of 52.6p and is based on the after tax (loss)/earnings attributable to ordinary Shareholders divided by the weighted average number of shares in issue during the year.

On an EPRA basis, the earnings per share was 9.4p compared to an earnings per share of 5.2p in 2022, reflecting the Group's share of net rental income of £33.5m (2022: £31.2m) and development profits of £3.2m (2022: £6.6m), but excluding losses on sale and revaluation of investment properties of £88.1m (2022: gains of £51.7m).

### Net asset value

IFRS diluted net asset value per share decreased by 11.3% to 489p per share (31 March 2022: 551p) and is a measure of Shareholders' Funds divided by the number of shares in issue at the year end, adjusted to allow for the effect of all dilutive share awards.

EPRA net tangible asset value per share decreased by 13.8% to 493p per share (31 March 2022: 572p). This movement arose principally from a total comprehensive expense (retained losses) of £64.5m (2022: income of £88.9m), less £13.8m of dividends (2022: £12.6m).

EPRA net disposal value per share decreased by 11.1% to 490p per share (31 March 2022: 551p).

### Income Statement

#### Rental income and property overheads

Gross rental income for the Group in respect of wholly owned properties increased to £36.6m (2022: £35.3m), with gross rents in joint ventures remaining at £0.3m (2022: £0.3m). Property overheads in respect of wholly owned assets and in respect of those assets in joint ventures reduced to £3.4m (2022: £4.4m). Overall, see-through net rents increased by 7.2% to £33.5m (2022: £31.2m).

Included within gross rental income is £1.7m (31 March 2022: £5.8m) of accrued income for rent free periods.

The table below demonstrates the movement of the accrued income balance for rent free periods granted and the respective rental income adjustment over the four years to 31 March 2026, based on the tenant leases as at 31 March 2023. The actual adjustment will vary depending on lease events such as new lettings and early terminations and future acquisitions or disposals.

	Accrued income £000	Adjustment to rental income £000
Year to 31 March 2023	14,172	1,748
Year to 31 March 2024	13,485	(687)
Year to 31 March 2025	12,892	(593)
Year to 31 March 2026	10,486	(2,406)

#### Rent collection

	March 2022 – December 2022 quarters %
Rent collected to date	98.9
Rent under discussion	0.4
Rent concessions	0.7

At 23 May 2023, the Group had collected 98.9% of all rent contracted and payable for the March, June, September and December 2022 quarters.

#### Development profits

In the year, from our role as development manager at The JJ Mack Building, EC1, we recognised £0.7m of income. Additional fees of £0.1m were recognised for carrying out accounting and corporate services at Barts Square, EC1 and The JJ Mack Building, EC1.

A profit of £1.0m on a retail scheme at East Ham and deferred consideration of £0.4m from the previous sale of the retirement villages portfolio added to development profits. Further development income on closing out legacy projects of £0.2m, offset by other costs of £0.4m, contributed to a net development profit in the Group of £2.0m (2022: £5.8m).

#### Share of results of joint ventures

The revaluation of our investment assets held in joint ventures generated a surplus of £5.1m (2022: £18.5m). A profit of £1.3m (2022: £0.7m) was recognised in respect of sales at our Barts Square, EC1 residential development.

Finance, administration and other sundry costs totalling £2.3m (2022: £0.5m) were incurred. An adjustment to reflect our economic interest in the Barts Square, EC1 development to its recoverable amount generated a loss of £0.6m (gain of £0.8m), and after a tax charge of £nil (2022: credit of £1.2m), there was a net profit from our joint ventures of £3.5m (2022: £20.7m).

#### Loss on sale and revaluation of investment properties

The loss on valuation, partially offset by the gain on sales, of our investment portfolio on a see-through basis resulted in an overall loss on sale and revaluation, including in joint ventures, of £88.1m (2022: gain of £51.7m).

### Administrative expenses

Administration costs in the Group, before performance related awards, increased from £9.6m to £9.9m, marginally above budget for the year.

In setting the administration budget for the year to 31 March 2024, the Group has reviewed staffing levels and all categories of expenditure, seeking efficiencies and cost reductions where available. The budget for the new financial year is set at £8.5m, a 13% reduction on the year to 31 March 2023.

Performance related share awards and bonus payments, before National Insurance costs, decreased to £2.7m (2022: £6.0m). Of this amount, £1.1m (2022: £3.2m), 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. NIC incurred in the year on performance related awards was £0.3m (2022: £1.2m).

In joint ventures, administrative expenses increased from £0.3m to £0.5m.

	2023 £000	2022 £000
Administrative expenses (excluding performance related awards)	(9,845)	(9,598)
Performance related awards	(2,702)	(6,019)
NIC	(288)	(1,151)
<b>Group</b>	<b>(12,835)</b>	<b>(16,768)</b>
In joint ventures	(459)	(295)
<b>Total</b>	<b>(13,294)</b>	<b>(17,063)</b>

### Finance costs, finance income and change in fair value of derivative financial instruments

Net finance costs excluding change in fair value of derivative financial instruments, including joint ventures, reduced to £12.0m (2022: £19.7m).

	2023 £000	2022 £000
<b>Group</b>		
Interest payable on secured bank loans	(8,284)	(10,169)
Other interest payable and similar charges	(2,780)	(3,179)
Total interest payable before cancellation of loans	(11,064)	(13,348)
Cancellation of loans	(128)	(5,886)
Total finance costs	(11,192)	(19,234)
Finance income	274	6
<b>Net finance costs</b>	<b>(10,918)</b>	<b>(19,228)</b>
Change in fair value of derivative financial instruments	12,757	17,996
<b>Finance costs, finance income and change in fair value of derivative financial instruments</b>	<b>1,839</b>	<b>(1,232)</b>

	2023 £000	2022 £000
<b>Joint venture</b>		
Interest payable on secured bank loans	(2,703)	(2,407)
Other interest payable and similar charges	(203)	(181)
Interest capitalised	1,815	2,142
Total finance costs	(1,091)	(446)
Finance income	23	-
<b>Net finance costs</b>	<b>(1,068)</b>	<b>(446)</b>
Total finance costs, finance income and change in fair value of derivative financial instruments	771	(1,678)
<b>Net finance costs excluding change in fair value of derivative financial instruments</b>	<b>(11,986)</b>	<b>(19,674)</b>



### Taxation

The Group elected to become a REIT, effective from 1 April 2022, and will be exempt from UK corporation tax on the profit of its property activities that fall within the REIT regime. Helical will continue to pay corporation tax on its profits that are not within this regime. As a result, the previously recognised deferred tax liability of £13.5m in the Group (£1.7m in joint ventures) was released in the prior year, with a credit of £14.9m in the Income Statement and a charge of £1.4m recognised directly in the Statement of Changes in Equity. There is no deferred tax charge in the current year.

The current tax charge for the year was £nil (2022: credit of £1.1m), resulting in no tax charge or credit on the loss on ordinary activities (2022: total credit of £16.0m).

### Dividends

The interim dividend paid on 13 January 2023 of 3.05p was an increase of 5.2% on the previous interim dividend of 2.90p. The Company has proposed a final dividend of 8.70p, an increase of 5.5% on the previous year (2022: 8.25p), for approval by Shareholders at the 2023 AGM. If approved, the total dividend paid or payable in respect of the results for the year to 31 March 2023 will be 11.75p (2022: 11.15p), an increase of 5.4%.

The final dividend, if approved by Shareholders, will partly be paid as a PID (5.70p) in respect of the Group's REIT property business and partly as an ordinary dividend (3.00p), paid out of distributable reserves generated from the Group's activities prior to its conversion into a REIT.

### Balance Sheet

#### Shareholders' Funds

Shareholders' Funds at 1 April 2022 were £687.0m. The Group had a loss of £64.5m (2022: profit of £88.9m), net of tax, representing the total comprehensive expense for the year. Movements in reserves arising from the Group's share schemes had a net effect of £nil. The Company paid dividends to Shareholders during the year of £13.8m. The net decrease in Shareholders' Funds from Group activities during the year was £78.3m to £608.7m.

#### Investment portfolio

	Wholly owned £000	In joint ventures £000	See-through £000	Head leases capitalised £000	Lease incentives £000	Book value £000
Valuation at 31 March 2022	961,500	135,820	1,097,320	6,524	(25,002)	1,078,842
Capital expenditure						
– wholly owned	10,523	–	10,523	(14)	–	10,509
– joint ventures	–	13,537	13,537	(29)	–	13,508
Letting costs amortised						
– wholly owned	(200)	–	(200)	–	–	(200)
– joint ventures	–	(12)	(12)	–	–	(12)
Disposals						
– wholly owned	(178,736)	–	(178,736)	–	9,166	(169,570)
– joint ventures	–	(9,749)	(9,749)	–	98	(9,651)
Revaluation (deficit)/surplus						
– wholly owned	(99,537)	–	(99,537)	–	1,683	(97,854)
– joint ventures	–	5,198	5,198	–	(103)	5,095
Economic interest adjustment						
– joint ventures	–	1,181	1,181	–	(14)	1,167
<b>Valuation at 31 March 2023</b>	<b>693,550</b>	<b>145,975</b>	<b>839,525</b>	<b>6,481</b>	<b>(14,172)</b>	<b>831,834</b>

The Group expended £24.0m on capital works across the investment portfolio, at The JJ Mack Building, EC1 (£13.1m), 100 New Bridge Street, EC4 (£8.7m), The Bower, EC1 (£0.3m), The Loom, E1 (£1.3m), 25 Charterhouse Square, EC1 (£0.1m), Barts Square, EC1 (£0.4m) and Trinity, Manchester (£0.1m).

Revaluation losses resulted in a £94.3m decrease in the see-through fair value of the portfolio, before lease incentives, to £839.5m (31 March 2022: £1,097.3m). The accounting for head leases and lease incentives resulted in a book value of the see-through investment portfolio of £831.8m (31 March 2022: £1,078.8m).

#### Debt and financial risk

In total, the see-through outstanding debt at 31 March 2023 of £290.4m (31 March 2022: £440.9m) had a weighted average interest cost of 3.4% (31 March 2022: 3.2%) and a weighted average debt maturity of 2.9 years (31 March 2022: 3.0 years).

#### Debt profile at 31 March 2023 – including commitment fees but excluding the amortisation of arrangement fees

	Total facility £000s	Total utilised £000s	Available facility £000s	Weighted average interest rate %	Average maturity of facilities Years
£400m Revolving Credit Facility	400,000	230,000	170,000	3.1	3.3
<b>Total wholly owned</b>	<b>400,000</b>	<b>230,000</b>	<b>170,000</b>	<b>3.1</b>	<b>3.3</b>
In joint ventures	69,900	60,369	9,531	4.2	1.3
<b>Total secured debt</b>	<b>469,900</b>	<b>290,369</b>	<b>179,531</b>	<b>3.3</b>	<b>2.9</b>
Working capital	10,000	–	10,000	–	–
<b>Total unsecured debt</b>	<b>10,000</b>	<b>–</b>	<b>10,000</b>	<b>–</b>	<b>–</b>
<b>Total debt</b>	<b>479,900</b>	<b>290,369</b>	<b>189,531</b>	<b>3.4</b>	<b>2.9</b>

### Secured debt

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

#### • £400m Revolving Credit Facility

The Group has a £400m Revolving Credit Facility in which all of its wholly owned investment assets are secured. The value of the Group's properties secured in this facility at 31 March 2023 was £693m (31 March 2022: £870m) with a corresponding loan to value of 33.2% (31 March 2022: 46.0%). The average maturity of the facility at 31 March 2023 was 3.3 years (31 March 2022: 3.1 years). During the year, this facility was converted into a Sustainability Linked Loan.

#### • Joint venture facilities

The Group has a number of investment and development properties in joint venture with third parties and includes our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 31 March 2023 was 1.3 years (31 March 2022: 2.3 years) with a weighted average interest rate of 4.2% (31 March 2022: 5.6%). The average interest rate will fall as The JJ Mack Building, EC1 facility is drawn down and would be 4.00% on a fully utilised basis, reducing to 2.25% once the building is let. There is a one-year extension option in this facility.

### Unsecured debt

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

### Cash and cash flow

At 31 March 2023, the Group had £244.2m (31 March 2022 restated: £147.0m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures.

### Net borrowings and gearing

Total gross borrowings of the Group, including in joint ventures, have decreased from £440.9m to £290.4m during the year to 31 March 2023. After deducting cash balances of £54.7m (31 March 2022 restated: £47.9m) and unamortised refinancing costs of £4.3m (31 March 2022: £4.7m), net borrowings decreased from £388.3m to £231.4m. The see-through gearing of the Group, including in joint ventures, decreased from 56.5% to 38.0%.

	31 March 2023	31 March 2022 Restated <sup>1</sup>
See-through gross borrowings	<b>£290.4m</b>	£440.9m
See-through cash balances	<b>£54.7m</b>	£47.9m
Unamortised refinancing costs	<b>£4.3m</b>	£4.7m
See-through net borrowings	<b>£231.4m</b>	£388.3m
Shareholders' funds	<b>£608.7m</b>	£687.0m
See-through gearing – IFRS net asset value	<b>38.0%</b>	56.5%

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

### Hedging

At 31 March 2023, the Group had £230.0m (31 March 2022: £300.0m) of borrowings protected by interest rate swaps, with an average effective interest rate of 2.6% (31 March 2022: 2.8%) and average maturity of 3.3 years. The Group had £nil floating rate debt (31 March 2022: £100.0m) with an effective rate of nil (31 March 2022: 3.5%). In addition, the Group had £nil interest rate caps (31 March 2022: £145m at an average rate of 1.75%). In our joint ventures, the Group's share of fixed rate debt was £60.4m (31 March 2022: £40.9m) at 0.5% plus margin with an effective rate at 31 March 2023 of 4.2% and no floating rate debt (31 March 2022: none).

	31 March 2023 £m	Effective interest rate %	31 March 2022 £m	Effective interest rate %
Fixed rate debt				
– Secured borrowings	<b>230.0</b>	<b>2.6</b>	300.0	2.8
<b>Total</b>	<b>230.0</b>	<b>2.6</b>	300.0	2.8
Floating rate debt				
– Secured	–	–	100.0	3.5
<b>Total</b>	<b>–</b>	<b>3.1<sup>1</sup></b>	400.0	3.0
In joint ventures				
– Fixed rate	<b>60.4</b>	<b>4.2<sup>2</sup></b>	40.9	5.6 <sup>2</sup>
<b>Total borrowings</b>	<b>290.4</b>	<b>3.4</b>	440.9	3.2

1. This includes commitment fees on undrawn facilities. Excluding these would reduce the effective rate to 2.6%.

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

### Tim Murphy

Chief Financial Officer  
23 May 2023



Risk is an integral part of the Group’s business activities and Helical’s ability to identify, assess, monitor and manage its risks is fundamental to its financial stability, continuing performance and reputation.

# Helical’s approach to risk management

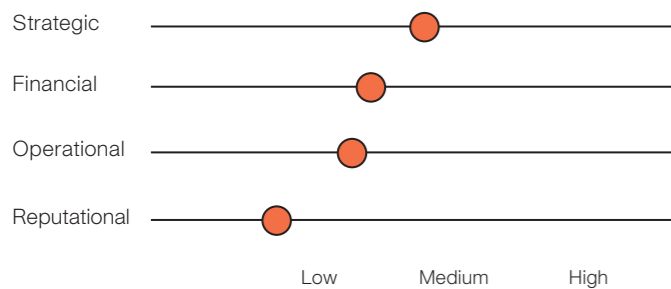
### Risk appetite

The Board has established procedures to determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives. It is through the enactment of these procedures that the Group is able to set its risk appetite.

Helical’s risk appetite is driven by the business strategy. The overall risk appetite is moderate to low and appropriate mitigating actions are taken to reduce the severity of identified risks into the acceptable range set by the Board. In determining the risk appetite, the Board considers upside risks as well as downside risks. Helical’s risk appetite is not static and is reviewed by the Board at least twice a year.

In accordance with good stewardship, the Board does not inhibit sensible risk taking that is critical to growth. This approach is embedded in the risk culture of the Group which is guided by the Helical Values (see page 81). The risk culture aligns with the strategy and objectives of the business and is embedded within the risk appetite.

Our appetite for risk in each principal risk category is set out below:



### Roles & responsibilities

Whilst the Board is ultimately responsible for the management of risk, the Group is structured in such a way that risk identification, assessment, management and monitoring occur at all levels of the Helical team. Roles and responsibilities with respect to risk are well established and the close working relationships existing between senior management and our Property Executives enhance our ability to manage our risks.

The identification of risk occurs primarily at Board level through application of Helical’s Risk Management Framework (see page 46). As part of this process, the Risk Register and corresponding Risk Heat Map (please see pages 47 to 53) are produced. The Board meets at least twice a year to assess the appropriateness of the Risk Register, taking into account the macroeconomic environment, current projects and performance and past experience.

### Emerging risks

The Group continuously considers both prevailing and emerging risks as part of the risk identification process. Emerging risks are those that may materialise and challenge Helical in the future. The outcome of such risks is often more uncertain. They may begin to evolve rapidly or simply not materialise. As part of our risk management approach, we continuously monitor our business activities and external and internal environments for new, emerging and changing risks to ensure these are managed appropriately. Helical’s emerging risks are incorporated into the Group Risk Register and are therefore presented alongside those currently deemed prevailing risks.

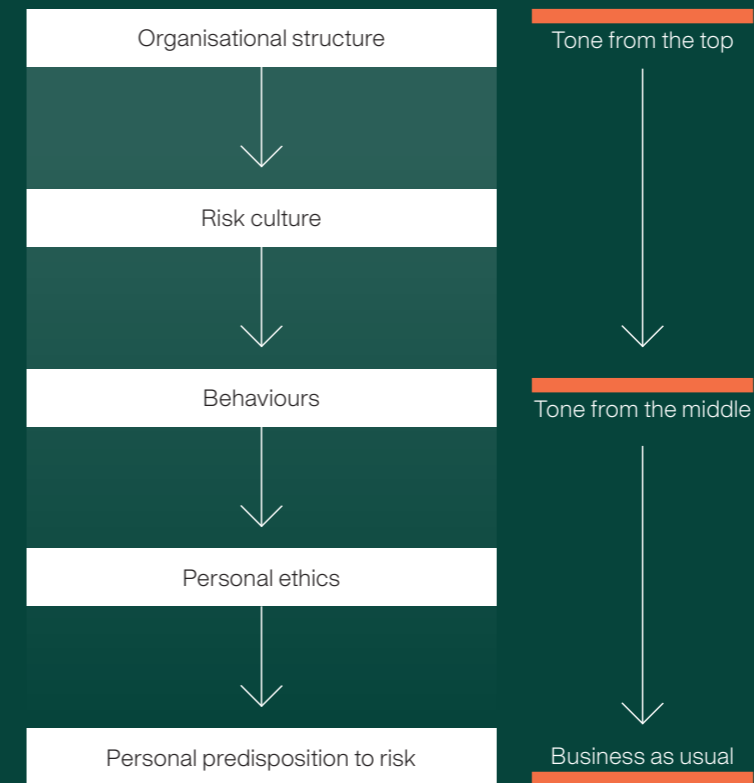
Horizon scanning is conducted, not just by the Board or senior management, but by every individual staff member. Team meetings are conducted every two weeks and provide a forum for information sharing with respect to emerging risks. Helical’s collaborative environment and flat management structure further support open discussion on future and emerging risks. External insight is also used to assist with the horizon scanning process.

On a bi-annual basis, a summary of both prevailing and emerging risks is presented for assessment to the Audit and Risk Committee and the Board.

The Group has identified two emerging risks:

- The impact of the recent bank failures and the potential for further banks and debt providers to be impacted; and
- Further escalation of the Russian/Ukraine conflict and the potential for this to spread to other countries.

### Risk culture



When making business decisions, the Board of Helical assesses all potential risks faced and considers the effect that such risks could have on the achievement of the strategic priorities and the long-term success of the Group.

The Board acknowledges that there are numerous risks faced by the business and that these are often interrelated. However, the Board also views the potential risks as opportunities which, when handled appropriately, can drive performance. Therefore, our Risk Management Framework supports the delivery of the Group’s strategy.

The Board confirms that during this reporting period it has carried out a robust assessment of the Group’s emerging and principal risks (please see Audit and Risk Committee Report, pages 104 to 108, for details of the work undertaken by the Directors during the reporting period).

### RISK MANAGEMENT APPROACH

Role	Responsibilities
<b>The Board</b>	Has ultimate responsibility for risk management within the Group. The Board sets the risk appetite of the Group, establishes a risk management strategy and is responsible for maintaining a robust internal control system.
<b>The Board</b>	Continually monitors and reviews the risk management strategy to ensure that it remains appropriate and consistent with the Group’s overall strategy and external market conditions.
<b>The Audit and Risk Committee</b>	Supports the Board by evaluating the effectiveness of the risk management procedures and internal controls throughout the year.
<b>The Executive Committee</b>	Is responsible for the day-to-day operational application of the risk management strategy and ensuring that all staff are aware of their responsibilities.
<b>Helical’s management team</b>	Runs the business in line with the risk management strategy established by the Board and reports to the Board on how it operates. Both the small team size and the flat management structure allow the Executive Committee to have close contact with all aspects of the business and ensure that the identification and management of risks and opportunities are at the forefront of decision makers’ minds.
<b>Individual asset managers</b>	Are responsible for identifying and assessing risks relating to the properties they manage and reporting to the Executive Committee as appropriate.
<b>All staff members</b>	Are responsible for complying with risk management procedures and internal control measures, reporting to the Executive Committee as necessary.

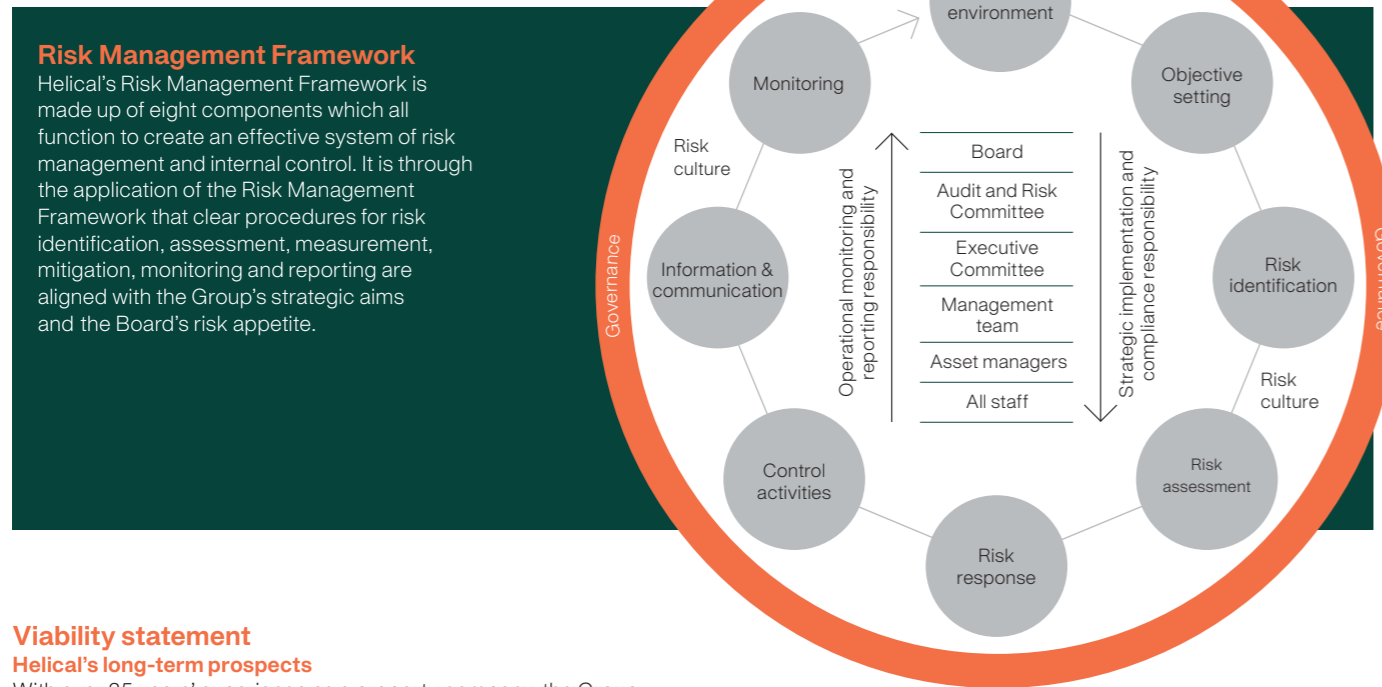
Oversight, identification, assessment and mitigation of risks at a strategic level

Top down approach

Oversight, identification, assessment and mitigation of risks at an operational level

Bottom up approach





**Viability statement**

**Helical's long-term prospects**

With over 35 years' experience as a property company, the Group has navigated multiple property cycles. These cycles present challenges and opportunities and it has been through successfully responding to both that Helical has grown to become a highly respected London office developer and asset manager. During this time, it has also built an extensive network of trusted partners who provide support, capital and access to new opportunities.

The Group has a high quality portfolio with excellent sustainability credentials, primarily located in central London, and is delivering best-in-class space which appeals to occupiers who need to attract the best talent. Helical has a long-standing strong relationship with the financial institutions who provide its debt and has long-term and flexible financing.

It is from this strong position that the Board has considered the Group's future viability.

**Time period assessment**

The Directors have assessed the viability of the Group for a period of five years to March 2028, being the period for which the Board regularly reviews forecasts, and which encompasses the lifetime of the Group's major development projects. The Board considers the future performance of the Group beyond five years, but less certainty exists over the forecasting assumptions beyond this period.

**Review process**

The viability of the Group is reviewed throughout the year and through multiple channels, detailed below:

- The strategic direction of the Group is established by the Board once a year and is captured in the business plan which forms the basis of the detailed budgets and actions for the year;
- The Board and Audit and Risk Committee review the principal risks of the Group at least twice a year, reassessing the severity of each risk and determining the Group's proposed response and planned mitigation;
- The five-year forecasts for the Group are updated and reviewed by the Board and Executive Committee on a quarterly basis; and
- Management reviews the short-term (three to twelve months) cash requirements of the Group on a monthly basis and cash balances and movements are monitored weekly.

**Principal risks and sensitivity analysis**

In making its assessment, the Board considers the Group's principal risks and assesses their combined potential impact in severe, but plausible, downside scenarios together with the likely effectiveness of mitigating actions that the Group has at its disposal.

The assessment included the following key assumptions:

- **Rental income** – whilst the Group has a WAULT of 5.0 years across its portfolio, both void and rent-free periods have been included where a lease term ends within the period of review;
- **Debt financing** – the Group's primary source of financing is its £400m Revolving Credit Facility which expires in July 2026;
- **Development and asset management** – these activities require capital expenditure, and this has been included for both specific projects and general ongoing works; and
- **Administration expenditure and finance costs** – administration expenditure has been subject to inflationary increases. The hedging instruments the Group has in place mitigate the impact of future changes to the interest base rate until July 2026.

The most relevant risks and their potential impact are highlighted below:

Risk areas	Principal risks
<b>Loss of rental income</b> Tenants unable to pay their rent due to one or more of the following: • Recession due to inflationary pressures • Pandemic or geopolitical event • Loss of rental income could put debt covenants under pressure requiring partial/complete loan repayment	<ul style="list-style-type: none"> <li>• Significant business disruption/ external catastrophic event/ cyber-attacks to our business and our buildings</li> <li>• Property values decline/reduced tenant demand for space</li> <li>• Geopolitical and economic</li> <li>• Availability and cost of bank borrowing, cash resources and potential breach of loan covenants</li> </ul>

The Group performs sensitivity analysis with a focus on the impact of a loss of rental income on debt covenants. Further details are included in the going concern review on page 145.

Based on the outcome of this review and other matters considered by the Board, the Directors hold a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 March 2028.

**Our principal risks**

Helical's principal risks fall into the following categories: strategic risks, financial risks, operational risks and reputational risks.

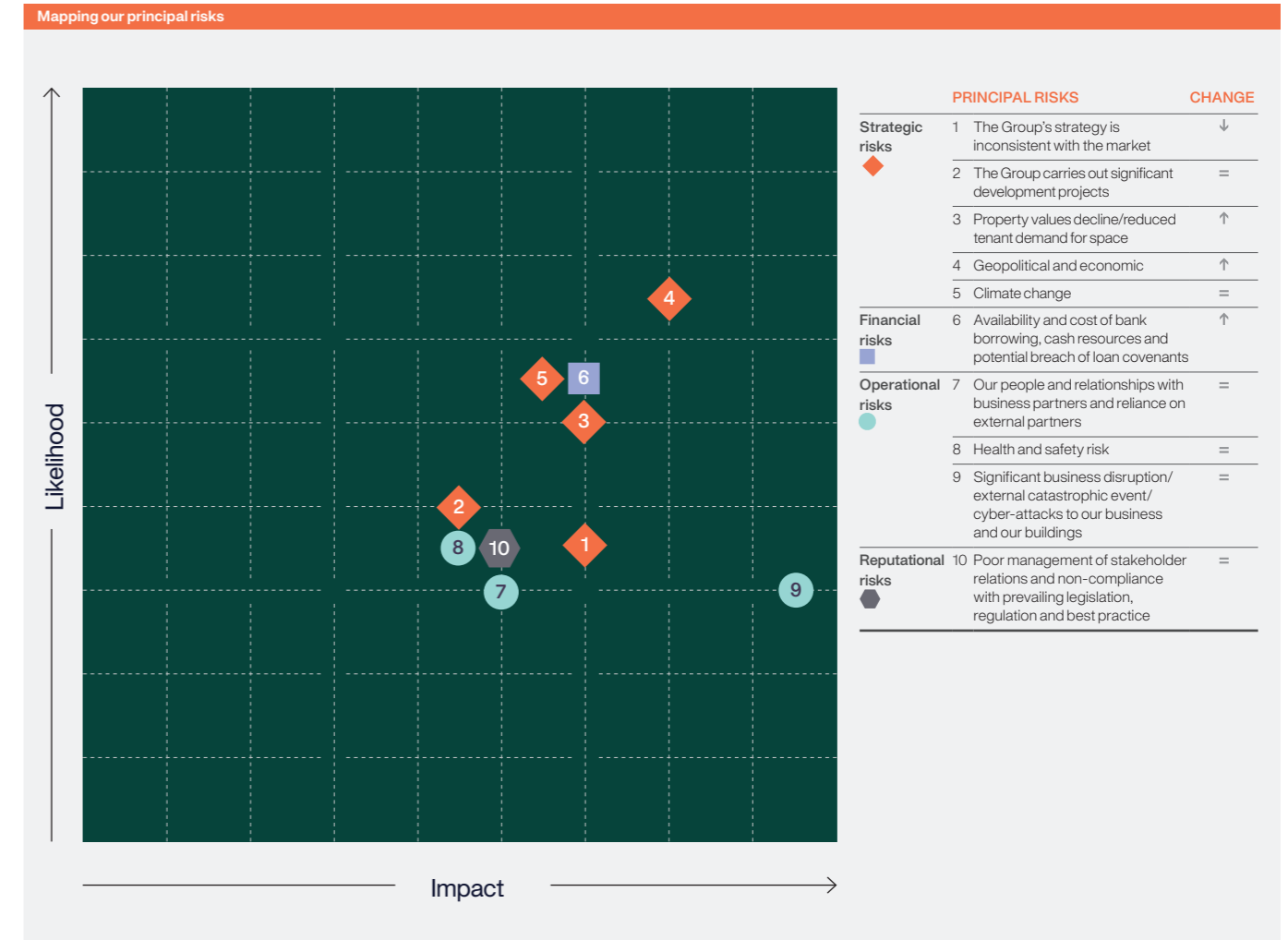
When identifying risks, each risk is linked to the Group's strategic objectives: Growth, Property, Sustainability, Financing and People.

Risk severity involves assessing both the likelihood of a risk materialising and its potential impact. The Executive Committee assesses the risk severity and reports its assessment to the Board, which is based on:

- Understanding the cause of the risk;
- An understanding the resources at the Group's disposal to mitigate the risk;
- Estimating the probability of such a risk occurring, both pre and post mitigating actions; and
- Assessment of the quantitative and qualitative impact of such a risk materialising.

The severity levels determined by the Executive Committee are assessed by the Board.

The Board also reviews the mitigating actions to ensure they reduce the risk down to an acceptable level based on the Group's risk appetite.





### Review of the Risk Register – March 2023

In assessing the appropriateness of the Group's Risk Register for March 2023, the Directors considered the Group's performance, the macro-political and economic environment, and all the business projects currently being undertaken. Following a comprehensive review of the risk environment, taking into consideration the Group's risk appetite, the Directors concluded that although the risk of the Covid-19 pandemic had diminished, a number of risks associated with the pandemic and its aftermath still continued to affect the business and that this should be reflected in the Risk Register. In addition, the Directors determined that geopolitical tensions, rising interest rates and the increased pressure on supply chains and distribution networks, including build cost inflation, had emerged sufficiently to merit focus throughout the Risk Register.

The Directors also revised some of the risk categories this year to reflect the findings of their review of the Group's current risk environment. The revisions included:

- Revision to the emerging risks to reflect the recent bank failures and potential for further banks and debt providers to be impacted;
- "The Group's strategy is inconsistent with the market" risk, we have expanded on the risks associated with longer-term structural changes in working practices following the pandemic. We note that our best-in-class portfolio is well positioned to respond to this risk and have reduced its likelihood;
- "Property values decline/reduced tenant demand for space" risk has been increased and expanded for the impacts of the macro environment, including the risk of reduced growth, driven by factors such as continuing geopolitical tensions and inflationary pressures, rising interest rates and failures in the debt markets resulting in further liquidity issues;
- "Geopolitical and economic" risk description has been increased and expanded to reflect the current macro-economic drivers affecting the real estate market, in particular the continuing conflict between Russia and Ukraine and the potential for this to escalate, as well as recent banking failures and rescues;
- Inclusion of the Group's scenario planning with respect to climate risks and opportunities in the "Climate change" risk mitigation and severity sections of the Risk Register; and
- Recognition of the rise in interest rates and the recent banking failures and the effect these have on viability/profitability of new development opportunities in the "Availability and cost of bank borrowing, cash resources and potential breach of loan covenants" risk, increasing its likelihood.

Risk	Description	Mitigating actions	Changes in risk severity
<b>Strategic risks</b>			
<b>The Group's strategy is inconsistent with the market</b>	Changing market conditions leading to a reduction in demand or deferral of decisions by occupiers, impacting property values, could hinder the Group's ability to buy, develop, let and sell assets as envisioned in its strategy. The location, size and mix of properties in Helical's portfolio determine the impact of the risk. If the Group's chosen markets underperform, the impact on the Group's liquidity, investment property revaluations and rental income will be greater.	Management constantly monitors the market and makes changes to the Group's strategy in light of market conditions. The Group conducts an annual strategic review and maintains rolling forecasts, with inbuilt sensitivity analysis to model anticipated economic conditions.  The Group's management team is highly experienced and has a strong track record of interpreting the property market.  The small size of the Group's management team enables quick implementation of strategic change when required.  We have robust and established governance and approval processes.  We are active members of industry bodies and professional organisations and participate in local business and community groups. This ensures we are actively engaged in decisions affecting our business, customers, partners and communities.	The Covid-19 pandemic had various strategic impacts on property companies and uncertainty regarding the full economic and social impacts of the Covid-19 pandemic continues. Over the course of the year, we have seen an improved sentiment towards the future of the office, but the agile working movement continues, with many businesses adopting hybrid working practices.  It has become evident that the market favours the best-in-class space with strong sustainability credentials and Helical's portfolio is well positioned to respond to this trend. The office is no longer seen as a fixed asset, but as an overall workplace experience that is not tied to a physical location and rather is influenced by increased investment in on-site amenities, better workplace technology, flexible space layout, work models and increased sustainability credentials.  Consequently the likelihood of this risk has decreased.

Risk	Description	Mitigating actions	Changes in risk severity
<b>Risks arising from the Group's significant development projects</b>	The Group carries out significant development projects over a number of years and is therefore exposed to fluctuations in the market and tenant demand levels over time.	Management carefully reviews the risk profile of individual developments and in some cases builds properties in several phases to minimise the Group's exposure to reduced demand for particular asset classes or geographical locations over time. The Group carries out developments in partnership with other organisations and pre-lets space to reduce development risk, where considered appropriate.	The Group completed The JJ Mack Building, EC1 in September 2022 and is in preparation to start the enabling works at 100 New Bridge Street, EC4 later in the year, as well as progressing the three sites to be developed in joint venture with TfL.  There continues to be the risk of insolvencies in the construction industry given the uncertainties around the future macroeconomic environment and geopolitical market influences.  Despite technological advancements, supply chain bottlenecks as a result of the pandemic, recent geopolitical escalations and economic uncertainty (causing productions to slow or even halt), along with labour shortages, were, and still are, challenges for the sector and a risk for the global economy.  Consequently the likelihood of this risk has remained the same.
<b>Link to Strategy Property</b>	Development projects often require substantial capital expenditure for land procurement and construction and they usually take a considerable amount of time to complete and generate rental income.	The management team is highly experienced and has a track record of developing best-in-class office spaces in highly desirable, well connected locations.  Management places significant focus on timely project delivery and strong relationships with construction partners with appropriate risk sharing. We opt to work with highly regarded suppliers and contractors to minimise cost uncertainty.	
<b>YoY change</b>	The risk of delays or failure to get planning approval is an inherent risk of property development.	We typically enter into contracts with our contractors on a fixed price basis and incorporate appropriate contingencies.	
<b>YoY change</b>	The construction industry is faced with both labour and materials supply shortages which could lead to cost escalation and project delay.	Development plans and exposure to risk are considered in the annual business plan.	
<b>YoY change</b>	Exposure to developments increases the potential financial impact of cost inflation, adverse valuation or other market factors which could affect the Group's financial capabilities and targeted financial returns.	Detailed planning pre-applications and due diligence are conducted in advance of any site acquisition.  Board approval is required for commitments above a certain threshold.  Management continuously monitors the cost of materials and pressures on supply chain and distribution networks. Ongoing consideration is given to investing in the most energy efficient machinery and building materials and using renewable sources of energy where possible.  Acceleration of digitalisation of logistics and supply chain management, such as real-time warning systems that forecast shortages at an early stage, is crucial to respond agilely and avoid delays in real estate developments.	
<b>Property values decline/reduced tenant demand for space</b>	The property portfolio is at risk of valuation falls through changes in market conditions, including underperforming sectors or locations, lack of tenant demand, deferral of occupiers' decisions or general economic uncertainty.	The Group's property portfolio has tenants from diverse industries, reducing the risk of over-exposure to one sector. We carry out occupier financial covenant checks ahead of approving leases in order to limit our exposure to tenant failure. Management reviews external data, seeks the advice of industry experts and monitors the performance of individual assets and sectors in order to dispose of non-performing assets and rebalance the portfolio to suit the changing market. Management regularly models different property revaluation scenarios through its forecasting process in order to prepare a considered approach to mitigating the potential impact.	Although there has been a notable increase in the return of employees to their offices, a number of corporates are continuing to offer hybrid working opportunities.  Despite the strong market sentiment towards new, best-in-class office space and given Helical's Grade A portfolio, the severity of this risk has been increased to reflect the yield shifts seen in the market in response to inflation and interest rate rises and recent bank failures.
<b>Link to Strategy Property</b>	Property valuations are dependent on the level of rental income receivable and expected to be receivable on that property in the future. Therefore, declines in rental income could have an adverse impact on revenue and the value of the Group's properties.	We continue to design and innovate in the areas of sustainability, technology, wellbeing and service provision and, working closely with our management agents, Ashdown Phillips, we engage with our occupiers to understand their evolving needs and respond quickly and collaboratively to any changing requirements.	
<b>YoY change</b>	Whilst the impact of Covid-19 has reduced significantly, there remains a risk of continued economic downturn given the broader geopolitical climate, inflation and interest rate rises.	The Board and management team continually monitor the property market. The bi-weekly management meeting considers factors such as new leases, lease events and tenant issues with respect to each property in the portfolio.	
<b>YoY change</b>	This could result in further pressure on rent collection figures with a prolonged period of corporate failures, leading to a decline in occupancy and increase in office vacancies.		
<b>YoY change</b>	This risk is further heightened by the recent bank failures and impact on liquidity.		



Risk	Description	Mitigating actions	Changes in risk severity
<b>Strategic risks continued</b>			
<b>Geopolitical and economic</b> <a href="#">Link to Strategy Growth</a> YoY change 	<p>Significant events or changes in the global/UK political or economic landscape may have a significant impact on the Group's ability to plan and deliver its strategic priorities in accordance with its business model. Such events or changes may result in decreased investor activity and reluctance of occupiers to make decisions with respect to office space uptake.</p> <p>Macroeconomic drivers, such as interest rates, can significantly impact pricing in the real estate market. For example, in order to curb inflation the Bank of England has raised interest rates further and this will increase the cost of borrowing, which will in turn provide challenge for investors.</p> <p>Political instability and unrest can have a significant knock-on effect on global economies and trade (as evidenced by the Russo-Ukrainian war). Geopolitical risks lead to changed market dynamics and influence, such as the increasing role of governments in economies and the shifts in geopolitical powers.</p> <p>The ongoing transition of the UK from the EU remains a risk and has an impact on global trade.</p>	<p>Management monitors macroeconomic research and economic outlook considerations are incorporated into the Group's annual business plan.</p> <p>Management conducts ongoing assessments of post-Brexit impacts and the continuing effects of the Covid-19 pandemic.</p> <p>We will continue to monitor the economic and political situations in the UK and globally and adapt any business decisions accordingly.</p> <p>Management seeks advice from experts to ensure it understands the political environment and the impact of emerging regulatory and tax changes on the Group. It maintains good relationships with planning consultants and local authorities. Where appropriate, management joins with industry representatives to contribute to policy and regulatory debate relevant to the industry.</p>	<p>Geopolitical uncertainty from conflicts continues to affect global and local economies e.g. inflationary pressures arising from supply chain shortages, interest rate rises and cost of energy. These conflicts could escalate or spread to include other countries.</p> <p>More recently, the banking sector has seen turmoil with the collapse of the Silicon Valley Bank and the acquisition of Credit Suisse by UBS. This has caused instability in the global markets and concern for the rest of the financial sector.</p> <p>However, whilst the duration of inflation will significantly impact the sector along with the still uncertain responding behaviour of investors, real estate as a sector – along with real estate portfolios – will remain an attractive asset class.</p> <p>Overall, this risk has increased.</p>
<b>Climate change</b> <a href="#">Link to Strategy Sustainability</a> YoY change 	<p>The Group is alive to the risks posed by climate change. Failing to respond to these risks appropriately (in line with societal attitudes or legislation) or failing to identify potential opportunities could lead to reputational damage, loss of income or decline in property values. Having strong sustainability credentials is a market differentiator and provides a competitive advantage.</p> <p>There is also the risk that the costs to operate our business (energy or water) or undertake development activities (construction materials) will rise as a consequence of climate change and the actions taken to safeguard against it.</p>	<p>The Group has a Sustainability Committee, which reviews the Group's approach and strategy to climate-related risks and presents regularly to the Board and Executive Committee on emerging issues and mitigation plans. The Board has a designated Non-Executive Director responsible for sustainability. The Committee sets appropriate targets and KPIs to effectively monitor the Group's performance.</p> <p>During the year, a detailed scenario analysis was performed to ascertain the potential risks and opportunities that arise due to specific climate-related scenarios. The outcome of this analysis has been incorporated into our wider TCFD statement. The Group will conduct detailed scenario analysis of the risks and opportunities on an annual basis to ensure the appropriate actions/responses are taken.</p> <p>Annually, the Group produces a Sustainability Performance Report with key data and performance points which are externally assured.</p> <p>In May 2022, the Group released its Net Zero Carbon Pathway, which commits to becoming net zero carbon by 2030 and includes the actions and steps required to meet the associated targets.</p>	<p>Climate change risk continues to increase in prominence and importance. In the UK, the Government continues to introduce more legislation linked to climate risk e.g. TCFD and legislation requiring higher standards for energy efficiency in commercial and residential properties (EPCs).</p> <p>The risks associated with the impact of climate change continue to increase and businesses are being encouraged to proactively respond by all their stakeholders.</p> <p>Building and operating buildings which are resilient to climate change protects Shareholder value. Identifying the risks and opportunities that are material to us as a business under a number of different climate scenarios allows us to appropriately align our mitigation plan and long-term strategy.</p> <p>This risk to the business has not changed since March 2022.</p>

Risk	Description	Mitigating actions	Changes in risk severity
<b>Financial risks</b>			
Financial risks are those that could prevent the Group from funding its chosen strategy, both in the long and short term.			
<b>Availability and cost of bank borrowing, cash resources and potential breach of loan covenants</b> <a href="#">Link to Strategy Financing</a> YoY change 	<p>The inability to roll over existing facilities or take out new borrowing could impact the Group's ability to maintain its current portfolio and purchase new properties. The Group may forego opportunities if it does not maintain sufficient cash to take advantage of them as they arise and requires new sources of debt to finance its development programme.</p> <p>The Group is at risk of increased interest rates on unhedged borrowings.</p> <p>If the Group breaches debt covenants, lending institutions may require the early repayment of borrowings.</p>	<p>The Group maintains good relationships with many established lending institutions and borrowings are spread across a number of such lenders.</p> <p>Funding requirements are reviewed monthly by the management team, which seeks to ensure that the maturity dates of borrowings are spread over several years.</p> <p>Management monitors the cash levels of the Group on a weekly basis and maintains sufficient levels of cash resources and undrawn committed bank facilities to fund opportunities as they arise.</p> <p>The Group hedges the interest rates on the majority of its borrowings, effectively fixing or capping the rates over several years.</p> <p>Covenants are closely monitored throughout the year. Management carries out sensitivity analyses to assess the likelihood of future breaches based on significant changes in property values or rental income.</p> <p>The risk is further mitigated through the obtaining of tenant guarantors/bank guarantees/deposits.</p>	<p>During the year the Group restructured its hedging to further protect its Revolving Credit Facility from rising interest rates. This has resulted in the interest rate on drawn amounts up to £250m under the RCF being fixed for the duration of the facility to July 2026.</p> <p>The rise in interest rates will increase the cost of financing new development opportunities.</p> <p>The pandemic and ensuing economic uncertainty have put some tenants under cash flow pressure.</p> <p>The Group has cash and undrawn bank facilities available to it and an appropriate level of borrowings. However, given the recent banking failures and economic climate, we have increased the severity of this risk.</p>
<b>Operational risks</b>			
Operational risks are internal risks that could prevent the Group from delivering its strategy.			
<b>Our people and relationships with business partners and reliance on external partners</b> <a href="#">Link to Strategy Growth People</a> YoY change 	<p>The Group's continued success is reliant on its management and staff and maintaining its successful relationships with its joint venture partners.</p> <p>Ineffective succession planning, or failure to attract, develop and retain the right people with requisite skills, as well as failing to maintain a positive working environment for employees, could inhibit the execution of our strategy and diminish our long-term sustainability.</p> <p>As several of the Group's properties are held in conjunction with third parties, the Group's control over these properties is more limited and these structures may also reduce the Group's liquidity.</p> <p>Operational effectiveness and financing strategies may also be adversely impacted if partners are not strategically aligned.</p> <p>The Group is dependent on a number of external third parties to ensure the successful delivery of its development programme and asset management of existing assets. These include:</p> <ul style="list-style-type: none"> <li>Contractors and suppliers;</li> <li>Consultants;</li> <li>Managing agents; and</li> <li>Legal and professional teams.</li> </ul> <p>The Group would be adversely impacted by increases in the cost of services provided by third parties.</p>	<p><b>Our people</b></p> <p>The senior management team is very experienced with a high average length of service. The Nominations Committee and Board continuously review succession plans, and the Remuneration Committee oversees the Directors' Remuneration Policy and its application to senior employees, and reviews and approves incentive arrangements to ensure they are commensurate with market practice. Remuneration is set to attract and retain high calibre staff.</p> <p>Our annual appraisal process focuses on future career development and staff are encouraged to undertake personal development and training courses, supported by the Company.</p> <p>The Board and senior management engage directly with employees through a variety of engagement initiatives which enable the Board to ascertain staff satisfaction levels and implement changes to working practices and the working environment as necessary.</p> <p>We also arrange all-staff training activities and events throughout the year.</p> <p><b>Business partners</b></p> <p>The Group nurtures well established relationships with joint venture partners, seeking future projects where it has had previous successful collaborations.</p> <p>Management has a strong track record of working effectively with a diverse range of partners.</p> <p>Our joint venture business plans are prepared to ensure operational and strategic alignment with our partners.</p> <p><b>External partners</b></p> <p>The Group actively monitors its development projects and uses external project managers to provide support. Potential contractors are vetted for their quality, health and safety record and financial viability prior to engagement.</p> <p>The Group has a highly experienced team managing its properties, which regularly conduct on-site reviews and monitors cash flows against budget.</p> <p>The Group seeks to actively monitor and maintain excellent relationships with its specialist professional advisors, often engaging parties with whom it has successfully worked previously.</p>	<p>Although there is strong competition for talent in the employment market at present, this risk has remained broadly similar due to our high staff retention levels.</p> <p>The Board reaffirmed the succession plans for key roles within the Company during the year which support the long-term success of the business.</p> <p>External factors such as the Covid-19 pandemic, geopolitical tensions and high levels of demand for certain raw materials and components place increased pressure on supply chains and distribution networks.</p> <p>Given our reliance on external third parties to ensure the successful delivery of our development programmes and asset management, these external factors could have a significant impact on our business.</p> <p>This risk has remained at the same level as assessed in March 2022.</p>

Risk	Description	Mitigating actions	Changes in risk severity
<b>Operational risks continued</b>			
<b>Health and safety</b> <a href="#">Link to Strategy</a> <b>Property</b> <b>People</b> YoY change =	The nature of the Group's operations and markets exposes it to potential health and safety risks both internally and externally within the supply chain.	The Group reviews and updates its Health & Safety Policy regularly and it is approved by the Board annually.  Contractors are required to comply with the terms of our Health & Safety Policy. The Group engages an external health and safety consultant to review contractor agreements prior to appointment and ensures they have appropriate policies and procedures in place, then monitors the adherence to such policies and procedures throughout the project's lifetime.  The Executive Committee reviews the report by the external consultant every month and the Board reviews them at every scheduled meeting. The internal asset managers carry out regular site visits.	Whilst the amount of on-site development has fallen, this remains a key area of focus for the business and the risk remains the same.
<b>Significant business disruption/external catastrophic event/cyber-attacks to our business and our buildings</b> <a href="#">Link to Strategy</a> <b>Growth</b> <b>Property</b> YoY change =	The Group's operations, reputation or financial performance could be adversely affected and disrupted by major external events such as pandemic disease, civil unrest, war and geopolitical instability, terrorist attacks, extreme weather, environmental incidents and power supply shortages.  All of these potential events could have a considerable impact on the global economy, as well as that of our business and our stakeholders.  The Group relies on information technology ("IT") to perform effectively and a cyber-attack could result in IT systems being unavailable, adversely affecting the Group's operations and reputation.  The increasing reliance on and use of digital technology heighten the risks associated with IT and cyber security.  Commercially sensitive and personal information is electronically stored by the Group. Theft of this information could adversely impact the Group's commercial advantage and result in penalties where the information is governed by law (GDPR and Data Protection Act 2018).  Risks are continually evolving, and we must design, implement and monitor effective controls to protect the Group from cyber-attack or major IT failure.  The Group increasingly employs IT solutions across its property portfolio to ensure its buildings are "smart".  The Group is at risk of being a victim of social engineering fraud.	In the event of a significant event: <ul style="list-style-type: none"> <li>The Executive Committee will be tasked with the daily monitoring and managing of the risk, and will focus on the impact on property locations, the business and supply chain.</li> <li>Regular Board discussions will be held during any pandemic to review the Group's response and mitigating actions.</li> <li>Enhanced engagement with our stakeholders will be conducted (particularly with occupiers, contractors, shareholders and employees).</li> <li>There will be continuous review of Government guidelines and emerging practice, with risk assessments undertaken as control measures change.</li> <li>Guidance will be issued to our staff, occupiers and contractors on how to protect themselves and others.</li> </ul> The Group ensures that it has adequate Business Continuity Plans and IT Business Continuity Plans in place to enable remote working for all staff.  Testing of business resilience and risk planning is conducted throughout the year.  The Group engages and actively manages external IT experts to ensure its IT systems operate effectively and that we respond to the evolving IT security environment. This includes regular off-site backups and a comprehensive disaster recovery process. The external provider also ensures the system is secure and this is subject to routine testing including bi-annual disaster recovery tests and annual Cyber Essential Plus Certification.  There is a robust control environment in place for invoice approval and payment authorisations including authorisation limits and a dual sign off requirement for large invoices and bank payments.  The Group provides training and performs penetration testing and disaster recovery network vulnerability testing to identify emails of a suspicious nature, ensuring these are flagged to the IT providers, and ensures employees are aware they should not open attachments or follow instructions within the email. On an annual basis, our external IT providers provide IT security training to ensure all staff are adopting best practice IT security measures to help protect the business against cyber-attack.  An external review of Helical's anti-financial crime and cyber security frameworks was conducted during the year and training delivered to staff.  The Group has a disaster recovery plan, on-site security at its properties and insurance policies in place in order to deal with any external events and mitigate their impact.	Global rollout of Covid-19 vaccinations has reduced the probability of further significant and prolonged disruption due to the disease.  The current Russo-Ukrainian war and associated sanctions are continuing to put pressure on global supply chains and economies.  Furthermore, the UK's terrorism national threat level continues to be rated as "substantial".  Cyber risks persist as cyber criminals continue to exploit changes in working practices post-pandemic.  The Group's cyber security controls have continued to be strengthened and no major breaches were reported during the year.  However, as the number of UK businesses reporting security threats has not decreased over the year, we have not revised the risk severity rating for the forthcoming year.

Risk	Description	Mitigating actions	Changes in risk severity
<b>Reputational risks</b>			
Reputational risks are those that could affect the Group in all aspects of its strategy.			
<b>Poor management of stakeholder relations and non-compliance with prevailing legislation, regulation and best practice</b> <a href="#">Link to Strategy</a> <b>Growth</b> <b>People</b> YoY change =	Reputational damage resulting in a loss of credibility with key stakeholders including Shareholders, analysts, banking institutions, contractors, managing agents, tenants, property purchasers/sellers and employees is a continuous risk for the Group.  The nature of the Group's operations and markets exposes it to financial crimes risks (including bribery and corruption risks, money laundering and tax evasion) both internally and externally within the supply chain.  The Group is exposed to the potential risk of acquiring or disposing of a property where the owner/purchaser has been involved in criminal conduct or illicit activities.  The Group would attract criticism and negative publicity were any instances of modern slavery and human trafficking identified within its supply chain.  The Group would attract criticism and negative publicity if instances of non-compliance with GDPR and the Data Protection Act 2018 were identified. Non-compliance may also result in financial penalties.	The Group believes that successfully delivering its strategy and mitigating its principal risks should protect its reputation.  The Group regularly reviews its strategy and risks to ensure it is acting in the interests of its stakeholders.  The Group maintains a strong relationship with investors and analysts through regular meetings.  We ensure strong community involvement in the design process for our developments and create employment and education opportunities through our construction and operations activities.  A Group Disclosure Policy and Share Dealing Code, Policy & Procedures have been circulated to all staff in accordance with the UK Market Abuse Regulation (UK MAR).  The Group's anti-bribery and corruption and whistleblowing policies and procedures are reviewed and updated annually and emailed to staff and displayed on our website. Projects with greater exposure to bribery and corruption are monitored closely.  The Group avoids doing business in high-risk territories. The Group has related policies and procedures designed to mitigate bribery and corruption risks including:  Know Your Client checks, due diligence processes, capital expenditure controls, contracts risk assessment procedures, and competition and anti-trust guidance.  The Group engages legal professionals to support these policies where appropriate.  All employees are required to complete anti-bribery and corruption training and to submit details of corporate hospitality and gifts received. This year, staff also received anti-financial crime training to enhance their awareness.  All property transactions are reviewed and authorised by the Executive Committee.  Our Modern Slavery Act statement, which is prominently displayed on our website, gives details of our policy and our approach.  The Group monitors its GDPR and Data Protection Act 2018 compliance to ensure appropriate safeguards, policies, procedures, contractual terms and records are implemented and maintained in accordance with the regulations.	This risk is consistent for the business due to the ever changing legal and regulatory landscape the business operates in. Impact of regulatory change and scrutiny on operational resilience and management practices continues to be a risk for our business.  Therefore, the risk remains at a similar level.



At Helical, being able to operate our business responsibly includes considering the impact we have on the environment, communities and the people in our business. Understanding this balance with the support of a robust governance structure and key responsible people allows us to deliver long-term value for all our stakeholders.

# Our approach to a sustainable future

## Highlights

28%

Reduction in like-for-like gas usage

17%

Reduction in our like-for-like whole building GHG carbon emissions (Scope 1 and 2)

80%

Renewable energy sourced for all landlord and tenant areas

741 kgCO<sub>2</sub>e/m<sup>2</sup>

Embodied carbon for The JJ Mack Building, EC1

136 hours

Volunteering hours by Helical staff

## Sustainability at Helical

We have progressed well against the targets we set out in our sustainability strategy "Built for the Future" and the targets we set as part of our "Net Zero Carbon Pathway". In September 2022, in recognition of our commitment to sustainability, we converted our existing £400m Revolving Credit Facility to a Sustainability Linked Loan. We worked with our four banks to set three ESG KPIs which, if achieved, will result in an interest rate margin benefit. We ensured that the three KPIs chosen were challenging, would drive behavioural change both within our business and across our supply chain and are aligned with the ambitions set out in our sustainability strategy.

As we build on these ambitions, we continue to recognise the importance of transparency and independently verified reporting. As a signatory to the Better Build Partnership Climate Commitment, we have reported on our progress against our net zero carbon targets to keep us on track for 2030. During the year, we have also further developed our reporting against the recommendations of the Task Force on Climate-related Financial Disclosures, which can be found on page 67. We have performed an in-depth review of the risks and opportunities that could arise from certain climate-related scenarios and evaluated the potential impact on our business.

Sustainability is embedded throughout our business which ensures its effectiveness when making key business decisions. Six key priorities drive our long-term vision for sustainability and we believe that by integrating these priorities across our business, supply chain and business partners, they will create long-term value.

## 2023 ratings

GRESB (Global Real Estate Sustainability Benchmark)



Score of 88  
Standing investments

Score of 94  
Developments

5 Green Star rating

A rated public disclosure



EPRA Sustainability Reporting Awards



AAA rating

Gold award



B rating



FT Europe's Climate Change Leaders 2023

Ranked in the top 500 companies in Europe



# Our Sustainable Pipeline

The demand for highly sustainable spaces has continued to grow. Tenants, together with their employees, are increasingly aware of their impact on the environment from the types of space they chose to occupy. At Helical, our pipeline of highly sustainable developments will achieve the highest sustainability and wellbeing credentials and deliver space that meet the needs of future occupiers.

## 100 New Bridge Street, EC4

100 New Bridge Street, EC4, is currently occupied and the redevelopment is due to start by the end of 2023. When we take possession we will carry out a major refurbishment, delivering a highly sustainable Grade A office building. This office-led development has the highest ESG aspirations, targeting BREEAM Outstanding, EPC A, NABERS 5 Star and WELL Platinum. Through applying circular economy principles, we will focus on recycling, reusing and repurposing as much of the existing structure as possible and resulting in significantly lower embodied carbon when compared to a standard new build. We are targeting the RIBA 2030 Built Target (A1-A5) of 475 kgCO<sub>2</sub>e/m<sup>2</sup>. Operationally, the building will be fossil fuel free and powered through a combination of air-source heat pumps and Photovoltaic ("PV") panels. Any electricity procured for this asset will be via REGO backed contracts making it net zero carbon in operation.



CGI – Bank project with TfL

## JV partnership with TTL Properties Limited

In partnership with TTL Properties Limited ("TTLP"), a wholly owned commercial property company of Transport for London ("TfL"), Helical has been selected to deliver three best-in-class, sustainable developments at Bank, Southwark and Paddington, together totalling c.600,000 sq ft of Grade A commercial office space.

Sustainability will be a critical objective for these projects with the schemes providing the opportunity to deliver market leading buildings with exemplary ESG credentials, adopting BREEAM, NABERS and WELL benchmarking. All three sites will be developed on a net zero carbon basis and promote circular economy principles, operate to the highest efficiency with the aid of all electric solutions and on-site renewables and promote health and wellbeing.

As guidance, we will be using the Sustainable Development Framework ("SDF") developed by TfL to support and monitor the sustainability journey of each of these assets. The SDF will be used as an open-source tool and we will actively encourage the design team, main contractor and supply chain to use this to drive the ESG journey of the projects.

Alongside the environmental ambitions of the projects, we will also be promoting equality and diversity, skills and employment and social value. We will be championing diversity amongst the workforce and aspire to attract teams that represent the diversity of London. We will foster a culture that promotes wellbeing and provide support and facilities to enable everyone to thrive. This commitment will extend to the supply chain and we will require all suppliers to comply with a Supplier Code of Conduct and the GLA Mayor's Good Work Standards.

We also recognise the important role these projects will play in advocating and promoting the employment opportunities available in the sector. In delivering these schemes there is a unique set of skills, experience and a breadth of knowledge which will deliver long-term social value and local prosperity for communities and individuals. Our strategy will be governed by three key skills and employment principles: Inspire future talent, Support local labour and Enhance skill base.

The buildings and their enhanced public realm will be assets to the local community and provide benefits to both local residents and new occupiers, creating an enduring legacy. We will be monitoring and reporting on the social value each project has generated through the development stages and on through occupation.

Our ultimate goal is to create a portfolio of well-connected, sustainable and inclusive workspaces across central London.

TfL Paddington site





# Progress on our Net Zero Carbon Pathway

Our “Net Zero Carbon Pathway”, which is aligned to the Better Buildings Partnership’s Net Zero Carbon Pathway Framework, sets out Helical’s commitment to becoming net zero carbon by 2030. As part of our commitment we report below on our progress against our pathway and the targets we have set.

1

## Reduce embodied carbon

Embodied carbon arises from the greenhouse gas emissions generated to produce buildings including emissions caused by extraction, manufacturing/processing, transportation and assembly. We have set ourselves a target of delivering new developments with embodied carbon of less than 600 kgCO<sub>2</sub>e/m<sup>2</sup>. To achieve this target, we will be using the principles set out in our guide “Designing for Net Zero”, which details a ten-step process to maximise the opportunities to reduce embodied carbon.

### Progress in the year

As part of our pathway, we are targeting net zero carbon for all future developments, seven years ahead of our 2030 target. While the industry establishes a recognised certification scheme, we will be aligning with the definitions set by the UK Green Building Council (“UKGBC”) and the Better Build Partnership (“BBP”), both of which Helical is a member.

The JJ Mack Building, EC1, completed in September 2022 with a final embodied carbon intensity of 741 kgCO<sub>2</sub>e/m<sup>2</sup> (A1-A5). This significant saving was achieved by incorporating recycled materials in the construction process, for example within the aluminium cladding, steel frames, raised floor tiles, and light fittings, and using reclaimed bricks. We used Earth Friendly Concrete that is 50% less carbon intensive than a standard concrete mix. Our steel was produced in the UK, which reduced our embodied carbon significantly by being partly sourced from recycled/reused steel and from the lowered transportation related emissions.

Our pipeline of development properties, including 100 New Bridge Street, EC4, and the three sites we are developing in partnership with TfL, have a core focus to reduce embodied carbon and achieve net zero carbon status. We will continue to use circular economy principles such as repurposing existing structures and using materials with a high recycled content to drive down the embodied carbon of each of these projects.

2

## Reduce operational energy

Operational energy is the energy used to run a building and focuses largely on electricity and gas supply. Helical intends to achieve the UKGBC’s target for offices of 90 kWh/m<sup>2</sup> by 2030. Our portfolio already operates with relatively low energy intensity as our buildings have all been recently redeveloped or refurbished. We will therefore focus on electrifying our buildings, exploring potential connections to district heating networks and continuing energy saving measures such as upgrading Building Management Systems.

### Progress in the year

Reducing the operational energy of our buildings and driving down energy intensity across our managed assets is a key element of our Net Zero Carbon Pathway. Over the past year we have taken a hands-on approach to monitoring the buildings that account for the majority of our energy in usage. At The Bower, EC1, which accounts for 40% of our total energy usage, we have been working with our M&E contractors to reduce equipment run times and optimise how the building is powered. In partnership with our managing agents we have rolled out these changes without impacting our tenants’ experience of the building. This collaborative process resulted in a c.20% saving in gas usage with further savings expected for the following financial year.

The JJ Mack Building, EC1 is targeting a NABERS Energy Performance Target Rating of 5 Stars and received an EPC A rating in recognition of its energy performance and our commitment to achieving excellent energy efficiency in operation.

We are still awaiting for confirmation from the UK Government on the introduction of energy performance in-use ratings and new Minimum Energy Efficiency Standards. The expectation is that all commercial lettable space will require an EPC B or higher rating by 2030. As it currently stands 99% by value of our managed portfolio are EPC A or B, and we are therefore well placed for any incoming legislative changes.



Read our Net Zero Carbon Pathway Scan the QR code to read our report or visit the Sustainability section of our website.

3

## Maximise renewable energy

Buildings will always need some form of heating and cooling. Once the efficiency of these systems has been maximised, we need to power these assets through renewable energy supplies wherever possible. For our existing portfolio, we have investigated the opportunities for on-site renewables and found there is, in many cases, limited scope for meaningful interventions. We will therefore focus on procuring the highest quality renewable energy supply for our offices. For our new developments, we will avoid the use of fossil fuels and generate on-site renewable energy through the installation of PV solar panels and electric air-source heat pumps.

### Progress in the year

At The JJ Mack Building, EC1 we installed 144 PV panels which have generated c.14,000 kWhs to date, with the energy generated used within the building. We continue to explore options for installing renewable technologies at our existing assets, however due to limited roof space, the options available are curtailed. At The Bower, EC1 we looked at the possibility of connecting to the Bunhill District Heating Network, which is partly powered by excess heat from the underground network, however the network was unable to provide the load requirements needed for the building. We will continue to monitor the feasibility of this connection going forward where energy loads may be able to be met in the future.

For our pipeline of developments, we will ensure all sites have some renewable energy on site, will be fossil fuel free, and are connected to local district heating networks where appropriate.

While we procure 80% of our energy via REGO-backed electricity and green gas contracts, we recognise we will need to significantly increase our on-site renewables if we are to meet our 2030 target.

4

## Offset unavoidable emissions

Whilst we are striving to remove carbon emissions from our supply chain and development activities, it is likely that we will require carbon offsets for some of our residual difficult-to-decarbonise emissions. In alignment with the BBP’s requirements and those of the Oxford Offsetting Principles, we will only use such offsets when all other options for reducing our emissions have been exhausted.

### Progress in the year

We are in the process of defining our approach to how we will offset our unavoidable emissions. While there is currently no universally recognised method of offsetting for the industry, we are exploring a variety of options including the use of an internal price of carbon and the use of a transition fund to aid the move away from fossil fuels at our buildings and enhance renewable technologies.

Whilst we recognise climate change is a worldwide issue, we have a strong preference to support UK based carbon projects, particularly those that seek to restore habitats, enhance biodiversity and have wider social value benefits. There is a significant shortfall of recognised UK based carbon projects and associated credits, however as the legislative landscape changes we are hopeful that more UK projects will become eligible.

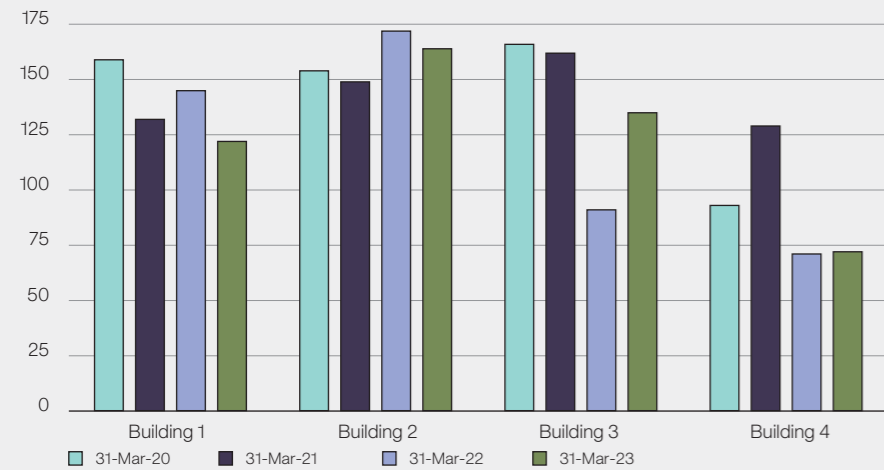
While we have not yet fully defined our carbon offsetting strategy, we have elected to support two UK based carbon projects, purchasing 4,500 tonnes of carbon credits in the year. To date, we have purchased soil sequestration carbon credits which have been created as a result of UK farmers converting to regenerative farming practices. Rather than aggressively tilling farmland, these farmers align with a set of regenerative farming principles which advocate no tilling, planting cover crops and crop rotation. Adopting these methods leads to an increase in the soil quality, reducing the amount of CO<sub>2</sub> released into the atmosphere, and creates nutrient rich soil which attracts greater biodiversity. We have supported a 1,000-acre farm in Lincolnshire, partnering with Hylton Phillipson Murray, a keen advocate for the regenerative farming movement. In addition to this, we have also purchased credits from Agreena, a Danish based farm-tech business who have established a cooperative of smaller UK farmers. Agreena are in the process of having these credits verified by VERRA.



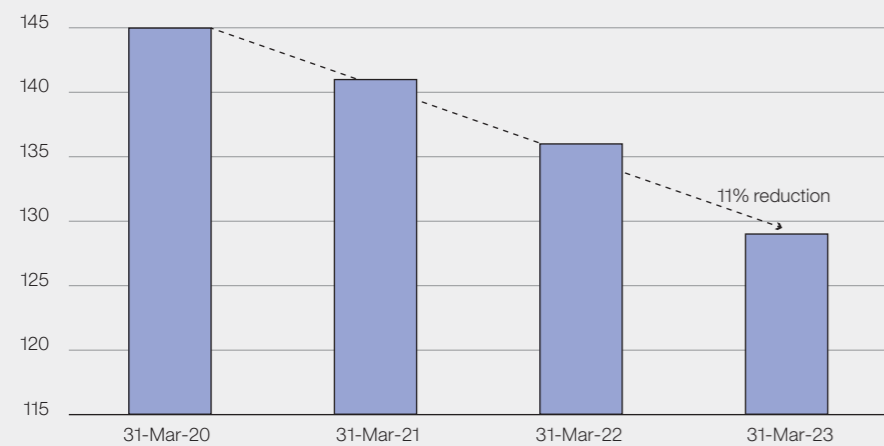
### Performance against our Net Zero Carbon Pathway

As a signatory of the Better Buildings Partnership's ("BBP") Climate Commitment, we are required to disclose progress annually against our Roadmap to Net Zero. Our carbon footprint and narrative on progress during the last year is set out below.

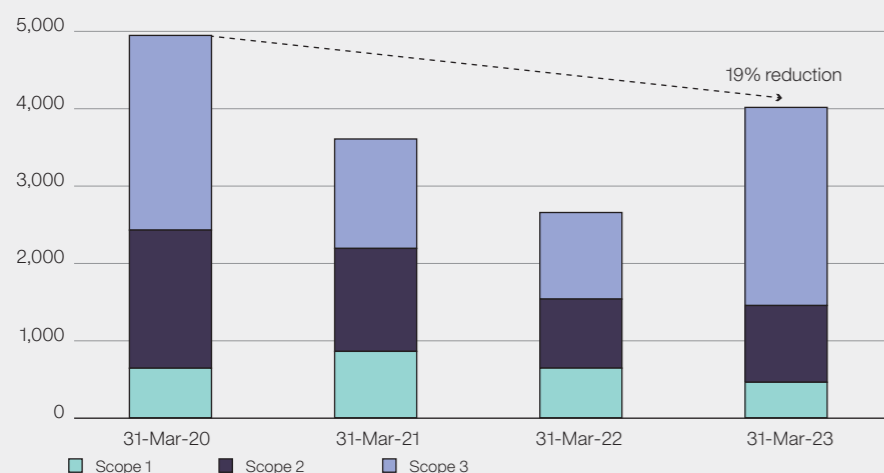
#### Building energy intensity (KwH/m<sup>2</sup>)



#### Average building energy intensity (KwH/m<sup>2</sup>)



#### Operational carbon footprint (tCO<sub>2</sub>e)



### Building energy intensity

We have set a 2030 building energy intensity target for all our existing assets and new developments of 90 kWh/m<sup>2</sup>. It has been challenging to accurately analyse energy intensity performance due to fluctuations in occupancy during the Covid pandemic.

We have looked at the four assets we have held since 31 March 2020 which account for 90% of our portfolio energy consumption (not including 100 New Bridge Street, EC4). On average these assets reduced their energy intensity by 11%. At the individual building level three out of our four assets' energy intensity has fallen from 31 March 2020.

With these four buildings responsible for 90% of our total electricity and gas consumption, optimising their performance is critical if we are to make sustained progress towards our targets on our pathway to net zero.

### Operational carbon footprint

Our carbon emissions (Scope 1, 2 and 3) have increased by 50% compared to the prior year. This increase was mainly driven by the energy consumption from 100 New Bridge Street, EC4 where we are including a full year of energy compared to only a month in the prior year. This building is currently occupied until the end of 2023 when a full refurbishment will be undertaken with a focus on delivering a highly efficient building.

64% of our carbon emissions fall outside our direct control and form our Scope 3 emissions; these are emitted by our customers occupying our spaces. We have not included our embodied carbon emissions within this analysis as, to date, we have only performed a whole lifecycle assessment at The JJ Mack Building, EC1 and therefore have no comparator. We plan to perform whole life carbon assessments on all future developments.

When compared with our 2020 baseline, our total carbon emissions, across Scopes 1, 2 and 3, have decreased by 19%. Whilst there has been significant activity to reduce carbon emissions during this time, the nature of our business will cause our carbon footprint to fluctuate due to new acquisitions, disposals and the number, and completion stage, of our developments on site.

# Our Environment

The built environment is estimated to contribute around 40% of the UK's carbon emissions and it is therefore imperative that the real estate industry addresses its carbon footprint.

### Our environmental performance

#### Energy

Increasing occupancy levels have led to a small increase of 5% in our total like-for-like<sup>1</sup> electricity consumption for our managed portfolio. Despite these increasing occupancy levels our total gas like-for-like consumption decreased by 22%. This reduction is, in part, due to the significant efforts made at The Bower, EC1, where we have made a number of operational adjustments to drive down gas consumption.

For our landlord-controlled areas we saw a 2% increase in electricity consumption and a 11% increase in our tenant consumption as a result of an increase in occupancy levels.

Going forward our focus will be to electrify our buildings, reducing our reliance on gas. Our property managing agents continue to work closely with our tenants to understand their working arrangements in order to optimise heating, cooling and plant running.

In addition to the above, we have continued to roll out a number of energy efficiency improvements across our assets in the reporting period. These include:

- Increased coverage of LED lighting;
- Improved existing energy management practices;
- Increased coverage of climate and lighting controls;
- Reviewed options for Low and Zero Carbon ("LZC") technologies, such as photovoltaics; and
- Actively managed ventilation and heating strategies.

#### Carbon

In the year, as a result of the energy saving initiatives carried out, we saw our Scope 1 like-for-like emissions reduce by 24%. Likewise, our Scope 2 like-for-like emissions have also fallen by 12%. Associated Scope 3 emissions have increased significantly compared with the previous reporting year, this is primarily due to impact of reporting a full year of energy at 100 New Bridge Street, EC4.

Tracking our performance across all scopes of emissions will allow us to identify key areas for improvement across our supply chain and ensure a sustainable business strategy.

#### Water

Total water consumption across our head office, managed property portfolio and development sites has seen an increase of 90% in comparison to the last reporting year. This is due to the full year impact of including 100 New Bridge Street, EC4, which was a new acquisition at the end of the prior year. A comparison of the like-for-like assets has seen an increase of 13% in the year, due to an increase in occupancy throughout the year following the lifting of restrictions related to the Covid-19 pandemic for office-based working. However, by comparison to the year ended 31 March 2020, a year with relatively few Covid-19 restrictions, water intensity has reduced by almost 34%.

#### Waste

Our recycling rate was 56% compared to 50% last year. The majority of recyclable waste comes from occupier waste streams, i.e. food waste, coffee cups, paper, packaging and glass. Recycling in our managed portfolio has met the target of a 50% recycling rate, with the majority of properties achieving recycling rates of over 55%. We have successfully engaged with restaurant and café tenants to encourage them to avoid single use plastic and reduce waste wherever possible. Recycling in the development portfolio has achieved rates of 95% and above, with any remaining waste recycled on site.



<sup>1</sup> Our like-for-like portfolio includes managed properties that have been within the portfolio for the entirety of the current and prior reporting year.

We continually look to enhance our sustainability reporting with the view to increasing transparency and creating meaningful analysis. Our Sustainability Performance Report 2023, which can be found on our website, includes a full breakdown and analysis of our performance against previous years and against the targets we have set as part of our sustainability strategy."



### Streamlined Energy and Carbon Reporting (“SECR”) disclosure

Our SECR disclosure presents our carbon footprint across Scopes 1, 2 and 3, together with an appropriate intensity metric and our total energy use of electricity and gas.

	31 March 2023	31 March 2022*
<b>Gross internal floor area (m<sup>2</sup>)</b>	<b>130,057</b>	102,417
<b>Scope 1 emissions and direct energy use</b>		
Emissions associated with combustion of fuel (tCO <sub>2</sub> e)	460	643
Emissions associated with operation of facilities (refrigerant gas) (tCO <sub>2</sub> e)	-	-
Energy use of combustion of fuel (kWh)	2,500,145	3,482,225
<b>Scope 2 emissions and indirect energy use</b>		
Emissions associated with purchased electricity, heat, steam and cooling usage (tCO <sub>2</sub> e)	972	872
Emissions associated with head office electricity usage (tCO <sub>2</sub> e)	22	23
Emissions associated with purchased electricity – location based (tCO <sub>2</sub> e)	854	894
Emissions associated with purchased electricity – market based (tCO <sub>2</sub> e)	314	92
Energy use of purchased electricity, heat, steam and cooling (kWh)	4,313,622	4,104,484
Energy use of electricity at head office (kWh)	111,865	107,027
<b>Scope 3 emissions and indirect energy use</b>		
Emissions associated with purchased electricity sub-metered to occupiers (tCO <sub>2</sub> e)	1,331	597
Energy use of purchased electricity sub-metered to occupiers (kWh)	6,883,574	2,813,039
District heating and cooling (tCO <sub>2</sub> e)	156	46
District heating and cooling (kWh)	3,409,800	573,000
<b>Emissions and energy use totals</b>		
Absolute emissions Scope 1 and 2 – location based (tCO <sub>2</sub> e)	1,453	1,537
Absolute emissions Scope 1 and 2 – market based (tCO <sub>2</sub> e)	913	736
Total energy use Scope 1 and 2 (kWh)	6,925,632	7,693,736
<b>Intensity measures**</b>		
Emissions per m <sup>2</sup> gross internal area (tCO <sub>2</sub> e/m <sup>2</sup> /year)	0.011	0.015
Energy use per m <sup>2</sup> gross internal area (kWh/m <sup>2</sup> /year)	53.25	75.12
Emissions per revenue (Scope 1&2 tCO <sub>2</sub> e/£m)	36.52	26.68
<b>Emissions and energy use totals like-for-like**</b>		
Absolute emissions on a like-for-like basis (tCO <sub>2</sub> e)	1,011	1,225
Energy use on a like-for-like basis (kWh)	5,358,944	6,180,846
<b>Intensity measures like-for-like**</b>		
Emissions per m <sup>2</sup> gross internal area on a like-for-like basis (tCO <sub>2</sub> e/m <sup>2</sup> /year)	0.046	0.054
Energy use per m <sup>2</sup> gross internal area on a like-for-like basis (kWh/m <sup>2</sup> /year)	242.29	265.27

\* There has been a restatement to the prior year SECR disclosure as a result of a calculation error which came to light during the current reporting year. For more details on this restatement please see our Sustainability Performance Report 2023.

\*\* Using location-based emissions.

### Our SECR reporting methodology

For our SECR disclosure we have used the operational control consolidation method, as this best reflects our property management arrangements and our influence over energy consumption. Included in our operational control data are emissions and energy usage from our managed properties (including 100% of emissions from joint venture properties) and head office usage. Where we have purchased energy, which is sub-metered to occupiers, this is itemised separately. We have included usage or emissions from our development sites and refurbishment sites as these are still considered under our operational control. We have used DEFRA Environmental Reporting Guidelines and the Greenhouse Gas Protocol to calculate our emissions.

### Third party verification

EcoAct was engaged by Helical to provide independent third party limited verification of its direct (Scope 1) and indirect (Scope 2 and selected Scope 3) greenhouse gas emissions, as detailed in the Company’s carbon footprint SECR statement for the period of 1 April 2022 to 31 March 2023.

Based on the data and information provided by Helical and the processes and procedures followed, nothing has come to EcoAct’s attention to indicate that the GHG emissions totals for 31 March 2023 are not fairly stated and are free from material error.

This conclusion should be read in conjunction with EcoAct’s full ISO 14064:3 limited verification statement available in the Sustainability Performance Report 2023 on our website.

# Our People

We aim to attract, inspire and engage a talented workforce, one that flourishes and is proud to work for Helical.

### How we support our people

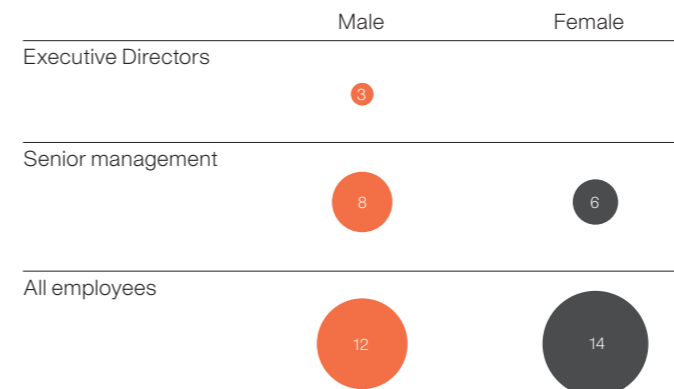
Helical has a small core team but works closely with trusted partners across multiple disciplines. Our success is built on the skills of our staff and therefore finding, developing, rewarding and retaining our people is a key element of our corporate strategy.

At Helical we encourage an open and inclusive culture as we believe this creates a collaborative and focused approach to achieving the Group’s aims and aspirations, encouraging individuals to proactively suggest ideas and opportunities for the benefit of the business and the people. This culture is further supported and encouraged through Helical’s Values, further details of which are set out in the Our stakeholders – Section 172(1) Statement on pages 76 to 87.

Diversity is important in helping Helical achieve its strategic aims. By ensuring that Helical is a diverse business, the Group benefits from a variety of experiences and perspectives, stimulating creativity and contributing to our open and cohesive Culture.

We believe that a competitive approach to remuneration, alongside an attractive working environment, has continued to keep staff turnover low at 7.7%, with an average length of service of 13.2 years. To ensure a highly skilled and experienced team, Helical continues to evaluate training needs in line with business objectives. Our employees are actively encouraged to attend training that enhances their knowledge and benefits the business. Over the year, our staff undertook 1,302 hours of training and development – an average of 6.7 days per employee.

31 March 2023	Total number of staff as at 31 March 23	Average length of service (years)
Executive Directors	3	28.8
Senior management (Executive Committee and direct reports)	14	10.9
All employees (full-time and part-time)	26	13.2



### Health and wellbeing

We provide our employees with a range of benefits, services and support whilst encouraging them to take a proactive role in their own wellbeing. We are mindful of individuals’ physical and psychological safety and embed “agile” ways of working to ensure our employees have a good work-life balance.

We also promote wellbeing through a number of benefits including a paid-for gym membership, medical insurance, a cycle-to-work scheme and the availability of fruit and healthy snacks at the office.

These initiatives were all implemented by our group of Mental First Aiders, being 15% of our workforce, who have completed the two day Mental Health First Aid training. They meet on a quarterly basis to discuss how best to engage staff, exchange ideas on how to champion wellbeing practices and implement these initiatives in a way that is inclusive to all staff.

### Working with trusted partners

As Helical operates with a small team, our ability to establish excellent long-term relationships with our advisors, agents and other suppliers is very important. As part of this, fair treatment of suppliers remains a key priority for Helical and the Group’s policy is to settle all agreed liabilities as soon as possible and within the terms established with each supplier.

### Health and safety

Helical has a corporate Culture that is committed to the prevention of injuries and ill health to its employees or other people that may be affected by its activities. The Group’s Health & Safety Policy reflects this commitment and is a core component of Helical’s Culture. The Board of Directors and senior executives are responsible for implementing this policy and they look to ensure that health and safety considerations are always given priority in planning and in day-to-day activities.

- The Group’s Health & Safety Policy was last reviewed and updated in February 2023 to reflect the latest legislative and regulatory developments. Training of Helical staff in the updated Health & Safety Policy and supporting the construction design and management requirements has been undertaken during the reporting year.
- The Group’s Health & Safety Policy can be found on the Company’s website along with the Sustainability Performance Report 2023 which includes detail on health and safety performance in the year.

Helical has delivered over one million hours of construction during the year with no fatalities or major accidents and only one RIDDOR reportable incident. The majority of Helical projects are managed by principal contractors holding OHSAS 18001 certification and that maintain 100% Construction Skills Certification Scheme (CSCS) accreditation for all full-time and subcontracted staff. Further details on our health and safety performance can be found within our Sustainability Performance Report 2023.



# Our Communities

Investing in local initiatives and supporting communities maximises social value and creates places that are sustainable for the long term.

We monitor and manage the social impact of our development activities, ensuring that we are bringing a positive social, economic and environmental impact to the area. This includes creating a calendar of events and initiatives to ensure we are positively engaging with local residents, schools, community groups and businesses, issuing monthly newsletters to those impacted by our development activities and supporting local charities. In addition to building specific activities, we also support a number of charities and through the connections we make, our volunteering programme gives employees the chance to get involved in initiatives outside work and in the wider community.

## Volunteering day

Spitalfields City Farm is the nearest city farm to the City of London's square mile and is located in one of the most densely populated wards of Tower Hamlets. The farm works with a vibrant and multi-cultural community to provide educational opportunities for children and adults alike, to empower people to gain new skills, confidence and combat social isolation.

Small yet ambitious, it accomplishes a lot with a little, which is an even greater challenge given the food poverty and cost of living crisis people are facing. At Helical, we are inspired by those that bring communities and nature together and in July 2022 the Helical team came out in force for a day of volunteering.

We donated a total of 136 hours of volunteering time with a 17 strong Helical team and spent the day participating in a number of maintenance activities for the farm. Despite the 30-degree heat we repainted and oiled the Tea Hut, made and painted A frame signs, mucked out, weeded and fed the animals. In total the hours we donated equated to c.£2,000 of social value creation.



£33,800

Donated to charity

## Supporting our chosen charities

### LandAid

#### LandAid

Helical has a relationship with LandAid, the property industry's charity, dating back to 1986 and has been a Foundation Partner since 2012.

In the last ten years Helical has raised/donated over £450,000 for LandAid which has helped the delivery of 27 homes for young people. In 2022, we raised/donated £32,000 for LandAid which supported projects such as the First Step Appeal, a campaign which aims to fund eight key emergency accommodation projects across the UK. This appeal forms part of LandAid's wider commitment to create 1,000 homes for young homeless people by 2024.



#### Hackney Night Shelter

As a result of the pandemic and the cost of living crisis, people are at even greater risk of homelessness and securing safe accommodation. This year we are very pleased to support Hackney Night Shelter and the work they do in London.

Hackney Night Shelter believe that to deliver a lasting route out of homelessness, guests need to be supported to not only find more stable accommodation, but also to help them to rebuild their lives.

Helical's donation has in part funded a new night shelter for homeless people in Hackney. This shelter can house 16 people and has already allowed five individuals to move to permanent accommodation.



Spending the day at the farm was a great way for all us to re-connect, it allowed us to work as a team in a totally different environment than we're used to and use a different set of skills. The day itself was really varied and we were able to get involved in a variety of tasks including weeding, painting, watering, shifting compost and attending to animals – we were certainly kept busy!

It was a very rewarding experience – it was great to have the opportunity to support a local initiative right on the doorstep of some of our assets and spend a day with our colleagues outside of the working environment.”

– Laura Beaumont, Head of Sustainability



#### Lord Mayor's Appeal

The Lord Mayor's Appeal's aim is to create a better city for all that is inclusive, healthy, skilled and fair. We are pleased to be a Corporate Sponsor of the Lord Mayor's Appeal for the seventh year running and support the ongoing initiatives launched by the charity including "This is me" – a pioneering mental health initiative, aiming to change attitudes and reduce stigma around mental health in the workplace. Two of Helical's Mental Health First Aiders attended the launch of "This is me", hearing about the three unique tools available to support organisations in raising awareness.



# Sustainability Linked Loan

## Revolving Credit Facility

In September 2022, in recognition of our commitment to sustainability, we converted our existing £400m Revolving Credit Facility to a Sustainability Linked Loan. We worked with our four banks to set three ESG KPIs which, if achieved, will result in an interest rate margin benefit. We ensured that the three KPIs chosen were challenging, would drive behavioural change both within our business and across our supply chain and are aligned with the ambitions set out in our sustainability strategy "Built for the Future".

### KPI 1 –

#### Energy intensity

##### Rationale:

The energy consumption of our portfolio is a major contributor to our carbon footprint. Lowering our energy intensity is an essential part of delivering our Net Zero Carbon Pathway.

##### Overall target:

Reduce energy intensity by 26% by 2026 compared to a 31 March 2020 baseline; keeping us on track to meet 90kwh/m<sup>2</sup> by 2030, our net zero carbon target.

##### March 2023 target:

8.3% reduction in energy intensity compared to 2020 baseline.

##### Performance:

Target met.

The energy intensity of our four RCF investment properties fell by 11.1%. This is a result of ongoing energy efficiency upgrades and optimisation of building management systems.

##### Verified by:

EcoAct

### KPI 2 –

#### Scope 1 and 2 emission

##### Rationale:

Scope 1 and 2 emissions represent emissions which Helical has direct influence over. Currently three of our assets are still reliant on gas. We recognise the need to move away from fossil fuels and enhance on-site renewables.

##### Overall target:

Reduce Scope 1 and 2 emissions intensity (CO<sub>2</sub>e/sq ft) by 35% by 2026 compared to a 2019 baseline.

##### March 2023 target:

8.8% reduction in Scope 1 and 2 emissions intensity compared to 2019 baseline.

##### Performance:

Target met.

Our Scope 1 and 2 emissions intensity fell by 26% compared to our 2019 baseline as a result of sustained energy efficiency measures.

##### Verified by:

EcoAct

### KPI 3 –

#### Volunteering hours

##### Rationale:

Volunteering gives employees the chance to build connections with their local communities and give back to society while working on issues they feel passionate about.

##### Overall target:

Increase volunteering hours to an average of 16 hours per employee by 2026.

##### March 2023 target:

Four hours of volunteering per employee.

##### Performance:

Target met.

For the year to 31 March 2023, there was a total of 136 hours of volunteering, an average of 4.9 hours per employee. More details on the activities we undertook can be found on page 64.

##### Verified by:

EcoAct

# The Task Force on Climate-related Financial Disclosures

Climate change continues to be one of the greatest long-term challenges we face. In an effort to improve transparency, the Task Force on Climate-related Financial Disclosures ("TCFD") framework provides guidance on how to improve reporting on climate-related financial risks and opportunities.

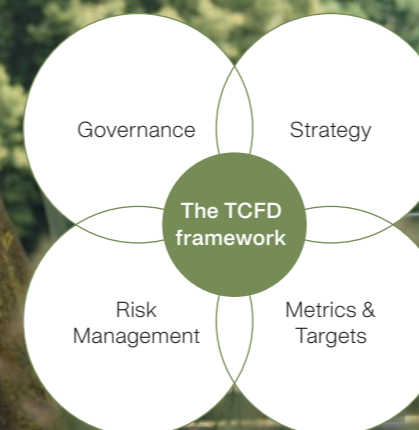
At Helical, we support the TCFD recommendations and we believe our TCFD disclosure will support stakeholders in assessing our exposure to climate-related risks and opportunities and aid them in making informed decisions.

During the year we have reviewed the in-depth study performed in the previous year on climate scenarios and the quantitative analysis on the risks and opportunities and the associated potential financial impact, and have updated as required.

We set out below our climate-related financial disclosures consistent with all of the TCFD recommendations and recommended disclosures. By this we mean the four TCFD recommendations and the 11 recommended disclosures set out in Figure 4 of Section C of the report entitled "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 by the TCFD.

In making our assessment of consistency with TCFD recommendations and recommended disclosures, we have considered TCFD Guidance for All Sectors, Supplemental Guidance for Non Financial Groups, where appropriate, and other relevant TCFD guidance.

The TCFD framework addresses four key areas:





## Governance

### The Board's oversight of climate-related risks and opportunities

The Board has ultimate responsibility for risk management within the Group. The Board sets the risk appetite of the Group, establishes a risk management strategy and is responsible for maintaining a robust internal control system. Part of this risk management approach is considering those risks posed by climate change. The Board considers the impact of volatile weather patterns, shifts in stakeholder behaviour and availability of climate resilient technology to assess the potential implications for the business and set out a suitable mitigation plan. At Board level, Sue Farr has been appointed the designated Non-Executive Director responsible for ESG matters.

The Audit and Risk Committee is a Board Committee formed of Non-Executive Directors and meets quarterly. It supports the Board by evaluating the effectiveness of the risk management procedures and internal controls throughout the year.

The Executive Committee is responsible for the day-to-day operational application of the risk management strategy and ensuring that all staff are aware of their responsibilities. It reports to both the Audit and Risk Committee and directly to the Board on the operation of the Group's Risk Management Framework.

The Sustainability Committee meets quarterly and is chaired by Helical's Property Director and is made up of a cross-functional team including the Head of Sustainability, Head of Asset Management and Senior Development Executive. Collectively they are responsible for new developments, refurbishments and building operations. The Sustainability Committee has the required knowledge to actively manage the climate change risks and opportunities faced by the Group. It engages with relevant stakeholders to determine the impacts on financial planning, impact to strategy, relevant targets and key priorities. It is responsible for implementing policies which promote the long-term sustainability of the Group and facilitate informed decisions to minimise Helical's impact on climate change.

The Head of Sustainability reports directly to our Property Director and provides regular updates to the Executive Committee on progress against targets and the wider sustainability strategy. A formal presentation is given to the Board on an annual basis or more often as required.

### Management's role in assessing and managing climate-related risks and opportunities

Our sustainability strategy "Built for the Future" sets out our ambitions in respect of our development and asset management activities and out our long-term vision for Our Environment, Our People and Our Communities. It details guiding principles on how to operate our business in a sustainable way while also ensuring future long-term growth. Our strategy is led by our Head of Sustainability and is implemented by the wider Sustainability and Executive Committees.

#### Assessing related risks and opportunities

The Sustainability Committee is responsible for identifying and assessing climate change risks in relation to our operations, environmental ambitions and performance against our targets.

Climate-related risks are captured in our Risk Register and are overseen and reviewed by our Audit and Risk Committee. Whilst the Board is ultimately responsible for the management of risk, the Group is structured in such a way that risk identification, assessment, management and monitoring occur at all levels of the Helical team. Roles and responsibilities with respect to risk are well established and the close working relationships existing between senior management and our Executive Committee enhance our ability to manage our risks. The identification of risk occurs primarily at Board level through application of Helical's Risk Management Framework (see pages 45 to 46). As part of this process, the Risk Register and corresponding Risk Heat Map (see pages 47 to 53) are produced. The Board meets at least twice a year to assess the appropriateness of the Risk Register, considering the macroeconomic environment, current projects and performance and past experience.

All risks, including climate-related risks, are assessed in terms of impact on the business and the severity of the risk. Risk severity involves assessing both the likelihood of a risk materialising and its potential impact. The Executive Committee assesses the risk severity and reports its assessment to the Board for review. The Board also considers the mitigating actions to ensure they reduce the risk down to an acceptable level based on the Group's risk appetite.

More details on our approach to risk management can be found on pages 44 to 53.



## Strategy

### Climate-related risks and opportunities the organisation has identified over the short, medium and long term

As a property developer and investor, climate-related issues affect the way we design our new buildings and how we manage our existing properties effectively. We take an active approach in managing climate-related risks and opportunities.

Within our business we consider the short, medium and long-term time horizons to be 0-3, 3-5 and 5-15 years respectively, recognising that climate-related issues, in particular physical risks, are often (but not exclusively) linked to the medium to long term.

<p><b>Short term (0-3 years)</b> <b>1.5°C scenario</b> (IPCC, 2014: Synthesis Report: RCP2.6 SSP1)</p>	<p>In the short term we will continue to take a proactive approach to minimising the risks and maximising the opportunities associated with our current and future tenants' needs, the regulatory landscape and the availability of natural resources. These priorities shape the way we develop, manage and occupy our buildings while minimising the impacts of climate change. Key short-term risks and opportunities which have been identified are as follows:</p> <p><b>Transition risk</b></p> <ol style="list-style-type: none"> <li>Minimum Energy Efficiency Standards ("MEES") Increasingly stringent rating requirements proposed by 2027 and 2030.</li> <li>Opportunity Improving buildings and spaces to meet the more stringent EPC requirements and our net zero requirements align with market and customer demand for more sustainable space leading to rental premiums. There are also operational cost savings that can be achieved from the reduced energy intensity of more efficient spaces.</li> <li>Emissions offsets Increasing cost and constrained supply of high quality carbon offsets.</li> <li>Planning Increasing planning requirements.</li> <li>Raw material costs Increasing cost of raw materials used in construction.</li> </ol> <p><b>Physical risks</b></p> <ol style="list-style-type: none"> <li>100-year storms Our London portfolio has a moderate exposure to damage and interruption from 1 in 100 year type storm damage in this scenario.</li> </ol>
<p><b>Medium term (3-5 years)</b> <b>2°C scenario</b> (IPCC, 2014: Synthesis Report: RCP4.5 SSP2)</p>	<p>Over the medium term we will identify and manage the financial impacts arising from climate change risks. We will use our market leading knowledge to make sustainable investment choices.</p> <p><b>Transition risk</b></p> <p>The risk impact and likelihood is unchanged under this time horizon when compared to the 1.5°C scenario. Helical has committed to decarbonise in a shorter time frame than the Government's current policy approach.</p> <p><b>Physical risks</b></p> <ol style="list-style-type: none"> <li>100-year storms Within this climate scenario the current science is inconclusive on any material shifts to the intensity or frequency. Therefore the risk profile has been deemed to be broadly similar to that in the short term.</li> <li>Flooding All of our current properties are either out of flood risk zones or protected by the Thames Barrier. As a result, the risk of flooding under this scenario is considered moderate.</li> </ol>
<p><b>Long term (5-15 years)</b> <b>4°C scenario</b> (IPCC, 2014: Synthesis Report: RCP8.5 SSP5)</p>	<p>These risks have a wider impact on the Group's strategy and will help define how the Group will look to operate in the long term. To address the risks associated with more extreme weather patterns, we will work with our supply chain, contractors and design teams to guarantee our developments are designed to be resilient and adaptable to these risks.</p> <p><b>Transition risk</b></p> <p>Not modelled under this scenario/time horizon.</p> <p><b>Physical risks</b></p> <ol style="list-style-type: none"> <li>100-year storms Within this climate scenario the current science is inconclusive on any material shifts to the intensity or frequency. Therefore the risk profile has been deemed to be broadly similar to that in the short/medium-term scenarios.</li> <li>Flooding No change from medium term.</li> <li>Drought Our portfolio could see a moderate risk of drought, between three to four months per year. This is a notable increase over today's climate.</li> </ol>



Strategy continued

**Physical risk**

Physical risks are typically defined as risks which arise from the physical effects of climate change and environmental degradation.

They can be categorised either as acute – if they arise from climate and weather-related events and an acute destruction of the environment, or chronic – if they arise from progressive shifts in climate and weather patterns or a gradual loss of ecosystem services.

We have undertaken physical climate risk modelling to quantify the potential impacts of climate change on London under a range of future emissions scenarios.

We have conducted physical risk scenario analysis, including future climate scenarios with global temperature increases of approximately 1.5°C (RCP2.6) 2°C (RCP4.5) and 4°C (RCP8.5).

**Transition risk**

Transition risk generally refers to the uncertainty associated with the timing and speed of adjusting (adapting) to an environmentally sustainable economy.

When considering the transition risks and opportunities for different scenarios, we have taken into consideration our proactive stance with regards to climate change, as set out in the climate-related goals and objectives in our sustainability strategy “Built for the Future”, our design guide “Designing for Net Zero” and our “Net Zero Carbon Pathway”.

We have used the CCC’s 6th Carbon Budget (the “Buildings” section) to inform our scenario basis, with three distinct scenarios defined as:

**Balanced** – Implementing new and upgrading existing energy efficiency measures in all commercial buildings; significantly scaling up the market for heat pumps as a critical technology for decarbonised space heating; expanding the rollout of low carbon heat networks in heat dense areas; and facilitating a potential role for hydrogen in heating.

**Headwinds** – While there is some degree of behaviour change and innovation/ implementation in low carbon technology, there are not widespread behavioural shifts or significant policy/market driven reductions in the costs of low carbon design and technology for buildings.

**Tailwinds** – Through significant consumer behavioural changes and the widespread implementation of energy efficiency measures, an early and rapid rate of decarbonisation in buildings is realised over a short to long-term horizon.

We have aligned our strategy to a 1.5°C warming scenario, however we have also reviewed 2°C and 4°C warming scenarios.



**Impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning**

We invest, develop and manage property in central London, therefore climate-related risks have a direct impact on how we develop and manage our buildings and are a consideration when acquiring and selling assets and engaging with our tenants. This in turn affects the kinds of suppliers and consultants we use to ensure we have the requisite level of expertise. This is driven by an ever-increasing demand from our stakeholders wanting buildings with higher sustainability credentials, as well as the regulatory landscape becoming more stringent and challenging. Our business model, strategy and approach to financial planning recognise this and are underpinned by our pathway to net zero, which sets out our transition plan. Details of our pathway can be found at [www.helical.co.uk/sustainability/net-zero-carbon-pathway/](http://www.helical.co.uk/sustainability/net-zero-carbon-pathway/)

From the risks and opportunities we have identified above, we have detailed the how those risks and opportunities might impact our business, strategy and financial planning.

Strategy continued

**Physical risks**

Description	Likelihood	Potential financial impacts	Impact on strategy	Impact on financial planning
<b>100-year storm</b> Damage to our assets from high winds and rainfall.	Moderate to high	<ul style="list-style-type: none"> <li>Loss of rental income from affected tenants</li> <li>Increased capital costs associated with damage</li> <li>Increased operating costs from potential power outages</li> <li>Increased development costs from weather-related delays</li> </ul>	Overall, the impact of such storms on our portfolio does not impact our business strategy, but instead helps us to ensure we have the right building maintenance and management measures in place.	We do not believe there is a material impact to our financial planning and will continue to design climate resilient features into our property such as sophisticated weather reactive water attenuation systems.
<b>Flooding</b> Loss and damage to our assets which are located in high flood risk zones.	Low	<ul style="list-style-type: none"> <li>Loss of rental income from affected tenants</li> <li>Increased capital costs associated with damage</li> <li>Increased operating costs from potential power outages</li> <li>Increased development costs from weather-related delays</li> </ul>	As with storms, the risks from flooding do not impact our overall business strategy, albeit we are likely to undertake a greater level of due diligence during the acquisition process given future purchase targets could potentially be in flood zones.	To ensure we understand the flood risk of potential new acquisitions our due diligence procedures will need to be enhanced to account for a greater level of flood mapping to ensure we aren’t introducing higher levels of risk and loss exposure into the portfolio.
<b>Drought</b> Buildings are not resilient to extreme temperatures and suffer from malfunctions and overheating.	Moderate	<ul style="list-style-type: none"> <li>Loss of rental income from affected tenants</li> <li>Increased energy costs to cool buildings</li> </ul>	Our strategy is to acquire poor performing buildings and carry out extensive refurbishments to delivery highly sustainable assets, therefore our strategy already addresses the need to invest in the best technology and equipment which is resilient to droughts.	We do not believe there is a material impact to our financial planning and will continue to design climate resilient features into our buildings such as passivhaus principles and green roofs to minimise overheating.

**Transition risks**

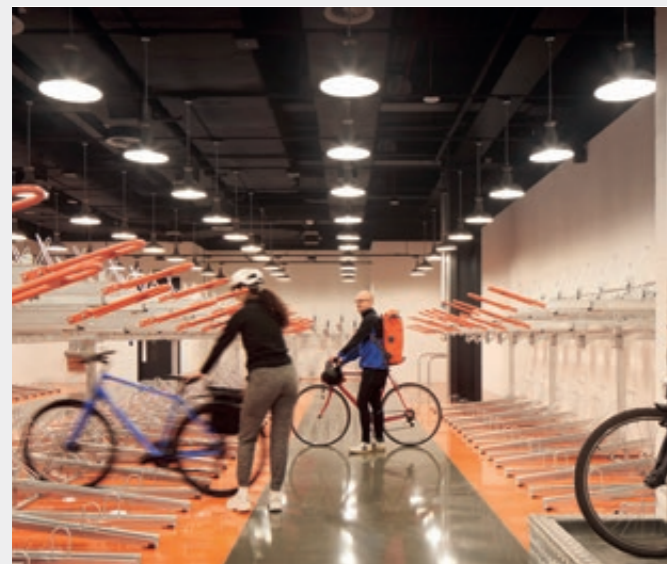
Description	Likelihood	Potential financial impacts	Impact on strategy	Impact on financial planning
<b>Minimum Energy Efficiency Standards (“MEES”)</b> Current environmental regulation in the UK prevents leasing space with an Energy Performance Certificate (“EPC”) rating of worse than E. This is projected to increase to a rating of B by 2030.	Moderate to high	<ul style="list-style-type: none"> <li>Reduced rental income from poor performing assets</li> <li>Increased capital and operational cost to meet new regulations</li> </ul>	99% of our portfolio by value holds an EPC rating of B or above, however there is a risk that the requirements of EPCs will become more stringent or other measures such as NABERS will be implemented. We have embedded the requirement to enhance energy efficiency into our asset management strategy and future capital expenditure. Likewise, keeping up with market and customer demand for properties which have a low energy intensity and are more efficient to operate.	We have a programme of ongoing capex works which is monitored and, where significant, is included within our business model and cash flows.
<b>Emissions offsets</b> As more companies commit to net zero, the demand for high quality carbon offsets is increasing, resulting in higher prices.  There is also an increasing reputational risk associated with greenwashing and the use of emissions offsets if carbon offsetting is chosen as the only net zero measure instead of focusing on reducing energy consumption/emissions first.	High	<ul style="list-style-type: none"> <li>We have currently modelled our total Scope 1-3 emissions in 2030 to be c.15,000 tonnes.</li> <li>Using a 2030 estimated carbon price of between £50-100 per tonne, the potential financial impact in 2030 is: £750,000-£1,500,000</li> </ul>	We are currently reviewing our offsetting strategy for the embodied carbon emissions of our developments, which will be described and quantified in subsequent disclosures once agreed. Within our Net Zero Carbon Pathway we have already set embodied carbon targets for 2030 of 600 kgCO <sub>2</sub> e/m <sup>2</sup> . These aim to drive down the amount of embodied carbon on scheme completion and subsequently the need for and cost of offsetting.	Carbon pricing is included within our development appraisals to ensure we are mapping the financial impact and our exposure to future price increases.



Strategy continued

Transition risks (continued)

Description	Likelihood	Potential financial impacts	Impact on strategy	Impact on financial planning
<p><b>Planning</b> To meet net zero targets, the government is likely to increase planning requirements making them increasingly stringent. This will impact our development activities and lead to costs increasing to ensure we are meeting the requirements set out by planning offices.</p>	High	<ul style="list-style-type: none"> <li>Increased cost of net zero carbon appropriate building design and materials. We already include these costs within our development appraisals.</li> </ul>	Our business strategy is already aligned with these requirements as we aim to deliver best-in-class sustainable assets. Our guide "Designing for Net Zero" ensures we are setting the correct approach for our projects and delivering climate resilient buildings.	The requirement to be net zero is already factored into our development appraisal process and ensures we have a more robust level of cost certainty and financial forecasting ability.
<p><b>Raw materials</b> There is a risk that raw materials will become more expensive when choosing lower carbon materials.</p>	High	<ul style="list-style-type: none"> <li>Increased construction costs could lead to lower returns on development projects.</li> </ul>	As mentioned previously, our pathway to net zero and "Designing for Net Zero" ensures we choose the right designs for our developments. Included within these are ambitious embodied carbon targets which drive us to explore lower carbon materials and construction methods. In reducing the quantity of materials used, we will limit our exposure to potential raw material increases. However, we recognise that the transition time frame and subsequent availability of these lower carbon materials is not yet entirely clear. As a result, it could mean it takes longer for us to employ such materials in our developments.	In line with our approach to embodied carbon we continue to engage with our principal contractors and suppliers on the impacts of using traditional materials and moving to less carbon intensive materials e.g. availability, cost and supply chain knowledge.



**Resilience of the organisation's strategy considering different climate-related scenarios**

Our strategy is to acquire poor performing and inefficient "brown" buildings and reposition these through a redevelopment programme to create buildings which meet the needs of future occupiers. Our properties are exposed to climate-related risks such as rising temperatures. We ensure a high degree of resilience in our new developments and regeneration of older properties by setting high standards for sustainability, which includes climate-related aspects.

Our strategies "Built for the Future" and "Net Zero Carbon Pathway" set out how we will mitigate climate change and adapt to the effects of climate change, whilst delivering our business strategy.

These commitments, coupled with our design guide "Designing for Net Zero", deliver a strategy which will enable the decarbonisation of our business whilst responding to both the physical and transitional risks of climate change.

As a result, our strategy centres around the concept of continual improvement which ensures a high degree of both climate and financial resilience. Ultimately, we do not envisage having to make changes to our overall approach when considering climate-related scenarios.

The table opposite maps out the material risks and opportunities drawn from our latest assessment and the resilience of our strategy to the three different climate scenarios used in the assessment. Of the risks identified, none were deemed likely to have a substantial impact such that the viability of our business would be undermined.

Strategy continued

<p><b>Short term (0-3 years)</b> <b>1.5°C scenario</b> (IPCC, 2014: Synthesis Report: RCP2.6 SSP1)</p>	<p><b>Transition risk</b> 1. Minimum Energy Efficiency Standards (MEES) Under this scenario we have assumed the minimum EPC B rating will be in place. However, given our current portfolio is 99% EPC B or above our exposure to this is low. There is, however, a clear opportunity in that market and occupier demand for more sustainable space is leading to rental premiums. Likewise, there are also operational cost savings that can be achieved from reduced energy intensity of more efficient spaces. 2. Emissions offsets In this scenario, UK net zero emissions will be deemed to have been met by 2050. This could lead to a significant increase in pricing of voluntary offsets as demand grows as more companies seek to meet net zero targets by offsetting residual emissions. We have quantified the potential financial impact of this in the previous tables and are in the process of defining our strategy to carbon offsets and ensuring our overarching business strategy is resilient. 3. Planning In this scenario, it is assumed that the UK will need to increase the stringency of building planning and design requirements as part of its efforts to meet its net zero targets. Our strategy already reflects this expected move – primarily via the introduction of our Net Zero Carbon Pathway in May 2022. There is an opportunity in that market and occupier demand for more sustainable space is leading to rental premiums. As a result, we will look to take advantage of this opportunity and ensure our properties are aligned. 4. Raw material costs In this scenario, there is expected to be increased cost of high carbon raw materials such as steel, cement and glass, which would be further impacted by a carbon tax. <b>Physical risks</b> 1. 100-year storms Our London portfolio has a moderate exposure to damage and interruption from 1 in 100 year type storm damage in this scenario.</p>
<p><b>Medium term (3-5 years)</b> <b>2°C scenario</b> (IPCC, 2014: Synthesis Report: RCP4.5 SSP2)</p>	<p><b>Transition risk</b> 1. Minimum Energy Efficiency Standards ("MEES") In this scenario, it is assumed there would be no increase in EPC requirements. However, with our strategy we would still look to improve our properties in line with our net zero carbon strategy and overall business model. Likewise, to take advantage of market demand and occupier preference opportunities. 2. Emissions offsets In this scenario, the price of voluntary offsets is anticipated to rise as demand grows as some companies seek to meet net zero targets by offsetting residual emissions. However, the assumption is that the price does not increase by as much as under the 1.5°C scenario. The increase in pricing of voluntary offsets is assumed to be in line with the projected carbon price. 3. Planning Under this scenario, it assumes there are no changes to existing planning requirements. Therefore, whilst we will have to ensure we meet planning regulations, there will be no new, more stringent regulations introduced. However, we would still intend to follow our Net Zero Carbon Pathway and therefore the impact and likelihood of this risk remains the same. In addition, this is supported by market and occupier demand for more efficient spaces which we would look to take advantage of. 4. Raw material costs In this scenario, the increase in cost of key materials is anticipated to be substantially lower than in the 1.5°C scenario. <b>Physical risks</b> 1. 100-year storms Within this climate scenario the current science is inconclusive on any material shifts to the intensity or frequency. Therefore the risk profile has been deemed to be broadly similar to that in the short term. 2. Flooding All our properties are either out of flood risk zones or protected by the Thames Barrier. As a result, the risk of flooding under this scenario is considered moderate.</p>
<p><b>Long term (5-15 years)</b> <b>4°C scenario</b> (IPCC, 2014: Synthesis Report: RCP8.5 SSP5)</p>	<p><b>Transition risk</b> Not modelled under this scenario/time horizon. <b>Physical risks</b> 1. 100-year storms Within this climate scenario the current science is inconclusive on any material shifts to the intensity or frequency. Therefore the risk profile has been deemed to be broadly similar to that in the short/medium-term scenarios. 2. Flooding No change from medium term. 3. Drought Our portfolio could see a moderate risk of drought, between three to four months per year. This is a notable increase over today's climate.</p>





## Risk management

### The process for identifying and assessing climate-related risks

Risk is an integral part of the Group's business activities and Helical's ability to identify, assess, monitor and manage its risks is fundamental to its financial stability, continuing performance and reputation. When making business decisions, the Board of Helical assesses all potential risks faced, including climate-related risks, and considers the effect that such risks could have on the achievement of the strategic priorities and the long-term success of the Group. We also engaged our sustainability consultants, RPS, to perform scenario planning for us and present the risks and opportunities under the modelled scenarios.

Transition risks were identified and discussed between senior members of the Helical team with input from sustainability colleagues and external consultants. The risks were then reviewed in terms of impact and likelihood, in line with our business wide risk assessment processes. We have estimated some of the financial impacts, however due to insufficient data not all risks and opportunities could be fully modelled for financial impact. We intend to gather more data over the coming months to enable us to present a fully costed financial impact in next year's TCFD statement.

### The process of managing climate-related risks and how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

We have an established Risk Management Framework which underpins how we manage risks, including climate-related risks.

Encompassed within the Risk Management Framework is the Board's responsibility to maintain and monitor the Group's system of internal controls. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Helical's internal controls are designed to provide reasonable assurance in the following areas:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

It is the responsibility of the Board to ensure that the Group's internal control system is effective in preventing losses from risk events, or identifying risk events, and taking corrective action when they occur.

Our aim is to manage each of our risks and mitigate them so that they fall within the risk appetite level we are prepared to tolerate for each risk area. Risk appetite reflects the overall level of risk acceptable with regards to our principal business risks. Helical's risk appetite is driven by the business strategy. The overall risk appetite is moderate to low and appropriate mitigating actions are taken to reduce the severity of identified risks into the acceptable range set by the Board. In determining the risk appetite, the Board considers upside risks as well as downside risks. Helical's risk appetite is not static and is reviewed by the Board at least twice a year.

## Metrics and targets

### Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management processes

We track our performance against multiple climate-related metrics and targets for both our developments and assets under management. These metrics and targets are set out in our overarching sustainability strategy document, "Built for the Future". Our KPIs allow us to monitor progress towards these targets and ensure that we report in line with investor disclosure requirements, notably CDP, GRESB and FTSE4Good. Our performance against these metrics (including Scope 1, 2 and 3 emissions) can be found in more detail in our SECR Statement and this report.

Below we have summarised the various metrics we use when reporting across Carbon, Energy, Waste, Water and Building Certifications:

- Total energy consumed, broken down by source (e.g. purchased electricity and renewable sources);
- Total fuel consumed percentage from coal, natural gas, oil, and renewable sources;
- Building energy intensity (by m<sup>2</sup>);
- Building water intensity (by m<sup>2</sup>);
- GHG emissions intensity from buildings (m<sup>2</sup>) and from new construction and redevelopment; and
- For each property, the percentage certified as sustainable.



### Scope 1, Scope 2 and Scope 3 greenhouse gas emissions (GHG) and the related risks

We publish a detailed data report which sets out our environmental data performance. As part of this we publish extensive carbon reporting across Scopes 1, 2 and 3 using the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Likewise, we provide trend analysis across several years to show progress and historical performance.

Please refer to the data report section of this report on pages 60 to 62 for our carbon reporting which also includes full details of the aggregation and calculation methodology.

Moreover, we publish a summary of our corporate carbon footprint on page 62.

### Metrics used to manage climate-related risks and opportunities and performance against targets

Risk adaptation & mitigation metrics	Unit of measure	31 March 2023	31 March 2022	Applicable risks/opportunity
% of portfolio with an EPC rating of "A"	% of fair value	20%	-	Minimum Energy Efficiency Standards
% of portfolio with an EPC rating of "B"	% of fair value	79%	99%	
Asset value of BREEAM certified developments	£000	686,550	798,960	Planning
% of portfolio which is BREEAM certified	% of fair value	99%	86%	
Total electricity consumption	kWh	11,167,438	6,859,203	Cost of raw materials, Emission offsets
Total district heating consumption	kWh	3,409,800	573,000	
Total fuel consumption (gas)	kWh	3,309,221	3,524,716	
% of portfolio (managed and development) procuring REGO backed supplies	% of energy	80%	97%	
Total water consumption	m <sup>3</sup>	31,202	16,975	Drought, Flooding, Planning requirements
Building water intensity	m <sup>3</sup> /m <sup>2</sup>	0.22	0.20	

In our Net Zero Carbon Pathway we detail the following 2030 target for embodied and operation carbon intensity for our assets:

- 600 kgCO<sub>2</sub>e/m<sup>2</sup> embodied carbon intensity for new developments; and
- 90 kWh/m<sup>2</sup> operation carbon intensity for all new developments.

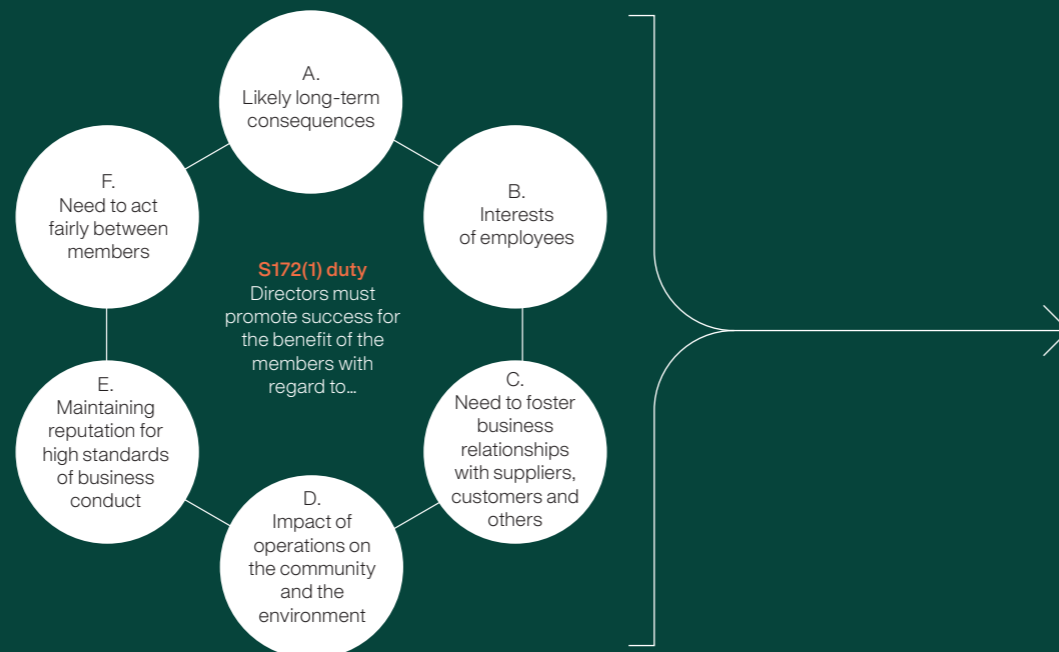


# Focus on our stakeholders

## Section 172(1) Statement

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of Helical plc (the "Group") for the benefit of the Shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

## The Stakeholder Model – Interaction between s172 and stakeholders



## Our stakeholders

- Shareholders
- Partners
- Suppliers and contractors
- Occupiers (tenants/customers)
- Employees
- Local communities
- Government and other regulatory bodies

## Promoting the long-term success of the Group

The wider interests of our stakeholders are considered in all aspects of corporate decision making at Helical. When making decisions, the Directors of Helical are committed to complying with their section 172(1) Companies Act 2006 duty ("s172(1) Duty") to weigh up all the relevant factors and determine which course of action would most likely contribute to the success of the Group. The Board is also focused on its responsibility to have regard for all stakeholders when setting strategy and developing policies.

The Stakeholder Model which summarises the interaction between the s172(1) Duty and Helical's stakeholders is included in all Board and Committee packs. When matters are presented to the Board for approval, the Board considers the interests of its stakeholders alongside the matters set out in section 172(1) Companies Act 2006 (see the Stakeholder engagement section on pages 83 to 87 for more details). On key approval items in Board and Board Committee papers, guidance will be given as to which stakeholders the Board should have regard to when reaching a decision.

Our stakeholders are key to our long-term success and therefore the Board cultivates a stakeholder culture throughout the Group, ensuring the successful management of stakeholder relationships through effective engagement.

## Section 172(1) and the Board's Principal Decisions throughout the year

We define our principal decisions as those that may have a potentially material impact on the Group's strategy, its stakeholders or the long-term value creation of the Group ("Principal Decisions"). For detail on how we established and defined our key stakeholder groups please see the Stakeholder engagement section on page 82. In making the following Principal Decisions the Board considered the views and interests of its key stakeholders, as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly with regards to the Helical Shareholders, whilst also considering the likely consequences of any decision in the long term.

Property development and investment is an inherently long-term business and the Board therefore takes a long-term approach to its decision making. We are exceedingly proud of our heritage, having developed and diversified from being a producer of steel bars to building and managing some of the most sought-after, sustainable office space in London. Helical has been in business for over one hundred years, and we believe this success can be attributed to our commitment to the Helical Purpose (see page 80), whilst maintaining high standards of business conduct and the strong culture articulated through our Values (see page 81).



**PRINCIPAL DECISIONS**

The Board always has regard to section 172(1) Companies Act 2006 when reaching Principal Decisions, and we detail the most materially significant Principal Decisions made during the year below:



CGI – Southwark project

## Transport for London Platinum Portfolio joint venture opportunity

s172(1) matters relevant to this Principal Decision:  
**A – F**

- Link to strategy:**
- Growth
  - Property
  - Sustainability
  - People
  - Financing

The Board plays a critical role in ensuring that a rigorous and robust process is followed when entering into joint venture partnerships to ensure that all elements of any proposals, including stakeholder considerations, are carefully reviewed and challenged. Over the year to 31 March 2023, the Board oversaw the submission to tender for the joint venture opportunity with Transport for London (“TfL”) on its Platinum Portfolio (the “JV”), and approved various aspects of the deal structure to enable the Group to make its formal submission and be accepted as a long-term partner for TfL’s new commercial portfolio. Further details regarding this exciting new project and its connection to the Group’s long-term strategy can be found on page 34.

**What the Board considered**

- The long-term strategic opportunities and risks created by the JV;
- Whether the projected returns could be achieved for all of our Shareholders through the JV;
- The proposed funding of the JV and impact on working capital;
- Future capital expenditure proposed for the JV;
- The impact on sustainability objectives and employee engagement;
- The regulatory, political and competitor landscape;
- The best interests of our stakeholders; and
- The Group’s existing operations and market presence in London, impact on local communities, employee matters, suppliers and potential risks associated with the JV.

**Key:**

- A** Likely long-term consequences
- B** Interests of employees
- C** Need to foster business relationships with suppliers, customers and others
- D** Impact of operations on the community and the environment
- E** Maintaining reputation for high standards of business conduct
- F** Need to act fairly between members



## Sale of Kaleidoscope, EC1

s172(1) matters relevant to this Principal Decision:  
**A E F**

- Link to strategy:**
- Growth
  - Property
  - Financing

Helical completed the sale of the single asset company which held the long leasehold interest in Kaleidoscope, EC1 to Chinachem Group on 21 September 2022. The 88,581 sq ft office building was sold for a headline disposal price of £158.5m. The sale reflected a premium to the 31 March 2022 book value and represented a capital value of £1,789 psf.

**What the Board considered**

- The best interests of the Group’s stakeholders, particularly its Shareholders, partners and employees;
- The financial returns achievable from the disposal, particularly in light of the external market conditions. The Board determined that the disposal would help to achieve maximum projected returns for all of our Shareholders; and
- The long-term strategic opportunities created by the disposal from the repayment of debt and release of equity.



## Sale of Trinity, Manchester

s172(1) matters relevant to this Principal Decision:  
**A E F**

- Link to strategy:**
- Growth
  - Property
  - Financing

On 20 May 2022, Helical completed the sale of Trinity, Manchester to clients of Mayfair Capital for £34.55m (£590 psf) at a premium to the March 2022 book value, net of rental top ups. The sale represented the final disposal of the Group’s Manchester portfolio.

**What the Board considered**

- The best interests of the Group’s stakeholders, particularly its Shareholders, partners and employees;
- The financial returns achievable from the disposal; and
- The long-term strategic opportunities created by the disposal from the release of equity. In particular, the sale concluded Helical’s exit from the Manchester commercial office market in line with the Group’s strategy to focus on central London.



# Purpose, Values and Culture

## Purpose

The Board recognises the importance of articulating its strategy and business model to its stakeholders in a clear and concise manner and the Group's Purpose sets out to our stakeholders:

- Why we exist;
- The market segment in which we operate;
- What we are seeking to achieve; and
- How we will achieve it.

The Purpose also clearly demonstrates how we create value for Shareholders and the other Helical stakeholders, and ties in with our sustainable business model (for more information on Sustainability at Helical see pages 54 to 75). The Purpose is fundamental to the strategic direction of the Group and is therefore under the continuous review of the Board.

The Helical Purpose:

We create sustainable and inspiring workplaces which are technologically smart, rich in amenities and promote employee wellbeing.

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



## Board oversight of Purpose

The Purpose is overseen by the Board and supports all decisions and actions taken at Board level. The Board exercises oversight of the Purpose through the receipt of frequent updates from Executive Management on fundamental aspects of business operations and the execution of Group strategy.

Area of oversight	Frequency	Method of oversight
Corporate governance	Annual and ad hoc as required	The Group has clearly defined policies, processes and procedures governing all areas of the business, which are subject to annual review as well as ad hoc review in line with changing market circumstances.
Group strategy and management	Annual and ad hoc as required	The Board attends a meeting dedicated to discussing the Group strategy once a year. Progress in achieving the Group's strategy is reviewed at Board meetings throughout the year. Strategic plans for the Group and the annual budget are subject to formal review and approval by the Board. Minutes of all the Executive Committee meetings and the Group Management Committee meetings are shared with the Board.
Sustainability	Quarterly and ad hoc as required	Sustainability Report presented at every Board meeting. The Sustainability Committee reports material updates to the Board in between Board meetings via email/text messaging as appropriate. Sue Farr acts as the designated Non-Executive Director for ESG and Sustainability and, on behalf of the Board, plays a key role in oversight of sustainability.
Development activities	Quarterly and ad hoc as required	The Board's continuing commitment to high standards of health and safety within its operations is demonstrated by the inclusion of detailed, externally provided reports on health and safety matters at each Board meeting. Minutes of all the Executive Committee meetings and the Group Management Committee meetings are shared with the Board.
Financing activities	Quarterly	The Chief Financial Officer's report is presented to the Board at each Board meeting.
Our properties	Quarterly Bi-annually Ad hoc as required	Detailed reports on each property in the portfolio are prepared by the property asset managers and are presented at each Board meeting. The Chair of the Property Valuations Committee presents to the Board following both the interim and year end valuations processes. Asset managers present to the Board on the progress of any new developments. Minutes of all the Executive Committee meetings and the Group Management Committee meetings are shared with the Board.
Leasing activities	Quarterly	Reports on the Group's letting activities are presented to the Board at each Board meeting. Minutes of all the Executive Committee meetings and the Group Management Committee meetings are shared with the Board.

Our Purpose is inextricably linked to our Values which underpin the behaviours we consider vital to achieving our strategic aims. It is through our Values that we communicate the key aspects of Helical's Culture to our stakeholders, providing insight into the principles and ethics that support our Purpose.

The Board has articulated the Group's Culture through the setting of six Values which, combined with the Purpose, align to the policies, practices and desired behaviours in the business.

## Our Values

### Integrity

Through our honest and open approach, we aim to engender the respect of everyone we work with.

### Excellence

Using our market experience and intelligence, we strive to be best-in-class in everything we do.

### Collaboration

Building strong relationships and teamwork are at the heart of our success.

### Collaboration – setting & monitoring the Helical Values

The Helical Values represent our shared understanding of how things are done and the way all employees within the organisation are encouraged to conduct themselves.

The collaborative environment fostered by the Board was demonstrated through the process used to set the Group Values in 2020. To decide which Values best supported the strategic aims of the business, the Board asked a selection of people across the Group to choose those values which they felt best reflected Helical. The results of this consultation were reviewed by the Board and contributed to the setting of the final six Values.

These Values, therefore, represent the Group's inclusive and collaborative Culture as articulated by its workforce.

Since the Values are at the heart of every decision and action taken at all levels of the business, we feel that it is important to monitor them to ensure that they remain appropriate to the business. As the workforce played a key role in determining the Values, the Board feels that it is appropriate to ask them to review the Values regularly and comment on their continued suitability.

For the second year running, as part of the staff engagement interviews (for more information see page 87), each member of the workforce was asked to specifically comment on whether the Helical Values accurately represent the ethos of the business. Following this exercise, the Board was able to conclude that the current articulation of the Group's Values remains appropriate.

### Dynamic, collaboration & creative – engagement through our website and branding

Helical prides itself on being dynamic and at the forefront with respect to technology and innovation, and the importance of a strong online presence is incorporated into the Group strategy set by the Board.

In addition to engagement through social media platforms, the Board recognises that the Helical website is a key medium for engagement with the Group's stakeholders. Therefore, ensuring that our website is fresh, with informative and interesting content, is a priority of the business and on 23 May 2022 the Group launched its new website

### Creative

We are passionate about developing innovative and inspiring spaces.

### Sustainable

Working for the long-term benefit of our stakeholders, local communities and the environment drives the decisions we make.

### Dynamic

Energy, adaptability and agility are core to our approach.

and branding in collaboration with SampsonMay. We were exceedingly proud to win the Gold award for the "Best use of digital from the property, construction and facilities management sector" at the Digital Impact Awards Europe 2022. This achievement recognised the effort put into the Group's rebranding and website refresh exercise and coincides with our aim of providing our stakeholders with a high quality engagement platform.

### Our Culture

Helical's objectives for growth, development and long-term survival, combined with resultant strategies to achieve these objectives, have a direct link with the Culture of the Group. Culture is ultimately the responsibility of the Board, but it is recognised that individuals at all levels must be engaged in order to maintain the Helical Culture. The embedded Culture is supported by our employees (as evidenced in the setting and monitoring of the Values), and this results in us having a high-performing and motivated team which supports the success of the Group's strategy and delivers the outcomes necessary for long-term success.

An important aspect of the Group's Culture is its approach to risk. In accordance with good stewardship, the Board does not inhibit sensible risk taking that is critical to growth. This approach is embedded in the risk culture of the Group which aligns with the strategy and objectives of the business and is embedded within the risk appetite (see Risk management section on pages 44 to 53).

The Helical Board promotes an open culture, enabling the strategic direction to be fully understood by all members of the workforce. This environment supports the achievement of the Group's aims and aspirations and is conducive to the Group's collaborative approach of encouraging all members of staff to proactively share ideas, opportunities and concerns.

By ensuring that Helical is an inclusive and diverse business, the Group benefits from a variety of experiences and perspectives. Such variety is important for the maintenance of a strong succession pipeline, necessary for future sustainability. This diversity in our workforce also helps to stimulate creativity and contributes to the open and cohesive Culture exhibited throughout the Group.



**How we monitor and sustain our Culture**

- The Directors conduct an annual review of workforce policies and procedures and these are further updated on an ad hoc basis as required – see Board Leadership and Company Purpose section of the Corporate Governance Report on pages 94 to 95.
- Employee engagement initiatives – see page 63 and pages 86 to 87. Feedback from the following initiatives is reported to the Executive Committee and Board, and considered in decision making:
  - Staff engagement interviews;
  - “Lunch with Leadership” initiative, whereby a small number of staff are invited to attend the post-Board meeting lunch with the full Board. This provides both the staff and the Board (in particular the Non-Executive Directors) with an opportunity to get to know each other in a more informal setting;
  - Staff are encouraged to speak up, share concerns and have candid conversations with management;
  - Our small, close knit team environment enables managers to conduct regular catch-ups with their direct reports; and
  - Staff from all teams are invited to the bi-monthly Management meeting where time is allotted for general concerns or points of interest outside the ordinary agenda of the meeting.
- Employee Volunteering Policy (see Sustainability Report at page 64).
- Tenant feedback analysis.
- Staff tenure and retention rates (see KPI section on page 22).
- Whistleblowing mechanisms in place, with relevant data reported to the Board – see page 94 for further details.
- Support provided to the workforce through the provision of a number of health and wellbeing initiatives (please see Sustainability Report on page 63).
- Investing in training and organisational development for staff.
- Health and safety data, including near misses, reported to the Management meetings bi-monthly, the Executive Committee monthly and the Board quarterly.
- Designated Non-Executive Director for ESG and Sustainability plays a key role in monitoring the Culture and ensuring its alignment with the Group’s strategy and supports the long-term sustainable success of the business.
- Collaboration with occupiers as the UK navigated its way through the long-term societal impacts of Covid-19, including the current macroeconomic factors affecting the real estate market.
- Prompt payment to suppliers.
- Promotion of diverse and inclusive environment – see Report of the Nominations Committee on pages 99 to 103.
- Consideration of Culture in recruitment and selection, both with regard to individuals and the recruiters used – see Report of the Nominations Committee at pages 99 to 103.
- Aligning formal rewards with Culture.
- Incentive schemes developed to drive behaviours consistent with Purpose, Values and strategy – see Directors’ Remuneration Report on pages 109 to 130.
- We reward positive culture within our workforce e.g. our staff express the wish to be fit and healthy and we facilitate this through our employee benefits programme (see Sustainability Report at page 63 for more information).

**Stakeholder engagement**

The Directors are pleased to report on how they have had regard to the need to foster relationships with suppliers and contractors, tenants/occupiers, partners and others, and the effect of this on recent Principal Decisions taken by the Group.

In line with section 172 of the Companies Act 2006, the Directors of Helical act to promote the success of the Group for the benefit of its Shareholders. However, the Helical Board also places a great emphasis on the importance of the views and interests of its other key stakeholders. Helical’s stakeholders are those groups that are likely to be affected by the Group’s actions, and hence play a key role in the successful execution of the Group’s long-term strategy.

In recognition of the importance of the Group’s relationship with its stakeholders, the Board has set out its commitments to its stakeholders as follows:

- (i) engaging with our stakeholders to build and maintain positive business relationships;
- (ii) ensuring that our stakeholders are kept informed and have access to information about our business;
- (iii) considering the needs and expectations of our stakeholders throughout the Group;
- (iv) inviting feedback from our stakeholders to help us identify current and emerging issues facing our business; and
- (v) ensuring that our activities generate sustainable, long-term value for all our stakeholders.

**Our stakeholders, engagement mechanisms, consideration of stakeholder interests and the impacts on Board decision making**

The Group’s stakeholders are defined in the Stakeholder Model (see pages 76 to 77) and in the table overleaf. The Group’s stakeholders are kept under continuous review by the Board, with the Stakeholder Model being featured on every approval item and being considered as part of every Board decision taken.

The Board places utmost importance on the maintenance of positive relationships with all the Group’s stakeholders. It is through effective engagement that the Board has sought to understand their views.

We describe how the Directors have had regard to the matters set out in section 172(1) (a) to (f) and this forms the Directors’ statement required by section 414CZA of The Companies Act 2006 in the table overleaf.

**Stakeholder engagement**

Stakeholder category	Material issues and considerations for stakeholders	Means of engagement by Board and/or management	How stakeholder engagement has influenced decision making and execution of our strategy
Shareholders	<ul style="list-style-type: none"> <li>• Financial performance.</li> <li>• Generation of long-term sustainable returns.</li> <li>• Environmental, social and governance practice (“ESG”).</li> </ul>	<p><b>Direct Board level engagement</b></p> <ul style="list-style-type: none"> <li>• Scheduled and unscheduled meetings between Shareholders and members of the Board.</li> <li>• Annual and Half Year results announcements and presentations.</li> <li>• Investor roadshow presentations.</li> <li>• AGM presentations and Q&amp;A.</li> <li>• General Meetings.</li> <li>• Property tours.</li> <li>• The Executive Directors held talks with relevant employee Shareholders covering remuneration, with a focus on the PSP and the SIP.</li> </ul> <p><b>Company level/indirect Board engagement</b></p> <ul style="list-style-type: none"> <li>• Publication of Helical news via RNS.</li> <li>• Regular posts on social media platforms with respect to Helical news.</li> <li>• Regular updates from the Executive Directors to the market, including press articles.</li> <li>• Analyst/investor reports.</li> <li>• Feedback from corporate brokers.</li> <li>• Helical’s website and dedicated Shareholder email address overseen by the Company Secretarial team.</li> </ul>	<p>Other than our routine engagement on topics of strategy, governance and performance, we engaged with Shareholders on the following specific matters which then influenced the outcomes and actions taken:</p> <ul style="list-style-type: none"> <li>• The Board considered and responded to emails from individual Shareholders in connection with the 2022 Annual Results/AGM;</li> <li>• The Executive Directors sought the views of the Shareholders with respect to the TfL joint venture opportunity (see Principal Decisions section on pages 78 to 79);</li> <li>• The Executive Directors engaged with the Company’s largest institutional Shareholders following publication of the financial results for the Half Year to 30 September 2022, seeking their feedback on the Group’s strategy as well as the results; and</li> <li>• The Board engaged with the employee Shareholders throughout the year and considered their views. See Engagement with the workforce section on pages 86 to 87 for more details.</li> </ul>
Partners	<ul style="list-style-type: none"> <li>• Financial performance and generation of sustainable returns.</li> <li>• Collaboration and communication.</li> <li>• Risk appetite and management of the partnership.</li> <li>• Corporate responsibility.</li> </ul>	<p><b>Direct Board level engagement</b></p> <ul style="list-style-type: none"> <li>• Executive Directors meet with key business partners (joint venture partners) and report back to the Board on a regular basis.</li> <li>• Key business partners (joint venture partners) are invited to attend the Annual and Half Year results presentations.</li> </ul> <p><b>Company level/indirect Board engagement</b></p> <ul style="list-style-type: none"> <li>• Regular communication and feedback on business and ESG matters.</li> <li>• Transparent reporting.</li> <li>• Collaborative approach with clear responsibilities.</li> <li>• Helical’s website.</li> </ul>	<ul style="list-style-type: none"> <li>• Our relationships with our strategic partners are a critical element of the Group’s strategy. Feedback from engagement with partners is continuously reported to the Board and duly considered. Examples of this include the discussions held with the relevant joint venture partners concerning the sale of 55 Bartholomew, EC1 and lettings at The JJ Mack Building, EC1.</li> </ul>
Occupiers (tenants/ customers)	<ul style="list-style-type: none"> <li>• Quality of service provided.</li> <li>• Delivery of quality space to meet needs.</li> <li>• Ability to meet needs of changing markets.</li> <li>• Value for money.</li> </ul>	<p><b>Direct Board level engagement</b></p> <ul style="list-style-type: none"> <li>• Feedback received directly from occupiers, and indirectly through tenant engagement apps, is fed into Board discussions.</li> </ul> <p><b>Company level/indirect Board engagement</b></p> <ul style="list-style-type: none"> <li>• Occupier engagement programme is run throughout the portfolio, led by managing agents, Ashdown Phillips.</li> <li>• Tenant engagement apps rolled out to occupiers in several Helical buildings.</li> <li>• Programme of meetings with occupiers on a regular basis, with specific engagement during crisis situations e.g. Covid-19.</li> <li>• Helical staff supporting new occupiers by, for example, attending restaurant opening nights of F&amp;B tenants.</li> </ul>	<p>The positive feedback from occupiers on the tenant engagement apps has led to the apps being rolled out to The Bower, EC1, The Loom, E1 and The JJ Mack Building, EC1. In conjunction with our managing agents, Ashdown Phillips, we have utilised data from our occupiers to improve energy efficiency e.g.:</p> <ul style="list-style-type: none"> <li>• SkySpark operational at The Bower, EC1;</li> <li>• Building Management Services review at 25 Charterhouse Square, EC1;</li> <li>• Equiem operational at The Loom, E1;</li> <li>• BREEAM in Use certification of “Very Good” achieved at The Loom, E1; and</li> <li>• Quarterly Green Group meetings held with occupiers to discuss sustainability initiatives being implemented in the buildings and being considered for the future. Quantitative data is also produced to support any changes. The meetings also enable our occupiers to communicate their goals in relation to sustainability and assistance is provided to help them achieve their desired accreditation – see also Sustainability Report on pages 54 to 75.</li> </ul>



Stakeholder category	Material issues and considerations for stakeholders	Means of engagement by Board and/or management	How stakeholder engagement has influenced decision making and execution of our strategy
Employees	<ul style="list-style-type: none"> <li>• Opportunities for training and development.</li> <li>• Fulfilling and rewarding work in a safe and comfortable environment.</li> <li>• Fair treatment, recognition and remuneration.</li> <li>• Diverse and positive culture.</li> </ul>	<p><b>Direct Board level engagement</b></p> <ul style="list-style-type: none"> <li>• Designated Non-Executive Director responsible for ongoing workforce engagement: <ul style="list-style-type: none"> <li>– Meets a cross section of employees during the year; and</li> <li>– Is contactable via email all year round.</li> </ul> </li> <li>• Role of the designated Non-Executive Director for workforce engagement published for all staff.</li> <li>• Open and inclusive culture through Purpose and Values.</li> <li>• Executive Directors present Strategy Update to staff.</li> <li>• Board annually reviews key workforce policies and procedures.</li> <li>• All staff are invited to become members of the SIP on appointment to the Company, and consequently are invited to attend the Company's AGM, where they have the opportunity to engage with the Board and with other stakeholders.</li> </ul> <p><b>Company level/indirect Board engagement</b></p> <ul style="list-style-type: none"> <li>• Staff satisfaction survey/interviews.</li> <li>• Regular staff appraisals.</li> <li>• Majority of staff attend Management meetings, on a rotational basis.</li> <li>• Helical's website.</li> <li>• Staff consulted in the Helical rebranding and website refresh exercises.</li> <li>• Maintenance of the Staff Handbook.</li> <li>• Staff property tours.</li> </ul>	<p>Outcomes of engagement deriving directly from feedback garnered from the 2022 initiatives:</p> <ul style="list-style-type: none"> <li>• Introduction of employee Volunteering Policy (for further information see the Sustainability Report on page 64).</li> <li>• Increased opportunities for staff to socialise with the NEDs on an informal basis e.g. <ul style="list-style-type: none"> <li>– Staff and NEDs informal drinks event held in September 2022 and March 2023.</li> <li>– All staff and NEDs tour of The JJ Mack Building, EC1 conducted in October 2022.</li> </ul> </li> <li>• Volunteering initiative at London City Farms is to be repeated in summer 2023 at the request of the employees.</li> </ul> <p>For information on the outcomes of the workforce engagement initiatives please see pages 86 to 87.</p>
Local communities	<ul style="list-style-type: none"> <li>• Ethical and responsible corporate behaviour.</li> <li>• Environmental impact of developments.</li> <li>• Creating social value in local areas, including development of public realm, facilities open to members of the public and engaging with local communities.</li> </ul>	<p><b>Direct Board level engagement</b></p> <ul style="list-style-type: none"> <li>• CEO engages on community and environmental initiatives on behalf of the Group.</li> </ul> <p><b>Company level/indirect Board engagement</b></p> <ul style="list-style-type: none"> <li>• Local resident consultations and regular newsletters.</li> <li>• Community and charitable initiatives/events.</li> <li>• Engagement with non-governmental organisations ("NGOs") and other interest groups to improve our understanding of current and emerging environmental and societal topics.</li> <li>• Participation in sustainability initiatives, both global and regional, through the Sustainability Committee.</li> <li>• Submissions to sustainability benchmarks and indices.</li> <li>• Engagement with prospective future property professionals via the Helical Work Experience Programme.</li> <li>• Sustainability news and publications.</li> <li>• Helical's website.</li> </ul>	<p>We responded on key topics raised during the reporting period through a wide range of initiatives including:</p> <ul style="list-style-type: none"> <li>• Continued sponsorship and local charitable giving, including: <ul style="list-style-type: none"> <li>– The Helical Bursary, established in 2017, supports Real Estate and Planning students studying at Henley Business School, University of Reading;</li> <li>– A Strategic Partner of LandAid, with staff taking part in a range of LandAid charity appeal initiatives over the course of the year. During the year LandAid gave a presentation to staff on their pro-bono schemes, events and fundraising initiatives;</li> <li>– Supported the Lord Mayor's Appeal;</li> <li>– Donated to Hackney Night Shelter as part of their campaign to establish another shelter in the borough;</li> <li>– 17 members of staff volunteered for a day at the Spitalfields City Farm creating c.£2,000 of social value;</li> <li>– Donated surplus office stationery and laptops to three local schools in the Greater London area; and</li> <li>– Various initiatives with local charities run in conjunction with our managing agents, Ashdown Phillips.</li> </ul> </li> <li>• Maintaining ongoing dialogue with a wide range of NGOs.</li> <li>• Collaborating with tenants to provide work experience for students from schools in local communities.</li> <li>• Further engagement on ESG with investors and broader stakeholders.</li> <li>• Sustainability key performance indicators continue to be considered as part of Group strategy.</li> </ul> <p>For further details on our engagement with local communities, please see the Sustainability Report on page 64.</p>

Stakeholder category	Material issues and considerations for stakeholders	Means of engagement by Board and/or management	How stakeholder engagement has influenced decision making and execution of our strategy
Suppliers and contractors	<ul style="list-style-type: none"> <li>• Agreement of and compliance with appropriate payment terms.</li> <li>• Payments made as soon as practicable and in line with the Prompt Payment Code.</li> <li>• Collectively prevent and mitigate risk of modern slavery, human rights violations, bribery and corruption in our supply chain.</li> <li>• Ethical and fair dealings.</li> </ul>	<p><b>Direct Board level engagement</b></p> <ul style="list-style-type: none"> <li>• Audit and Risk Committee leads the assessment of external audit performance and service provision, inviting our external Auditor to Committee meetings.</li> <li>• Property valuers invited to Audit and Risk Committee meetings.</li> <li>• The Board receives a detailed report from the Group's IT service provider on an annual basis.</li> </ul> <p><b>Company level/indirect Board engagement</b></p> <ul style="list-style-type: none"> <li>• Open communication about expected behaviour within our supply chains – our Supplier Code of Conduct, Human Rights Policy and Modern Slavery Statement are shared with all suppliers and contractors.</li> <li>• Regular communication and feedback, with increased dialogue with certain key suppliers affected by political and economic uncertainties.</li> <li>• Paying suppliers and contractors promptly.</li> <li>• Bi-monthly meeting with the Group's IT service provider.</li> <li>• Helical's website.</li> </ul>	<p>Engagement with our suppliers and contractors enables the Board to align its decisions with the Group's sustainability aspirations, a core tenet of Helical's strategy.</p> <p>Through engagement with these stakeholders over the period we have been able to identify potential opportunities to realise benefits – for example in the areas of off-site manufacture and prefabrication. Such benefits can be realised in build programming and logistics, such as highlighting necessary design adaptations at an early stage in the development process. With respect to our newest development, 100 New Bridge Street, EC4, engagement with suppliers and contractors has given us the opportunity to salvage and reclaim elements of the existing building for re-use, recycle or donation.</p> <p>Additionally, engagement with this stakeholder group has provided us with information and data required to prove our achievements in the ESG space. For example, through engagement, we have been able to produce Environmental Product Declarations ("EPDs").</p>
Government and other regulatory bodies	<ul style="list-style-type: none"> <li>• Corporate responsibility and accountability.</li> <li>• Compliance with applicable laws and regulations.</li> <li>• Compliance with applicable taxation regimes.</li> <li>• Monitoring updates to the legal and regulatory environment.</li> </ul>	<p><b>Direct Board level engagement</b></p> <ul style="list-style-type: none"> <li>• CEO regularly engages with governmental, regulatory and industry bodies.</li> </ul> <p><b>Company level/indirect Board engagement</b></p> <ul style="list-style-type: none"> <li>• Transparent statutory reporting.</li> <li>• Open approach to communication.</li> <li>• Board oversight of key relationships and areas impacted.</li> <li>• Open dialogue with regulatory agencies and Government bodies e.g. HMRC with respect to our obligations as a REIT.</li> <li>• Reports on the results of active participation through industry groups presented to Board.</li> <li>• Helical's website.</li> <li>• Assisting industry forum consultations.</li> </ul>	<p>The Board continued to focus on how to promote the success of the Company taking into account political and regulatory developments in the external environment. Updates on risks and opportunities posed by the external political and regulatory environment are presented to the Board by external advisors.</p> <p>The Board also focuses on environmental laws and regulations and gives due consideration to the environmental impacts of its operations when making decisions.</p> <p>For example, the Board is cognisant of the FCA's proposals for the UK Sustainability Disclosure Requirements ("SDR") and these impending rules have impacted decision making, particularly with respect to Helical's approach to carbon offsetting for the purpose of its Net Zero Carbon Pathway (see Sustainability Report on pages 54 to 75 for more information). The Board is focused on ensuring that the carbon offsets we procure align with the Oxford Principles for Net Zero Aligned Carbon Offsetting. In ensuring this, Helical seeks to procure high quality carbon offsets, sourcing reputable carbon credit providers based in the UK only and always meeting those responsible for any offsetting project, including taking tours of the initiative's facilities to ensure its legitimacy.</p>





### Engagement with workforce

The importance of engaging with the workforce can be linked back to the Group's key operational and reputational risks (see Risk Register on pages 48 to 53), specifically the management of workforce relationships and retention of talent. We know that our staff are vital to our success and every member of the Helical workforce is valued, with their opinions regularly sought and held in high regard. The Board defines the workforce of Helical as its full-time and part-time employees and staff members temporarily hired for work.

This principle of mutual respect and inclusion is integral to the Helical Culture (see pages 80 to 82). Engagement with the workforce is deemed a key priority for the Directors and, as such, the Board frequently invites members of staff to present on key projects or topics of interest at its meetings. Through this engagement mechanism, our employees are given the opportunity to meet the full Board of Directors.

The Board also encourages open dialogue with the workforce and details of how to communicate directly with the Board and Executive Management are clearly documented in the workforce policies and procedures which are reviewed annually.

#### Initiatives deriving directly from staff engagement in 2023

- Volunteering initiative at London City Farms is scheduled to be repeated in summer 2023 at the request of the employees. Details of the 2022 event can be found in the Sustainability Report on page 64.
- Introduction of employee Volunteering Policy (for further information see the Sustainability Report on page 64).
- Increased opportunities for staff to socialise with the NEDs on an informal basis e.g.
  - Staff and NEDs informal drinks events held in September 2022 and March 2023.
  - All staff and NEDs tour of The JJ Mack Building, EC1 conducted in October 2022.

The Board values the information derived from the staff engagement process so that it is fully informed on staff opinion, and ensures that an agenda item dedicated to discussing the outcomes of the staff engagement initiatives is tabled during the second half of each calendar year.



We were also lucky enough to view many of the properties in Helical's portfolio; even including a visit to a current construction site! This was great for giving us a real hands-on feel for the day-to-day work that occurs in multiple aspects of the firm.” Work experience student

#### Engaging with stakeholders of the future – Helical's Work Experience Programme

Helical also considers its potential future stakeholders when conducting its stakeholder analysis. We regard school and university students as the future of the property industry, and we therefore deem it important to engage with this stakeholder group and we invite students to join our programme annually.

In September 2022, Helical coordinated a Work Experience Day for property students from a range of learning institutions. The students were taken on a tour of our London portfolio, including an external tour of our impending development project at 100 New Bridge Street, EC4. They also attended talks with our CEO and various members of senior management on a variety of industry pertinent topics. In addition, the tour incorporated visits to several prime London real estate developments, such as Broadgate. Feedback from the students was exceedingly positive, and we intend to continue to operate the event annually for the benefit of the industry's future stakeholders. We are in the process of inviting students to attend the 2023 Programme which is set to take place in September this year.



I had an amazing time, where I learned plenty of new things, met lots of new people, and gained many new experiences!

I look forward to taking part in several more experience-building opportunities in the future.”

Work experience student



**Sue Clayton**  
Non-Executive Director  
for workforce engagement

#### Sue Clayton – designated Non-Executive Director for workforce engagement

Since being appointed as the designated Non-Executive Director for workforce engagement in 2019, Sue has been successfully building on the engagement between the Board and the workforce.

During the year, Sue met with a cross-section of staff and reviewed the results of the staff engagement interviews (see below). In addition, she has been contactable via email throughout the year.

#### Rationale for choosing a designated Non-Executive Director for our workforce engagement mechanism

Helical has a relatively small workforce of 27 employees. As such, it is possible for our Directors to engage directly with members of the workforce, with ease, on a regular basis. The appointment of a Director from the workforce (as a representative) and the establishment of a formal workforce advisory panel (as mechanisms for engagement) were both deemed to be a disproportionate approach for Helical and its engagement requirements.

#### What does our designated Non-Executive Director for workforce engagement do?

The Board has structured the role to aid its understanding of the views of the Helical employees and consider their interests in Board discussions and decision making. The role and its accompanying responsibilities have been documented in a terms of reference which is reviewed by the Board annually and available to view on our website: <https://www.helical.co.uk/investors/governance/governance-policies/>

#### Staff engagement interviews

As noted above, our staff are key to our success and in order to retain our talent, it is essential to ensure that our staff satisfaction levels are high and the culture of the workplace coincides with our values (see Our Values on page 81).

The benefits to the business and the wellbeing of our staff can be clearly demonstrated through the outcomes of the 2022 staff engagement interview process. Our staff greatly appreciated the opportunity to have their views heard and ideas actioned, and as a result of the initiative's success, the Board instructed a repeat of the interview exercise for the period to 31 March 2023.

This year's one-on-one staff engagement interviews were again conducted by our Operations Manager, Lois Robertson. Given the size of our workforce, it was feasible to conduct individual staff interviews as a means of meaningful engagement. This approach was also chosen as it was considered more personal to the employee than a survey, giving each member of staff time to discuss issues of importance to them, rather than simply answering "yes" or "no" to a series of questions. The staff were provided with a number of suggested questions/discussion points in advance of their individual meetings. The results of each interview were kept completely confidential.

Once all the interviews had been conducted, Lois relayed the feedback from her survey to Sue Clayton, who reported the findings to the Board.

# Governance at Helical

Supporting our continued strategy execution, business resilience and commitment to long-term success for our stakeholders.



**Richard Cotton**  
Chairman

## Dear Shareholder,

On behalf of the Board, I present to you my first Corporate Governance Report as Chairman of Helical. The Report, covering the year ended 31 March 2023, sets out Helical's governance processes and explains how they help to create the appropriate environment to enable the long-term success of the business.

Despite the macroeconomic and geopolitical challenges facing the market, Helical has continued to perform well and is well-placed to take advantage of opportunities over the next few years. I refer you to the Strategic Report on pages 2 to 87 to read about our achievements in more detail.

## Changes to the Board

I was honoured and delighted to be asked to succeed Richard Grant as Chairman of Helical at the 2022 AGM. Richard joined the Board as a Non-Executive Director in July 2012, became Deputy Chair of Helical in 2018 and was appointed as Chairman of the Board in July 2019. I would like to thank Richard for his calm and thoughtful stewardship during a period of significant change and progress as it focused its business on London offices and navigated its way through the Covid-19 pandemic.

In assuming the role of Chairman, I stepped down from the role of Senior Independent Director, a position which was filled by Sue Clayton with effect from the conclusion of the 2022 AGM. Sue has been an Independent Non-Executive Director on the Board of Helical since February 2016 and her skills and experience will be invaluable to me, my fellow Directors and the wider Helical team as we move forward.

The Board is mindful of the length of tenure of its Non-Executive members and succession planning and the composition of the Board are kept under continual review. During the year, it was concluded that it is now an appropriate time to begin the process of identifying and appointing a new Non-Executive Director with a view to having this process completed over the financial year to 31 March 2024.

## Governance and strategic oversight

Looking beyond the unprecedented external challenges created by the Russo-Ukrainian war, the after-effects of the pandemic, inflation and interest rate rises, the Group has had a particularly busy year and our robust governance framework has proven to be critical to the effective leadership of the Company in the period.

Throughout the year, oversight of our strategy and its implementation continued to be a key responsibility of the Board. The Board oversaw the successful bid to be TfL's preferred partner for the redevelopment of its Platinum Portfolio, the recycling of equity through the sale of Kaleidoscope, EC1 and the Group's final exit from the Manchester market with the sale of Trinity. Enhanced Board oversight in these matters serves to contribute to the long-term success of the business. Further details of the points considered on each of these Principal Decisions can be found on pages 78 to 79.

## Stakeholder engagement

Over the course of the year, our stakeholders have continued to contribute to our success and play a pivotal role in the Group's strategy. The Board places great importance on maintaining effective levels of engagement with all our stakeholders and their interests are taken into consideration in every decision we make as a Board. Effective stakeholder engagement will remain high on the Board's agenda going forward, and you can read more about our approach to such engagement and the Directors' duties in this regard on pages 76 to 87 of the Strategic Report.



We have continued to deliver outperformance against the market and our peers, and are well positioned to take advantage of opportunities over the next 12 months."

## Nigel McNair Scott

All at Helical were saddened to learn of the death of Nigel McNair Scott in April this year. Nigel joined the Helical Board in 1985, serving as Finance Director from 1986 until 2012 and as Chairman from 2012 to 2016. In partnership with Mike Slade, Nigel was instrumental in turning Helical into a highly regarded property group, which successfully navigated a number of property cycles. Nigel was a quiet but very effective partner to Mike. He played a pivotal role in the Helical story and our thoughts are with his family and friends. I will particularly miss his wise counsel and infectious joie de vivre.

## Summary

At Helical, good corporate governance underpins all Board discussion and decision making. We have continued to apply the Principles of the UK Corporate Governance Code (the "Code") throughout the year and, as at the date of this Report, the Company has complied with all the Code's applicable Provisions. I encourage you to read our Corporate Governance Report for a more detailed account of how Helical has complied with the Code and its accompanying guidance.

Over the course of the year, our stakeholders have continued to contribute to our success and stakeholder engagement will remain high on the Board's agenda going forward.

In light of our performance this year, I am pleased to confirm that the Board has declared a final dividend of 8.70 pence per ordinary share (2022: 8.25 pence), bringing the full year dividend in respect of the financial year to 11.75 pence per ordinary share (2022: 11.15 pence).

The following pages describe our governance structure and the work of the Board and its Committees in greater detail.

## Richard Cotton

Chairman  
23 May 2023





**Richard Cotton**  
Board Chairman and Chair of the Nominations Committee

**Gerald Kaye**  
Chief Executive and Chair of the Executive Committee

**Tim Murphy**  
Chief Financial Officer

**Matthew Bonning-Snook**  
Property Director and Chair of the Sustainability Committee

**Sue Clayton**  
Senior Independent Director, Chair of the Property Valuations Committee and designated Non-Executive Director for workforce engagement

**Joe Lister**  
Non-Executive Director and Chair of the Audit and Risk Committee

Board meetings present:	6/6
Tenure:	7 years
Independent:	Yes

Board meetings present:	6/6
Tenure:	28 years
Independent:	No

Board meetings present:	6/6
Tenure:	10 years
Independent:	No

Board meetings present:	6/6
Tenure:	15 years
Independent:	No

Board meetings present:	6/6
Tenure:	7 years
Independent:	Yes

Board meetings present:	6/6
Tenure:	4 years
Independent:	Yes

**Skills, relevant experience and contribution to long-term success**

Richard Cotton was appointed to the Board as a Non-Executive Director in March 2016 and as Senior Independent Director in February 2018. Our Shareholders elected him as the Group's Chairman at the 2022 AGM. Richard is a member of the Remuneration Committee and the Nominations Committee.

Richard has a wide range of experience in both executive and non-executive roles at a number of quoted and unquoted companies. Richard was formerly head of UK Real Estate at J.P. Morgan Cazenove, a position he held until 2009, and he spent five subsequent years as Managing Director of Forum Partners. Richard has also previously held the position of Chairman of Centurion Properties and was a Non-Executive Director of Hansteen Holdings plc and Big Yellow Group plc.

His experience in the financial sector, together with his knowledge and skills in property, strengthens the overall expertise of the Board. He is a key contributor to the firm's strategic discussions, and his knowledge of the financial services industry is frequently drawn upon in Board discussions and assists the Board in decision making.

Since assuming the role of Chairman in July 2022, he has proven himself to be an effective Chairman as demonstrated both through his contribution to Board discussions and his ability to proficiently chair Board and Committee meetings. Richard's effectiveness as Chairman is further bolstered by his experience on public company boards and extensive experience in stakeholder relations.

Through his wealth of skills and prior experience, Richard is able to contribute to all aspects of business discussions and his valuable knowledge and insight is key to promoting the sustainable success of the Company

**Other external appointments**

- Non-Executive Director of Target Healthcare REIT plc.

**Skills, relevant experience and contribution to long-term success**

Gerald Kaye, BSc (Est Man) FRICS, was appointed Chief Executive in 2016. He joined the Board as an Executive Director in 1994, responsible for the Group's development activities.

Gerald is a past President of the British Council for Offices, a former Director of London & Edinburgh Trust Plc and former Chief Executive of SPP, LET, EUROPE NV.

Gerald's experience at Helical ensures that he has an in-depth knowledge of the Group's operations and markets, which helps him to lead the business, be a key contributor to Board discussions and aid the effective decision making of the Board. He considers stakeholder engagement to be a crucial aspect of his role given its impact on the long-term success of Helical, and he therefore spends considerable time engaging with our major Shareholders, visiting the Group's properties and development sites and maintaining extensive relationships in the property industry.

**Other external appointments**

- Member of the Investment Committee at Guy's & St Thomas' Foundation.

**Skills, relevant experience and contribution to long-term success**

Tim Murphy, BA (Hons) FCA, joined the Group in 1994 and became Finance Director of the Company in 2012, and subsequently Chief Financial Officer in 2022. He is responsible for the financial statements, financial reporting, treasury and taxation. Before joining Helical, Tim worked at the financial and professional services firm Grant Thornton.

Tim is a highly experienced financial practitioner with significant sector knowledge, both technical and commercial.

Tim is experienced in working with boards and management teams in respect of financial and commercial management, reporting, and risk and control frameworks. These experiences make Tim particularly well-placed to contribute to the Group's broader strategic agenda and further the sustainable success of the business.

**Skills, relevant experience and contribution to long-term success**

Matthew Bonning-Snook, BSc (Urb Est Surveying) MRICS, was appointed to the Board as an Executive Director in 2007. Prior to joining Helical in 1995, he was a Development Agent and Consultant at Richard Ellis (now CBRE).

Matthew's long tenure with the Group, detailed knowledge of the London property market and his extensive network of contacts within the industry mean that he has valuable knowledge and insight to promote and contribute to the Group's strategy.

In 2019, the Board appointed Matthew as Chair of the Sustainability Committee and he leads our commitment to measuring and improving Helical's corporate ESG performance against external industry benchmarks. Matthew's valuable contributions to the long-term sustainable success of the business are therefore evident, both in his skill and experience as a property development executive but also in his leadership of the Group's sustainability initiatives.

**Skills, relevant experience and contribution to long-term success**

Sue Clayton, FRICS, was appointed to the Board as a Non-Executive Director in February 2016. She is Chair of the Property Valuations Committee and a member of the Nominations Committee, the Audit and Risk Committee and the Remuneration Committee. Sue's appointment as the Group's Senior Independent Director on 14 July 2022 is underpinned by her extensive board experience and understanding of stakeholder interests.

In 2019, the Board appointed Sue as the designated Non-Executive Director for workforce engagement and she has engaged directly with members of the workforce on a regular basis throughout the year. Our workforce are key to our strategy and long-term sustainable success and Sue's role thus contributes to the strategic aims of the Group (see also our report on Helical's workforce engagement initiatives at pages 86 to 87).

Sue has over 30 years of experience in UK investment markets. She is a former Managing Director of CBRE's Capital Markets Team and has sat on the CBRE UK Management and Executive Boards. She also held the position of Employee Director on the CBRE Group Inc. Board. Sue started her career as a graduate with Richard Ellis (now CBRE) and worked in Valuation and Fund Management before moving into Investment Agency.

Sue is a Fellow of the Royal Institution of Chartered Surveyors and her extensive commercial experience in the property industry and knowledge of the UK property market render her a highly valuable contributor to the Group's strategy. It is also through her skills and experience in the field of property valuation that she provides a significant contribution to the effectiveness of the Group's governance structure, especially with respect to the work of the Property Valuations Committee.

**Other external appointments**

- Board Member of the Committee of Management of Federated Hermes Property Unit Trust.
- Non-Executive Director of SEGRO plc.
- Chair of the Barwood 2017 Property Fund.
- Co-founder of Real Estate Balance.
- Trustee of the Reading Real Estate Foundation.

**Skills, relevant experience and contribution to long-term success**

Joe Lister was appointed to the Board in September 2018. In addition to being Chair of the Audit and Risk Committee, Joe is a member of both the Nominations Committee and the Remuneration Committee.

He is the Chief Financial Officer at Unite Group plc, a position he has held since January 2008 after joining the company in 2002. Prior to joining Unite Group plc, Joe qualified as a Chartered Accountant with PricewaterhouseCoopers.

Joe is a key contributor in all aspects of the Group's strategy, and he brings a wealth of experience and insight into the effect that strategic changes might have on the property sector and consequently, the long-term success of the business. He has a strong financial background, having qualified as a chartered accountant, and is highly knowledgeable and experienced in risk management in the property sector. His background therefore enables him to effectively perform the role of Chair of the Audit and Risk Committee at Helical. Furthermore, he is an experienced listed company director and contributes helpful insights on shareholder relations offering differing perspectives gained through his experience as a member of the executive management team at Unite Group plc.

**Other external appointments**

- Executive Director, Unite Group plc.



**Sue Farr**  
Non-Executive Director, Chair of the Remuneration Committee and designated Non-Executive Director for ESG & Sustainability



**James Moss**  
Chief Operating Officer and Company Secretary

<b>Board meetings present:</b>	6/6
<b>Tenure:</b>	3 years
<b>Independent:</b>	Yes

**Skills, relevant experience and contribution to long-term success**

Sue Farr is the Chair of the Remuneration Committee and has served on the boards of a diverse range of companies and has experience on other remuneration committees, both as a member and chair. Her effectiveness as Chair is bolstered by her understanding of employee and wider business perspectives and her ability to consider the consequences of remuneration decisions. She is also a member of the Audit and Risk and Nominations Committees.

In May 2021, the Board appointed Sue as the designated Non-Executive Director for ESG & Sustainability and she plays a key role in monitoring Helical's Culture and ensuring its alignment with Company strategy to support the long-term sustainable success of the business.

Sue contributes considerable knowledge, skill and experience to the Board and its Committees, particularly in the areas of marketing, branding and consumer issues, which are key areas of focus for the Board and important for the continued success of our business.

Sue is a former Chair of both the Marketing Society and the Marketing Group of Great Britain. In 2003, she joined the Chime Group, where she was Chair of the Advertising and Marketing Services Division and Strategic and Business Development Director until 2015, and served as a Special Advisor to their Board until July 2020. Prior to joining the Chime Group, Sue served as Marketing Director of the BBC for seven years, Director of Corporate Affairs at Thames Television for three years and Director of Corporate Communications at Vauxhall Motors. Sue has also served as a Non-Executive Director for Millennium & Copthorne Hotels plc, New Look plc, Dairy Crest plc, Dolphin Capital Partners and Historic Royal Palaces.

**Other external appointments**

- Non-Executive Director, British American Tobacco plc.
- Non-Executive Director, Lookers plc.
- Non-Executive Director, THG PLC (with effect from 24 April 2023).
- Non-Executive Director, Accsys Technologies PLC (Sue will be standing down at their AGM in September 2023).

<b>Board meetings present:</b>	6/6
<b>Tenure:</b>	8 years

**Skills, relevant experience and contribution to long-term success**

James Moss, MChem (Hons) (Oxon) FCA, joined Helical in September 2014 as Group Financial Controller and was appointed Company Secretary in May 2015 and to the Executive Committee in March 2018. He was subsequently appointed Chief Operating Officer in May 2022.

James has a broad range of responsibilities, contributing to setting and delivering Helical's strategy and ensuring its operational and financial effectiveness.

As Group Company Secretary, he is responsible for corporate governance and Board administration matters.

James was previously at Grant Thornton, where he was responsible for leading audit and other assurance assignments in their real estate division.

# Corporate governance report

## Corporate governance report structure

We have structured our Corporate Governance Report to reflect the five pillars of the code:

<p><b>I</b></p> <p>Board Leadership and Company Purpose</p> <p>→ See page 94</p>	<p><b>II</b></p> <p>Division of Responsibilities</p> <p>→ See page 96</p>	<p><b>III</b></p> <p>Composition, Succession and Evaluation</p> <p>→ See page 99</p>
<p><b>IV</b></p> <p>Audit, Risk and Internal Control</p> <p>→ See page 104</p>	<p><b>V</b></p> <p>Remuneration</p> <p>→ See page 109</p>	<p>Some of the information required by the Code is included in the Strategic Report and is cross-referenced with the Corporate Governance Report to avoid unnecessary duplication.</p>

## Statement of compliance with the UK Corporate Governance Code 2018

For the year to 31 March 2023 the Group has applied the Principles of the UK Corporate Governance Code 2018 (the "Code") and has complied with all relevant Provisions of the Code throughout the accounting period.

The Code, along with the Financial Reporting Council's 2018 Guidance on Board Effectiveness, has informed the Group's governance practices, particularly with respect to the Board's effectiveness and decision making, and has contributed to the delivery of strategy.

Underpinning Helical's business model is a commitment to robust corporate governance – a component that is essential for achieving the Group's objective of long-term value creation for stakeholders. Corporate governance plays an important role in the strategic management of our business and it is through the alignment of stakeholder interests with management actions that Helical's direction and performance are determined. The Board applies the overarching principles of good corporate governance: Fairness, Accountability, Responsibility and Transparency when formulating and delivering its strategy. These principles underpin the Board's activities including, but not limited to, the oversight of financial reporting and auditing, remuneration of senior executives, stakeholder relations and communications, risk management and internal control, ethics, ESG and sustainability. The application of these principles of good corporate governance supports the Board in the effective promotion of the long-term success of the Group.



## BOARD LEADERSHIP AND COMPANY PURPOSE

The Board appreciates the Group's broader role in society and the need to engage with all those affected by its endeavours. The Directors prioritise their duty to promote the success of Helical whilst having regard to all its stakeholders and contributing to the wider society. Helical's stakeholders are clearly defined and the Board actively engages with each of these groups on a regular basis (for more information on how this is demonstrated in practice, see pages 83 to 85). How the Board members discharged their statutory s172(1) Duties when making Principal Decisions is described on pages 78 to 79.

The Board and its Committees review workforce policies and procedures on an annual basis and more frequently if required. As part of the annual review process, the Board considers each policy and procedure in the context of desired behaviours and practices and ensures that they remain aligned to Helical's Culture and support long-term sustainability and success (see also pages 80 to 82 of the Strategic Report). For example, the Remuneration Committee takes the pay policies and practices of the wider workforce into consideration when determining the remuneration packages of the Executive Directors. For more information on this, please see the Directors' Remuneration Report on pages 109 to 130. The Helical Purpose and Values are also taken into account when setting the Group's Remuneration Policy and structure. Details of this can be found in the Directors' Remuneration Report on pages 109 to 130.

As part of its leadership responsibilities, the Board continually monitors the Culture of the business and during the reporting period, our designated Non-Executive Director for workforce engagement, Sue Clayton, helped to further embed the Group's Culture through information sharing and engagement between the Board and the workforce. During the reporting period, the Board renewed its approval of the terms of reference for the role of the designated Non-Executive Director for workforce engagement and this document serves to reinforce the Board's emphasis on the importance of effective workforce engagement with the workforce. For more information on Sue's role in enabling the Board to monitor the Group's Culture and in ensuring that the Culture is reflected in decision making, please see pages 81 to 82.

Another effective way in which Helical has monitored its Culture throughout the period is through individual staff interviews. Please see pages 86 to 87 for more details on how the staff interviews are used to monitor Culture and how the outcomes of the interviews have been considered by the Board and the Executive Management team.

Helical's Culture and Values are reinforced through the Group's Supplier Code of Conduct along with various other policies and procedures including share dealing, security of data, human rights and anti-bribery and corruption measures. In terms of engaging with external stakeholders, the Group publishes certain key policies on its website (<https://www.helical.co.uk/investors/governance/governance-policies/>). All Group policies and procedures have been implemented with the objective of supporting the long-term sustainable success of the business. For further details on Helical's Purpose, Values and Culture and how they link to Group strategy, please see pages 80 to 82.

The ability of our employees to speak freely and openly is an important characteristic of Helical's ethos. Helical's Whistleblowing Policy enables all members of the workforce to raise concerns about malpractice or misconduct, in confidence, to either the CEO, Company Secretary, Chairman, Senior Independent Director or the external Auditor. Whistleblowing is a matter reserved for the Board and any whistleblowing issue raised, as well as any outcome of subsequent investigations, will be notified to the Board. Further methods used by the Board to engage with the workforce and other stakeholders are detailed at pages 83 to 87.

As well as being linked to the Culture, the Purpose and Values flow through to other policies, practices and behaviours in the business. For example, the Value of working sustainably underpins the Group's strategy and more detail on this can be found in the Sustainability section on pages 54 to 75.

As confirmed in the Group's most recent internal Board evaluation (for more information on the 2022/23 internal Board evaluation, please see the Report of the Nominations Committee on pages 102 to 103), the Board of Directors collectively have the skills and experience required to deliver effective leadership of the Group. They demonstrate focus and interest in generating Shareholder value and in supporting the interests of the Group's stakeholders, whilst also contributing to the wider society.

The Directors' range of backgrounds and expertise ensure that the Group's leadership is effective and balanced (see pages 90 to 92 for details).

### Annual Board strategy session

The Group's core activities are performed within the governance and strategic framework set by the Board. However, Helical's strategy is continually overseen by the Board throughout the year, and reviewed as necessary. For example, changes to strategy may be implemented in the event of significant changes to market conditions or to align the Group's objectives with the interests of its stakeholders.

In September 2022, the Board met for its annual strategy session at which all the Directors were in attendance. The annual meeting provides a forum, outside the quarterly Board meetings, for the Board members to come together to focus their discussions on strategy, drawing upon the breadth of experience and insights of the Non-Executive Directors.

The Directors were provided with reading materials in advance of the session to allow for prior consideration of the agenda items.

At the outset of the meeting, a presentation on the outlook for the London Office Market was provided by CBRE, followed by a presentation from Lazard on the UK Equities Market and strategic positioning for Helical.

At the meeting, the Directors focused their discussions on the geopolitical and economic climate, sustainability and the environment, the property market and the interests of Shareholders and other stakeholders. Having considered these factors, the Directors carefully deliberated and agreed upon the key strategic options that would be incorporated into the Group's strategy for the forthcoming year.

## I BOARD LEADERSHIP AND COMPANY PURPOSE

### Effectiveness

Matters considered by the Board in 2022/23

CORPORATE RESPONSIBILITY	GOVERNANCE AND RISK
<ul style="list-style-type: none"> <li>Receipt of reports from the Sustainability Committee to assess the Group's approach to sustainability and establish a future strategy with objectives;</li> <li>Review and consideration of the Group's Net Zero Carbon Pathway; and</li> <li>Approval of the Group's Human Rights and Sustainability Policies.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly review of the Group's health and safety performance;</li> <li>Oversight of the Group's Health &amp; Safety Policy;</li> <li>Monitoring of performance and continued development of health and safety risk mitigation;</li> <li>Review of risk strategy and risk appetite and reaffirming the Group's Risk Framework;</li> <li>Financial crime risks and mitigation, including external review;</li> <li>Bi-annual review of principal and emerging risks facing the Group;</li> <li>Continued consideration of cyber security and mitigation of cyber risks;</li> <li>Continued consideration of the implications of the Covid-19 pandemic and geopolitical instability, as well as other matters of global macro significance, and mitigating strategies;</li> <li>Internal control system review;</li> <li>Receipt of regular reports and updates on governance matters;</li> <li>Continuous review of UK Corporate Governance legislation and guidance – 2018 UK Corporate Governance Code, FRC's Guidance on Board Effectiveness and The Companies (Miscellaneous Reporting) Regulations 2018;</li> <li>Review of its governance processes e.g. meeting frequency and timeliness of Board papers;</li> <li>Participation in the internally facilitated Board evaluation;</li> <li>Annual review and approval of Group policies and procedures, Role Descriptions, the Schedule of Matters Reserved for the Board and Committee terms of reference; and</li> <li>Review and approval of the annual Modern Slavery Statement.</li> </ul>
STRATEGY	PEOPLE
<ul style="list-style-type: none"> <li>Review of corporate objectives;</li> <li>Review of market trends, opportunities and risks;</li> <li>Annual off-site Board meeting focused on strategy; and</li> <li>Receipt of regular strategy updates.</li> </ul>	<ul style="list-style-type: none"> <li>Review of succession and talent management processes within the Group;</li> <li>Receipt of feedback from the designated Non-Executive Director regarding the employee engagement initiatives and consideration of issues raised;</li> <li>Review and approval of the annual bonus calculations for the year to 31 March 2022;</li> <li>Review of staff engagement mechanisms including oversight and review of Group whistleblowing procedures;</li> <li>Executive and Non-Executive development and succession planning;</li> <li>Evaluation of the Board's effectiveness; and</li> <li>Engagement with the Group's stakeholders and consideration of their interests when making Board decisions (please see pages 78 to 79).</li> </ul>
PROPERTY TRANSACTIONS AND OPERATIONS	
<ul style="list-style-type: none"> <li>Approval of material property transactions and opportunities; and</li> <li>Review of independent valuations of properties.</li> </ul>	
FINANCIAL AND OPERATIONAL PERFORMANCE	
<ul style="list-style-type: none"> <li>Approval of the Group's full year and half year results;</li> <li>Review of the capital and debt structure;</li> <li>Assessment of viability and going concern, including sensitivity analysis;</li> <li>Receipt of regular reports from the Chief Executive and the Chief Financial Officer;</li> <li>Approval of major capital and operating expenditure proposals;</li> <li>Review of the dividend policy and recommendation of the 2022 final dividend and approval of the 2023 interim dividend;</li> <li>Receipt of presentations from senior management from across the business and consideration of reports on matters of material importance to the Group;</li> <li>Appointment of RSM UK as the Group's external Auditor;</li> <li>Receipt and consideration of annual IT report from the Group's external IT consultants;</li> <li>Approval of the Group budget; and</li> <li>Review of financing proposals.</li> </ul>	

## II DIVISION OF RESPONSIBILITIES

The Helical Board is suitably balanced, with half of the Board, excluding the Chairman, being independent Non-Executive Directors.

The Non-Executive Directors are responsible for constructively challenging and helping to develop proposals on strategy. They are also responsible for applying independent and objective judgement and scrutiny to all matters before the Board and its Committees. Throughout the reporting period, the Non-Executive Directors have received information from Lazard & Co., Peel Hunt and Numis to help enhance their understanding of the market and the views of Helical's major Shareholders.

The Board is satisfied that all the Directors are able to allocate sufficient time to the Company to discharge their responsibilities effectively. Upon appointment, the Non-Executive Directors are also required to inform the Chairman of their external appointments prior to their acceptance of a role on the Board. In addition, the Chairman's time commitments are subject to review by the Senior Independent Director, in conjunction with the other Non-Executive Directors. The Board reviews the Conflict of Interest Register at each Board meeting. For details of the Directors' current external commitments, please see "Board of Directors" section on pages 90 to 92.

There is a clear division of responsibilities between the running of the Board and the Executive Directors' responsibility for running the business. An honest and open culture exists between both the Executive and Non-Executive Directors, enabling the Non-Executives to provide constructive challenge and give specialist advice and guidance on strategy.

This open forum extends beyond the boardroom and can be evidenced by the Board's usage of an instant messaging platform to share real time, key business updates.

The Executive Committee, led by the Chief Executive, is responsible for ensuring the Group's strategy is communicated and implemented. It is comprised of the three Executive Directors and the Chief Operating Officer and usually meets monthly, or more frequently if required. Given the size of the organisation, the importance of succession planning within the executive team is a key area of focus for the Board. Further details on succession planning can be read in the Nominations Committee Report on pages 99 to 103.

### Chairman and Chief Executive

The positions of Chairman and Chief Executive are held separately, and their roles and responsibilities are clearly established, set out in writing and agreed by the Board. The Chairman is responsible for the leadership of the Board and ensuring its effectiveness. The Chief Executive is responsible for the leadership of the business and managing it within the authorities delegated by the Board. Alongside boardroom discussions, the Chairman maintains contact with the Non-Executive Directors by telephone and, at least annually, will invite only the Non-Executive Directors to attend a meeting to discuss Group matters.

Throughout the year, the Chairman has continued to directly engage with our Shareholders, making himself available for meetings at their request. This direct form of engagement supplements the planned investor relations programme undertaken each year (see page 83 for details). Any feedback from the Chairman's interactions with Shareholders is reported directly to the Board. The Directors strive to maintain effective corporate leadership by integrating stakeholder engagement with the accepted core functions of the Board. For more details on how the Board discharges this key responsibility of engagement, please see pages 76 to 87.

### Senior Independent Director

The Senior Independent Director ("SID") has acted, and continues to act, as a sounding board for the Chairman and as an intermediary for the other Directors and Shareholders. The SID is available to Shareholders for meetings or to discuss any concerns which have not been resolved through, or would be inappropriate to resolve through, the normal channels of communication with the Chairman, Chief Executive or other Directors.

The annual appraisal of the Chairman's performance was conducted by Sue Clayton, SID, as part of the 2022/23 internal Board evaluation (for further details, please see pages 102 to 103).

### Designated Non-Executive Director for workforce engagement

Sue Clayton was appointed to the role of designated Non-Executive Director for workforce engagement in 2019 and her role is key to facilitating meaningful engagement between the Board and the wider workforce and ensuring that the interests of the Helical employees are considered in Board discussions and decision making. For more information on this role at Helical, please see pages 86 and 87 of the Strategic Report.

The detailed roles of the Chairman, CEO, SID and designated Non-Executive Director for workforce engagement are available on our website: <https://www.helical.co.uk/investors/governance/governance-policies/>.

### Company Secretary

Our Company Secretary plays a leading role in the Group's governance structure. Under the direction of the Chairman, the Company Secretary's responsibilities include:

- Advising the Board on all regulatory and corporate governance matters;
- Ensuring good information flows to the Board and its Committees, and between the Executive Committee and the Non-Executive Directors;
- Maintaining a record of attendance at Board meetings and Committee meetings; and
- Assisting the Chairman in ensuring that the Directors have suitably tailored and detailed induction and ongoing training and professional development programmes.

## II DIVISION OF RESPONSIBILITIES

### Information and professional development

The Chairman, with support from the Company Secretary, is responsible for ensuring that the Directors receive clear and accurate information in a timely manner. Throughout their Board tenure, the Directors are encouraged to develop their knowledge of the Group through property tours, meetings with stakeholders and consultations with members of senior management. The Board is also kept apprised of all relevant updates with respect to relevant legislative and regulatory requirements and all corporate governance matters. All Directors have access to the services and advice of the Company Secretary.

### Board meetings during the reporting period

Regular Board meetings are scheduled each year and the Directors allocate sufficient time to the Company to discharge their responsibilities effectively, with the Non-Executives in particular providing constructive challenge and strategic guidance and offering specialist insight and advice based on their experience (see pages 90 to 92 for the diverse skill set of the Board, which provides for balanced and effective leadership of the Group). During the year ended 31 March 2023 six scheduled Board meetings were held, with an additional three unscheduled meetings held to discuss specific issues and events.

The Board also held its annual strategy event in September 2022, at which the Directors participated in focused discussions on the Group's strategy. The strategy event was structured to facilitate formal discussions during the day followed by more informal discussion in the evening (see also page 94 for further details).

### Board attendance at scheduled meetings

Board meetings – 1 April 2022 to 31 March 2023	Attendance
Richard Cotton, Non-Executive Chairman	6/6
Gerald Kaye, Chief Executive Officer	6/6
Sue Clayton, Senior Independent Director	6/6
Joe Lister, Non-Executive Director	6/6
Sue Farr, Non-Executive Director	6/6
Tim Murphy, Chief Financial Officer	6/6
Matthew Bonning-Snook, Property Director	6/6

### Board

The Board's main responsibilities include, but are not limited to:

- Providing overall leadership of the Group and for setting its long-term strategic aims;
- Establishing the Group's Purpose, Values and Culture, and ensuring that these are aligned with the Group's strategic aims and objectives;
- Approving changes to the Group's capital, corporate and governance structures;
- Reviewing management and operational performance, including health and safety;
- Oversight and approval of the Group's financial reporting;
- Approving the risk appetite of the Group and ensuring the maintenance of a robust system of controls and risk management;
- Review of the adequacy and security of the Group's arrangements for its workforce to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters;
- Approving major capital projects, investments and divestments above limits of authority delegated by the Board;
- Approving resolutions and corresponding documentation to be put to Shareholders at General Meetings, circulars and listing particulars;
- Ensuring satisfactory dialogue, and approving all formal communications with Shareholders;
- Ensuring effective engagement with, and encouraging participation from, the Group's stakeholders;
- Approval of policies on matters such as health and safety, corporate social responsibility and the environment; and
- Oversight of all corporate governance matters.

### Board members

- Richard Cotton (Non-Executive Chairman)
- Gerald Kaye (Chief Executive Officer)
- Sue Clayton (Senior Independent Director)
- Joe Lister (Independent Non-Executive Director)
- Sue Farr (Independent Non-Executive Director)
- Tim Murphy (Chief Financial Officer)
- Matthew Bonning-Snook (Property Director)

### Secretary

- Secretary to the Board: James Moss

Please also see the Schedule of Matters reserved for the Board, available to download at <https://www.helical.co.uk/investors/governance/governance-policies/>



## Committees

### Nominations Committee

Ensures there is a formal, rigorous and transparent procedure for the appointment and induction of new Directors to the Board, leads the process for Board appointments and succession planning (including the development of a diverse succession pipeline) and supports the annual Board evaluation process.

#### Committee members:

- Richard Cotton (Chair), Independent Non-Executive Director
- Sue Clayton, Independent Non-Executive Director
- Joe Lister, Independent Non-Executive Director
- Sue Farr, Independent Non-Executive Director

Please also see Report of the Nominations Committee on pages 99 to 103.

### Audit and Risk Committee

Assists the Board in fulfilling its oversight responsibilities by reviewing and monitoring: the integrity of financial information provided to Shareholders; the Group's system of internal controls and risk management; the external audit process and Auditors; and the processes for compliance with laws, regulations and ethical codes of practice.

#### Committee members:

- Joe Lister (Chair), Independent Non-Executive Director
- Sue Clayton, Independent Non-Executive Director
- Sue Farr, Independent Non-Executive Director

Please also see Report of the Audit and Risk Committee on pages 104 to 108.

### Remuneration Committee

Assists the Board in fulfilling its responsibility to Shareholders to ensure that the Remuneration Policy and practices of the Group reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.

#### Committee members:

- Sue Farr (Chair), Independent Non-Executive Director
- Sue Clayton, Independent Non-Executive Director
- Richard Cotton, Independent Non-Executive Director
- Joe Lister, Independent Non-Executive Director

Please also see Report of the Remuneration Committee on pages 109 to 130.

### Executive Committee

Assists the Chief Executive Officer in the performance of his duties and ensures that the Group's strategy is implemented, subject to the limitations of authority set out in the Schedule of Matters Reserved for the Board.

#### Committee members:

- Gerald Kaye (Chair), Chief Executive Officer
- Tim Murphy, Chief Financial Officer
- Matthew Bonning-Snook, Property Director
- James Moss, Chief Operating Officer
- Rob Sims, Senior Property Executive

### Property Valuations Committee

Reviews the valuations of the Company's property portfolio and reports to the Audit and Risk Committee on its findings.

#### Committee members:

- Sue Clayton (Chair), Independent Non-Executive Director
- Gerald Kaye, Chief Executive Officer
- Matthew Bonning-Snook, Property Director
- Rob Sims, Senior Property Executive

Please also see Report of the Audit and Risk Committee on pages 104 to 108.

### Sustainability Committee

Assists the Board in setting and monitoring the Company's sustainability strategy, policies, targets and performance.

#### Committee members:

- Matthew Bonning-Snook (Chair), Property Director
- Laura Beaumont, Head of Sustainability
- John Inwood, Head of Asset Management
- Pavlos Clifton, Senior Development Executive
- Lois Robertson, Operations Manager

For further details on the Group's sustainability initiatives, please see pages 54 to 75.

## Key investor relations activities

2022	
April	Trading Update
May	Annual results announcement and analysts' presentation for the full year to 31 March 2022
May/June	Investor Roadshow presentations
July	Trading Update Annual General Meeting
September/October	Investor Roadshow Presentations
October	Trading Update
November	Results announcement and analysts' presentation for the half year to 30 September 2022
November/December	Investor Roadshow presentations
2023	
April	Trading Update

## Annual General Meeting

For details of the resolutions passed at the 2022 AGM and the voting results, please visit our website: <https://www.helical.co.uk/investors/agm-gms/>

### Fair, balanced and understandable – the Board's responsibility

The Code requires the Board to ensure that, taken as a whole, the Annual Report and Accounts present a fair, balanced and understandable assessment of the Group's position and prospects. In reviewing the Annual Report and Accounts, the Audit and Risk Committee considered the points set out in its report on pages 106 to 107. After such a review, the Audit and Risk Committee reported its findings to the Board. For the Directors' statement in this regard, please see page 107.

## COMPOSITION, SUCCESSION AND EVALUATION

## Nominations Committee



**Richard Cotton**  
Chair of the Nominations Committee

### Committee membership and attendance

	Committee meeting attendance	
	Independent	Attended <input checked="" type="radio"/> Absent <input type="radio"/>
Richard Cotton (Chair)	Yes	<input checked="" type="radio"/> <input type="radio"/>
Sue Clayton	Yes	<input checked="" type="radio"/> <input type="radio"/>
Sue Farr	Yes	<input checked="" type="radio"/> <input type="radio"/>
Joe Lister	Yes	<input checked="" type="radio"/> <input type="radio"/>

The Company Secretary acts as secretary to the Committee.

The Committee's terms of reference are available to download at: <https://www.helical.co.uk/investors/governance/governance-policies/>

### Key areas of focus during 2022/23

- Completion of the induction of new Board Chairman.
- Review of succession plans for the Board and senior management.
- Internal Board Effectiveness Review conducted at the beginning of 2023.
- Focus on diversity throughout all levels of the organisation.

## Dear Shareholder,

I am pleased to present my first report as Chair of the Nominations Committee and I am keen to share details of the activities and achievements of the Committee over the course of the year.

The Committee met twice over the year and spent a significant proportion of its time considering succession planning for the Board and senior management, along with the composition of the Board and its Committees. In addition, the question of how the Group can progress with respect to its diversity and inclusion targets set in accordance with those prescribed by the Financial Conduct Authority ("FCA") was also afforded significant attention over the period. The Committee also oversaw the 2023 Board Effectiveness Review which was conducted internally.

### Board composition

The Nominations Committee evaluates the balance of skills, experience, diversity and knowledge on the Board. The Committee considers the Board and its Committees to be functioning efficiently and effectively. The Board and its Committees discharge their respective duties successfully with the appropriate level of challenge and independence. Based on its review of the composition of the Board and its Committees over the period, the Nominations Committee is satisfied that the members of the Board, in conjunction with the senior management, are well equipped to achieve the Group's strategic objectives.

Director appointments are made against objective criteria and are based on experience and merit. This supports the Group's strategy to maintain an appropriate combination of skills, experience, independence and knowledge on the Board and its Committees. On an annual basis, the Nominations Committee formally considers the composition of the Board and its Committees, and focuses its review upon the balance of skills, experience, length of service, knowledge of the Group and wider diversity considerations. This review is aided by the use of a skills matrix. The Committee also keeps the composition of the Board and its Committees under review throughout the year.

### Directors' elections

In compliance with the Code, all the Directors shall be subject to annual re-election and will therefore be putting themselves forward for re-election at the 2023 Annual General Meeting ("AGM") of the Company. Please see the Notice of Meeting of the 2023 AGM for additional information and the recommendations on re-election. The Board is satisfied that each of the Non-Executive Directors being put forward for re-election continue to be independent and that they continue to be effective and dedicated to the role.

### Diversity – Board level

The Helical Board fosters an inclusive and diverse culture which is fundamental to talent retention, growth and delivery of performance and enhancement of long-term success. Diversity and inclusion is embraced throughout the Group, underpins each of our Values which support the execution of the Board's strategic objectives, and is therefore key to the achievement of the Group's Purpose. A diverse Board includes and makes good use of differences in the skills, experience, background, race, sexual orientation, gender and other characteristics of directors as set out in the Equality Act.

The skills and backgrounds collectively represented on the Board should reflect the diverse nature of the environment in which Helical operates and improve its effectiveness through diversity of approach and thought.

In accordance with the Committee's terms of reference and on behalf of the Board, the Committee regularly reviews the diversity of the Board and its Committees, taking account of the Group's strategic priorities, and making recommendations to the Board about any changes that are deemed necessary. Board diversity is a key consideration when recommending future Board appointments and conducting succession planning exercises.

III COMPOSITION, SUCCESSION AND EVALUATION

Our policy on Board diversity reflects our continued commitment to promote an inclusive and diverse culture. The Group's Diversity and Inclusion Policy can be found on our website: <https://www.helical.co.uk/investors/governance/governance-policies>

The Committee has set out its status of compliance with the FCA's new board diversity targets (Listing Rule (LR 9.8.6R(9))) as at 31 March 2023 as follows:

FCA BOARD DIVERSITY TARGET	TARGET MET	COMPLIANCE AT HELICAL
At least 40% of the board are women (including those self-identifying as women)	No	<p>Currently 29% of the Helical Board is comprised of women.</p> <p>We recognise that the current level of female Board representation is below the FCA's target and will continue to strive to increase this through nurturing the female talent present within the Helical team and ensuring that diversity and inclusion is included in the development of succession plans.</p> <p>In addition, with respect to the recruitment of future Board members, the Nominations Committee will continue to regard Board diversity of gender as a key consideration when recommending future Board appointments and conducting succession planning exercises.</p> <p>The Committee acknowledges the recommendations of the Hampton-Alexander Review and will strive to increase the number of female Board members over time provided that this is consistent with other skills and requirements.</p> <p>More widely, the Committee is committed to developing a long-term pipeline of executive talent that reflects the diversity of our stakeholders.</p>
At least one of the senior board positions (Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer) is a woman (including those self-identifying as a woman)	Yes	Sue Clayton is the Senior Independent Director on the Board.
At least one member of the board is from a non-White ethnic minority background (as referenced in categories recommended by the Office for National Statistics)	No	<p>Whilst none of the Helical Board members are considered to be from an ethnic minority, the Committee recognises that boards generally perform better when they include the best people from a range of backgrounds and experiences.</p> <p>When assessing the composition of the Board, the Nominations Committee recommends appointments, and the Board makes appointments, based on skills, experience and merit. However, equality, diversity and inclusion will continue to be key considerations in all appointment processes.</p> <p>The Nominations Committee will continue to seek diversity of mindset as well as of gender, race and background when considering new appointments in the period to 2024, and it will continue to review this policy on an annual basis to ensure it remains appropriate. More widely, we are committed to developing a long-term pipeline of executive talent that reflects the diversity of our stakeholders.</p> <p>The Board is cognisant of the recommendations of the Parker Review and subsequent updated report, and will continue to focus on and improve the levels of diversity amongst its Directors in order to promote the success of the Group, thereby generating value for Shareholders and contributing to wider society.</p>

In accordance with the new Listing Rules (LR 9.8.6R(10) and LR 14.3.33R(2)), please see the numerical data on the sex or gender identity and ethnic diversity of the Helical Board and Executive Management as at 31 March 2023:

Reporting table on sex/gender representation	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
Men	5	71%	3	4	100%
Women	2	29%	1	0	0%
Not specified/prefer not to say	N/A	N/A	N/A	N/A	N/A

Reporting table on ethnicity representation	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	7	100%	4	4	100%
Mixed/Multiple Ethnic Groups	0	0%	0	0	0%
Asian/Asian British	0	0%	0	0	0%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified/prefer not to say	N/A	N/A	N/A	N/A	N/A

III COMPOSITION, SUCCESSION AND EVALUATION

In accordance with LR 9.8.6R (11), the data was collected directly, in a confidential setting, from each member of the Board and Executive Committee by the Deputy Company Secretary.

In line with the Group's diversity objectives, the Board chooses to engage external search firms who are signatories to the UK Voluntary Code of Conduct for Executive Search Firms to address gender diversity on corporate boards. The Company is also a signatory to Real Estate Balance, a cross industry organisation which has, since 2017, focused on helping to increase the number of women operating in senior positions in the real estate sector. Since 2019, Helical has been a signatory to the Real Estate Balance CEO's Commitments for Diversity and the Group supports the principles on leadership, culture and opportunity contained in the Real Estate Balance Toolkit, designed to support a more diverse workplace.

**Diversity and inclusion in the workforce**

Helical is dedicated to promoting and celebrating the positive effect that diversity has, both in the workplace and within the wider community, and this is embedded within the Group's Culture. In addition, the Board is focused on ensuring that the views of its workforce and other stakeholders are taken into account, and that an environment of inclusivity is promoted at all times.

By ensuring that Helical is an inclusive and diverse business, the Group benefits from a variety of experiences and perspectives, stimulating creativity and contributing to our open and cohesive Culture. In addition, benefits extend to the development of a diverse succession pipeline, necessary for future sustainability.

The Board's key objectives with regards to diversity and inclusion in the workforce are documented in the Group's Diversity and Inclusion Policy which can be found on our website: <https://www.helical.co.uk/investors/governance/governance-policies/>

Helical celebrated a number of equality, diversity and inclusion related initiatives and campaigns throughout the year, including:

- World Mental Health Day: On 10 October 2022, we chose to celebrate this day which focuses on making mental health and wellbeing a global priority for all.
- Wednesday Breakfast Club: The Group proactively recognises the importance of the health and wellness of its employees. With the aim of facilitating interaction between all staff in the office, healthy breakfast options are ordered every Wednesday morning and staff are encouraged to take some time to catch up with colleagues in our "breakout area" over breakfast; and
- Mental Health Awareness Week: We drew our employees' attention to a number of volunteering initiatives in support of Mental Health Awareness Week which ran from 9 – 15 May 2022.

The Board will be monitoring and reviewing the Group's progress with regards to its diversity and inclusion initiatives by assessing the successful delivery of Group strategy over time against the objectives set. Success will also be measured using the information gathered through the Group's employee engagement initiatives (please see Our Stakeholders – Section 172(1) Statement section on pages 76 to 87).

Helical's Employment Policy supports its diversity and inclusion objectives, whereby all employee candidates are considered fairly and without prejudice or discrimination. The policy also supports the enhancement of our employees' career development. The Group's Employment Policy can also be found on our website: <https://www.helical.co.uk/investors/governance/governance-policies/>

During the year under review, 43% of the Group's female employees held professional qualifications, providing a positive balance of gender in our talent pool. In order to maintain a diverse and inclusive business, Helical supports part-time, job-sharing and flexible working requests wherever possible. During the year under review 19% of the workforce carried out their roles on a part-time basis. The Group also operates various family-friendly policies, including policies for maternity, adoption and shared parental leave, which provide financial assistance to employees. The gender representation across the Group's workforce as at 31 March 2023 can be found on page 63.

The Board supports the findings of the Hampton-Alexander Review with respect to increasing gender diversity in company leadership below board level. The Board is committed to strengthening the pipeline of senior female executives within the business and will continue to develop the Group's policies and practices to support women succeeding at the highest levels possible at Helical. Diversity is a key point of focus for the Nominations Committee in both Board and senior management level succession planning – see below.

**Director independence and effectiveness**

Following due consideration of each Director's tenure, alongside the commitment and effective contribution demonstrated in relation to their respective roles, the Committee has recommended to the Board that resolutions to re-elect each Non-Executive Director be proposed at the AGM alongside resolutions to re-elect the Executive Directors. The Committee ensures that Board appointees have enough time available to devote to the appointed role. To enable the Board to identify any potential conflicts of interest and ensure that Directors continue to have sufficient time available to devote to the Company, Directors are required to inform the Board of any changes to their other significant commitments.

**Succession**

The Committee is responsible for making appointments to the Board and ensures that plans have been created to enable orderly succession to the Board, its Committees and the senior management team of Helical. In formulating succession plans, the Committee is cognisant of the need to develop a diverse pipeline of candidates, particularly with regard to gender and social and ethnic backgrounds, in order to equip the Group with the necessary skills and expertise it requires to drive long-term value creation and support its strategic aims. The Group's Diversity and Inclusion Policy informs succession planning at all levels of the business (see <https://www.helical.co.uk/investors/governance/governance-policies/> for the full policy).



During the year, as part of the 2023 internal Board evaluation (see also Evaluation section below), the current skills and expertise of the Board members were assessed, with consideration being given to whether the skills and expertise were sufficient and broad enough to ensure the effective operation of the Board. The review of the Directors' skill sets helped to identify gaps which will be used to inform the Committee when appointing future Board members. The Committee will continue to monitor the skills and capabilities, and length of tenure of Board members, recommending further appointments as necessary. For details of our Directors' skills and capabilities and how they contribute to the Group's long-term success, please see pages 90 to 92.

The Committee reviews the suitability of the Group's succession plans below Board level at least once a year, as part of its annual strategic review. In 2021, the Committee asked the Executive Committee to conduct a detailed review of the succession pipeline considering the skills and strengths of all potential internal candidates, and highlighting any gaps and training requirements. The process was designed to ensure that appropriate opportunities are in place to develop high performing individuals and enable proactive planning for succession in the executive team and across all levels of the business. The plan identified potential successors for the roles on the Board in the short and long term and took gender and ethnic diversity into account.

In March 2023, the Committee reconsidered the 2021 succession plan and concluded that the Helical team displayed a good range of skills and that there were candidates who possessed the desired capabilities for progression to roles on the Executive Committee and the Board over time. The Committee was satisfied that plans remain sufficiently robust to enable vacancies to be filled on a short to medium-term basis and, consequently, re-endorsed the plan devised in 2021. Our employees' passion, commitment and expertise are key to delivering our strategy and fulfilling our Purpose. The Committee supports the development of Helical's internal talent and recognises the importance of continuing to invest and develop our people in order to help accelerate our growth and future success.

Given the size of the Group, whilst it is always the Committee's aim to nurture and promote existing talent when recruiting for senior leadership and Board roles, the Group may also utilise the expertise of external search consultants to ensure that the best possible range of diverse candidates is considered.

#### Consideration of a new Non-Executive Director

Based on the review of the Directors' current skills and expertise, the Committee concluded that there were no material skill gaps on the Board or its Committees at present and that the Board, comprised of its current seven members, could function effectively. However, the Committee keeps the composition of the Board under review and is mindful of the tenure of the Non-Executive members. Although no Non-Executive Directors are due to reach the end of their maximum permitted tenure in the immediate future, the Board recognises the benefits to be gained from appointing new Non-Executive Directors in good time before the retirement of existing Board members. The Committee has therefore concluded that it is now appropriate to start the process of identifying and appointing an additional Non-Executive Director.

A formal, transparent and rigorous recruitment process for this role will be conducted with the assistance of an external search consultancy. The Board intends to provide the external consultancy with suitable terms of reference to enable candidates with the skills needed to assist the Board with the delivery of its long term strategy to be identified, whilst also being mindful of the balance of the Board.

#### Chairman's induction

As reported in last year's Nominations Committee Report, I undertook a programme of induction with Richard Grant in preparation for the commencement of my appointment as Chairman of the Board. I can confirm that my induction process was concluded prior to my appointment by our Shareholders at the 2022 AGM.

#### Evaluation

To ensure that the optimal performance of the Board is maintained, an evaluation of the effectiveness of the Board is conducted annually. During the year, we undertook a formal and rigorous internal evaluation of our Board and Committees, with particular attention paid to the specific areas identified in the previous year's review.

It is customary for Helical to adopt the best practice approach of the UK Corporate Governance Code 2018 (the "Code") in relation to Board evaluation. Despite not being within the FTSE 350, the Group has historically opted to comply with Provision 21 of the Code, conducting an external Board evaluation once every three years. However this year, following extensive discussion, the Board unanimously agreed to defer the external evaluation of the Board and its Committees for a period of one year. This decision was taken to allow me, following my appointment as Chairman at the AGM in July 2022, time to embed myself in the role and it was felt that greater value would be obtained from an external evaluation once I had served in the role for a full year. As such, Helical will instruct an externally facilitated evaluation of the Board and its Committees in 2024, the results of which will be reported in the 2024 Nominations Committee Report.

Therefore, this year, I led the internal evaluation with respect to the effectiveness of the Board and its Committees and my performance review was conducted by our SID, Sue Clayton.

#### The process

I conducted interviews with each Director and the Company Secretary individually, covering the effectiveness of the Board and its Committees. Each participant was supplied with a list of key discussion points in advance of their interview. The key areas of focus highlighted by the 2021/2022 review were considered in the discussions. The responses from each interview were then collated, and I presented the key findings to the Board in March 2023. In formulating the conclusions, I compared the key themes identified in the internal 2023 Board evaluation to the results from the 2022 Board evaluation.

Similarly, Sue Clayton conducted my performance evaluation via individual interviews with each Director and the Company Secretary.

RECOMMENDATIONS FROM THE 2021/22 BOARD EVALUATION	PROGRESS
<ul style="list-style-type: none"> <li>Committee to continue to place focus on succession planning for both independent Non-Executive Directors and Executive Directors.</li> </ul>	<ul style="list-style-type: none"> <li>Succession planning continues to feature as a standing item on the agenda of all Nominations Committee meetings. The Committee's succession planning activities during the year primarily focused on Non-Executive Directors, the Executive Committee and the wider talent pipeline. Through a review conducted as part of the 2023 internal Board evaluation, the Committee has concluded that there are candidates within the Helical team who display a good range of skills and possess the desired capabilities for progression to roles on the Executive Committee and the Board over time.</li> <li>The Group's talent pipeline was also strengthened through a number of internal promotions across the business in May 2022.</li> <li>As noted above, the Committee determined that it was the appropriate time to start the process of identifying and appointing an additional Non-Executive Director.</li> </ul>
<ul style="list-style-type: none"> <li>Further and greater focus on the key shareholder return metrics of the business when appraising all major business decisions.</li> </ul>	<ul style="list-style-type: none"> <li>The Board has increased its focus on Shareholder returns with respect to both strategic discussions and the KPIs on which the business is focusing, with the Director remuneration targets having been adjusted to reflect this greater focus on maximising Shareholder returns.</li> </ul>
<ul style="list-style-type: none"> <li>Review recruitment processes to ensure that there are no barriers to increasing diversity at all levels of the business.</li> </ul>	<ul style="list-style-type: none"> <li>Diversity and inclusion continue to remain high on the agenda of the Board. Helical has not recruited any new team members since the 2021/2022 Board evaluation was conducted, and so we are not able to report on progress against this recommendation. However, we can confirm that all future recruitment processes, including the identification and appointment of a new Non-Executive Director, will be reviewed from a diversity and inclusion perspective. For further details on diversity and inclusion initiatives at Helical, please see pages 99 to 101.</li> </ul>

#### Results and key recommendations from the 2022/23 Board evaluation

I am pleased to confirm that the findings of the 2022/23 Board evaluation confirmed that the Helical Board was well balanced, with the Directors possessing relevant skills and diverse experience to enable effective leadership of the Group. In conjunction with the evaluation, the Directors reviewed and updated the Board Skills Matrix and this exercise confirmed the collective, comprehensive skill set of the Board. The benefit of diverse and varied inputs to the process of strategic review was highlighted by all participants in the review. The evaluation further highlighted the positive, collegiate team dynamic on the Board, and recognised the high level of contribution and appropriate level of challenge provided at meetings from all members. The Non-Executives commented that risk identification and mitigation were well covered and that they received comprehensive papers from the Group's management in a timely manner, allowing their full consideration before meetings. The evaluation also confirmed that each Board member had a defined role and that they integrated effectively with the functions and responsibilities of the Board.

With respect to the evaluation of my performance as Chairman during the period, there were no issues or concerns raised.

The recommendations arising from this year's evaluation process are noted in the table below.

#### Recommendations from the 2022/23 Board evaluation

- Start the process of identifying and appointing a new Non-Executive Director;
- Further informal interactions between the Non-Executive Directors and the wider Helical team; and
- Incremental improvements to the Board's annual strategy meeting.

The Committee is in the process of formulating an action plan in response to the recommendations of this year's internal Board evaluation, and will report on progress made in next year's Annual Report.

**Richard Cotton**  
Chairman  
23 May 2023

## IV AUDIT, RISK AND INTERNAL CONTROL

### Audit and Risk Committee



**Joe Lister**  
Chair of the Audit and Risk Committee

**Committee membership and attendance** ● Attended ○ Absent

	Independent	Committee meeting attendance
Joe Lister* (Chair)	Yes	●●●●
Sue Clayton	Yes	●●●●
Sue Farr	Yes	●●●●

\* Has recent and relevant financial expertise.

The Company Secretary acts as Secretary to the Committee.

The Committee's role and responsibilities are set out in its terms of reference which are available at: <https://www.helical.co.uk/investors/governance/governance-policies/>

**Key areas of focus during 2022/23**

- Review of the effectiveness of the Committee conducted as part of the Board evaluation.
- Review of significant issues relating to the financial statements and how these were addressed.
- Approval of all Group policies and procedures.
- Approval of the Group's Risk Register.
- Review of the Group's internal controls and risk management systems.
- Assessment of the independence and effectiveness of the external Auditor.
- Oversight of the tender and appointment process for the Group's new external Auditor.
- ESG reporting and related climate and financial disclosures.
- UK regulatory developments and impact on the Company including Audit Reform.
- Consideration of the need for an internal auditor.

**Dear Shareholder,**

I am pleased to present this year's Audit and Risk Committee Report which outlines the Committee's key activities and areas of focus for the year to 31 March 2023.

**Role of the Committee**

The Committee endorses the principles set out in the FRC Guidance on Audit Committees and Risk Management, Internal Control and Related Financial and Business Reporting. The Board has formal and transparent arrangements for considering how it applies the Group's financial reporting and internal control principles and for maintaining an appropriate relationship with its Auditor. Whilst all Directors have a duty to act in the interests of the Group, this Committee has a particular role, acting independently from the Executive Directors, to ensure that the interests of Shareholders are protected with respect to risk, financial reporting and internal controls. Appointments to the Committee are made by the Board on the recommendation of the Nominations Committee in consultation with the Audit and Risk Committee Chair.

The Committee considered its Annual Work Plan which sets out the key activities undertaken during the year in fulfilment of the duties assigned to the Committee, in accordance with its terms of reference. The Work Plan is reviewed annually to ensure that the Committee remains effective and its key areas of activity remain relevant. The Committee also reviews its terms of reference on an annual basis.

The role of the Audit and Risk Committee (as described in its terms of reference) is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring the following:

- The integrity of the financial statements of the Group, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to its financial performance, and report to the Board on significant financial reporting issues and judgements which those statements contain;
- The Group's system of internal controls and risk management, including the risk management framework (see pages 44 to 46);
- The need for an internal audit function;
- The external audit process and managing the Group's relationship with the external Auditor, including an assessment of the independence and effectiveness of the external audit process and the approach taken with respect to the reappointment of the external Auditor for the year to 31 March 2023; and
- The processes for compliance with laws, regulations and ethical codes of practice.

The effectiveness of the Audit and Risk Committee was reviewed as part of the Board evaluation. Please see pages 102 to 103 for details of the review and the key recommendations arising from it.

**The work of the Committee during the year**

The Committee met four times during the year and a record of Director attendance for these meetings is shown on the left. It is common practice at Helical for Audit and Risk Committee meetings to be attended by all Board members, whether or not they are members of the Committee, as their experience is highly valued and their contribution welcomed in Committee discussions. The Group's external Auditor, Deloitte, are also invited to attend all or part of meetings as appropriate and the Committee met twice with Deloitte without members of management being present.

## IV AUDIT, RISK AND INTERNAL CONTROL

In conjunction with the Board, the work of the Audit and Risk Committee during the year included the following key matters:

- Review of the Group's internal financial controls that identify, assess, manage and monitor financial risks and its other internal control and risk management systems (encompassed in the Group's Risk Management Framework) – see below for further details;
- Review of the financial statements of the Group and the announcement of the annual results and the interim statement on the half year results;
- Review of the Annual Report to ensure it is fair, balanced and understandable and provides the Shareholders with the information necessary to assess the Group's position, performance, business model and strategy;
- Review and approval of a report on the Committee's activities, including how it discharged its responsibilities, for the Annual Report;
- Review and approval of the viability statement, going concern basis of preparation and risk management and internal controls statements;
- Overseeing and ensuring that a robust assessment of emerging and principal risks facing the Group is undertaken;
- Review of the Group's risk exposure and future risk strategy;
- Review of the terms of engagement with the external Auditor;
- Review of the effectiveness/performance of the external Auditor and their programme of work, taking into consideration relevant UK professional and regulatory requirements;
- Consideration of the external Auditor's independence and objectivity;
- Review of the provision of non-audit services by the external Auditor, taking into account relevant regulations and ethical guidance;
- Review of IT risk and business continuity planning;
- Review of the Group's procedures for detecting fraud;
- Review and approval of the Group's policies and controls, including the approval of the new Group Human Rights Policy;
- Consideration of the requirement for an internal audit function; and
- Oversight of the external audit tender process and approval of the appointment of the Group's new external Auditor – see pages 107 to 108 for further details.

**Risk management and internal controls**

The Committee and the Board undertake bi-annual reviews of the Group's Risk Management Framework and their reviews this year re-affirmed the Group's Risk Management Framework (shown on pages 44 to 46). This review process is representative of the great emphasis placed on the management and mitigation of risks in order to enable the development and delivery of the Group's business objectives. In addition to the bi-annual reviews, the Committee conducts reviews of the Group's approach to risk management, the operation of its Risk Management Framework and risk mitigation on an ongoing basis. The Committee gives continuous consideration to how the risk management process is embedded throughout the Group to provide assurance that management's accountability for risks is clear and functioning.

Encompassed within the Risk Management Framework is the Board's responsibility to maintain and monitor the Group's system of internal controls. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Helical's internal controls are designed to provide reasonable assurance in the following areas:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

It is the responsibility of the Board to ensure that the Group's internal control system is effective in preventing losses from risk events, or identifying risk events, and taking corrective action when they occur. Oversight of the control system is delegated to this Committee which identifies, monitors and manages the principal risks faced by the Group and reviews the effectiveness of all material controls.

The Group's Executive Committee ("ExCo") continually assesses and monitors the adequacy of the key internal controls and risk management features as a standing agenda item at the monthly meetings of the ExCo. The ExCo presents reports on its own assessment of control and risk management as necessary, for example, to provide the Committee with assurance on the Group's compliance with relevant policies, procedures, regulation and legislation as well as the effectiveness of the internal control function. In addition, the ExCo makes recommendations to the Audit and Risk Committee regarding the addition of key controls as necessary. For further details on Helical's Risk Management Framework and the reporting lines, please see pages 44 to 46.

**Significant areas of review**

In discharging its responsibilities regarding the preparation of the financial statements for the year to 31 March 2023, the Committee was responsible for reviewing the appropriateness of the Group's accounting policies, assumptions, judgements and estimates as applied by the Executive Management team to the financial statements. During this review the following significant issues were considered:

**Internal controls**

The Committee annually reviews the need for an internal audit function. The Committee has again considered setting up an internal audit function. As part of this review, the Committee examined:

The business model under which the Company currently operates in the context of its activities and the model under which it manages its business operations.

– The Committee determined that there was a significant degree of senior oversight, particularly in respect of ongoing business performance, involving both the CEO and CFO, supported by strong internal control frameworks.

The existing internal control environment.

– In this respect, the Committee was satisfied that procedures and routines were well established across the business and that management had given sufficient assurances that other monitoring processes (including internal reviews of the Group's operations undertaken periodically by senior members of the finance team) were being applied and would be developed using the existing expertise of the finance department to help ensure that the Group's system of internal control was functioning as intended.

– The Committee was also satisfied that reports from the external Auditor with regard to internal control and risk management had been supplemented by extended assurance reviews by external consultants in key risk areas e.g. external reviews conducted by the Group's external IT provider, TFS, and Cyber Essentials Plus certification.



Following the conclusion of their annual review of the need for an internal audit function, the Committee reaffirmed its stance that, in view of the small scale and relative simplicity of the business, it does not consider that an internal audit function would be cost effective.

The Committee has also conducted an overall review of Helical's internal control environment and confirmed that the key controls had been implemented for the year. As part of this review, the Committee received information from management about the controls in place, which included operational, financial and compliance controls. It also reviewed reports provided by the external Auditor on the appropriateness of the controls. This review did not highlight any material weaknesses in the design and effectiveness of the Group's systems and controls.

• **2022 Financial crime & cyber security risks and controls in-depth review – update for 2023**

As disclosed in last year's Annual Report, as part of its ongoing monitoring of the Group's internal control environment, the Committee commissioned Grant Thornton LLP UK to undertake an in-depth review of the Group's anti-financial crime and cyber security risk frameworks and controls. The comprehensive review comprised the delivery of a financial crime training session to staff, as well as a focused workshop on business specific financial crime risks. Grant Thornton also considered the Group's Risk Register and risk graph as part of the review and produced a report summarising their observations and recommendations. Whilst the review confirmed that the Group has a robust anti-financial crime and cyber security control environment, it suggested a small number of enhancements that could be made to further strengthen the Group's framework in this area. The Committee instructed the implementation of all the recommended enhancements to its control environment arising from the review, and has been monitoring the progress of their implementation over the course of the year to 31 March 2023. We are pleased to confirm that as at the date of this report, all the material recommendations arising from the review have either been implemented or are close to being fully implemented. Consequently, the Group's internal control environment has been bolstered considerably and the Committee will continue to monitor the anti-financial crime and cyber security risk frameworks and controls as part of its wider annual review of our internal controls.

• **Property valuation**

The valuation of the Group's investment portfolio is a key area of judgement in preparing the annual and half yearly financial statements and reports. For this reason, the fair value of the majority (>99%) of the Group's investment portfolio is determined by independent third party experts who are familiar with the markets in which the Group operates and have suitable professional qualifications. In order to assist the Audit and Risk Committee in considering the valuations, the fair values of the investment property portfolio are reviewed and approved by the Property Valuations Committee which is chaired by Sue Clayton, FRICS, an independent Non-Executive Director.

**Fair, balanced and understandable – review of the 2023 Annual Report**

In accordance with the requirements of the Code, the Committee has reviewed and concluded that the Group's Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information for Shareholders to assess the Group's position and performance, business model and strategy. In determining its position, the Committee also considered the Group's compliance with relevant regulatory frameworks and oversaw the quality and integrity of the Group's financial reporting and accounting policies and practices.

As part of its review of the financial statements, the Committee considered, and challenged as appropriate, the accounting practices and significant judgements and estimates which underpin the Group's financial statements.

Those members of the team responsible for the drafting of the Annual Report convened frequently to establish the general content and themes and to ensure that reporting was balanced and addressed all key issues and requirements.

Our Annual Report designer (SampsonMay) also provided feedback on the structure, format and content to assist management in ensuring the Annual Report was comprehensible and easy to navigate.

In addition, the Committee asked the following questions during its review of the Annual Report and Accounts:

**Performance**

- Is it clear how outcomes are measured using key performance indicators?
- Is there a good mix of financial and non-financial key performance indicators?
- Is there an appropriate balance between statutory and non-statutory performance measures?
- Is it clear that the stated key performance indicators measure the achievement of the Group's strategy and how they are linked to Directors' remuneration?
- Are comments on movements in key performance indicators over time, both favourable and adverse, balanced and well-explained?
- Are key performance risks explained?

**Strategy**

- Is the Group's purpose clearly articulated?
- Does the strategy discuss how the business intends to achieve its objectives in the context of the market outlook?
- Are the drivers of value explained clearly?
- Is there enough information to assess the strategic risks?

**Business model**

- Are the key elements of the business model clearly explained?
- Are business model risks and disruptions adequately disclosed?
- Do the disclosed business risks link to sensitivities set out within the financial statements?

This work enabled the Committee to be satisfied that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information for Shareholders to assess the Group's performance, business model and strategy. This was reported to the Board at its meeting in May 2023.

**Updates included in the 2023 Annual Report:**

- Updated and condensed risk register.
- Further improvements to our reporting on sustainability and climate-related financial disclosures in line with best practice.

**Effectiveness of the external Auditor**

Deloitte have been the Group's Auditor for five years, having been appointed to conduct their first audit of Helical for the year ended 31 March 2019.

The Audit and Risk Committee reviewed Deloitte's fees, effectiveness and whether the agreed audit plan had been fulfilled and the reasons for any variation from the plan. As part of the Committee's review of the external Auditor's effectiveness the Committee considered the following:

- Their robustness and the degree to which they were able to assess key accounting and audit judgements and the content of their reports;
- The audit plan (presented to the Committee in November 2022) with focus on the quality of planning, whether the plan was designed to suit Helical and whether the agreed plan was fulfilled;
- The quality of the Auditor's reporting during the year, including the challenges raised and insights shared, against agreed performance expectations;
- Feedback from the workforce evaluating the performance of the audit team;
- Feedback highlighting any issues that arose during the course of the audit;
- The Auditor's assessment of its independence; and
- The relationship between the Auditor and the Group, ensuring objectivity and independence were maintained.

The Committee concluded that Deloitte's performance as external Auditor was effective. This conclusion was supported by:

- The challenges they raised on the key assumptions made in the valuation of the investment property portfolio, including the level of conservatism applied where assumptions sat within a range of outcomes;
- Open discussions with the Committee with, and without, management present; and
- Their responses to questions posed by the Committee, including the Audit Partner's depth of knowledge on the topic under discussion.

**Auditor independence**

The Audit and Risk Committee considers the external Auditor to be independent. The Committee's policy is not to award non-audit services where the outcome of the work is relevant to a future audit judgement or that could impact the independence or objectivity of the audit firm. The assignment of non-audit services to the Group's Auditor must be approved by the Committee where the fees for that assignment amount to more than £50,000 or more than 50% of the relevant year's cumulative audit fee. The assignment of non-audit services with fees below this threshold may be approved by the Committee Chair. This policy is designed to ensure that the Group receives the most appropriate advice without compromising the independence of the Auditor. As part of this policy prior approval of all non-audit services is required.

During the year, the following non-audit services were undertaken by Deloitte:

- review of the Half Year Results (£66,800); and
- review of the agreed upon procedures in respect of the Performance Share Plan and Directors' Bonus Scheme (£10,400).

The Committee considered all the services to be appropriate, that they were an extension to the role of the external Auditor and they did not impact Deloitte's independence. The percentage of non-audit fees, when compared to the total fee for the year, was 17%, 15% of which was for the review of the Half Year Results.

**Tender and tenure of the external Auditor**

At the conclusion of their review of the financial year ending 31 March 2023, in line with the Audit Practice Board legislation, the Group's current Audit Partner will be required to be rotated. Given this rotation requirement, the Committee gave consideration to whether it might be appropriate to rotate the external audit firm entirely and appoint a new audit firm to undertake the audit for the financial year ending 31 March 2024.

After considering the relevant legislation, best practice guidance and the Group's strategic position, management recommended that the role of external Auditor be put out to tender. Following consideration of this recommendation, the Committee determined it appropriate to carry out a tender process for the audit of the year to 31 March 2024. Given that the incumbent Auditor, Deloitte, had not exceeded the statutory limit of 10 years' service, they were invited to take part in the tender process (described below on page 108).

**Timetable of the audit tender process:**

**October 2022**

An audit rotation sub-committee (the “Sub-Committee”) was established, consisting of the Chair of the Audit and Risk Committee, the Chair of the Property Valuations Committee, the Chief Financial Officer and the Company Secretary. The Sub-Committee then met with a selection of audit firms, all of which confirmed their independence, willingness to act and intention to comply with the FRC’s Ethical Standard for auditors.

**November – December 2022**

A Request for Information document (a short form document highlighting the firms’ experience, credentials and recent audit quality findings) was issued to participating firms. Firms were required to submit the document to Helical by 9 January 2023.

**January 2023**

Following submission of the Request for Information documents, the Sub-Committee created a shortlist of firms to be invited to submit a formal proposal, the Request for Proposal (“RFP”). The information required to be included in the RFP included:

- Detailed audit approach;
- Approach to audit quality;
- Audit timetable;
- Proposed team and use of experts; and
- Fee quote.

**January – February 2023**

The selected firms were given access to key management and relevant documentation and met the following key individuals:

- Chair of the Audit and Risk Committee;
- Chair of the Property Valuations Committee;
- Chief Executive, Chief Financial Officer and Chief Operating Officer; and
- Members of the finance team.

**March 2023**

The firms submitted their proposals and presented to the Sub-Committee. The Sub-Committee considered the following Key Selection Criteria:

- Approach to ensuring audit quality and a high quality of client service;
- Capability and competence of the team and the firm;
- Real estate credentials;
- Proposed approach to the transition and the audit;
- Relationship and cultural fit; and
- Demonstration of added value and value for money.

Following a comprehensive evaluation of their proposition against the pre-determined, transparent and non-discriminatory selection criteria, the Sub-Committee chose their preferred firm and recommended their appointment as Auditor to the Audit and Risk Committee and Board.

Following detailed consideration, the Audit and Risk Committee recommended the appointment of RSM UK Audit LLP (“RSM”) as the external Auditor. The Board confirmed RSM would be appointed as the Group’s Auditor following sign-off of the Group’s results for the year ended 31 March 2023. Helical will ask its Shareholders to confirm the appointment at the 2023 AGM.

**Annual General Meeting**

At the Annual General Meeting to be held on 13 July 2023, the following resolutions relating to the Auditor are being proposed:

- The confirmation of the appointment of RSM as independent external Auditor; and
- To authorise the Directors to set the remuneration of the independent external Auditor.

I hope that Shareholders will support the Committee and vote in favour of these resolutions.

**Joe Lister**

Chair of the Audit and Risk Committee  
23 May 2023

Directors’ Remuneration Report



**Sue Farr**  
Chair of the Remuneration Committee

**Committee membership and attendance** ● Attended ○ Absent

	Independent	Committee meeting attendance
Sue Farr (Chair)	Yes	●●●●●
Sue Clayton	Yes	●●●●●
Richard Cotton	Yes	●●●●●
Joe Lister	Yes	●●●●●

The Company Secretary acts as Secretary to the Committee.

The terms of reference of the Committee are available on request and are included on the Group’s website at: [www.helical.co.uk/investors/governance/governance-policies/](http://www.helical.co.uk/investors/governance/governance-policies/)

**Role of the Committee**

The Committee helps the Board to fulfil its responsibility to Shareholders to ensure that the Remuneration Policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance and having regard to statutory and regulatory requirements. The Remuneration Policy seeks to align incentives and rewards to the Group’s strategy of maximising Shareholder returns by delivering income growth from creative asset management and capital gains from its development activity.

In discharging its duties, the Committee focuses on:

- Remuneration policies, including basic pay, annual and long-term incentives.
- Remuneration practice and its cost to the Company.
- Recruitment, service contracts and severance policies.
- Compliance with the UK Corporate Governance Code.
- The engagement and independence of external remuneration advisors.

The Committee seeks approval from Shareholders on its Remuneration Policy at least every three years, with the next review due in 2024. It annually sets incentive targets for the forthcoming one-year and three-year performance periods, reporting to Shareholders at the end of these periods in the relevant Directors’ Remuneration Report. The targets are aligned to the Group’s key performance indicators and are measured against a combination of absolute and relative performance measures. These measures are widely used in the real estate sector and are as follows:

**Absolute Performance Measures**

- Total Accounting Return
- Increase in Net Asset Value

**Relative Performance Measures**

- Total Shareholder Return, measured against FTSE 250 and Small-Cap companies in the real estate sector
- Total Property Return as measured by MSCI

In addition, the Committee sets strategic and ESG targets to align remuneration with the Group’s broader non-financial key performance indicators.

The Committee is also responsible for determining the remuneration of the Chairman and has oversight of the remuneration of all other employees.

In discharging its duties, the Committee is advised by FIT Remuneration Consultants LLP.

**Preparation of this Report**

This Report, prepared by the Remuneration Committee on behalf of the Board, takes full account of the prevailing UK Corporate Governance Code and the latest guidance from the main Shareholder representative bodies, and has been prepared in accordance with the provisions of the Companies Act 2006 (“the Act”), the Listing Rules of the Financial Conduct Authority and the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (“Regulations”). The Act requires the Auditor to report to the Group’s Shareholders on the audited information within this Report and to state whether in their opinion those parts of the Report have been prepared in accordance with the Act. Those parts of the Report which have been subject to audit are clearly marked.

Remuneration Report index

This Directors’ Remuneration Report has been divided into the following sections:

Section	Pages
<b>Annual Statement</b>	<b>110-111</b>
<b>Remuneration at-a-glance</b> Sets out a summary of earnings for the year to 31 March 2023.	<b>112-113</b>
<b>Implementation of the Remuneration Policy</b> Sets out the proposed implementation of the Remuneration Policy for the year to 31 March 2024.	<b>114-115</b>
<b>Remuneration Policy Report</b> Sets out the Remuneration Policy for Executive and Non-Executive Directors.	<b>116-121</b>
<b>Annual Report on Remuneration</b> Provides a detailed explanation of how the Remuneration Policy was implemented in the year to 31 March 2023.	<b>122-130</b>



## Annual Statement

### Dear Shareholder,

I am pleased to present the Remuneration Committee's Directors' Remuneration Report ("Report") for the year to 31 March 2023. This Report has been approved by the Board of Helical plc.

Helical's approach to remuneration is unchanged from previous years, being to align executive reward to success in achieving the Group's financial and strategic objectives.

This Report is structured in a way that provides clarity and transparency for Shareholders. The Remuneration at-a-glance section on pages 112 and 113 is designed to provide readers of the Report with a succinct summary of the remuneration of the Executive Directors in the year to 31 March 2023. The Implementation of the Remuneration Policy section on pages 114 and 115 is designed to provide details of their potential remuneration for the year to 31 March 2024.

The Remuneration Policy report, on pages 116 to 121, sets out the Shareholder approved Remuneration Policy, noting its compliance with the 2018 UK Corporate Governance Code and the application of the Policy to the remuneration of new Directors and leavers. It also details the performance criteria for the awards to be made in the year to 31 March 2024 for the Annual Bonus Scheme 2018 and the Performance Share Plan 2014.

The Annual Report on Remuneration, on pages 122 to 125, provides a record of the work undertaken by the Committee during the year, followed by a detailed analysis of how the remuneration for the year to 31 March 2023 has been calculated under the Policy and the performance measures set for the Annual Bonus Scheme and Performance Share Plan.

Finally, under Other remuneration matters, on pages 126 to 130, this Report includes a record of Directors' shareholdings and a comparison of these shareholdings against the Group's shareholding guidelines and details of outstanding share awards. The section also includes a note of the Company's share price performance and Total Shareholder Return ("TSR") against sector benchmarks and a comparison of the remuneration of the Chief Executive and other Directors against the Group's employees.

### Performance in the year to 31 March 2023

Executive performance measures and pay are closely aligned to Shareholders' interests with a high proportion of total available remuneration based on variable pay designed to reward the achievement of long-term strategic objectives. This remuneration is directly linked to the five pillars of our strategy (see pages 14 to 17).

Our objective is to maximise Shareholder return by increasing the net asset value of the Group from managing a portfolio of offices in London, balanced between let investment assets and new development schemes. We operate a sustainable capital structure, seeking to attract and retain the best people with ESG matters at the heart of our business.

Operationally, the Company has had a good year with lettings at 6.9% above 31 March 2022 ERVs and finance costs protected by interest rate swaps and fixed rates contributing to an 80% increase in EPRA earnings per share to 9.4p (2022: 5.2p). Action has recently been taken to reduce overheads with a c.13% reduction in fixed administration costs being effective for the new financial year to 31 March 2024.

The Company has significantly increased its development pipeline to c.790,000 sq ft, having been selected as the preferred investment partner of Transport for London ("TfL") on three new development schemes.

Turning to relative performance measures, the Total Property Return, as measured by MSCI, generated a return of -5.6% (2022: 10.7%) compared to the MSCI benchmark for central London offices of -8.6% (2022: 7.9%). The TSR for the year, based on the three-month average share price to each year end, generated a return of -14.5% (2022: 9.8%). These results reflect an outperformance by the Company of its peer group.

As noted in Gerald Kaye's statement on page 6, both EPRA earnings and realised capital profits are considered when determining the payment of dividends. With EPRA EPS increasing significantly and realised profits of £53m released from the sales of Kaleidoscope, EC1, and Trinity, Manchester, during the year, there are sufficient profits to support the proposed final dividend.

Accordingly, the Board is recommending a final dividend of 8.70p (2022: 8.25p) taking the total dividend for the year to 11.75p (2022: 11.15p), an increase of 5.4%.

The Group made significant progress in meeting its ESG key performance indicators, increasing its GRESB rating from 4\* to the highest rating of 5\* (and its score from 85 to 88) and its CDP rating from C to B, whilst maintaining its EPRA Sustainability rating at Gold and its MSCI ESG rating at AAA.

### Annual Bonus Scheme 2018

Subsequent to the year end, and in accordance with the rules of the Helical Annual Bonus Scheme 2018, annual bonuses have been approved for inclusion in the financial statements for the year to 31 March 2023 for Gerald Kaye, Tim Murphy and Matthew Bonning-Snook. 40% of the maximum bonus payable was determined by the Total Accounting Return of the Group with 30% dependent upon the relative Total Property Return of the Group, as calculated by MSCI, compared to the MSCI Central London Offices Capital Growth Index. The remaining 30% was payable based on strategic and ESG objectives. In accordance with these performance criteria, annual bonuses of 50% of the maximum (equivalent to 75% of salary) have been awarded.

As all three Executive Directors satisfy the minimum shareholding guideline of 500% of salary, these bonuses will be paid in cash. Full details of the targets and the performance against these targets are set out in the Remuneration at-a-glance section and the Annual Report on Remuneration.

### Performance Share Plan 2014

Share awards granted in 2020 under the terms of the 2014 Performance Share Plan were subject to three performance conditions over the three years to 31 March 2023. One third of the awards was based on absolute net asset value performance, the second third of the awards was based on a comparison of the Group's portfolio return to the MSCI Central London Offices Total Return Index and the final third of the awards was based on a comparison of the Group's Total Shareholder Return to that of a basket of companies in the Real Estate Super Sector. The performance criteria were measured at the end of the three-year period and the MSCI and TSR conditions were met in full. The net asset value condition was not met. In assessing the extent to which PSP awards vest, the Company operates additional shareholder protection which states that PSP awards will lapse in full where net asset value per share (having added back dividends and changes in issued share capital) does not increase over the three-year performance period.

As the adjusted net asset value per share at 31 March 2023 was higher than at 31 March 2020, this shareholder protection was not invoked. Consequently, 67% of the maximum of the 2020 PSP awards are expected to vest in June 2023. Full details of the targets and Helical's performance are set out in the Annual Report on Remuneration.

The Committee believes that the provision for annual bonuses, and the expected vesting of the PSP award in respect of the three-year performance period to 31 March 2023, accurately and fairly represents the reward determined by the Group's remuneration schemes based on the performance of the Group over the respective annual and three-year performance periods.

### Implementation in the year to 31 March 2024

#### Base salaries and fees

The Company's policy on salary increases for Executive Directors is to align them with increases to other employees. In practice, salary increases have been awarded at levels significantly below the average salary increases awarded to other staff (2022: 3.0% versus 4.1%, 2021: 1.5% versus 5.2%). For the year to 31 March 2024, an annual increase of 3.0% has been awarded, effective 1 April 2023, significantly lower than the average awarded to other staff of 8.7%. This modest increase for the Executive Directors, which compares to the annual rise in the Consumer Prices Index of 10.1% in the year to 31 March 2023, reflects the Board's intention to continue to exercise control over the Company's fixed overheads whilst recognising the impact of longer-term inflation expectations.

There are no changes to the level of fees payable to the Non-Executive Directors.

#### Annual bonus

There are no changes to the performance metrics to be applied in determining the annual bonuses for the Executive Directors for the year to 31 March 2024. The Committee has, however, determined that the weighting to be applied to the Total Property Return (a comparison of the Company's portfolio performance to the MSCI Central London Offices Capital Growth Index) be reduced from 30% of the total potential bonus, to 20%. The weighting allocated to strategic and ESG targets is correspondingly increased from 30% to 40%. The remaining performance metric of Total Accounting Return remains at 40%.

#### Performance Share Plan ("PSP")

There are no changes to the performance metrics to be applied in assessing the extent to which the 2023 PSP award will vest in 2026. However, the Committee has reviewed the weightings to be applied to each performance metric and has determined that 40% (previously 37.5%) will be applied to net asset value growth, 40% (previously 37.5%) will be based on relative TSR performance against FTSE 250 and Small Cap companies and 20% (previously 25%) will be based on the Company's Total Property Return as measured against the MSCI Central London Offices Total Return Index.

### 2023 Annual General Meeting resolutions

The following resolution relating to remuneration will be presented at the 2023 AGM:

- An advisory resolution in respect of the Annual Report on Remuneration for the year to 31 March 2023.

I trust that Shareholders will support the Committee and vote in favour of this resolution.

I will be happy to respond to any questions Shareholders may have on this Report or in relation to any Committee activities. If you have questions or would like to discuss any aspect of the Remuneration Policy, please feel free to contact me through James Moss (Chief Operating Officer and Group Company Secretary) at jm@helical.co.uk.

#### Sue Farr

Chair of the Remuneration Committee  
23 May 2023

## Remuneration at-a-glance

FINANCIAL KPIs		ESG KPIs	
<b>EPRA Net Tangible Asset (NTA) value per share</b> <b>493p</b> 2022: 572p	<b>EPRA Total Accounting Return</b> <b>-12.1%</b> 2022: 10.2%	<b>GRESB</b> <b>5*</b> 2022: 4*	<b>EPRA Sustainability BPR</b> <b>Gold</b> 2022: Gold
<b>EPRA Earnings per Share</b> <b>9.4p</b> 2022: 5.2p	<b>Total Shareholder Return</b> <b>-14.5%</b> 2022: 9.8%	<b>MSCI ESG</b> <b>AAA</b> 2022: AAA	<b>CDP</b> <b>B</b> 2022: C
<b>Total Property Return – MSCI (1 year)</b> <b>-5.6%</b> 2022: 10.7%	<b>Total Property Return – MSCI (3 year)</b> <b>3.8%</b> 2022: 9.1%		

### SUMMARY OF HISTORIC KPI PERFORMANCE

Financial	2019	2020	2021	2022	2023
EPRA earnings/(loss) per share	(8.4p)	7.6p	(1.8p)	5.2p	<b>9.4p</b>
EPRA TAR	8.0%	9.3%	4.5%	10.2%	<b>-12.1%</b>
EPRA NTA per share	5.6%	6.1%	1.7%	7.3%	<b>-13.8%</b>
TPR MSCI – 1 year	10.1%	9.6%	7.0%	10.7%	<b>-5.6%</b>
TPR MSCI – 3 year	10.1%	10.2%	8.9%	9.1%	<b>3.8%</b>
12 month TSR – (based on 3 month average to 31 March)	2.7%	34.8%	-9.6%	9.8%	<b>-14.5%</b>
<b>ESG</b>					
GRESB	n/a	2*	3*	4*	<b>5*</b>
EPRA Sustainability BPR	Bronze	Bronze	Silver	Gold	<b>Gold</b>
MSCI ESG	AA	AA	AAA	AAA	<b>AAA</b>
CDP	C	C	B	C	<b>B</b>

### EARNINGS FOR THE YEAR TO 31 MARCH 2023

Total remuneration for Executive Director	Salary <sup>2</sup> £000	Benefits <sup>3</sup> £000	Pension <sup>4</sup> £000	Total Fixed £000	Annual bonus £000	Share awards <sup>5</sup> £000	Share Incentive Plan <sup>6</sup> £000	Total Variable £000	Total 2023 £000	Total 2022 £000
Gerald Kaye	570	48	–	618	427	902	7	1,336	<b>1,954</b>	2,532
Tim Murphy	331	14	–	345	249	522	7	778	<b>1,123</b>	1,435
Matthew Bonning-Snook	443	47	–	490	332	698	7	1,037	<b>1,527</b>	1,981

1 Full details of the Directors' remuneration for the year can be found in the table on page 123.

2 Basic salaries were increased by 3.0% from 1 April 2022.

3 There were no changes to the provision of benefits-in-kind, which remained the same as for the previous year.

4 The Group's policy of not making pension provision for Executive Directors remained unchanged, with such Directors required to provide for their retirement through the Group's incentive schemes.

5 Share awards include dividend equivalent shares awarded to Directors on 27 July 2022 under the terms of the Annual Bonus Scheme 2018.

6 The Executive Directors participated in the HMRC approved all-employee Share Incentive Plan which, during the year, awarded them shares to the value of £7,200, the same as in the previous year.

### ANNUAL BONUS PLAN – TARGETS AND OUTCOMES

Performance measure	Payout target			Actual	% awarded	Applying these performance outcomes to the individual Directors' salaries and bonus multiples, the annual bonuses payable are:	Bonus payable £000	% of maximum
	20%	100%						
TAR	40%	5.0%	10.0%	-11.9%	0%	Gerald Kaye	427	50
TPR	30%	-11.4%	-6.9%	-5.6%	30%	Tim Murphy	249	50
Strategic and ESG	30%				20%	Matthew Bonning-Snook	332	50
Total	100%				50%			

### 2020 PSP AWARD VESTING IN 2023 – TARGETS AND OUTCOMES

Performance measure	Payout target			Actual	% awarded	The estimated number of shares vesting are as follows:	Number	Estimated value at vesting <sup>1</sup> £'000
	10%	100%						
NAV	33%	9.7%*	16.6%*	1.6%	0.00%	Gerald Kaye	253,254	873
TPR	33%	-1.5%	1.0%	3.8%	33.33%	Tim Murphy	147,396	508
TSR	33%	-40.9%	-31.1%	-15.3%	33.33%	Matthew Bonning-Snook	197,001	679
Total	100%				66.66%			

\* The minimum and maximum vesting thresholds have been increased from their normal levels of 5.0% and 12.5% due to the impact of inflation above 3.0% during the performance period.

<sup>1</sup> The share price used to calculate the expected value at vesting was 344.52p, based on the average share price over the three months to 31 March 2023.

### SHAREHOLDING OF THE EXECUTIVE DIRECTORS

Shareholding requirement	0%	250%	500%	750%	1,000%	1,250%	1,500%	1,750%
<b>Gerald Kaye</b> Chief Executive	Requirement	500%						
	Beneficially owned	1,511%						
	Unvested <sup>1</sup>	170%						
<b>Tim Murphy</b> Chief Financial Officer	Requirement	500%						
	Beneficially owned	842%						
	Unvested <sup>1</sup>	187%						
<b>Matthew Bonning-Snook</b> Property Director	Requirement	500%						
	Beneficially owned	1,252%						
	Unvested <sup>1</sup>	177%						

<sup>1</sup> The value of unvested shares is calculated on the shares expected to vest, net of tax liabilities, of the 2020 PSP award, unvested deferred shares and the Restricted Share Incentive Plan Shares at the average share price for the three months to 31 March 2023 of 344.52p.



V REMUNERATION

**Implementation of the Remuneration Policy**

The Remuneration Policy will be implemented for the year to 31 March 2024 as follows:

Remuneration Policy	Implementation for 2023/24	Change from 2022/23 implementation
<b>Basic annual salaries</b>		
Set on appointment to the Board and reviewed annually on 1 April or on change in role or responsibility.	The basic salaries of the Executive Directors from 1 April 2023 are: Gerald Kaye £586,585 Tim Murphy £341,395 Matthew Bonning-Snook £456,290	Annual increase awarded of 3.0% from 1 April 2023. The average increase for all other employees was 8.7%.
<b>Benefits-in-kind</b>		
To provide insured health protection, cars and fuel allowances	Each Executive Director is provided with a car or car allowance, car fuel, private medical insurance, life assurance and permanent health insurance.	No change
<b>Pension</b>		
The Group does not provide for the retirement of Executive Directors	No retirement provision	No change
<b>Annual bonus</b>		
Annual performance targets are set by the Committee in advance of the financial year and are linked to the Group's strategy of maximising Shareholder returns through delivering income growth from creative asset management and capital gains from its development activity. The maximum bonus is capped at 150% for each Executive Director. The pay-out for threshold performance against any targets will be no more than 20% of the maximum bonus (and may be lower). To the extent there is low or no bonus payable on the portfolio/financial measures, the Committee will retain discretion to reduce (including to zero) the pay-out under the strategic targets.	The performance conditions are: <b>40%: TAR</b> Base – 5.0% (20% payable) Stretch – 10.0% <b>20%: TPR</b> against the MSCI Central London Offices Capital Growth Index Base – Index (20% payable) Stretch – Index plus 4.50% <b>40%: Strategic and ESG targets</b> (these will be reported on retrospectively in the Directors' Remuneration Report for the year to 31 March 2024).	TPR weighting reduced from 30% to 20%  Strategic and ESG weighting increased from 30% to 40%
<b>Deferred bonus</b>		
Executive Directors who have met their minimum shareholding requirement will receive the first 100% of their salary in cash with any excess above 100% of salary to be provided in deferred shares. Executive Directors who do not meet their minimum shareholding requirement will receive two thirds of the annual bonus in cash and one third in shares. The Committee may award dividend equivalents on deferred shares that vest.	As per Policy	No change

V REMUNERATION

Remuneration Policy	Implementation for 2023/24	Change from 2022/23 implementation
<b>Long-term incentive awards</b>		
Annual award 2023 – Vesting in 2026 Annual awards, under the terms of the Group's Performance Share Plan ("PSP"), will be granted in June 2023 over shares equal to 250% of salary at 31 March 2023.	The performance conditions are: <b>40%: Net asset value growth</b> <b>40%: Relative TSR</b> against the FTSE 250 and Small Cap sector companies, excluding agencies. <b>20%: Relative TPR</b> against the MSCI Central London Offices Total Return Index The threshold and maximum targets are noted in the table on page 120.	Net asset value growth weighting increased from 37.5% to 40% TSR weighting increased from 37.5% to 40% weighting TPR weighting reduced from 25% to 20%
<b>Malus and clawback</b>		
Malus and clawback provisions will continue to operate.	As per Policy	No change
<b>Shareholding requirement – in employment</b>		
To require Executive Directors to hold shares equating to a minimum value whilst in employment (500% of salary for current Executive Directors and 250% of salary for new Executive Directors).	As per Policy	No change
<b>Shareholding requirement – post cessation</b>		
To require former Executive Directors to hold shares equating to a minimum value for a period post cessation of employment.	250% of salary for two years post cessation.	No change
<b>Non-Executive Directors</b>		
Set on appointment to the Board and reviewed annually on 1 April or on change in role or responsibility. The fees payable to the Chairman and the base fee payable to the other NEDs were last increased by 8.33% from 1 April 2022. An additional £10,000 pa (unchanged) is payable to the SID and Chairs of each Committee.	Richard Cotton (Chairman) £162,500 Sue Clayton (SID and Property Valuations) £72,000 Sue Farr (Remuneration) £62,000 Joe Lister (Audit and Risk) £62,000	No change

V REMUNERATION

**Remuneration Policy report**

This section of the Remuneration Report sets out the Remuneration Policy of the Group. The Committee believes that the Policy continues to support the Group's strategy and is aligned with Shareholders' interests.

**Policy scope**

The Remuneration Policy applies to the Chairman, Executive Directors and Non-Executive Directors and oversight of the remuneration of the wider workforce.

**Policy duration**

This Policy report sets out the 2021 Remuneration Policy which will be effective for the three years from 1 April 2021 to 31 March 2024.

**Remuneration Policy**

Helical's approach to the remuneration of its Executive Directors is to provide a basic remuneration package combined with an incentive-based bonus and share scheme structure aligned with the interests of its Shareholders. The majority of performance-based awards are judged on the relative performance of the Group's real estate portfolio against an industry benchmark or on the absolute performance of the Group and its Total Shareholder Return against appropriate industry benchmarks. The remaining awards are judged on strategic and ESG objectives. Remuneration within the real estate

sector is monitored and reviewed regularly to ensure that the Group's positioning of its remuneration remains in line with these objectives. In addition to this external view, the Committee monitors the remuneration levels of senior management below Board level and the remuneration of other employees to ensure that these are taken into account in determining the remuneration of Executive Directors.

The objective of the Remuneration Policy is to ensure that Executive Directors and senior management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group. Within the terms of the agreed policy the Committee shall determine:

- The total individual remuneration packages of each Executive Director including, where appropriate, basic salaries, annual bonuses, share awards and other benefits;
- The fees payable to the Chairman of the Company;
- Salaries, bonuses and share awards of senior employees and workforce remuneration;
- Targets and hurdles for any performance related remuneration schemes; and
- Service agreements incorporating termination payments and compensation commitments.

**Directors' Remuneration Policy table**

The table below summarises the Directors' Remuneration Policy.

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
<b>Salary</b>	<ul style="list-style-type: none"> <li>• Reflects the value of the individual and their role and responsibilities</li> <li>• Reflects delivery against key personal objectives and development</li> <li>• Provides an appropriate level of basic fixed income, avoiding excessive risk arising from over reliance on variable income</li> </ul>	<ul style="list-style-type: none"> <li>• Normally reviewed annually, effective 1 April</li> <li>• Paid in cash on a monthly basis</li> <li>• Not pensionable</li> <li>• Takes periodic account against companies with similar characteristics and sector comparators</li> <li>• Reviewed in context of the salary increases across the Group</li> </ul>	<ul style="list-style-type: none"> <li>• No minimum or maximum salary increase is operated</li> <li>• Salary increases will normally be aligned to the average increase awarded to other employees</li> <li>• Increases may be above this level if there is an increase in the scale, scope or responsibility of the role or to allow the basic salary of newly appointed Executives to move towards market norms as their experience and contribution increases</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Annual bonus</b>	<ul style="list-style-type: none"> <li>• Provides focus on delivering returns from the Group's property portfolio</li> <li>• Rewards and helps retain key Executive Directors and is aligned with the Group's risk profile</li> <li>• Maximum bonus only payable for achieving demanding targets</li> </ul>	<ul style="list-style-type: none"> <li>• Payable in cash (two thirds) and deferred shares (one third) unless the shareholding guideline has been met, in which case the annual bonus will be payable in cash up to 100% of salary and in deferred shares from 100% to 150% of salary</li> <li>• Non-pensionable</li> <li>• Dividend equivalent payments (in cash or in shares) may be payable on deferred shares</li> </ul>	<ul style="list-style-type: none"> <li>• 150% of salary pa for all Executive Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Performance normally measured over one year</li> <li>• No more than 20% of an award vests at threshold performance</li> <li>• The majority of the bonus potential will be based on portfolio and financial targets (e.g. Total Property Return and/or Total Accounting Return) and a minority will be based on strategic and/or ESG objectives</li> <li>• Malus and clawback provisions apply</li> </ul>
<b>Long-term incentive awards</b>	<ul style="list-style-type: none"> <li>• Aligned to main strategic objective of delivering long-term value creation</li> <li>• Aligns Executive Directors' interests with those of Shareholders</li> <li>• Rewards and helps retain key Executives and is aligned with the Group's risk profile</li> </ul>	<ul style="list-style-type: none"> <li>• Discretionary annual grant of conditional share awards under the 2014 PSP Scheme</li> <li>• Executive Directors are required to retain PSP shares acquired, net of shares sold to pay tax liabilities arising on vesting, for at least two years after vesting</li> <li>• Dividend equivalent payments (in cash or in shares) may be payable</li> </ul>	<ul style="list-style-type: none"> <li>• 250% of salary pa for all Executive Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Performance normally measured over three years</li> <li>• 10% of an award vests at threshold performance</li> <li>• Performance targets will be based on portfolio, financial and/or share price (e.g. net asset value per share, Total Property Return and/or Total Shareholder Return)</li> <li>• Malus and clawback provisions apply</li> </ul>

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Element	Purpose and link to strategy	Operation	Maximum	Performance targets
<b>Pensions</b>	<ul style="list-style-type: none"> <li>• There is no Group pension scheme for Directors and no contributions are payable to Directors' own pension schemes</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Other benefits</b>	<ul style="list-style-type: none"> <li>• Provide insured benefits to support the individual and their family during periods of ill health, accidents or death</li> <li>• Cars or car allowances and fuel allowances to facilitate effective travel</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits provided through third party providers</li> <li>• Insured benefits include: private medical cover, life assurance and permanent health insurance</li> <li>• Other benefits may be provided where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Share ownership guidelines</b>	<ul style="list-style-type: none"> <li>• To provide alignment of interests between Executive Directors and Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Directors are required to build and maintain a specified shareholding through the retention of the post-tax shares received on the vesting of awards</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Current Executive Directors are required to hold a shareholding equal to or in excess of 500% of basic salary</li> <li>• New Executive Directors are required to build up a shareholding equal to or in excess of 250% of basic salary, within five years of appointment</li> </ul>
<b>Non-Executive Director fees</b>	<ul style="list-style-type: none"> <li>• Reflects time commitments and responsibilities of each role and fees paid by similarly sized companies</li> <li>• The remuneration of the Non-Executive Directors is determined by the Executive Board</li> </ul>	<ul style="list-style-type: none"> <li>• Cash fees paid monthly</li> <li>• Fees are reviewed on a regular basis</li> <li>• Benefits may be provided where appropriate</li> <li>• Fixed three-year contracts with three-month notice periods</li> </ul>	<ul style="list-style-type: none"> <li>• No minimum or maximum fee increase is operated</li> <li>• Fee increases may be guided by the average increase awarded to Executive Directors and other employees and/or general movements in the market</li> <li>• Increases may be above this level if there is an increase in the scale, scope or responsibility of the role</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>

In addition to the above, Executive Directors may also participate in any all-employee share arrangement operated by the Company, up to prevailing HMRC limits.



### Compliance with the 2018 UK Corporate Governance Code (“Code”)

The Remuneration Committee has ensured that the provisions of the Code have been taken into account in its decisions during the year and in the preparation of this Report.

The Code states that pension provision for Directors is aligned with that provided for the wider workforce. As the Directors do not receive pensions from the Group, this provision is not relevant to Helical.

The Code also suggests that post-employment shareholding provisions operate to ensure that Directors who leave the Group are not able to immediately liquidate their shareholdings. The Group’s Remuneration Policy (“Policy”) incorporates provisions restricting the sale of certain share entitlements, post-employment.

The Committee has considered the six factors set out in Provision 40 of the Code and ensured that its Policy and this Report are consistent with these factors:

- **Clarity and simplicity** – The Policy is designed to simplify remuneration arrangements and provide clarity between remuneration and the performance of the Group. In addition, this Report is designed to assist the reader in understanding how the Policy is being implemented.
- **Risk** – The Policy contains provisions for malus and clawback and permits the use of negative discretion by the Committee to ensure that the outcomes of the performance related pay components of total remuneration can be adjusted in the light of overall performance and Shareholder experience. Executive Directors are required to build substantial shareholdings in the Company to further ensure that their personal interests are aligned with those of Shareholders.
- **Predictability** – The range of potential award outcomes for the performance related pay components are set out in this Report. In addition to assessing the range between the minimum and maximum values of remuneration packages, it also highlights the impact of share price growth on the maximum awards.
- **Proportionality** – The Policy sets out clear links between the potential rewards available to Executive Directors, the implementation of the Group’s business strategy and the performance outcomes that generate Shareholder value. Stretching targets are set by the Committee which retains the ability to adjust remuneration outcomes where these do not truly reflect the Group’s underlying performance. With a significant element of remuneration being performance-related and in the form of equity subject to holding periods, the interests of the Executive Directors and Shareholders are aligned.
- **Alignment to Culture** – Helical’s strategy, Values and Purpose have evolved over the years. Our Executive Directors, along with our wider workforce, are continually looking to deliver on our strategy whilst acting in accordance with our Values and our Culture. The remuneration packages available to them are aligned with the strategy and designed to incentivise them to deliver value to our Shareholders.

Finally, the Committee has considered a number of matters as set out in Paragraph 41 of the Code as part of its overall oversight of remuneration at the Company. Specifically, the Committee is satisfied that the level of remuneration provided to the Directors is appropriate, both by comparison to the Company’s peer group within the real estate industry (against which remuneration is benchmarked) and also in the context of the level of remuneration of the wider workforce – a team of experienced professionals of whom a significant number are incentivised in similar ways to the Directors.

The Committee also considered whether the Policy operated as intended in the light of the Company’s performance and quantum. The Policy measures a range of performance metrics that are aligned to the Company’s strategy with the remuneration outcomes being assessed against these. The ability of the Committee to exercise negative discretion (as has been applied twice in the last six years) when the experience of Shareholders does not match the performance metrics demonstrates that the necessary checks and balances in place are operating as intended.

The Company regularly seeks feedback from the workforce through a variety of methods as explained on pages 86 and 87. Through these methods, the Company engages with its workforce on remuneration matters where appropriate.

### Recruitment Policy

In considering the structure of the Board, the balance between Executive Directors and independent Non-Executive Directors and the skills, knowledge and experience required to ensure the Board functions in accordance with the Group’s objectives, the Committee will seek to apply the following principles in relation to the remuneration of new Directors, whether by internal promotion or external appointment:

Element	Policy
<b>Salary</b>	The salary of newly appointed Executive Directors would reflect the individual’s experience and skills, taking into account internal comparisons. On initial appointment and depending on experience, salaries would generally be set at a level lower than benchmarked for that role to allow for pay increases to market levels subject to satisfactory progress and contribution.
<b>Benefits</b>	Benefits would be as currently provided and periodically reviewed, being car or car allowance, car fuel allowance, private medical cover, permanent health insurance and life assurance.
<b>Pension</b>	There is no Group pension scheme for Directors and no contributions are payable to Directors’ own pension schemes.
<b>Annual bonus</b>	Annual bonus arrangements under the terms of the 2018 Annual Bonus Scheme will be made in accordance with the terms of that scheme, with the Committee retaining the right to pro-rate any bonus payable in respect of the year of appointment.
<b>Long-term incentives</b>	Annual awards under the terms of the 2014 PSP will be made in accordance with the terms of that Plan.
<b>Share Incentive Plan</b>	In line with that of existing Executive Directors.
<b>Shareholding guideline</b>	Newly appointed Executive Directors will be expected to build up a shareholding in the Company of 250% of salary out of shares purchased and/or shares vesting through the Group’s Annual Bonus Scheme and Performance Share Plan, within five years of their appointment.
<b>Buy-out awards</b>	Should it be deemed necessary to compensate a new Director for loss of bonus or incentives from a previous employer, the Committee may structure the remuneration of such Director to buy-out any such bonus or incentives on a like-for-like basis in respect of currency (i.e. cash versus shares), timing and performance targets. Where possible such buy-out will be structured within the Company’s existing incentive arrangements but the Committee has the discretion to implement the exemption under rule 9.4.2 of the Listing Rules.
<b>Non-Executive Directors</b>	Newly appointed Non-Executive Directors will be paid fees at a level consistent with existing Non-Executive Directors. Fees would be paid pro-rata in the year of appointment.

### How employee pay is taken into account and compared with the Remuneration Policy of Executive Directors

All permanent employees of the Group, including Executive Directors, receive a basic remuneration package including basic salary, private medical cover, permanent health insurance, life assurance and membership of the Share Incentive Plan. In addition, Directors are entitled to the use of company cars or the payment of a car allowance and a car fuel allowance. There is no Group pension scheme for Directors and no contributions are payable into Directors’ own pension schemes. For all permanent employees below Board level, the Company pays pension contributions of 12.5% in respect of all employees’ pension arrangements. Whilst employees below Board level are not entitled to participate in the Annual Bonus Scheme, discretionary bonuses are paid to employees on an individual basis depending on their performance and contribution.

The Performance Share Plan is available to all employees but is primarily utilised to incentivise Executive Directors and senior management. In determining executive remuneration, the Committee considers the overall remuneration of all the Group’s employees and, other than in exceptional circumstances, seeks to award increases in salaries at levels below those made to other staff and within its own guidelines. The remaining remuneration is weighted towards performance related awards. The Committee does not consult with the Group’s employees when drawing up its Remuneration Policy.

### Leaver Policy

On termination of employment each Director may be entitled to a payment in lieu of notice of basic salary and other contractual entitlements i.e. provision of a car, health and life insurance etc. The Group may make payments in lieu of notice as one lump sum or in instalments, at its own discretion. If the Group chooses to pay in instalments the Director is obliged to seek alternative income over the relevant period and to disclose the amount of alternative income received. Instalment payments will be reduced by any alternative income.

Under the Annual Bonus Scheme 2018, participants will not normally be entitled to receive any payment under the scheme following cessation of employment and shall immediately cease to have any interests, benefits, rights and/or entitlements under the scheme howsoever arising on the date of such cessation except where good leaver status applies (i.e. death; injury; disability; redundancy; retirement; sale or transfer of employing company or business outside the Group; or any other reason permitted by the Committee). For good leavers, individuals would cease to accrue amounts in respect of any period after cessation of employment but would receive any amounts previously deferred into shares under the terms of the Annual Bonus Scheme 2018.

Any share-based entitlements granted to an Executive Director under the Group’s share plans will be determined based on the relevant plan rules. For awards granted under the 2014 PSP, awards held by good leavers will vest on the normal vesting date subject to performance conditions and time pro-rating, unless the Committee determines that awards should vest at cessation and/or time pro-rating should not apply.

Finally, the following post cessation shareholding guidelines will apply to leavers:

- Unvested deferred annual bonus and PSP share awards will be treated in line with the good leaver/bad leaver provisions presented in the Shareholder approved Remuneration Policy; and
- Shares to the value of 250% of salary to be retained for two years, post cessation. Such shares to be out of those delivered from deferred bonuses and PSP awards which are granted after the 2021 AGM.

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**Helical Annual Bonus Scheme 2018**

Gerald Kaye, Tim Murphy and Matthew Bonning-Snook participate in the Annual Bonus Scheme 2018, which was approved by Shareholders at the 2018 AGM. This scheme provides annual bonuses based on the performance of the property portfolio and the Group and against strategic and ESG targets and is aligned with Shareholders' interests with appropriate hurdles and Shareholder protections.

The main features of the Annual Bonus Scheme 2018, as amended during the 2021 review of the Remuneration Policy and to be implemented for the year to 31 March 2024, are as follows:

- 40% of the maximum annual bonus will be payable if the Total Accounting Return ("TAR") of the Group (growth in EPRA NTA plus dividends), calculated annually, is or exceeds 10%, with 20% of this part of the award paid out if the TAR lower threshold target of 5% is met;
- 20% of the maximum annual bonus will be payable if the Total Property Return ("TPR") of the Group's property portfolio matches or exceeds the performance of the MSCI Central London Offices Capital Growth Index ("Index") plus 4.50%, with 20% of this part of the award paid out if the performance matches the performance of the Index; and
- 40% of the maximum annual bonus will be payable if strategic and ESG objectives, to be determined by the Committee and reported on retrospectively each year, are met.

The Committee will regularly review the threshold and maximum TPR and TAR targets to ensure they remain appropriate to the Group's strategy and market conditions.

**Performance Share Plan 2014**

Performance conditions for awards granted in 2023 under the terms of the Performance Share Plan 2014 will be weighted and measured over three years as follows:

NET ASSET VALUE GROWTH		RELATIVE TSR		TPR VERSUS MSCI INDEX	
Annual compound increase	% of award vesting	Ranking after three years	% of award vesting	Ranking after three years	% of award vesting
10% pa or more	40.0	Upper quartile or above	40.0	Upper quartile or above	20.0
5% pa to 10% pa	Pro-rata from 4.0 to 40.0	Median to upper quartile	Pro-rata from 4.0 to 40.0	Median to upper quartile	Pro-rata from 2.0 to 20.0
5% pa	4.0	Median	4.0	Median	2.0
Below 5% pa	nil	Less than median	nil	Less than median	nil

1 Net asset value growth – the fully diluted EPRA triple net asset value as at the start of the financial year in which a grant takes place will be compared to the value three years later (having added back dividends and changes in issued share capital).

2 Relative TSR – the comparator group for awards granted will be those companies included in the FTSE 350 and Small Cap Indices, excluding agencies.

3 TPR versus MSCI Index – the Total Property Return of the Group's property portfolio will be compared to the MSCI Central London Offices Total Return Index.

4 Share awards will lapse in full where net asset value per share (having added back dividends and changes in issued share capital) does not increase over the three-year period or the Total Property Return falls below the MSCI median, the growth in EPRA triple net asset value is below 5.0% pa and the relative TSR is below the median over the three-year period.

**Executive Directors' dates of appointment and service contracts**

All service contracts are available for inspection at the registered offices of the Company. Original dates of appointment to the Board are as follows:

Executive Director	Notice period	Date of first employment	Board appointment	Date of current contract
Gerald Kaye	6 months	6 March 1994	28 September 1994	25 July 2016
Tim Murphy	6 months	1 March 1994	24 July 2012	25 July 2016
Matthew Bonning-Snook	6 months	13 March 1995	1 August 2007	25 July 2016

**Shareholder protections**

- Annual bonus payments to individual Directors will be restricted in any financial year to 150% of salary;
- Until the minimum shareholding guideline of 500% of salary for current Executive Directors and 250% of salary for new Executive Directors is met, two thirds of any payment is made in cash after the relevant year end and one third is deferred for three years into Helical plc shares. Once the minimum shareholding guideline is met, any bonus payment is normally made in cash up to 100% of salary and in deferred shares from 100% to 150% of salary;
- The Committee has a general negative discretion surrounding bonus payments and, to the extent there is a low or no bonus payable on the financial measures, it will retain the discretion to reduce (including to zero) the payment under the strategic and ESG targets;
- The scheme will operate malus and clawback provisions, whereby amounts deferred, or the net of tax amounts paid, may be recovered or withheld in the event of a misstatement of results, an error being made in assessing the calculation, in the event of gross misconduct, serious reputational damage and corporate failure; and
- The Committee will have discretion to award annual bonuses in deferred shares (in full or in part) irrespective of an Executive Director's shareholding guidelines, although it is expected that this discretion would only be used in exceptional circumstances.

**Other matters**

Awards may be satisfied through shares purchased in the market or by new issue or treasury shares. Where new issue or treasury shares are used, the standard 5% in ten-year dilution limit will apply.

V REMUNERATION

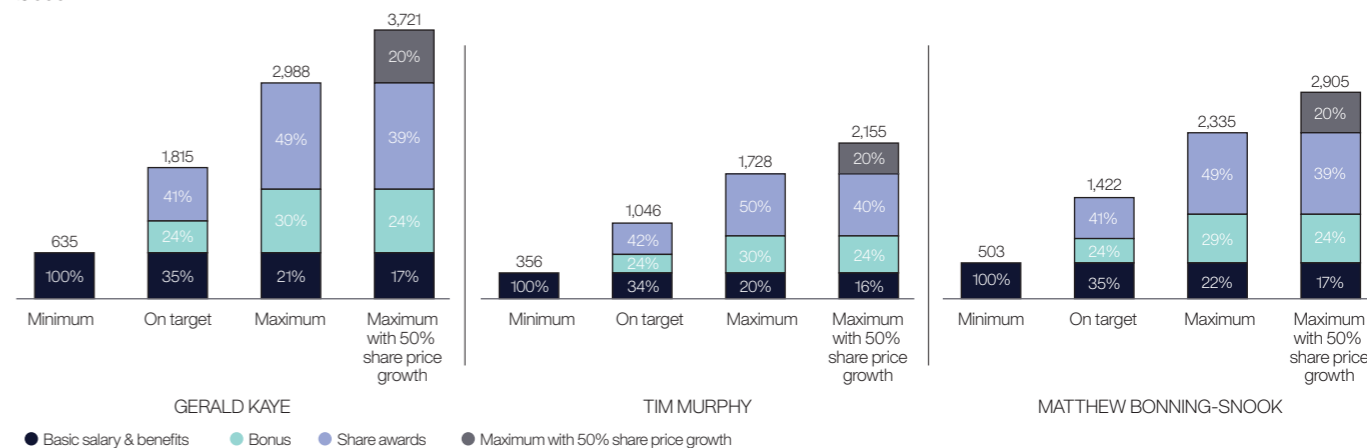
**Reward scenarios**

The charts below show how the composition of the Executive Directors' remuneration packages varies under four different performance scenarios, namely, at minimum (i.e. fixed pay), target (assumed to be 50% of the maximum incentive levels), maximum levels, all assuming no share price appreciation, and the maximum levels assuming 50% share price appreciation across the performance period of long-term incentive awards.

The charts are based on:

- Salary levels effective 1 April 2023;
- An approximated annual value of benefits (no pension is provided);
- A 150% of salary maximum annual bonus (with target assumed to be 50% of the maximum);
- A 250% of salary award under the 2014 PSP in line with the normal maximum award (with target assumed to be 50% of the maximum) plus shares awarded under the Helical Bar 2022 Share Incentive Plan; and
- In the final column of each chart, share appreciation of 50% across the three-year performance period of the awards made under the Performance Share Plan 2014.

VALUE OF REMUNERATION PACKAGES AT DIFFERENT LEVELS OF PERFORMANCE  
£'000



**Non-Executive Directors**

Non-Executive Directors are appointed by a Letter of Appointment and their remuneration is determined by the Executive Board. Current Letters of Appointment, setting out the terms of appointment, operate from 14 July 2022. The appointment of Non-Executive Directors is terminable on three months' notice. Non-Executive Directors are not eligible to participate in any new share awards made under the terms of the Group's bonus or share award schemes. In exceptional circumstances, where an Executive Director becomes a Non-Executive Director, ongoing participation in awards previously made in bonus and share schemes will be subject to the rules of those schemes and to the discretion of the Committee.

**Non-Executive Directors' Letters of Appointment**

Non-Executive Director	Board appointment	Commencement date of current term
Richard Cotton – Board Chairman and Chair of the Nominations Committee	1 March 2016	14 July 2022
Sue Clayton – Senior Independent Director and Chair of the Property Valuations Committee	1 February 2016	14 July 2022
Sue Farr – Chair of the Remuneration Committee	5 June 2019	14 July 2022
Joe Lister – Chair of the Audit and Risk Committee	1 September 2018	14 July 2022

**Peer group**

The Remuneration Committee determined a peer group of companies at the start of the Policy for benchmarking purposes (albeit with some caution, given the variances in size and nature of operations in the sector and more general risk of pay inflation where too great a reliance is placed on published data) and as a reference point in ensuring that performance targets are appropriately stretching and when reviewing the Group's relative performance.

The peer group set at the start of the Policy was as follows:

Capital & Counties Properties plc <sup>1</sup>	LondonMetric Property plc
Capital & Regional plc	McKay Securities plc <sup>2</sup>
Derwent London plc	NewRiver REIT plc
Great Portland Estates plc	Shaftesbury plc <sup>1</sup>
Hammerson plc	Workspace Group plc <sup>2</sup>

1 Capital & Counties Properties plc and Shaftesbury plc merged to form Shaftesbury Capital plc on 6 March 2023.

2 McKay Securities plc was acquired by Workspace Group plc on 6 May 2022.



## Annual Report on Remuneration

This part of the Directors' Remuneration Report explains how the Group has implemented the Remuneration Policy in the year to 31 March 2023 and how the Policy is intended to be implemented in the year to 31 March 2024.

### Application of the Remuneration Policy in the year to 31 March 2023

#### Work of the Committee during the year

The Committee's work during the year under review included the following:

#### Fixed pay

- The annual salary review for the Executive Directors and wider workforce.

#### Performance related pay

- The approval of annual bonuses for the year ended 31 March 2022;
- The review of bonus targets for the year ended 31 March 2023;
- The setting of targets for the PSP awards which were granted in July 2022; and
- The approval of the vesting of PSP awards in July 2022 which were originally granted in June 2019.

#### Other matters

- The Committee updated its terms of reference for the latest developments in good practice.

### Total remuneration in the year to 31 March 2023

This section has been subject to audit unless otherwise stated.

#### Balance of fixed versus variable pay (unaudited)

In line with its Policy, the Committee seeks to ensure that the balance of remuneration provides a basic salary and performance related bonuses and share awards that reward absolute performance and outperformance relative to the Group's peer group. In the year to 31 March 2023, the balance of fixed versus variable pay on an actual basis for the Executive Directors in office throughout the year compared to the maximum payable was as follows:

	Actual £000	Share of total %	Maximum £000	Share of total %
Basic salaries and benefits-in-kind	1,453	32	1,453	22
Annual Bonus Scheme 2018	1,008	22	2,016	30
Deferred bonus dividend equivalent shares	62	1	62	1
Share awards	2,081	45	3,110	47
	<b>4,604</b>	<b>100</b>	<b>6,641</b>	<b>100</b>

Note: Share awards reflect the market value of shares that are expected to vest (actual) or could vest (maximum) in respect of the three-year performance period to 31 March 2023 in accordance with the terms of the Performance Share Plan 2014, plus the shares awarded under the terms of the Share Incentive Plan.

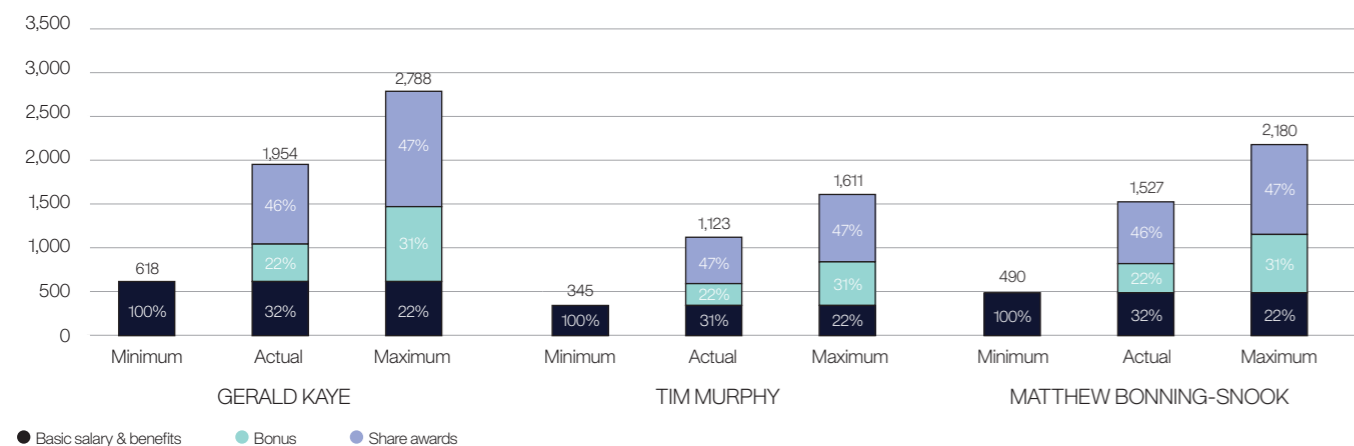
#### Annual total remuneration compared to the 2023 potential (unaudited)

The following bar charts show the actual remuneration earned by the Executive Directors against the minimum and maximum scenarios for the year.

The elements of remuneration have been categorised into three components: (i) basic salary and benefits; (ii) annual bonus (including deferred bonus); and (iii) share awards.

We have shown the actual and maximum scenarios with the impact of the negative share price appreciation over the three years to 31 March 2023 (three-month average).

VALUE OF REMUNERATION PACKAGES AT DIFFERENT LEVELS OF PERFORMANCE  
£'000



## Directors' remuneration

Total remuneration in respect of the Directors in the year to 31 March 2023 was as follows:

Year to 31 March 2023	Fixed			Annual cash bonus £000	Variable			Sub-total £000	Total £000
	Basic salary/ fees £000	Benefits <sup>1</sup> £000	Sub-total £000		Deferred bonus shares £000	Share <sup>2,3</sup> awards £000	Share Incentive Plan <sup>4</sup> £000		
<b>Executive Directors</b>									
Gerald Kaye	570	48	618	427	–	902	7	1,336	1,954
Tim Murphy	331	14	345	249	–	522	7	778	1,123
Matthew Bonning-Snook	443	47	490	332	–	698	7	1,037	1,527
	<b>1,344</b>	<b>109</b>	<b>1,453</b>	<b>1,008</b>	<b>–</b>	<b>2,122</b>	<b>21</b>	<b>3,151</b>	<b>4,604</b>
<b>Non-Executive Directors</b>									
Richard Cotton	137	–	137	–	–	–	–	–	137
Sue Clayton	69	–	69	–	–	–	–	–	69
Sue Farr	62	–	62	–	–	–	–	–	62
Joe Lister	62	–	62	–	–	–	–	–	62
<b>Former Directors</b>									
Richard Grant	47	–	47	–	–	–	–	–	47
	<b>377</b>	<b>–</b>	<b>377</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>377</b>
<b>Total</b>	<b>1,721</b>	<b>109</b>	<b>1,830</b>	<b>1,008</b>	<b>–</b>	<b>2,122</b>	<b>21</b>	<b>3,151</b>	<b>4,981</b>

- Benefits include the provision of a car, fuel allowance, private medical cover, life assurance and permanent health insurance. Significant individual benefits include £24,000 and £22,000 car benefit for Gerald Kaye and Matthew Bonning-Snook respectively.
- PSP awards are included based on average share price over three months to 31 March 2023 of 344.52p. Dividend shares awarded to Directors on 27 July 2022 under the terms of the Annual Bonus Scheme 2018 are included at their actual vesting price of 386.00p.
- The PSP award values do not include any share price appreciation.
- The Share Incentive Plan figure relates to the free and matching shares awarded under the Helical Bar 2022 Share Incentive Plan, details of which are on pages 127 to 128.

Total remuneration in respect of the Directors in the year to 31 March 2022 was as follows:

Year to 31 March 2022	Fixed			Annual cash bonus £000	Variable			Sub-total £000	Total £000
	Basic salary/ fees £000	Benefits <sup>1</sup> £000	Sub-total £000		Deferred bonus shares £000	Share <sup>2,3</sup> awards £000	Share Incentive Plan <sup>4</sup> £000		
<b>Executive Directors</b>									
Gerald Kaye	553	46	599	553	253	1,120	7	1,933	2,532
Tim Murphy	322	15	337	322	147	622	7	1,098	1,435
Matthew Bonning-Snook	430	46	476	430	197	871	7	1,505	1,981
	<b>1,305</b>	<b>107</b>	<b>1,412</b>	<b>1,305</b>	<b>597</b>	<b>2,613</b>	<b>21</b>	<b>4,536</b>	<b>5,948</b>
<b>Non-Executive Directors</b>									
Richard Grant	150	–	150	–	–	–	–	–	150
Sue Clayton	58	–	58	–	–	–	–	–	58
Richard Cotton	70	–	70	–	–	–	–	–	70
Sue Farr	58	–	58	–	–	–	–	–	58
Joe Lister	58	–	58	–	–	–	–	–	58
	<b>394</b>	<b>–</b>	<b>394</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>394</b>
<b>Total</b>	<b>1,699</b>	<b>107</b>	<b>1,806</b>	<b>1,305</b>	<b>597</b>	<b>2,613</b>	<b>21</b>	<b>4,536</b>	<b>6,342</b>

- Benefits include the provision of a car, fuel allowance, private medical cover, life assurance and permanent health insurance. Significant individual benefits include £23,000 and £22,000 car benefit for Gerald Kaye and Matthew Bonning-Snook respectively.
- PSP awards are included at their actual vesting values in July 2022 of 386.00p. The table included in the 2022 Financial Statements included share awards at the average share price over the three months to 31 March 2022 of 415.77p. Dividend shares awarded to Directors on 9 August 2021 under the terms of the Annual Bonus Scheme 2018 are included at their actual vesting price of 456.50p.
- The PSP award values include share price appreciation totalling £65,000 for Gerald Kaye, £38,000 for Tim Murphy and £51,000 for Matthew Bonning-Snook.
- The Share Incentive Plan figure relates to the free and matching shares awarded under the Helical Bar 2022 Share Incentive Plan, details of which are on pages 127 to 128.

V REMUNERATION

**Determination of annual bonus outcome**

The table below sets out the financial measures and strategic objectives and their respective outcomes under the terms of the Annual Bonus Scheme 2018. These measures apply to all Executive Directors equally and provide each Director with a percentage payout of their maximum bonus, capped at 150% of basic salary. This is set out in the second table below.

Metric	Performance condition	Weighting	Threshold target	Stretch target	Outcome	% of bonus payable
TPR	<b>Total Property Return v MSCI Central London Offices Capital Growth Index</b> 20% of the maximum bonus available pays out if the Group's TPR matches the performance of the Index increasing pro-rata to 100% for matching or exceeding the Index plus 4.50%.	30.00%	-11.4%	-6.9%	-5.6%	30.00%
TAR	<b>Total Accounting Return</b> 20% of the maximum bonus available pays out if the Group's EPRA TAR, adjusted for performance related awards and calculated annually, exceeds 5.00% increasing pro-rata to 100% for a TAR of 10.0% or greater.	40.00%	5.00%	10.00%	-11.9%	00.00%
Strategic and ESG	<b>1. Pipeline of schemes/projects</b> Seek to acquire at least one significant high quality project in the year which complements the existing portfolio, and which is consistent with the Group's strategy and long-term plans.	10.00%			Achieved (see below)	10.00%
	<b>2. ESG</b> Maintenance of EPRA Sustainability BPR at Gold, GRESB at 4* (improve score from 85 to 87) and CDP score up from C to B. Conversion of £400m RCF to Sustainability Linked Loan. Achievement of highest sustainability ratings at The JJ Mack Building, EC1.	10.00%			Achieved (see below)	10.00%
	<b>3. Overheads</b> Base target, fixed costs no greater than budgeted amount of £9,812,000. Stretch target, fixed costs no greater than £9,312,000.	10.00%			Not achieved (see below)	0.00%
<b>Total</b>		<b>100.00%</b>				<b>50.00%</b>

**Total Property Return**

The annual performance of the Group's property portfolio is measured by MSCI, an independent company that produces industry benchmarks of portfolio returns. For the annual bonus, MSCI measures the performance of Helical's property portfolio and we compare the results to an MSCI benchmark, the Central London Offices Capital Growth Index, for the financial year. In the year to 31 March 2023, the portfolio produced a return of -5.6%, as measured by MSCI. The return exceeded both the threshold and stretch targets of -11.4% and -6.9% and, accordingly, the maximum amount of bonus payable under this performance condition is awarded.

**Total Accounting Return**

The Total Accounting Return of the Group for the year to 31 March 2023, adjusted for performance related awards, and neutralised for Helical's conversion to a REIT from 1 April 2022, was -11.9%, below the threshold and stretch targets of 5.0% and 10.0% respectively. Accordingly, no bonus is payable under this performance condition.

**Strategic and ESG**

In the year to 31 March 2023, the Group was selected by Transport for London as the preferred investment partner on three new development schemes, satisfying the first strategic performance condition. The Group improved its ESG scores measured by GRESB from 4\* to 5\* (and from 85 to 88), CDP from C to B and achieved EPC A and BREEAM Outstanding (Design) at The JJ Mack Building, EC1, satisfying the ESG performance conditions. The third performance condition sought to contain fixed overheads to a threshold level of £9,812,000 and a stretch level of £9,312,000. The actual fixed overheads of £9,845,000 means that no bonus is payable in respect of this performance condition.

The total annual bonus for the year ended 31 March 2023 is set out below:

Executive Director	Basic salary £000	Maximum bonus payable (150% basic salary) £000	Bonus outcome %	Bonus payable £000	Cash £000	Deferred shares £000
Gerald Kaye	570	854	50%	427	427	-
Tim Murphy	331	497	50%	249	249	-
Matthew Bonning-Snook	443	665	50%	332	332	-

All Executive Directors satisfy the minimum shareholding guideline of 500% of salary and bonuses up to 100% of their base salaries are eligible to be paid in cash.

V REMUNERATION

**PSP awards vesting in 2023**

The PSP award granted on 10 June 2020 will vest after 10 June 2023. The expected vesting percentage is as follows:

Metric	Performance condition	Weighting	Threshold target	Stretch target	Actual	% vesting
NAV (fully diluted triple net)	<b>Net asset value growth</b> 10% of this part of an award vests for pre-dividend compound NAV growth of 9.7%* pa increasing pro-rata to 100% of this part of an award vesting for pre-dividend compound NAV growth of 16.6%*pa	33.33%	9.69%	16.62%	1.62%	0.00%
TPR	<b>Total Property Return v MSCI Central London Offices Total Return Index</b> 10% of this part of an award vests for median ranking increasing pro-rata to 100% of this part of an award vesting for upper quartile or above performance	33.33%	Median -1.52%	Upper Quartile 0.97%	3.79%	33.33%
TSR	<b>Total Shareholder Return v FTSE 250 and Small Cap Sectors (excluding agencies)</b> 10% of this part of an award vests for median ranking increasing pro-rata to 100% of this part of an award for upper quartile or above performance	33.33%	Median -40.9%	Upper Quartile -31.1%	-15.3%	33.33%
<b>Total</b>		<b>100.0%</b>				<b>66.66%</b>

\* The minimum and maximum thresholds have been increased from their normal levels of 5.0% and 12.5% due to the impact of inflation above 3.0% during the performance period.

Based on the above and given that the net asset value per share (having added back dividends) increased over the three-year performance period, details of the shares awarded and the expected value at vesting are as follows:

Executive Director	Number of shares at grant	Number of shares expected to lapse	Number of shares expected to vest	Estimated value at vesting <sup>1</sup> £'000
Gerald Kaye	379,881	126,627	253,254	873
Tim Murphy	221,094	73,698	147,396	508
Matthew Bonning-Snook	295,502	98,501	197,001	679

<sup>1</sup> The share price used to calculate the expected value at vesting was 344.52p, based on the average share price over the three months to 31 March 2023. Helical's conversion to a REIT from 1 April 2022 had no impact on the vesting percentage.

**PSP awards vested in 2022**

The share awards presented in the remuneration table for the year to 31 March 2022 on page 123 are based on the 2014 PSP awards granted on 3 June 2019. The three-year performance period to 31 March 2022 showed that the net asset value per share, calculated in accordance with the terms of the 2014 PSP, had increased by 7.6% pa, above the inflation adjusted minimum threshold of 6.3% but below the inflation adjusted maximum threshold of 13.6%. During this three-year period the total return of Helical's property portfolio, as determined by MSCI IPD, was 9.1% compared to the upper quartile of the MSCI Central London Offices Total Return Index which showed a return of 5.3%. The TSR of the Company during the period was 33.8% compared to the median of -18.5% and upper quartile of 10.2%. Therefore, 75.46% of the shares vested in total. The share price used to calculate the expected value at vesting for the 2019 PSP awards in the 2022 Annual Report was 415.77p (based on the average share price over the three months to 31 March 2022). The actual share price at vesting on 27 July 2022 was 386.00p and the comparative figures reflect these actual vesting share prices.

**Payments for loss of office (audited)**

No payments were made to Directors in the year for loss of office or to past Directors.

**Statement of implementation of the Remuneration Policy for the year to 31 March 2024**

This Annual Report on Remuneration is required, under the provisions of the Act, to include a statement on the implementation of the Remuneration Policy in the year to 31 March 2024. To assist Shareholders to understand the Group's overall remuneration, we have included this information in the Implementation of the Remuneration Policy section on pages 114 to 115 above.



### Other remuneration matters

This section is unaudited unless stated otherwise.

#### Advisors to the Committee

The Committee consults the Chief Executive and Chief Financial Officer about its proposals and has access to professional advice from FIT Remuneration Consultants LLP ("FIT"), a member of the Remuneration Consultants Group, which is responsible for developing and maintaining the Code of Conduct for Consultants to Remuneration Committees of UK listed companies. FIT is independent of both the Group and its Directors and, as such, the Committee is satisfied that the advice received was objective and independent. Terms of reference for the remuneration consultants, which provided no other services to the Company, are available from the Company Secretary on request. Fees paid to FIT in the year to 31 March 2023 amounted to £28,530 (2022: £21,128). Fees are charged on a time plus disbursements basis.

#### Relative importance of the spend on pay

The table below compares the expenditure and percentage change in that expenditure between 2022 and 2023 to the other key financial metrics of distributions to Shareholders and the net asset value of the Group.

	2023 £000	2022 £000	Change %
Staff costs	7,755	9,233	-16.0%
Distributions to Shareholders <sup>1</sup>	14,482	13,639	+6.7%
Net asset value of the Group	608,675	687,043	-11.4%

<sup>1</sup> In respect of the financial year to which they relate.

### Shareholder voting at the last AGM

Details of the 2022 advisory Annual Report on Remuneration vote and the 2021 binding Remuneration Policy vote were as follows:

	Issued	For	%	Against	%	Withheld	Total
2022 Annual Report on Remuneration	122,325,413	85,918,219	97.5	2,183,676	2.5	3,372,943	91,474,838
2021 Remuneration Policy	122,099,814	95,598,663	96.1	3,833,246	3.9	1,650,086	101,081,995

The Committee was pleased to note the level of Shareholder support for the Annual Report on Remuneration in 2022 and the Remuneration Policy in 2021.

### Directors' shareholdings (audited)

	Legally owned 31.3.22	Legally owned 31.3.23	Share Incentive Plan unrestricted 31.3.23	Beneficially held total 31.3.23	Deferred shares 31.3.23	Share Incentive Plan restricted 31.3.23	PSP awards unvested 31.3.23
<b>Executive Directors</b>							
Gerald Kaye	2,274,691	2,447,914	50,533	2,498,447	238,709	20,382	1,052,784
Tim Murphy	686,166	781,429	29,083	810,512	141,318	17,296	612,727
Matthew Bonning-Snook	1,430,888	1,559,305	50,089	1,609,394	180,900	20,319	818,937
<b>Non-Executive Directors</b>							
Richard Cotton	37,000	52,000	-	52,000	-	-	-
Sue Clayton	14,000	14,000	-	14,000	-	-	-
Sue Farr <sup>1</sup>	9,111	9,111	-	9,111	-	-	-
Joe Lister	9,350	9,350	-	9,350	-	-	-
<b>Former Non-Executive Directors</b>							
Richard Grant	30,000	n/a	-	n/a	-	-	-

<sup>1</sup> The shareholding of Sue Farr is held by a connected person.

The three Executive Directors of Helical have an average length of service of over 28 years and have built up a shareholding during that time of circa 4.9 million shares with a market value at 31 March 2023 of circa £16.9m at the weighted average share price for the three months to 31 March 2023 of 344.52p.

### Directors' share interests and shareholding guidelines (audited)

Executive Director	Salary <sup>1</sup> £	Share ownership guideline <sup>2</sup> £	Value of beneficially held shares <sup>3</sup> £	Ratio of shares held to salary %
Gerald Kaye	569,500	2,847,000	8,608,000	1,511
Tim Murphy	331,450	1,657,000	2,792,000	842
Matthew Bonning-Snook	443,000	2,215,000	5,545,000	1,252

<sup>1</sup> Salaries as at 31 March 2023.

<sup>2</sup> Share ownership guideline is 500% of salary.

<sup>3</sup> Value based on the average share price for the three months to 31 March 2023 of 344.52p.

### PSP awards granted in the year (audited)

The following conditional awards were granted on 27 July 2022 at 388.00p under the terms of the 2014 PSP:

	Basis of award (% of salary)	Share awards number	Face value of award £000	Vesting at threshold	Vesting at maximum	Performance period
Gerald Kaye	250%	356,262	1,382	10%	100%	3 years to 31 March 2025
Tim Murphy	250%	207,345	805	10%	100%	3 years to 31 March 2025
Matthew Bonning-Snook	250%	277,126	1,075	10%	100%	3 years to 31 March 2025

Details of the performance targets attached to the awards are set out on page 120.

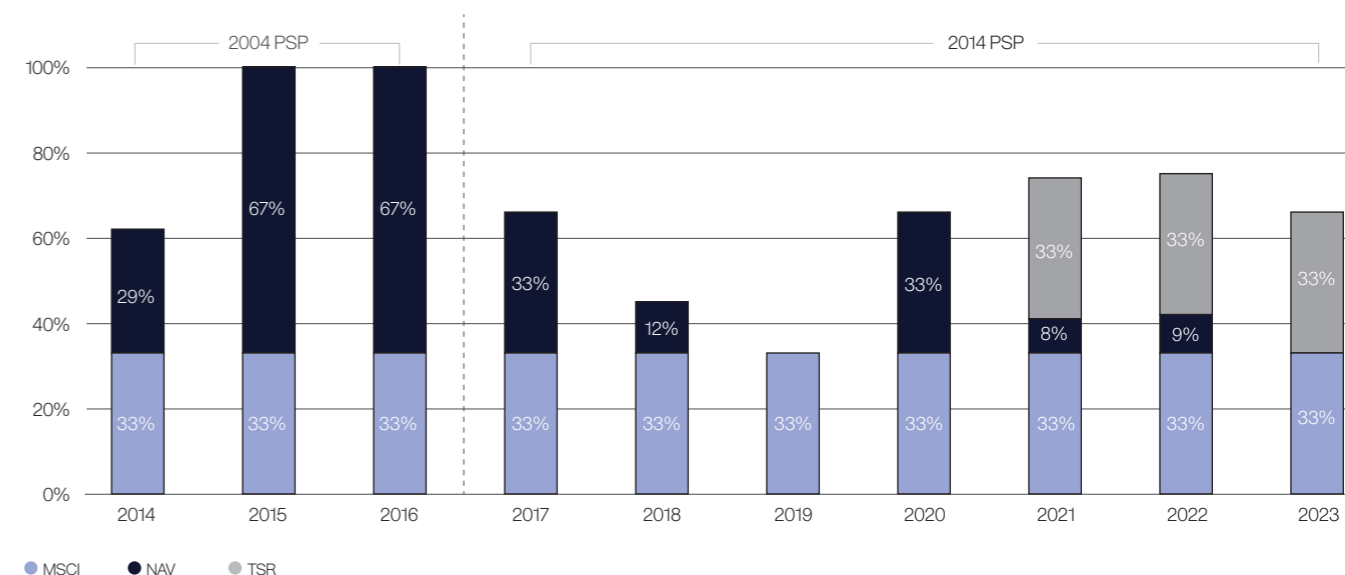
The total number of awards made to Directors under the terms of the 2014 PSP which have not yet vested are as follows:

Executive Director	Shares awarded 10.06.20 at 358.5p	Shares awarded 02.06.21 at 430.1p	Shares awarded 27.07.22 at 388.0p	Total shares awarded
Gerald Kaye	379,881	316,641	356,262	1,052,784
Tim Murphy	221,094	184,288	207,345	612,727
Matthew Bonning-Snook	295,502	246,309	277,126	818,937

It is currently expected that 67% of the shares awarded on 10 June 2020, 20% of the shares awarded on 2 June 2021 and 46% of the shares awarded on 27 July 2022 will vest.

### Vesting of PSP awards over the last ten years (unaudited)

Awards to Executive Directors, in office during each year and excluding leavers, which have vested or are expected to vest in accordance with the terms of the 2004 and 2014 PSPs in the last ten years are as follows:



The 2004 PSP operated with two vesting conditions. The TSR condition was added to the 2014 PSP.

### Helical 2022 approved Share Incentive Plan (audited)

Under the terms of this Plan, employees of the Group are given annual awards of free shares with a value of £3,600 and participants are allowed to purchase additional shares up to a value of £1,800, to be matched in a ratio of 2:1 by the Company. Provided participants remain employed by the Group for a minimum of three years they will retain the free and matching shares.

Shares allocated to, or purchased on behalf of, the Directors under the rules of the Plan during the period and as at 31 March 2023, were as follows:

Executive Director	27 July 2022 at 388.00p	17 August 2022 at 371.50p	13 September 2022 at 369.00p	30 November 2022 at 342.50p	13 January 2023 at 362.50p	14 March 2023 at 316.50p
Gerald Kaye	1,278	1,474	363	396	588	426
Tim Murphy	1,275	945	366	396	384	426
Matthew Bonning-Snook	1,275	1,463	366	396	584	426

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Shares allocated to, or purchased on behalf of, the Directors, which remain in their ownership at 31 March 2023, were as follows:

Executive Director	Unrestricted	Restricted	As at 31 March 2023
Gerald Kaye	50,533	20,382	70,915
Tim Murphy	29,083	17,296	46,379
Matthew Bonning-Snook	50,089	20,319	70,408

1 Unrestricted shares are those shares allocated to Directors that have met their minimum five-year ownership qualifying period.  
2 Restricted shares are those shares allocated to Directors that have not met their minimum five-year ownership qualifying period.

Shares held by the Trustees of the Plan at 31 March 2023 were 620,496 (2022: 620,496).

### Helical Annual Bonus Scheme – deferred shares (audited)

Under the terms of the Annual Bonus Scheme 2018, one third of annual bonuses awarded to scheme participants each year are deferred for three years into Helical plc shares, unless an Executive Director satisfies the minimum shareholding guideline, in which case bonus payments up to 100% of salary are payable in cash with the remainder in deferred shares. Deferred shares awarded under the terms of this scheme, which vested during the year to 31 March 2023 and which are expected to be awarded in June 2023, are as noted in the table below:

Executive Director	Deferred shares 1 April 2022	2022 bonus award 27 July 2022	2019 award vesting 27 July 2022	Deferred shares 31 March 2023	Expected 2023 award	Dividend shares awarded on 2019 award vesting
Gerald Kaye	227,414	65,131	(53,836)	238,709	–	4,037
Tim Murphy	124,776	37,906	(21,364)	141,318	–	1,602
Matthew Bonning-Snook	160,752	50,664	(30,516)	180,900	–	2,289

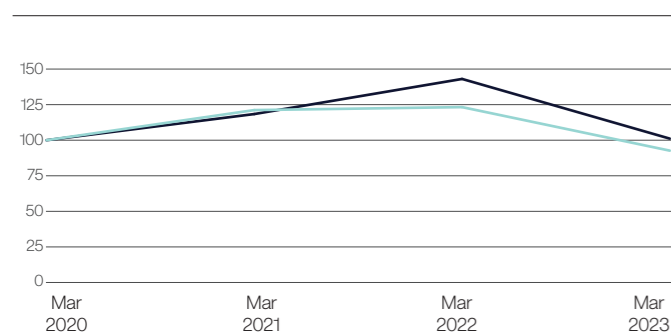
### Share price performance and Total Shareholder Return (TSR)

The market price of the ordinary shares of Helical plc at 31 March 2023 was 300.00p (2022: 411.00p). This market price varied between 293.50p and 442.00p and averaged 366.32p during the year.

The Total Shareholder Returns for a holding in the Group's shares in the three and ten years to 31 March 2023 compared to a holding in the FTSE 350 Supersector Real Estate Index are shown in the graphs below. This index has been chosen because it includes the majority of listed real estate companies.

#### TSR – three years to 31 March 2023

The graph below showing the relative performance of Helical during the three years to 31 March 2023 matches the performance period for the 2020 PSP award granted on 10 June 2020 and which will vest on 10 June 2023.



● Helical ● FTSE 350 Supersector Real Estate Index  
Source: Datastream (a Refinitiv product)

This graph shows the value, by 31 March 2023, of £100 invested in Helical on 31 March 2020, compared with the value of £100 invested in the FTSE 350 Supersector Real Estate Index.

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### Remuneration of the Chief Executive

Comparing the ten-year TSR of the Company, set out above, to the remuneration of the Chief Executive, the table below presents single figure remuneration for the Chief Executive over the period, since 1 April 2013, together with past annual bonus pay-outs and the vesting of long-term incentive share awards:

Year ended	Name	Total remuneration £000	Annual bonus (% of max pay-out)	PSP (% of max vesting)
31 March 2023	Gerald Kaye	1,954	50	67
31 March 2022	Gerald Kaye	2,532	97	75
31 March 2021	Gerald Kaye	2,234	60	74
31 March 2020	Gerald Kaye	2,316	76 <sup>1</sup>	66
31 March 2019	Gerald Kaye	1,732	91	33
31 March 2018	Gerald Kaye	2,209	75 <sup>2</sup>	46
31 March 2017	Gerald Kaye	2,635 <sup>3</sup>	100	66
31 March 2016	Michael Slade	3,867	100	100
31 March 2015	Michael Slade	5,534	100	100
31 March 2014	Michael Slade	3,343	100	62

1 85% before the application of negative discretion by the Committee.

2 100% before the application of negative discretion by the Committee.

3 The total remuneration of Gerald Kaye includes the period whilst he was an Executive Director but prior to his appointment as CEO on 25 July 2016.

### Comparison of changes in the remuneration of the Board to the Group's other employees

The percentage change in the remuneration of each member of the Board and for the average of all other employees in the Group, between 2022 and 2023, 2021 and 2022 and 2020 and 2021, was as follows:

	2022-2023			2021-2022			2020-2021		
	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Annual salary/fees	Benefits	Annual bonus
<b>Executive Directors</b>									
Gerald Kaye	3.0%	4.9%	-47.0%	1.5%	0.9%	63.4%	0.0%	-23.2%	-20.8%
Tim Murphy	3.0%	-6.4%	-47.0%	1.5%	29.9%	63.4%	0.0%	-46.7%	-22.6%
Matthew Bonning-Snook	3.0%	1.5%	-47.0%	1.5%	5.7%	63.4%	0.0%	4.0%	-17.9%
<b>Non-Executive Directors</b>									
Richard Cotton <sup>2</sup>	96.1%	n/a	n/a	0.0%	n/a	n/a	0.0%	n/a	n/a
Sue Clayton <sup>3</sup>	19.2%	n/a	n/a	0.0%	n/a	n/a	0.0%	n/a	n/a
Sue Farr <sup>4</sup>	6.9%	n/a	n/a	5.6%	n/a	n/a	41.0%	n/a	n/a
Joe Lister <sup>5</sup>	6.9%	n/a	n/a	0.0%	n/a	n/a	5.5%	n/a	n/a
<b>Former Non-Executive Directors</b>									
Richard Grant <sup>6</sup>	n/a	n/a	n/a	0.0%	n/a	n/a	17.2%	n/a	n/a
Average of all other employees	5.2%	1.6%	-45.8%	5.0%	8.1%	-5.9%	0.8%	7.6%	-5.0%

1 The remuneration of Directors used to calculate the percentage change in base salary/fees, benefits and Share Incentive Plan and annual bonus, is taken from the tables of Directors' remuneration on page 123.

2 The percentage increase in the fees payable to Richard Cotton in 2022-2023 reflects his appointment as Chairman at the 2022 AGM.

3 The percentage increase in the fees payable to Sue Clayton in 2022-2023 reflects her appointment as the Senior Independent Director at the 2022 AGM, as well as the increase in base fees from the triennial review of Non-Executive Directors' fees.

4 The percentage increase in the fees payable to Sue Farr in 2020-2021 and 2021-2022 reflects her first full year as a member of the Board since her appointment on 5 June 2019 and her appointment as Chair of the Remuneration Committee at the 2020 AGM.

5 The percentage increase in the fees payable to Joe Lister in 2020-2021 reflects his appointment as Chair of the Audit and Risk Committee at the 2019 AGM.

6 The percentage increase in the fees payable to Richard Grant in 2020-2021 reflects his appointment as Chairman at the 2019 AGM.

### Gender Pay Gap reporting

The Group falls below the threshold for mandatory Gender Pay Gap reporting. Due to the low number of employees, which could result in distortions of data, the Board does not believe it appropriate to voluntarily report. Notwithstanding this, the Board firmly believes in promoting and recruiting more females into senior roles and in pay equality for equal work and is mindful of both the legal and moral obligations to ensure that employees are remunerated in a fair manner regardless of gender.



### Chief Executive pay ratio

As Helical has fewer than 250 employees, there is no requirement to disclose the Chief Executive pay ratio. However, given the Committee's commitment to transparency and good governance, this information is provided on a voluntary basis.

The table below compares the single total figure of remuneration for the Chief Executive for the three years to 31 March 2023, with the Group's other employees paid at the 25th, 50th and 75th percentiles:

Remuneration	CEO pay	Other employees Total remuneration £	Other employees Salary £
<b>Year ended 31 March 2023</b>			
25th percentile	24:1	82,830	64,600
50th percentile	16:1	124,728	92,000
75th percentile	7:1	280,152	145,500
<b>Year ended 31 March 2022</b>			
25th percentile	28:1	93,042	64,035
50th percentile	20:1	128,120	70,000
75th percentile	7:1	378,253	148,625
<b>Year ended 31 March 2021</b>			
25th percentile	27:1	80,124	58,375
50th percentile	23:1	93,618	70,000
75th percentile	7:1	290,860	137,813

This is the third year we have published our pay ratios, which have been calculated under Option A. All non-salary remuneration has been included. Joiners, leavers and employees on statutory leave (e.g. maternity) have been excluded from this comparison.

Total remuneration has been calculated on the same basis as for the Chief Executive single figure shown on page 123 and include annual salary, taxable benefits, free and matching shares allocated under the terms of the Group's Share Incentive Plan, annual bonuses awarded, taxable share awards vesting under the terms of the Group's Performance Share Plan, and employer pension contributions to employees' pension arrangements.

Approved by the Board on 23 May 2023 and signed on its behalf.

#### Sue Farr

Chair of the Remuneration Committee  
23 May 2023

### Strategic Report

A review of the Group's business during the year, the principal and emerging risks and uncertainties it faces as well as future prospects and developments are included in the Strategic Report on pages 2 to 87 which should be read in conjunction with this report.

### Results and dividends

The results for the year are set out in the Consolidated Income Statement on page 140. An interim dividend of 3.05p (2022: 2.90p) was paid on 13 January 2023 to Shareholders on the Shareholder register on 2 December 2022. A final dividend of 8.70p (2022: 8.25p) per share is recommended for approval at the Annual General Meeting ("AGM") to be held on 13 July 2023 and, if approved, will be paid on 28 July 2023 to Shareholders on the register on 23 June 2023. The total ordinary dividend declared and paid in the year of 11.30p (2022: 10.30p) per share amounted to £13,842,000 (2022: £12,583,000).

### Corporate governance

During the year ended 31 March 2023 the Group has consistently applied the Principles of good corporate governance contained in the 2018 UK Corporate Governance Code (the "Code"), and has complied with all the Provisions of the Code in full. The application of the Code's Principles can be evidenced in the context of the particular circumstances of the Group and how the Board has set the Group's Purpose and strategy, met objectives and achieved outcomes through the decisions it has taken. The Code can be viewed in full at [www.frc.org.uk](http://www.frc.org.uk). Please see page 93 of the Corporate Governance Report for more detail.

### Directors

The Directors who held office during the year and up to the date of this report are listed alongside their biographical details on pages 90 to 92. All the Directors will be offering themselves for re-election at the AGM on 13 July 2023 and their continuing contribution to the Group's long-term sustainable success is explained within each individual Director's biography. Details of Directors' remuneration, including their interests in share awards, and its alignment with the Group's strategy and the promotion of long-term sustainable success are set out in the Directors' Remuneration Report on pages 109 to 130. Details of the Directors' interests in the ordinary shares of the Company are shown on page 126.

### Going concern

In accordance with Provision 30 of the Code, the Board is required to report on whether it considers it appropriate to adopt the going concern basis of accounting. In considering this requirement, the Directors took into account the matters set out in the Group's Viability Statement on pages 46 to 47. Having due regard to the matters referenced in Note 1 to the financial statements, the Directors were able to conclude that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least the next 12 months, and have continued to adopt the going concern basis of accounting when preparing the financial statements for the year ended 31 March 2023.

### Directors' conflicts of interest

Under the Companies Act 2006 (the "Act"), Directors are subject to a statutory duty to avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. As is permissible under the Act, the Company's Articles of Association allow the Board to consider, and if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. Directors are required to notify the Company of any conflict or potential conflict of interest under an established procedure and any conflicts or potential conflicts are noted at each Board meeting. In accordance with the Code Provision 7, the Board has a well-established process for the management of conflicts of interest.

### Directors' liability insurance and indemnity

The Group maintains Directors' and Officers' liability insurance which is subject to annual renewal. To the extent permitted by UK law, the Group also indemnifies the Directors against legal proceedings brought in connection with the execution of their duties as company directors.

### Political donations

The Company's policy with regard to political donations is to ensure that Shareholder approval is sought before making any such payments. No Shareholder approval has been sought and, accordingly, the Company made no political donations in the year to 31 March 2023.

### Financial instruments, capitalised interest and long-term incentive schemes

The information required in respect of financial instruments, as required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, is shown in Note 36. Interest capitalised on the Group property portfolio is shown in Notes 14 and 20. Long-term incentive schemes are explained in the Directors' Remuneration Report on pages 109 to 130.

### Change of control

Certain agreements between the Company or its subsidiaries and entities including lending banks, joint venture partners and development partners contain termination rights to take effect in the event of a change of control of the Group. Given the commercial sensitivity of these agreements, the Directors will not be disclosing specific details in this report. The Company's Employee Share Incentive Plan, Annual Bonus Scheme and Performance Share Plan contain provisions relating to the vesting and exercise of options or share awards in the event of a change of control of the Company.

### Substantial shareholdings

As at 22 May 2023, the Shareholders listed below had notified the Company of a disclosable interest of 3% or more in the nominal value of the ordinary share capital of Helical plc.

Fund Manager/Owner	Shares	% at 22/05/2022
Janus Henderson Investors	10,916,655	8.85%
Mr Michael E. Slade & Mrs Heather I. Slade	9,956,645	8.07%
Baillie Gifford	9,164,358	7.43%
BlackRock	8,245,833	6.68%
Schroder Investment Management	6,732,707	5.46%
Jupiter Asset Management	5,944,548	4.82%
Dimensional Fund Advisors	5,092,728	4.13%
Vanguard Group	4,590,068	3.72%
Columbia Threadneedle Investments	4,102,661	3.33%

### Key stakeholders

In line with section 172 of the Companies Act 2006, the Directors act to promote the success of the Company for the benefit of its Shareholders. However, the Board also places a great emphasis on the importance of the views and interests of its other key stakeholders. For details of our stakeholder engagement mechanisms and the consideration given to stakeholder views and interests when decision making, including the outcomes of such engagement, please see pages 78 and 79.

### Culture, employment and environmental matters

The corporate Culture of the Group, articulated through the Helical Purpose and Values, is discussed on pages 80 and 82 of the Strategic Report. As part of its leadership responsibilities, the Board continually monitors the Culture of the business. The role of the designated workforce engagement Non-Executive Director is key with respect to the monitoring of the Helical Culture and more information about this role can be found in the Workforce engagement section on pages 86 and 87. For details of all the methods used by the Board to monitor and sustain the Culture of Helical during the reporting period, please see page 82 of the Strategic Report.

The Board recognises the importance of having a diverse workforce and an inclusive environment in which they can work. Details of the Group's Diversity and Inclusion Policy can be found on pages 99 to 101.

All employee candidates are considered fairly and without prejudice or discrimination and the Group affords equal opportunities to all its employees, irrespective of sex, race, colour, disability, sexual orientation, religious beliefs or marital status (please see details of our Employment Policy on page 101).

Information in respect of the Group's employment and environmental matters as well as greenhouse gas reporting is contained in the Sustainability Report on pages 54 to 75.

### Post balance sheet events

Details of post balance sheet events are set out in Note 33 to the financial statements.

### Group structure

Details of the Group's subsidiary undertakings are disclosed in Note 39 to the financial statements.

### Share capital

Details of the Company's issued share capital are shown in Note 22 to the financial statements.

There are no restrictions on the transfer of shares in the Company other than those specified by law or regulation (for example: insider trading laws) and pursuant to the Listing Rules of the Financial Conduct Authority whereby certain employees of the Group require the approval of the Company to deal in the ordinary shares. On a show of hands at a General Meeting of the Company, every holder of ordinary shares present in person and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The Notice of the 2023 Annual General Meeting ("AGM") specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the meeting. There are no restrictions on voting rights other than as specified by the Company's Articles of Association.

### Purchase of own shares

The Company was granted authority at the 2022 AGM to make market purchases of its own ordinary shares. The authority will expire at the conclusion of the 2023 AGM, at which a resolution will be proposed to renew this authority.

### Amendment of Articles of Association

The Company's Articles of Association ("Articles") can be amended only by a special resolution of the members, requiring a majority of not less than 75% of such members voting in person or by proxy.

### Annual General Meeting

It is intended that the Annual General Meeting of the Company will be held on 13 July 2023 at 09:00 am at the Company's registered offices located at 5 Hanover Square, London W1S 1HQ. The special business at the 2023 AGM will include resolutions dealing with the authority to issue shares, the disapplication of pre-emption rights, the authority for the Company to purchase its own shares and the authority to call General Meetings on not less than 14 clear days' notice. The Notice of Meeting, containing explanations of all the resolutions to be proposed at that meeting, is enclosed with this Annual Report and can be found on the Group's website at [www.helical.co.uk](http://www.helical.co.uk)

### Auditor

The Audit and Risk Committee undertook a tender process in respect of the external audit service during the year, as detailed on pages 107 to 108. The ratification of the appointment of RSM UK Audit LLP will be proposed to Shareholders at the 2023 AGM.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group's Auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

By Order of the Board

### James Moss FCA

Company Secretary

## Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards ("IFRSs") as issued by the IASB. The Directors have also chosen to prepare the parent Company financial statements under United Kingdom adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 23 May 2023 and is signed on its behalf by:

<b>Chief Executive Officer</b> Gerald Kaye	<b>Chief Financial Officer</b> Tim Murphy
23 May 2023	23 May 2023



## Report on the audit of the financial statements

### 1. Opinion

In our opinion:

- the financial statements of Helical plc (the "Parent Company") and its subsidiaries (the "Group") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated and Company Balance Sheets;
- the Consolidated and Company Statements of Changes in Equity;
- the Consolidated and Company Cash Flow Statements; and
- the related notes 1 to 39.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted International Accounting Standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the year are disclosed in Note 6 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matter that we identified in the current year was:</p> <ul style="list-style-type: none"> <li>• Investment property valuation</li> </ul> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"> <li>⚠ Newly identified</li> <li>⬆ Increased level of risk</li> <li>↔ Similar level of risk</li> <li>⬇ Decreased level of risk</li> </ul>
<b>Materiality</b>	<p>The materiality that we used for the Group financial statements was £8.7m which was determined on the basis of 1% of the total assets.</p> <p>We also apply a lower materiality of £2.6m, based on 5% of the previous three years' average profit or loss before tax. This has been applied to balances on the Income Statement and their related Balance Sheet accounts except for the revaluation of investment property.</p>
<b>Scoping</b>	<p>We performed an audit of the financial statements of the Parent Company and the Group, including the Group's joint ventures.</p>
<b>Significant changes in our approach</b>	<p>There have been no significant changes to our approach in the current year.</p>

### 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Challenging of the judgements and assumptions applied in the going concern assessment and associated forecasts of financial performance and financial position, assessing the reasonableness of assumptions regarding uncertain cash inflows and the timing and quantum of cash outflows;
- Testing of the mechanical accuracy of the model utilised;
- Assessing the appropriateness of the sensitivities in the downside scenario;
- Reviewing loan documentation to understand the principal terms, including financial covenants, and assessment review of the Group's existing and forecast compliance with these (including testing of the mechanical accuracy of management's covenant calculations and consistency with the contractual definitions);
- Assessing the level of headroom available on covenants under the base case and downside scenario; and
- Evaluating the appropriateness of the disclosures in the financial statements around going concern and the clarity of the process undertaken by management in concluding on the appropriateness of the assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 5.1. Investment property valuation

<b>Key audit matter description</b>	<p>Investment property valuation represents the most significant area of estimation within the Group financial statements with a fair value as at 31 March 2023 of £681.7m (31 March 2022: £938.8m). The decrease in the investment property valuation is due to the sale of the Trinity and Kaleidoscope properties, along with a £97.9m loss on revaluation of investment property. Management utilise the industry expertise of their external valuers in respect of key assumptions with regards to property yields, estimated rental values ("ERVs") and void periods and to provide an independent valuation of the property portfolio. Our key audit matter is focused on the following:</p> <ul style="list-style-type: none"> <li>• The integrity of the information provided to the valuers, which the valuers rely on in their work. This has been identified as a risk due to fraud.</li> <li>• The judgements made on the yields and estimated rental values used by the valuers in their valuation.</li> </ul> <p>See also key sources of estimation uncertainty in Note 39, investment properties in Note 14 of the financial statements and the Audit and Risk Committee report on page 104.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We obtained an understanding of relevant controls in the investment property valuation process and tested relevant controls. Management's process for challenging the appropriateness of property valuations has been assessed.</p> <p>We held meetings with the external valuers appointed by management to value the property portfolio. With the involvement of our internal real estate valuation specialists, we challenged the significant judgements and assumptions applied in their valuation model. We further assessed the movements in the key judgements and benchmarked the inputs against market data.</p> <p>We assessed the changes made to key valuation input assumptions at a macro-level in light of the potential impact on the properties held by the Group and benchmarked these against changes being made in the wider market and against relevant market evidence including specific property sales and other external data.</p> <p>We analysed the individual property valuations to understand significant movements against prior year and comparative market evidence considered by the Group's external valuers.</p> <p>We tested the integrity of data and information pertaining to rental income forecast capital expenditure provided by management to external valuers and utilised in the valuation.</p> <p>We assessed the valuation methodology being used and considered any departures from the Red Book guidance.</p> <p>We compared the property specific assumptions made to assess whether there is consistency within the portfolio as well as consistency with related assumptions used in other estimates.</p> <p>We have assessed the competence, objectivity, and capabilities of the external valuers.</p> <p>As part of our disclosures testing, we have assessed the appropriateness of the disclosures made in the financial statements and considered if the specific disclosures in relation to the estimation, included those around key sources of estimation uncertainty in Note 39, are considered reasonable.</p>
<b>Key observations</b>	<p>Based on our audit work, we are satisfied that the judgements and assumptions used in arriving at the fair value of the Group's property portfolio are appropriate and supported by the evidence obtained during the audit.</p>

## 6. Our application of materiality

### 6.1. Materiality

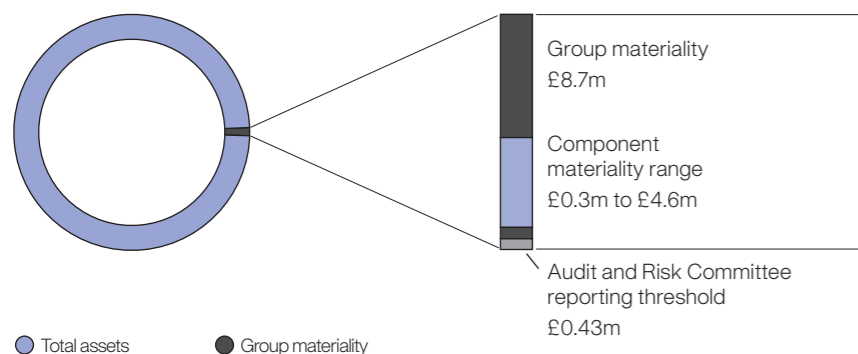
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
<b>Materiality</b>	£8.7m (2022: £11.3m) £2.6m (2022: £2.3m) for balances on the Income Statement and their related Balance Sheet accounts except for the revaluation of investment property.	£6.17m (2022: £6.2m)
<b>Basis for determining materiality</b>	1% of total assets (2022: 1% of total assets) The lower materiality was determined with reference to 5% of the previous three years' average profit or loss before tax (2022: 5% of previous three years' average profit before tax).	1% of total assets (2022: 1% of total assets)
<b>Rationale for the benchmark applied</b>	Total assets is the most appropriate benchmark because it appropriately reflects the valuation of investment property which is of key interest to the users of the financial statements. Average profit before tax ("PBT") is deemed an appropriate benchmark for items impacting the income statement as these are more sensitive to the users of the financial statements.	Total assets is the most appropriate benchmark due to the Parent Company being a holding company.

## TOTAL SHAREHOLDER RETURN

Total assets  
£873m



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
<b>Performance materiality</b>	70% (2022: 70%) of Group materiality	70% (2022: 70%) of Parent Company materiality
<b>Basis and rationale for determining performance materiality</b>	In determining performance materiality, we considered the low number of corrected and uncorrected misstatements identified in prior periods, as well as the quality of the Group's control environment; and the absence of material changes in the business.	

### 6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.43m (2022: £0.57m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. We have audited the material balances which support the Group's financial statements.

We performed an audit of the financial statements of the Parent Company and Group, which includes the audits of joint ventures. Our audit approach covers 100% of the Group's revenue and profit before tax, and net assets.

The materiality range for the Barts Square and 33 Charterhouse Street joint ventures is £0.3m to £4.6m (2022: £1.2m to £5.1m).

All work has been performed by the Group engagement team.

### 7.2 Our consideration of the control environment

From our understanding of the Group and after assessing relevant controls, we tested controls in respect of the investment property cycle. Whilst we did not take controls reliance, we assessed and tested the relevant controls relating to the valuation of investment property given the significance to the Group.

In addition, we have obtained an understanding of the relevant controls such as those relating to the financial reporting cycle.

With the involvement of our IT specialists, we obtained an understanding of the IT environment. We did not test the general IT controls and we did not place reliance on IT controls.

### 7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group continues to develop its assessment of climate-related risks and resilience of the Group and its properties under different climate scenarios, as explained in the Strategic Report on pages 2 to 87.

As a part of our audit, we have held discussions with management to understand the process of identifying and assessing climate-related risks, the process for managing the identified risks and the determination of mitigating actions as well as the impact on the Group's financial statements. Management has assessed that there is currently no material impact arising from climate change on the judgements and estimates that have been made in the preparation of the financial statements. This has been disclosed in Note 39.

We performed our own assessment of the potential impact of climate change on the Group's financial statements and did not identify any reasonably possible risks of material misstatement. Our procedures also included evaluating the appropriateness of disclosures included in the financial statements and reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

## 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the Directors, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including real estate and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of the investment property portfolio. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's Health and Safety Regulations and Equal Opportunities, Environmental Laws, Disability Rights, Building regulations, construction safety and planning restrictions, Employment Law and the Landlord and Tenant Act.

### 11.2. Audit response to risks identified

As a result of performing the above, we identified investment property valuation as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and enquiring on any correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

### 13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 133;
- the Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 46 to 47;
- the Directors' statement on fair, balanced and understandable set out on pages 106 to 107;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 44 to 53;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 44 to 53; and
- the section describing the work of the Audit and Risk Committee set out on pages 104 to 108.

## 14. Matters on which we are required to report by exception

**14.1. Adequacy of explanations received and accounting records**  
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

## 15. Other matters which we are required to address

### 15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 12 June 2018 to audit the financial statements for the year ending 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years, covering the years ending 31 March 2019 to 31 March 2023.

### 15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

## 16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

### Georgina Robb, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

23 May 2023

Consolidated Income Statement  
For the year to 31 March 2023

	Notes	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Revenue	3	49,848	51,146
Cost of sales	3	(13,567)	(14,228)
Net property income	4	36,281	36,918
Share of results of joint ventures	18	3,494	20,708
		39,775	57,626
Gain/(loss) on sale of investment properties	5	4,564	(45)
Revaluation of investment properties	14	(97,854)	33,311
		(53,515)	90,892
Administrative expenses	6	(12,835)	(16,768)
<b>Operating (loss)/profit</b>		<b>(66,350)</b>	<b>74,124</b>
Net finance costs and change in fair value of derivative financial instruments	8	1,839	(1,232)
<b>(Loss)/profit before tax</b>		<b>(64,511)</b>	<b>72,892</b>
Tax on (loss)/profit on ordinary activities	9	–	16,002
<b>(Loss)/profit for the year</b>		<b>(64,511)</b>	<b>88,894</b>
<b>(Loss)/earnings per share</b>	13		
Basic		(52.6)p	72.8p
Diluted		(52.6)p	71.4p

All the activities of the Group are from continuing operations.

There were no items of comprehensive income in the current or prior year other than the (loss)/profit for the year and, accordingly, no Statement of Comprehensive Income is presented.

Consolidated Balance Sheet  
At 31 March 2023

	Notes	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Group 31.3.21 Restated <sup>1</sup> £000
<b>Non-current assets</b>				
Investment properties	14	681,682	938,797	740,207
Owner occupied property, plant and equipment	16	4,351	4,631	5,362
Investment in joint ventures	18	87,330	100,604	79,953
Other investments	19	353	306	–
Derivative financial instruments	36	23,245	11,104	171
		796,961	1,055,442	825,693
<b>Current assets</b>				
Land and developments	20	28	2,089	448
Corporation tax receivable		7	338	–
Trade and other receivables	21	24,935	33,776	27,648
Cash and cash equivalents	22	50,925	43,484	167,227
		75,895	79,687	195,323
<b>Total assets</b>		<b>872,856</b>	<b>1,135,129</b>	<b>1,021,016</b>
<b>Current liabilities</b>				
Trade and other payables	23	(31,232)	(43,986)	(46,764)
Lease liability	24	(683)	(658)	(634)
Corporation tax payable		–	–	(655)
		(31,915)	(44,644)	(48,053)
<b>Non-current liabilities</b>				
Borrowings	25	(226,677)	(396,633)	(336,703)
Derivative financial instruments	36	–	(538)	(7,601)
Lease liability	24	(5,589)	(6,271)	(6,929)
Deferred tax liability	10	–	–	(13,569)
		(232,266)	(403,442)	(364,802)
<b>Total liabilities</b>		<b>(264,181)</b>	<b>(448,086)</b>	<b>(412,855)</b>
<b>Net assets</b>		<b>608,675</b>	<b>687,043</b>	<b>608,161</b>
<b>Equity</b>				
Called-up share capital	27	1,233	1,223	1,478
Share premium account		116,619	112,654	107,990
Revaluation reserve		46,416	197,627	164,316
Capital redemption reserve		7,743	7,743	7,478
Own shares held		(848)	–	–
Other reserves		291	291	291
Retained earnings		437,221	367,505	326,608
<b>Total equity</b>		<b>608,675</b>	<b>687,043</b>	<b>608,161</b>

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 and 31 March 2021 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

The financial statements were approved by the Board and authorised for issue on 23 May 2023.

**Tim Murphy**  
Chief Financial Officer  
Company number 156663



Company Balance Sheet  
At 31 March 2023

	Notes	Company 31.3.23 £000	Company 31.3.22 £000
<b>Non-current assets</b>			
Owner occupied property, plant and equipment	16	4,351	4,631
Investment in subsidiaries	17	210,341	210,341
Amounts owed by Group undertakings	21	377,785	405,616
		<b>592,477</b>	620,588
<b>Current assets</b>			
Trade and other receivables	21	1,010	655
Cash and cash equivalents	22	23,931	1,797
		<b>24,941</b>	2,452
<b>Total assets</b>		<b>617,418</b>	623,040
<b>Current liabilities</b>			
Trade and other payables	23	(155,649)	(188,759)
Lease liability	24	(683)	(658)
		<b>(156,332)</b>	(189,417)
<b>Non-current liabilities</b>			
Lease liability	24	(3,399)	(4,082)
		<b>(3,399)</b>	(4,082)
<b>Total liabilities</b>		<b>(159,731)</b>	(193,499)
<b>Net assets</b>		<b>457,687</b>	429,541
<b>Equity</b>			
Called-up share capital	27	1,233	1,223
Share premium account		116,619	112,654
Capital redemption reserve		7,743	7,743
Other reserves		1,987	1,987
Retained earnings		330,105	305,934
<b>Total equity</b>		<b>457,687</b>	429,541

The profit in the year for the Company was £38,013,000 (2022: £13,054,000).

The financial statements were approved by the Board and authorised for issue on 23 May 2023.

**Tim Murphy**

Chief Financial Officer

Company number 156663

Consolidated and Company Cash Flow Statement  
For the year to 31 March 2023

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Cash flows from operating activities</b>				
(Loss)/profit before tax	(64,511)	72,892	38,013	11,440
Depreciation	798	766	798	766
Revaluation deficit/(surplus) on investment properties	97,854	(33,311)	-	-
(Gain)/loss on sale of investment properties	(4,564)	45	-	-
Letting cost amortised	200	226	-	-
Profit on sale of plant and equipment	(18)	(11)	(18)	(11)
Net financing costs	10,918	19,228	1,049	755
Change in fair value of derivative financial instruments	(12,757)	(17,996)	-	-
Share-based payments charge	1,073	3,843	-	-
Share of results of joint ventures	(3,494)	(20,708)	-	-
Impairment of investments	-	-	13,471	5,806
Dividends received from subsidiaries	-	-	(60,595)	(20,893)
<b>Cash inflows/(outflows) from operations before changes in working capital</b>	<b>25,499</b>	<b>24,974</b>	<b>(7,282)</b>	<b>(2,137)</b>
Change in trade and other receivables	(3,560)	(6,028)	48,028	(110,679)
Change in land and developments	2,061	(1,641)	-	-
Change in trade and other payables	(11,477)	5,941	(33,101)	53,870
<b>Cash inflows/(outflows) generated from operations</b>	<b>12,523</b>	<b>23,246</b>	<b>7,645</b>	<b>(58,946)</b>
Finance costs	(12,361)	(18,335)	(964)	(1,060)
Finance income	274	6	243	5
Tax received	331	13	-	13
	(11,756)	(18,316)	(721)	(1,042)
<b>Net cash generated from/(used by) operating activities</b>	<b>767</b>	<b>4,930</b>	<b>6,924</b>	<b>(59,988)</b>
<b>Cash flows from investing activities</b>				
Additions to investment property	(10,509)	(174,057)	-	-
Purchase of other investments	(47)	(306)	-	-
Net proceeds/(costs) from sale of investment property	186,541	(45)	-	-
Returns/(investments) in joint ventures and subsidiaries	3,323	(3,323)	-	(7,569)
Dividends from joint ventures	13,446	3,381	-	-
Dividends from subsidiaries	-	-	26,235	9,894
Sale of plant and equipment	48	44	48	44
Purchase of owner occupied property, plant and equipment	(548)	(68)	(548)	(68)
<b>Net cash generated from/(used by) investing activities</b>	<b>192,254</b>	<b>(174,374)</b>	<b>25,735</b>	<b>2,301</b>
<b>Cash flows from financing activities</b>				
Borrowings drawn down	-	190,000	-	-
Borrowings repaid	(170,000)	(131,150)	-	-
Lease liability payments	(659)	(631)	(658)	(634)
Shares issued	10	10	3,975	4,674
(Purchase)/sale of own shares	(1,089)	54	-	-
Equity dividends paid	(13,842)	(12,582)	(13,842)	(12,582)
<b>Net cash (used by)/generated from financing activities</b>	<b>(185,580)</b>	<b>45,701</b>	<b>(10,525)</b>	<b>(8,542)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,441</b>	<b>(123,743)</b>	<b>22,134</b>	<b>(66,229)</b>
Cash and cash equivalents at start of year	43,484	167,227	1,797	68,026
<b>Cash and cash equivalents at end of year</b>	<b>50,925</b>	<b>43,484</b>	<b>23,931</b>	<b>1,797</b>

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

Group	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Own shares held £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2021	1,478	107,990	164,316	7,478	-	291	326,608	608,161
Total comprehensive income	-	-	-	-	-	-	88,894	88,894
Revaluation surplus	-	-	33,311	-	-	-	(33,311)	-
Issued share capital	10	4,610	-	-	-	-	-	4,620
Performance Share Plan	-	-	-	-	-	-	3,223	3,223
Performance Share Plan – deferred tax	-	-	-	-	-	-	(1,325)	(1,325)
Share settled Performance Share Plan	-	-	-	-	-	-	(3,591)	(3,591)
Deferred bonus shares	-	-	-	-	-	-	620	620
Share settled bonus	-	-	-	-	-	-	(1,031)	(1,031)
Profit on sale of shares	-	54	-	-	-	-	-	54
Cancelled deferred shares	(265)	-	-	265	-	-	-	-
Dividends paid	-	-	-	-	-	-	(12,582)	(12,582)
<b>At 31 March 2022</b>	<b>1,223</b>	<b>112,654</b>	<b>197,627</b>	<b>7,743</b>	<b>-</b>	<b>291</b>	<b>367,505</b>	<b>687,043</b>
Total comprehensive expense	-	-	-	-	-	-	(64,511)	(64,511)
Revaluation deficit	-	-	(97,854)	-	-	-	97,854	-
Realised on disposals	-	-	(53,357)	-	-	-	53,357	-
Issued share capital	10	3,965	-	-	-	-	-	3,975
Performance Share Plan	-	-	-	-	-	-	1,073	1,073
Purchase of own shares	-	-	-	-	(848)	-	-	(848)
Share settled Performance Share Plan	-	-	-	-	-	-	(3,536)	(3,536)
Share settled bonus	-	-	-	-	-	-	(439)	(439)
Revaluation deficit on valuation of shares	-	-	-	-	-	-	(240)	(240)
Dividends paid	-	-	-	-	-	-	(13,842)	(13,842)
<b>At 31 March 2023</b>	<b>1,233</b>	<b>116,619</b>	<b>46,416</b>	<b>7,743</b>	<b>(848)</b>	<b>291</b>	<b>437,221</b>	<b>608,675</b>

The adjustment to retained earnings of £1,073,000 (31 March 2022: £3,223,000) adds back the share based payments charge recognised in the Consolidated Income Statement, in accordance with IFRS 2 *Share Based Payments*.

There were net transactions with owners of £13,857,000 (31 March 2022: £10,012,000) made up of the Performance Share Plan credit of £1,073,000 (31 March 2022: £3,223,000) and related deferred tax charge of £nil (31 March 2022: charge of £1,325,000), dividends paid of £13,842,000 (31 March 2022: £12,582,000), the issued share capital of £10,000 (31 March 2022: £10,000) and corresponding share premium of £3,965,000 (31 March 2022: £4,610,000), purchase of own shares of £848,000 (31 March 2022: £nil), share settled Performance Share Plan awards charge of £3,536,000 (31 March 2022: £3,591,000), the share settled bonus awards charge of £439,000 (31 March 2022: £1,031,000), deferred bonus shares of £nil (31 March 2022: £620,000) and the revaluation deficit on valuation of shares of £240,000 (31 March 2022: profit of £54,000).

Company	Share capital £000	Share premium £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2021	1,478	107,990	7,478	1,987	305,462	424,395
Total comprehensive income	-	-	-	-	13,054	13,054
Issued share capital	10	4,664	-	-	-	4,674
Dividends paid	-	-	-	-	(12,582)	(12,582)
Cancelled deferred shares	(265)	-	265	-	-	-
<b>At 31 March 2022</b>	<b>1,223</b>	<b>112,654</b>	<b>7,743</b>	<b>1,987</b>	<b>305,934</b>	<b>429,541</b>
Total comprehensive income	-	-	-	-	38,013	38,013
Issued share capital	10	3,965	-	-	-	3,975
Dividends paid	-	-	-	-	(13,842)	(13,842)
<b>At 31 March 2023</b>	<b>1,233</b>	<b>116,619</b>	<b>7,743</b>	<b>1,987</b>	<b>330,105</b>	<b>457,687</b>

Total comprehensive income is made up of the profit after tax of £38,013,000 (2022: £13,054,000).

Included within changes in equity are net transactions with owners of £9,867,000 (2022: £7,908,000), being dividends paid of £13,842,000 (2022: £12,582,000) and issued share capital and corresponding share premium of £3,975,000 (2022: £4,674,000).

Notes:

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

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

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

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

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

## 1. Basis of Preparation

Helical plc (“the Company”) is a public company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England. The principal activities of the Company and its subsidiaries (“the Group”) and the nature of the Group’s operations are set out in the Strategic Report on pages 2 to 87.

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

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

Amendments to standards and interpretations which are mandatory for the year ended 31 March 2023 are detailed below, however none of these have had a material impact on the financial statements:

- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (effective for periods beginning on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018-2020 (effective for periods beginning on or after 1 January 2022);
- Amendments to IFRS 3 Reference to the Conceptual Framework (effective for periods beginning on or after 1 January 2022); and
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract (effective for periods beginning on or after 1 January 2022).

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

- Amendments to IFRS 17 Insurance Contracts (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (effective for periods beginning on or after 1 January 2023); and
- Amendments to IAS 8 Definition of Accounting Estimates (effective for periods beginning on or after 1 January 2023).

### Going Concern

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

The key assumptions used in the review are summarised below:

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

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

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

The April 2023 compliance position for these covenants is summarised below:

Covenant	Requirement	Actual
LTV	<65%	31%
LRV	<12.0x	8.25x
ICR	>150%	488%

The results of this review demonstrated the following:

- The forecasts show that all bank facility financial covenants will be met throughout the review period, with headroom to withstand a 32% fall in contracted rental income;
- The Group could withstand receiving no rental income during the going concern period (excluding the impact on income covenants);
- Property values could fall by 46% before loan to value covenants come under pressure;
- Whilst the Group has a WAULT of 5.0 years, in a downside scenario whereby all tenants with lease expiries or break options in the going concern period exercise their breaks or do not renew at the end of their lease, and with no vacant space let or re-let, the rental income covenants would be met throughout the review period; and
- Additional asset sales could be utilised to generate cash to repay debt, materially increasing covenant headroom.

Based on this analysis, the Directors have adopted a going concern basis in preparing the accounts for the year ended 31 March 2023.



## 2. Revenue from Contracts with Customers

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Development property income	4,921	7,490
Service charge income	8,372	8,304
Other income	–	28
<b>Total revenue from contracts with customers</b>	<b>13,293</b>	<b>15,822</b>

The total revenue from contracts with customers is the revenue recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*. Impairment of contract assets of £5,000 was recognised in the year to 31 March 2023 (2022: £5,000).

## 3. Segmental Information

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

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

	Investment Year ended 31.03.23 £000	Development Year ended 31.03.23 £000	Total Year ended 31.03.23 £000	Investment Year ended 31.03.22 £000	Development Year ended 31.03.22 £000	Total Year ended 31.03.22 £000
<b>Revenue</b>						
Gross rental income	36,555	–	36,555	35,324	–	35,324
Development property income	–	4,921	4,921	–	7,490	7,490
Service charge income	8,372	–	8,372	8,304	–	8,304
Other revenue	–	–	–	28	–	28
<b>Revenue</b>	<b>44,927</b>	<b>4,921</b>	<b>49,848</b>	<b>43,656</b>	<b>7,490</b>	<b>51,146</b>

### Major customers

For the year ending 31 March 2023, the Group had three tenants (2022: three) that contributed 10% or more to the gross rental income. The balances detailed below represent the approximate contribution by each major tenant.

Tenant 1: £7,010,000 (2022: £6,560,000)

Tenant 2: £3,885,000 (2022: £3,730,000)

Tenant 3: £3,820,000 (2022: £3,960,000)

	Investment Year ended 31.03.23 £000	Development Year ended 31.03.23 £000	Total Year ended 31.03.23 £000	Investment Year ended 31.03.22 £000	Development Year ended 31.03.22 £000	Total Year ended 31.03.22 £000
<b>Cost of sales</b>						
Rents payable	(157)	–	(157)	(169)	–	(169)
Property overheads	(2,092)	–	(2,092)	(4,069)	–	(4,069)
Service charge expense	(8,372)	–	(8,372)	(8,304)	–	(8,304)
Development cost of sales	–	(2,915)	(2,915)	–	(3,864)	(3,864)
Development sales expenses	–	(1)	(1)	–	(107)	(107)
(Provision)/reversal of provision	–	(30)	(30)	–	2,285	2,285
<b>Cost of sales</b>	<b>(10,621)</b>	<b>(2,946)</b>	<b>(13,567)</b>	<b>(12,542)</b>	<b>(1,686)</b>	<b>(14,228)</b>

All revenue is from external sales and is attributable to continuing operations. There were no inter-segmental sales.

Revenue for the year comprises revenue from other income £nil (2022: £28,000), revenue from services of £4,921,000 (2022: £7,490,000), service charge income of £8,372,000 (2022: £8,304,000) and rental income of £36,555,000 (2022: £35,324,000).

	Investment Year ended 31.03.23 £000	Development Year ended 31.03.23 £000	Total Year ended 31.03.23 £000	Investment Year ended 31.03.22 £000	Development Year ended 31.03.22 £000	Total Year ended 31.03.22 £000
<b>Profit before tax</b>						
Net property income	34,306	1,975	36,281	31,114	5,804	36,918
Share of results of joint ventures	4,867	(1,373)	3,494	20,603	105	20,708
(Loss)/gain on sale and revaluation of investment properties	(93,290)	–	(93,290)	33,266	–	33,266
Segmental (loss)/profit	(54,117)	602	(53,515)	84,983	5,909	90,892
Administrative expenses			(12,835)			(16,768)
Finance costs			(11,192)			(19,234)
Finance income			274			6
Change in fair value of derivative financial instruments			12,757			17,996
<b>(Loss)/profit before tax</b>			<b>(64,511)</b>			<b>72,892</b>

	Investment 31.03.23 £000	Development 31.03.23 £000	Total 31.03.23 £000	Investment 31.03.22 £000	Development 31.03.22 £000	Total 31.03.22 £000
<b>Net assets</b>						
Investment properties	681,682	–	681,682	938,797	–	938,797
Land and developments	–	28	28	–	2,089	2,089
Investment in joint ventures	84,255	3,075	87,330	96,157	4,447	100,604
	<b>765,937</b>	<b>3,103</b>	<b>769,040</b>	<b>1,034,954</b>	<b>6,536</b>	<b>1,041,490</b>
Owner occupied property, plant and equipment			4,351			4,631
Other investments			353			306
Derivative financial instruments			23,245			11,104
Trade and other receivables			24,935			33,776
Corporation tax receivable			7			338
Cash and cash equivalents			50,925			43,484
<b>Total assets</b>			<b>872,856</b>			<b>1,135,129</b>
<b>Total liabilities</b>			<b>(264,181)</b>			<b>(448,086)</b>
<b>Net assets</b>			<b>608,675</b>			<b>687,043</b>

All non-current assets are derived from the Group's UK operations.

## 4. Net Property Income

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Gross rental income	36,555	35,324
Head rents payable	(157)	(169)
Property overheads	(2,092)	(4,069)
Net rental income	34,306	31,086
Development property income	4,921	7,490
Development cost of sales	(2,915)	(3,864)
Sales expenses	(1)	(107)
(Provision)/reversal of provision	(30)	2,285
Development property profit	1,975	5,804
Other revenue	–	28
Net property income	36,281	36,918

Property overheads include lettings costs, vacancy costs and bad debt provisions. The amounts above include gross rental income from investment properties of £36,555,000 (2022: £35,324,000) and net rental income from investment properties of £34,306,000 (2022: £31,086,000). Included within gross rental income above is £1,609,000 (2022: £5,638,000) of accrued income for rent free periods.

## 5. Profit on Sale of Investment Properties

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Net proceeds/(costs) from the sale of investment properties	186,541	(45)
Book value (Note 14)	(169,570)	–
Tenants' incentives on sold investment properties	(12,407)	–
Profit/(loss) on sale of investment properties	4,564	(45)

## 6. Administrative Expenses

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Administrative expenses	12,835	16,768
Operating profit is stated after the following items that are contained within administrative expenses:		
Depreciation – Owner occupied property, plant and equipment	799	766
Share-based payments charge	1,073	3,223
Staff costs	7,755	9,233
Auditor's remuneration:		
Audit fees		
Payable to the Company's auditor for the audit of Parent Company and consolidated financial statements	230	210
Payable to the Company's auditor for the audit of Company's subsidiaries	96	92
Audit related assurance services	67	63
Other non-audit services	10	10
Operating lease costs	178	206

## 7. Staff Costs

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Staff costs during the year:		
Wages and salaries	6,508	7,194
Social security costs	959	1,747
Other pension costs	288	292
	7,755	9,233

Details of the remuneration of Directors amounting to £4,981,000 (2022: £6,536,000) are included in the Directors' Remuneration Report on pages 109 to 130. Included within wages and salaries are Directors' bonuses of £1,008,000 (2022: £1,902,000) as discussed in the Directors' Remuneration Report on pages 109 to 130.

Other pension costs relate to payments to individual pension plans.

The average monthly number of employees of the Group during the year was 26 (2022: 28), all of whom are UK head office staff employed by Helical Services Limited, a subsidiary of the Group. There were averages of five (2022: five) management, five (2022: seven) Property Executives and 16 (2022: 16) administrative staff.

Within administrative costs is the share-based payments charge for the year of £1,073,000 (2022: £3,223,000) which is not included in the staff costs above. The amount of the share-based payments charge relating to share awards made to Directors is £725,000 (2022: £2,148,000).

## 8. Net Finance Costs and Change in Fair Value of Derivative Financial Instruments

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Interest payable on bank loans and overdrafts	(8,284)	(10,169)
Other interest payable and similar charges	(2,780)	(3,179)
Total before cancellation of loans	(11,064)	(13,348)
Cancellation of loans	(128)	(5,886)
Finance costs	(11,192)	(19,234)
Finance income	274	6
Net finance costs	(10,918)	(19,228)
Change in fair value of derivative financial instruments	12,757	17,996
Net finance costs and change in fair value of derivative financial instruments	1,839	(1,232)

No interest has been capitalised in the year to 31 March 2023 (2022: £nil).

## 9. Tax on Profit on Ordinary Activities

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
The tax charge is based on the profit for the year and represents:		
United Kingdom corporation tax at 19% (2022: 19%)		
Group corporation tax	–	–
Adjustment in respect of prior years	–	1,146
Use of tax losses	–	(38)
Current tax credit	–	1,108
Deferred tax		
Capital allowances	–	4,540
Tax losses	–	(1,024)
Unrealised chargeable gains	–	13,512
Other temporary differences	–	(2,134)
Deferred tax credit	–	14,894
Total tax credit for the year	–	16,002

### Factors Affecting the Tax Charge for the Year

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK.

The differences are explained below:

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
(Loss)/profit on ordinary activities before tax	(64,511)	72,892
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	12,257	(13,849)
Effect of:		
Tax-exempt property rental business profit of the REIT	2,776	–
Net (expenses)/income not (deductible)/taxable for tax purposes	(294)	52
Capital allowances claims and adjustments not recognised through deferred tax	995	1,273
Tax movements on share awards	428	1,281
Operating profit of joint ventures	664	3,935
Current tax charge adjustment in respect of prior periods	–	1,146
Tax losses not recognised through deferred tax	(351)	(1,068)
Movement on sale and revaluation not recognised through deferred tax	(18,592)	6,329
Chargeable gain less than profit or loss on investment property	867	–
Movement on derivatives not recognised through deferred tax	1,167	3,373
Release of deferred tax liability on conversion to a UK REIT	–	13,569
Payment for use of tax losses	–	(39)
Other timing differences not recognised through deferred tax	83	–
Total tax credit for the year	–	16,002

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

On conversion to a REIT, the deferred tax assets and liabilities previously recognised associated with the Group's property business were released. The majority of the liability released related to unrealised revaluation gains on the Group's investment properties. In addition, previously recognised deferred tax assets were released on the basis that it is no longer probable that sufficient taxable profits will be generated in the non-property business in the future against which these assets could be offset. At 31 March 2023, no deferred tax was recognised (31 March 2022: £nil). On the basis that the Group continues to meet the REIT regime conditions there has been no change to the position regarding recognition of deferred tax assets and liabilities in the year ended 31 March 2023.

The Group contains entities with tax losses for which no deferred tax asset is recognised. The total unrecognised losses amount to approximately £12,694,000 (31 March 2022: £13,901,000). Following the Group's conversion to a REIT, a deferred tax asset has not been recognised because the entities in which the losses have been generated either do not have forecast taxable profits or the losses have restrictions on their use whereby their utilisation is considered to be unlikely.



## 10. Deferred Tax

Deferred tax provided for in the financial statements is set out below:

	31.3.23 Group £000	31.3.22 Group £000	31.3.23 Company £000	31.3.22 Company £000
Capital allowances	-	-	-	-
Tax losses	-	-	-	-
Unrealised chargeable gains	-	-	-	-
Other temporary differences	-	-	-	-
Deferred tax liability	-	-	-	-

## 11. Dividends Paid and Payable

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Attributable to equity share capital		
Ordinary		
- Interim paid 3.05p per share (2022: 2.90p)	3,750	3,547
- Prior year final paid 8.25p per share (2021: 7.40p)	10,092	9,035
	13,842	12,582

A final dividend of 8.70p, if approved at the AGM on 13 July 2023, will be paid on 28 July 2023 to the Shareholders on the register on 23 June 2023. This final dividend, amounting to £10,732,000, has not been included as a liability as at 31 March 2023, in accordance with IFRS.

## 12. Parent Company

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income Statement in the financial statements. The profit for the year of the Company was £38,013,000 (2022: £13,054,000).

## 13. Earnings Per Share

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

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

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

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

	Year ended 31.3.23 000	Year ended 31.3.22 000
Ordinary shares in issue	123,355	122,325
Weighting adjustment	(613)	(241)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	122,742	122,084
Weighted average ordinary shares issued on share settled bonuses	561	662
Weighted average ordinary shares to be issued under Performance Share Plan	846	1,700
Adjustment for anti-dilutive shares	(1,407)	-
Weighted average ordinary shares in issue for calculation of diluted (loss)/earnings per share	122,742	124,446

	£000	£000
(Loss)/earnings used for calculation of basic and diluted earnings per share	(64,511)	88,894
Basic (loss)/earnings per share	(52.6)p	72.8p
Diluted (loss)/earnings per share	(52.6)p	71.4p

	£000	£000
(Loss)/earnings used for calculation of basic and diluted earnings per share	(64,511)	88,894
Net loss/(gain) on sale and revaluation of investment properties		
- subsidiaries	93,290	(33,266)
- joint ventures	(5,161)	(18,473)
Tax on profit on disposal of investment properties	463	-
Loss/(gain) on movement in share of joint ventures	564	(820)
Fair value movement on derivative financial instruments	(12,757)	(17,996)
Expense on cancellation of loans	128	5,886
Deferred tax on adjusting items	(503)	(17,844)
Earnings used for calculations of EPRA earnings per share	11,513	6,381
EPRA earnings per share	9.4p	5.2p

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

## 14. Investment Properties

	Freehold 31.3.23 £000	Leasehold 31.3.23 £000	Total 31.3.23 £000	Freehold 31.3.22 £000	Leasehold 31.3.22 £000	Total 31.3.22 £000
Book value at 1 April	736,907	201,890	938,797	544,125	196,082	740,207
Additions at cost	10,418	91	10,509	164,574	931	165,505
Disposals	(29,770)	(139,800)	(169,570)	-	-	-
Letting cost amortisation	(101)	(99)	(200)	(54)	(172)	(226)
Revaluation (deficit)/surplus	(91,812)	(6,042)	(97,854)	28,262	5,049	33,311
Book value at 31 March	625,642	56,040	681,682	736,907	201,890	938,797

Investment properties are stated at fair value as at 31 March 2023 as follows:

Group	Freehold 31.3.23 £000	Leasehold 31.3.23 £000	Total 31.3.23 £000	Freehold 31.3.22 £000	Leasehold 31.3.22 £000	Total 31.3.22 £000
Book value at 31 March	625,642	56,040	681,682	736,907	201,890	938,797
Lease incentives and letting costs included in trade and other receivables	12,608	1,379	13,987	15,843	8,993	24,836
Head leases capitalised	-	(2,119)	(2,119)	-	(2,133)	(2,133)
Fair value at 31 March	638,250	55,300	693,550	752,750	208,750	961,500

Interest capitalised in respect of the refurbishment of investment properties at 31 March 2023 amounted to £9,620,000 (31 March 2022: £13,102,000). Interest capitalised during the year in respect of the refurbishment of investment properties amounted to £nil (31 March 2022: £nil) and an amount of £3,482,000 (31 March 2022: £nil) was released on the sale of the properties in the year.

Investment properties with a total fair value of £693,400,000 (31 March 2022: £930,350,000) were held as security against borrowings.

The historical cost of investment property is £633,237,000 (31 March 2022: £739,231,000). The anticipated capital expenditure included in valuations reflect our commitment to achieving the highest standards of sustainability. Any capex contractually committed is included in Note 32.

#### 14. Investment Properties continued

All of the Group's properties are Level 3, as defined by IFRS 13 *Fair Value Measurement*, in the fair value hierarchy as at 31 March 2023 and there were no transfers between levels during the year. Level 3 inputs used in valuing the properties are those which are unobservable, as opposed to Level 1 (inputs from quoted prices) and Level 2 (observable inputs either directly, i.e. as prices, or indirectly, i.e. derived from prices).

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer.

##### Valuation Methodology

The fair value of the Group's investment property as at 31 March 2023 was determined by independent external valuers at that date, except for investment properties valued by the Directors. The valuations are in accordance with the RICS Valuation – Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties.

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

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

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

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

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

A sensitivity analysis was performed to ascertain the impact of a 25 and 50 basis point movement ("bps") in the equivalent yield and a 5% and 2.5% movement in ERVs for the wholly owned investment portfolio:

	Group 31.3.23 £000	Total change in portfolio value %	Total change in portfolio value £m
True equivalent yield	5.35%		
+ 50 bps		(5.7)	(39.7)
+ 25 bps		(2.4)	(16.5)
- 25 bps		5.3	36.8
- 50 bps		9.7	67.5
ERV	£78.09psf		
+ 5.00%		3.3	22.6
+ 2.50%		1.6	11.2
- 2.50%		(1.6)	(10.9)
- 5.00%		(3.1)	(21.7)

	Group 31.3.22 £000	Total change in portfolio value %	Total change in portfolio value £m
True equivalent yield	4.63%		
+ 50 bps		(13.0)	(124.7)
+ 25 bps		(6.8)	(65.6)
- 25 bps		7.6	73.4
- 50 bps		16.2	156.0
ERV	£70.02psf		
+ 5.00%		5.6	53.6
+ 2.50%		2.8	26.7
- 2.50%		(2.8)	(26.7)
- 5.00%		(5.5)	(53.2)

The investment properties have been valued at 31 March 2023 as follows:

	Group 31.3.23 £000	Group 31.3.22 £000
Cushman & Wakefield LLP	693,550	961,350
Directors' valuation	150	150
	<b>693,700</b>	961,500

#### 15. Operating Lease Arrangements

The Group earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. At the Balance Sheet date, the Group had contracted with tenants to receive the following future minimum lease payments:

	Group 31.3.23 £000	Group 31.3.22 £000
Not later than one year	30,276	33,357
Later than one year but not more than two years	22,296	37,163
Later than two years but not more than three years	19,613	28,902
Later than three years but not more than four years	17,876	27,380
Later than four years but not more than five years	9,514	25,605
More than five years	53,659	94,616
	<b>153,234</b>	247,023

The Company has no operating lease arrangements as lessor.

#### 16. Owner Occupied Property, Plant and Equipment

Group	Leasehold property and improvements 31.3.23 £000	Plant and equipment 31.3.23 £000	Total 31.3.23 £000	Leasehold property and improvements 31.3.22 £000	Plant and equipment 31.3.22 £000	Total 31.3.22 £000
Cost at 1 April	7,138	555	7,693	7,138	571	7,709
Additions at cost	290	259	549	–	68	68
Disposals	–	(129)	(129)	–	(84)	(84)
Cost at 31 March	7,428	685	8,113	7,138	555	7,693
Depreciation at 1 April	2,689	373	3,062	2,020	327	2,347
Provision for the year	671	128	799	669	97	766
Eliminated on disposals	–	(99)	(99)	–	(51)	(51)
Depreciation at 31 March	3,360	402	3,762	2,689	373	3,062
Net book amount at 31 March	4,068	283	4,351	4,449	182	4,631

Plant and equipment include vehicles, fixtures and fittings and other office equipment.

All leasehold property and improvements and plant and equipment relate to the Company.

Included within leasehold property and improvements is a right-of-use asset with a net book value of £2,980,000 (31 March 2022: £3,501,000).

#### 17. Investment in Subsidiaries

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
Cost at 1 April	–	–	239,021	241,457
Additions	–	–	–	7,569
Disposals	–	–	–	(10,005)
Cost at 31 March	–	–	239,021	239,021
Impairment at 1 April	–	–	28,680	32,874
Impaired during the year	–	–	–	5,806
Disposals	–	–	–	(10,000)
Impairment at 31 March	–	–	28,680	28,680
Net book amount at 31 March	–	–	210,341	210,341

A list of all the Company's subsidiary undertakings, all of which have been consolidated, is shown in Note 39 to the financial statements.



## 18. Investment in Joint Ventures

Summarised consolidated Income Statements	Investment 31.3.23 £000	Development 31.3.23 £000	Total 31.3.23 £000	Investment 31.3.22 £000	Development 31.3.22 £000	Total 31.3.22 £000
<b>Revenue</b>	<b>216</b>	<b>9,925</b>	<b>10,141</b>	226	9,269	9,495
Gross rental income	216	71	287	226	91	317
Property overheads	(1,057)	(46)	(1,103)	(130)	(45)	(175)
Net rental (expense)/income	(841)	25	(816)	96	46	142
Gain on revaluation of investment properties	5,095	–	5,095	18,323	150	18,473
Gain on sale of investment properties	49	17	66	–	–	–
Development property gain	–	1,262	1,262	–	764	764
	<b>4,303</b>	<b>1,304</b>	<b>5,607</b>	18,419	960	19,379
Administrative expenses	(282)	(177)	(459)	(227)	(68)	(295)
	<b>4,021</b>	<b>1,127</b>	<b>5,148</b>	18,192	892	19,084
Interest payable on bank loans	(2,702)	(1)	(2,703)	(2,124)	(283)	(2,407)
Other interest payable and similar charges	(203)	–	(203)	(181)	–	(181)
Interest capitalised	1,815	–	1,815	2,142	–	2,142
Finance income	11	12	23	–	–	–
<b>Profit before tax</b>	<b>2,942</b>	<b>1,138</b>	<b>4,080</b>	18,029	609	18,638
Tax (charge)/credit	(335)	313	(22)	1,666	(417)	1,249
Profit after tax	2,607	1,451	4,058	19,695	192	19,887
Adjustment for Barts Square economic interest <sup>1</sup>	(564)	–	(564)	909	(88)	821
<b>Share of results of joint ventures</b>	<b>2,043</b>	<b>1,451</b>	<b>3,494</b>	20,604	104	20,708

<sup>1</sup> This is an adjustment to reflect the impact of the consolidation of a joint venture at its economic interest of 50.0% (2022: 46.0%) rather than its actual ownership interest of 33.3%.

Summarised consolidated Balance Sheets	Investment 31.3.23 £000	Development 31.3.23 £000	Total 31.3.23 £000	Investment 31.3.22 £000	Development 31.3.22 £000	Total 31.3.22 £000
<b>Non-current assets</b>						
Investment properties	150,151	–	150,151	138,435	1,610	140,045
Owner occupied property, plant and equipment	–	109	109	–	40	40
	<b>150,151</b>	<b>109</b>	<b>150,260</b>	138,435	1,650	140,085
<b>Current assets</b>						
Land and developments	–	539	539	–	8,349	8,349
Trade and other receivables	652	75	727	2,275	252	2,527
Deferred tax	(509)	509	–	172	–	172
Cash and cash equivalents	1,163	2,586	3,749	536	3,938	4,474
	<b>1,306</b>	<b>3,709</b>	<b>5,015</b>	2,983	12,539	15,522
<b>Current liabilities</b>						
Trade and other payables	(2,596)	(736)	(3,332)	(8,298)	(1,764)	(10,062)
	<b>(2,596)</b>	<b>(736)</b>	<b>(3,332)</b>	<b>(8,298)</b>	<b>(1,764)</b>	<b>(10,062)</b>
<b>Non-current liabilities</b>						
Trade and other payables	(400)	(6)	(406)	(402)	(6)	(408)
Borrowings	(59,416)	–	(59,416)	(39,585)	–	(39,585)
Lease liability	(4,927)	–	(4,927)	(4,744)	–	(4,744)
Deferred tax	–	–	–	–	(297)	(297)
	<b>(64,743)</b>	<b>(6)</b>	<b>(64,749)</b>	<b>(44,731)</b>	<b>(303)</b>	<b>(45,034)</b>
<b>Net assets before acquisition costs</b>	<b>84,118</b>	<b>3,076</b>	<b>87,194</b>	88,389	12,122	100,511
Acquisition costs	136	–	136	93	–	93
<b>Net assets</b>	<b>84,254</b>	<b>3,076</b>	<b>87,330</b>	88,482	12,122	100,604

The fair value of the investment properties at 31 March 2023 is as follows:

	Total 31.3.23 £000	Total 31.3.22 £000
Book value at 31 March	150,151	140,045
Lease incentives and letting costs included in trade and other receivables	185	166
Head leases capitalised	(4,361)	(4,391)
Fair value at 31 March	<b>145,975</b>	135,820

The Directors' valuation of land and developments shows a surplus of £nil (31 March 2022: £nil) above book value.

Dividends of £16,812,000 were received from joint venture companies during the year (2022: £3,381,000). The joint venture companies are private companies, therefore no quoted market prices are available for their shares.

The cost of the Company's investment in joint ventures was £nil (31 March 2022: £nil).

The Group has two material joint ventures (31 March 2022: two). The full results and position of these joint ventures are set out below, of which we have included our share in the above table.

Summarised Income Statement	Barts LP Group 31.03.23 £000	Charterhouse Street Group 31.03.23 £000	Other 31.03.23 £000	Total £000 31.03.23	Our share 31.03.23 £000	Our share 31.03.22 £000
<b>Revenue</b>	<b>20,229</b>	<b>54</b>	<b>–</b>	<b>20,283</b>	<b>10,141</b>	9,495
Gross rental income	519	54	–	573	287	317
Property overheads	(534)	(1,671)	–	(2,205)	(1,103)	(175)
Net rental (costs)/income	(15)	(1,617)	–	(1,632)	(816)	142
Development gain	2,525	–	–	2,525	1,262	764
(Loss)/gain on revaluation of investment properties	(1,470)	11,660	–	10,190	5,095	18,473
Gain on sale of investment properties	132	–	–	132	66	–
Administrative expenses	(674)	(239)	(8)	(921)	(459)	(295)
Finance costs	(6)	(5,400)	–	(5,406)	(2,703)	(2,407)
Interest capitalised	–	3,629	–	3,629	1,815	2,142
Lease liability interest	–	(406)	–	(406)	(203)	(181)
Finance income	46	–	1	47	23	–
<b>Profit/(loss) before tax</b>	<b>538</b>	<b>7,627</b>	<b>(7)</b>	<b>8,158</b>	<b>4,080</b>	18,638
Tax (charge)/credit	(42)	–	–	(42)	(22)	1,249
Adjustment for Barts Square economic interest <sup>1</sup>	(564)	–	–	(564)	(564)	821
<b>(Loss)/profit after tax</b>	<b>(68)</b>	<b>7,627</b>	<b>(7)</b>	<b>7,552</b>	<b>3,494</b>	20,708

<sup>1</sup> This adjustment reflects the impact of the consolidation of a joint venture at its economic interest of 50.0% (2022: 46.0%) rather than its actual ownership interest of 33.3%.

Summarised Balance Sheets	Barts LP Group 31.03.23 £000	Charterhouse Street Group 31.03.23 £000	Other 31.03.23 £000	Total £000 31.03.23	Our share 31.03.23 £000	Our share 31.03.22 £000
<b>Non-current assets</b>						
Investment properties	9,134	291,169	–	300,303	150,151	140,045
Owner occupied property, plant and equipment	219	–	–	219	109	40
	<b>9,353</b>	<b>291,169</b>	<b>–</b>	<b>300,522</b>	<b>150,260</b>	140,085
<b>Current assets</b>						
Land, development and trading properties	1,078	–	–	1,078	539	8,349
Trade and other receivables	943	475	34	1,452	727	2,527
Deferred tax	–	–	–	–	–	172
Cash and cash equivalents	5,912	1,073	512	7,497	3,749	4,474
	<b>7,933</b>	<b>1,548</b>	<b>546</b>	<b>10,027</b>	<b>5,015</b>	15,522
<b>Current liabilities</b>						
Trade and other payables	(2,681)	(3,975)	(8)	(6,664)	(3,332)	(10,062)
	<b>(2,681)</b>	<b>(3,975)</b>	<b>(8)</b>	<b>(6,664)</b>	<b>(3,332)</b>	(10,062)
<b>Non-current liabilities</b>						
Borrowings	–	(118,831)	–	(118,831)	(59,416)	(39,585)
Lease liability	–	(9,853)	–	(9,853)	(4,927)	(4,744)
Trade and other payables	–	(800)	(13)	(813)	(406)	(408)
Deferred tax	–	–	–	–	–	(297)
	<b>–</b>	<b>(129,484)</b>	<b>(13)</b>	<b>(129,497)</b>	<b>(64,749)</b>	(45,034)
<b>Net assets before acquisition costs</b>	<b>14,605</b>	<b>159,258</b>	<b>525</b>	<b>174,388</b>	<b>87,194</b>	100,511
Acquisition costs	–	273	–	273	136	93
<b>Net assets</b>	<b>14,605</b>	<b>159,531</b>	<b>525</b>	<b>174,661</b>	<b>87,330</b>	100,604

## 18. Investment in Joint Ventures continued

At 31 March 2023 the Group and the Company had legal interests in the following joint venture companies:

	Country of incorporation	Class of share capital held	Proportion held Group	Proportion held Company	Nature of business
Barts, L.P.	United States	n/a	33%	–	Investment
Barts One Limited	Jersey	Ordinary	33%	–	Investment
Barts Two Limited	Jersey	Ordinary	33%	–	Investment
Barts Close Office Limited	Jersey	Ordinary	33%	–	Investment
Barts Square First Office Limited	Jersey	Ordinary	33%	–	Investment
Barts Square Active One Limited	Jersey	Ordinary	33%	–	Investment
Barts Square First Residential Limited	Jersey	Ordinary	33%	–	Investment
Barts Square First Limited	United Kingdom	Ordinary	33%	–	Development
Barts Square Land One Limited	United Kingdom	Ordinary	33%	–	Development
OBC Development Management Limited	United Kingdom	Ordinary	33%	–	Development
Barts Square Second Limited	United Kingdom	Ordinary	33%	–	Development
Old Street Holdings LP	Jersey	n/a	33%	–	Investment
Abbeygate Helical (Leisure Plaza) Limited	United Kingdom	Ordinary	50%	50%	Development
Abbeygate Helical (C4.1) LLP	United Kingdom	n/a	50%	50%	Development
Shirley Advance LLP	United Kingdom	n/a	50%	–	Development
Haslucks Green Limited	United Kingdom	Ordinary	50%	–	Development
Charterhouse Place Limited	United Kingdom	Ordinary	50%	–	Investment
Charterhouse Street Limited	Jersey	Ordinary	50%	–	Investment

There are a number of companies which are accounted for as joint ventures where the Group has an equity interest of less than 50%. This typically occurs where the Group's joint venture partner is providing a greater share of finance into the Company, with the Group contributing a greater share towards the day-to-day management of the underlying project. Key business decisions require unanimous agreement from the Group and its partner, therefore management judges that both parties control the entity equally and it is therefore considered appropriate to account for our interest as a joint venture.

Under the Barts Square joint venture agreement the Group is entitled to varying returns dependent upon the performance of the development. Whilst the Group holds a 33.3% legal share in the Barts LP Group, it has accounted for its share at 50.0% (2022: 46.0%) to reflect its expected economic interest in the joint venture.

## 19. Other Investments

Group	Total 31.3.23 £000	Total 31.3.22 £000
Book value at 1 April	306	–
Acquisitions	47	306
At 31 March	353	306

On 6 August 2021, the Group entered into a commitment of £1,000,000 to invest in the Pi Labs European PropTech venture capital fund ("Fund") of which £47,000 (2022: £306,000) was invested during the year. The Fund is focused on investing in the next generation of proptech businesses.

The fair value of the Group's investment is based on the net asset value of the Fund, representing Level 3 fair value measurement as defined in IFRS 13 *Fair Value Measurement*.

## 20. Land and Developments

Group	Total 31.3.23 £000	Total 31.3.22 £000
At 1 April	2,089	448
Acquisitions and construction costs	–	2,913
Disposals	(2,031)	(3,557)
(Provision)/reversal of provision	(30)	2,285
At 31 March	28	2,089

The Directors' valuation of land and developments shows a surplus of £302,000 (31 March 2022: £302,000) above book value. This surplus has been included in the EPRA net asset value (Note 34).

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

Land and developments with carrying values totalling £nil (31 March 2022: £nil) were held as security against borrowings.

The Company had £nil (31 March 2022: £nil) of land and developments.

## 21. Trade and Other Receivables

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Due within 1 year</b>				
Trade receivables	2,517	4,130	–	–
Amounts owed by joint venture undertakings	664	495	207	28
Other receivables	88	267	194	50
Prepayments	1,990	4,310	609	577
Accrued income	19,676	24,574	–	–
	24,935	33,776	1,010	655

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

Included within accrued income are lease incentives of £13,987,000 (31 March 2022: £22,965,000).

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Due after 1 year</b>				
Amounts owed by Group undertakings	–	–	377,785	405,616
	–	–	377,785	405,616

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Receivables</b>				
Not past due	3,586	3,508	378,186	405,694
Past due < 3 months	221	1,277	–	–
Past due > 3 months	541	1,716	–	–
Total receivables being financial assets	4,348	6,501	378,186	405,694
Total receivables being non-financial assets	20,587	27,275	609	577
Total receivables	24,935	33,776	378,795	406,271

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

Past due receivables not impaired relate to a number of independent customers for whom there is no recent history of default. Against trade receivables, Helical held £9,069,000 of rental deposits (31 March 2022: £14,677,000) which have now been restated as cash (see Note 37).

Movements in the loss allowance of trade receivables are as follows:

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
Gross receivables being financial assets	5,766	7,887	391,657	414,169
Provisions for receivables impairment	(1,418)	(1,386)	(13,471)	(8,475)
Net receivables being financial assets	4,348	6,501	378,186	405,694
Receivables written-off during the year as uncollectable	86	705	–	–

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

Amounts owed by subsidiary undertakings have been considered for impairment using the 12 months expected credit loss model because there have been no changes in credit risk since initial recognition. The expected credit losses on amounts owed by Group companies is insignificant (2022: insignificant).

Amounts are written off when it is determined that the Group company will not have sufficient assets or future income to repay the balance.



## 21. Trade and Other Receivables continued

The following table shows the movement in lifetime Estimated Credit Loss ("ECL") that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	Group £000	Company £000
Balance as at 31 March 2021	950	-
Net remeasurement of loss allowance	(391)	-
Amounts written off	827	-
Amounts recovered	-	-
<b>Balance as at 31 March 2022</b>	<b>1,386</b>	<b>-</b>
<b>Net remeasurement of loss allowance</b>	<b>170</b>	<b>-</b>
<b>Amounts recovered</b>	<b>(138)</b>	<b>-</b>
<b>Balance as at 31 March 2023</b>	<b>1,418</b>	<b>-</b>

Included in total receivables being financial assets above are contract balances and receivables from contracts with customers, as defined by IFRS 15 *Revenue from Contracts with Customers*, as follows:

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Contract assets from contracts with customers</b>				
At 1 April	530	268	-	-
Additions	3,072	530	-	-
Received during the year	-	(268)	-	-
At 31 March	3,602	530	-	-

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Receivables from contracts with customers</b>				
At 1 April	1,007	2,505	-	-
Additions	-	-	-	-
Received during the year	-	(1,498)	-	-
At 31 March	1,007	1,007	-	-

Contract assets are typically recognised when the Group recognises revenue on partial completion of performance obligations, ordinarily the construction and letting of buildings in its role as development manager. Receivables are recognised when the Group has an unconditional right to consideration. Cash is typically received once a building is practically complete and a large proportion of the lettable area is subject to leases; this may occur in tranches.

## 22. Cash and Cash Equivalents

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
Cash held at managing agents	4,156	10,589	3	3
Rental deposits	9,069	14,677	-	-
Restricted cash	9,495	3,978	96	81
Cash deposits	28,205	14,240	23,832	1,713
	50,925	43,484	23,931	1,797

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

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

## 23. Trade and Other Payables

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
Trade payables	15,212	23,122	793	1,117
Social security costs and other taxation	1,944	3,867	-	-
Amounts owed to subsidiary undertakings	-	-	153,827	186,052
Other payables	192	90	96	768
Accruals	5,404	7,418	933	822
Deferred income	8,480	9,489	-	-
	31,232	43,986	155,649	188,759

## 24. Lease Liability

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
Current lease liability	683	658	683	658
Non-current lease liability	5,589	6,271	3,399	4,082

Included within the lease liability are £683,000 (31 March 2022: £658,000) of current and £3,399,000 (31 March 2022: £4,082,000) of non-current lease liabilities which relate to the long leasehold of the Group's head office.

Finance lease obligations in respect of the Group's leasehold properties are payable as follows:

	Minimum lease payments 31.3.23 £000	Interest 31.3.23 £000	Present value of minimum lease payments 31.3.23 £000	Minimum lease payments 31.3.22 £000	Interest 31.3.22 £000	Present value of minimum lease payments 31.3.22 £000
Not later than one year	922	(29)	893	922	(30)	892
Later than one year but not more than five years	3,689	(393)	3,296	3,689	(401)	3,288
More than five years	15,497	(13,414)	2,083	16,420	(13,671)	2,749
	20,108	(13,836)	6,272	21,031	(14,102)	6,929

The lease liabilities relate to the lease of the Group's head office and to ground rents payable in respect of the head lease at 25 Charterhouse Square, EC1 (the lease term is 155 years). The associated assets of £2,980,000 (31 March 2022: £3,501,000) and £2,119,000 (31 March 2022: £2,133,000) are shown in Note 16 and Note 14, respectively.

## 25. Borrowings

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
Current borrowings	-	-	-	-
Borrowings repayable within:				
two to three years	-	100,000	-	-
three to four years	226,677	296,633	-	-
Non-current borrowings	226,677	396,633	-	-
Total borrowings	226,677	396,633	-	-

Term loans in creditors falling due within one year and after one year are secured against properties held in the normal course of business by subsidiary undertakings to the fair value of £693,400,000 (31 March 2022: £930,350,000). These will be repayable when the underlying properties are sold. Bank overdrafts and term loans exclude the Group's share of borrowings in joint venture companies of £59,416,000 (31 March 2022: £39,585,000).

## 26. Financing and Derivative Financial Instruments

The policies for dealing with liquidity and interest rate risk are noted in our principal risks on pages 166 to 167.

	Group 31.3.23 £000	Group 31.3.22 £000
Due after more than one year	226,677	396,633
	226,677	396,633

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2023 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.23 £000	Group 31.3.22 £000
Expiring in one year or less	10,000	70,000
Expiring in more than three years but not more than four years	170,000	–
	180,000	70,000

Interest rates – Group	%	Expiry	Group 31.3.23 £000	%	Expiry	Group 31.3.22 £000
Derivatives:						
swap rate plus bank margin	3.636	Jul 2026	50,000	–	–	–
swap rate plus bank margin	2.283	Jul 2026	50,000	–	–	–
swap rate plus bank margin	–	–	–	3.180	Apr 2024	50,000
swap rate plus bank margin	–	–	–	2.620	Aug 2024	50,000
swap rate plus bank margin	–	–	–	2.600	Aug 2024	50,000
swap rate plus bank margin	3.362	Jun 2026	50,000	3.510	Jun 2026	50,000
swap rate plus bank margin	2.445	Jul 2026	50,000	2.600	Jul 2026	50,000
swap rate plus bank margin	2.387	Jul 2026	50,000	2.540	Jul 2026	50,000
Weighted average	2.823	Jul 2026	250,000	2.841	Jul 2025	300,000
Floating rate borrowings	–	–	–	3.522	May 2025	100,000
Unmatched derivatives	6.085	Jul 2026	(20,000)	–	–	–
Unamortised finance costs			(3,323)			(3,367)
Total borrowings	3.366	Jul 2026	226,677	3.011	May 2025	396,633

The above table shows the extent that interest rate swaps fix the interest rates on our borrowings.

Floating rate borrowings bear interest at rates based on SONIA.

The Group had no caps or floors at 31 March 2023.

At 31 March 2023 the Company had no interest rate swaps, caps or floors (31 March 2022: nil).

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000
<b>Gearing</b>		
Total borrowings	226,677	396,633
Cash	(50,925)	(43,484)
Net borrowings	175,752	353,149

Net borrowings exclude the Group's share of borrowings in joint ventures of £59,416,000 (31 March 2022: £39,585,000) and cash of £3,749,000 (31 March 2022: £4,474,000). All borrowings in joint ventures are secured.

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000
Net assets	608,675	687,043
Gearing	29%	51%

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

## 27. Share Capital

	31.3.23 £000	31.3.22 £000
Authorised	39,577	39,577

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

	31.3.23 £000	31.3.22 £000
<b>Allotted, called up and fully paid:</b>		
123,355,197 (31 March 2022: 122,325,413) ordinary shares of 1p each	1,233	1,223
	1,233	1,223

	Shares in issue 31.3.23 Number	Share capital 31.3.23 £000	Shares in issue 31.3.22 Number	Share capital 31.3.22 £000
<b>Ordinary shares</b>				
At 1 April	122,325,413	1,223	121,265,710	1,213
Issued share capital	1,029,784	10	1,059,703	10
At 31 March	123,355,197	1,233	122,325,413	1,223

## Capital Management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to Shareholders.

The Group sets the amount of capital in proportion to its overall financing structure. It manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, or sell assets to reduce debt. Capital is defined as being issued share capital, share premium, retained earnings, revaluation reserve and other reserves (2023: £600,932,000, 2022: £679,300,000). The Group continually monitors its gearing level to ensure that it is appropriate. Gearing decreased from 51% (restated) to 29% in the year resulting from the sale of property and the corresponding repayment of loan facilities.

## 28. Share Options

At 31 March 2023 and 31 March 2022 there were no unexercised options over new ordinary 1p shares in the Company.



## 29. Share-Based Payments

The Group provides share-based payments to employees in the form of Performance Share Plan (“PSP”) awards and a Share Incentive Plan. The Group uses a combination of the Black-Scholes and stochastic valuation models and the resulting value is amortised through the Consolidated Income Statement over the vesting period of the share-based payments. Details of the performance criteria are set out on page 120.

	2023		2022	
Performance Share Plan awards	Awards	Weighted average award value	Awards	Weighted average award value
Outstanding at beginning of the year	3,600,736	355p	3,639,802	359p
Awards vested during the year	(916,140)	321p	(834,104)	324p
Awards lapsed during the year	(316,956)	321p	(299,426)	324p
Awards made during the year	1,204,172	296p	1,094,464	362p
Outstanding at end of the year	3,571,812	347p	3,600,736	355p

All awards have an exercise price of £nil (2022: £nil).

The weighted average share price at the date of exercise for the share options exercised during the year was 386.00p (2022: 430.50p).

The PSP awards outstanding at 31 March 2023 had a weighted average remaining contractual life of one year and three months.

The fair value of the awards made in the year to 31 March 2023 was £3,562,000 (2022: £3,960,000). These were granted on 27 July 2022.

The inputs into the Black-Scholes and stochastic models of valuation of the PSP awards made in the year to 31 March 2023 were as follows:

	2023	2022	2021
Weighted average share price	296.0p	362.0p	342.0p
Weighted average exercise price	–	–	–
Expected volatility	34%	31%	35%
Expected life	3 years	3 years	3 years
Risk free rate	1.75%	0.14%	(0.04)%
Expected dividends	0.00%	0.00%	0.00%

The Group recognised a charge of £1,073,000 (2022: £3,223,000) during the year in relation to share-based payments.

Volatility is measured by calculating the standard deviation of the natural logarithm of share price movements for the period prior to the date of grant which is commensurate with the remaining length of the performance period.

At the Balance Sheet date there were no exercisable awards. There is a two-year holding period for vested awards for Directors.

## 30. Changes in Liabilities Arising from Financing Activities

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those whose cash flows were, or future cash flows will be, classified in the Consolidated and Company Cash Flow Statements as cash flows from financing activities.

	Group £000	Company £000
At 31 March 2021	343,632	–
Financing cash flows:	–	–
Borrowings drawn down	190,000	–
Borrowings repaid	(131,150)	–
Finance lease repayments	(631)	–
Other changes	1,053	–
<b>At 31 March 2022</b>	<b>402,904</b>	<b>–</b>
Financing cash flows:	–	–
Borrowings repaid	(170,000)	–
Finance lease repayments	(659)	–
Other changes	21	–
<b>At 31 March 2023</b>	<b>232,266</b>	<b>–</b>

Financing cash flows comprise borrowings drawn down and repaid in the Consolidated and Company Cash Flow Statements. Other changes include the rolling up of interest and the change in unamortised refinancing costs.

## 31. Contingent Liabilities

The Company has entered into cross guarantees in respect of the banking facilities of its subsidiaries. These are not considered to have a material value.

There were no other contingent liabilities at 31 March 2023 for the Group or the Company (31 March 2022: £nil).

## 32. Capital Commitments

The Group has a commitment of £1,700,000 (31 March 2022: £13,100,000), all of which relates to the finalisation of works at The JJ Mack Building, EC1.

## 33. Post Balance Sheet Events

There were no material post Balance Sheet events.

## 34. Net Assets Per Share

	Group 31.3.23 £000	Number of shares 000	pence	Group 31.3.22 £000	Number of shares 000	pence
IFRS net assets	608,675	123,355		687,043	122,325	
Adjustments:						
own share sale		(283)			–	
Basic net asset value	608,675	123,072	495	687,043	122,325	562
share settled bonus		561			662	
dilutive effect of Performance Share Plan		751			1,657	
Diluted net asset value	608,675	124,384	489	687,043	124,644	551
Adjustments:						
fair value of financial instruments	(23,245)			(10,565)		
deferred tax	–			503		
fair value of land and developments	302			302		
real estate transfer tax	56,591			73,155		
EPRA net reinstatement value	642,323	124,384	516	750,438	124,644	602
real estate transfer tax	(28,868)			(36,656)		
deferred tax	–			(503)		
EPRA net tangible asset value	613,455	124,384	493	713,279	124,644	572

	Group 31.3.23 £000	Number of shares 000	pence	Group 31.3.22 £000	Number of shares 000	pence
Diluted net assets	608,675	124,384	489	687,043	124,644	551
Adjustments:						
surplus on fair value of stock	302			302		
EPRA net disposal value	608,977	124,384	490	687,345	124,644	551

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

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

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

The calculation of EPRA net disposal value per share reflects the fair value of all the assets and liabilities of the Group at 31 March 2023.

### 35. Related Party Transactions

At 31 March 2023 and 31 March 2022 the following amounts were due from the Group's joint ventures:

	31.3.23 £000	31.3.22 £000
Charterhouse Place Limited Group	577	405
Barts LP Group	79	79
Shirley Advance LLP	8	8
Old Street Holdings LP	-	3

An accounting and corporate services fee of £50,000 (31 March 2022: £50,000) was charged by the Group to the Barts LP Group. In addition, a development management, accounting and corporate services fee of £779,000 (31 March 2022: £1,380,000) was charged by the Group to the Charterhouse Place Limited Group.

All balances are repayable on demand. No provisions have been recognised in respect of amounts owed from joint ventures.

At 31 March 2023 and 31 March 2022 there were the following balances between the Company and its subsidiaries:

	31.3.23 £000	31.3.22 £000
Amounts due from subsidiaries	377,785	405,616
Amounts due to subsidiaries	153,827	186,052

	31.3.23 £000	31.3.22 £000
Management charges receivable	426	972
Management charges payable	4,686	-
Distributions from subsidiaries and joint ventures	60,595	20,893

Management charges receivable relate to the performance of management services for the Company's subsidiaries.

During the year Helical plc issued 1,029,784 shares at a value of £3,975,000 (2022: 1,059,703 shares at a value of £4,620,000) to satisfy the obligation of its subsidiary, Helical Services Limited, in relation to Performance Share awards and Deferred Bonus awards.

All of these transactions, and the Balance Sheet date amounts arising from these transactions, were conducted on an arm's length basis and on normal commercial terms. Amounts owed by subsidiaries to the Company are identified in Note 21. Amounts owed to subsidiaries by the Company are identified in Note 23.

The Group considers that key management personnel are the Directors. The compensation paid or payable to key management (including associated Employer's NIC) is:

	31.3.23 £000	31.3.22 £000
Salaries and other short-term employee benefits	3,230	3,557
Share-based payment charge	1,073	3,936
	4,303	7,493

The total dividends paid to Directors of the Group in the year were £540,135 (2022: £432,258).

### 36. Financial Instruments

#### Categories of Financial Instruments

Financial assets in the Group include derivative financial assets and other investments which are designated as "fair value through profit or loss". Financial assets also include trade and other receivables and cash and cash equivalents, all of which are included within financial assets measured at amortised cost. Financial assets in the Company include trade and other receivables and cash and cash equivalents, all of which are included within financial assets measured at amortised cost.

Financial liabilities in the Group classed as "fair value through profit or loss" include derivatives and a specific joint venture valuation share. Financial liabilities also include secured bank loans, trade and other payables, long leasehold liability and provisions, all of which are classified as financial liabilities at amortised cost. In the Company, the financial liabilities include trade and other payables, amounts owed to subsidiaries and a long leasehold liability, all of which are classified at amortised cost.

#### Financial Assets and Liabilities by Category

The financial instruments of the Group and Company as classified in the financial statements can be analysed under the following categories.

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Financial assets</b>				
Measured at amortised cost	55,273	49,985	402,117	407,491
Fair value through profit or loss	23,598	11,104	-	-
Total financial assets	78,871	61,089	402,117	407,491

These financial assets are included in the Balance Sheet within the following headings:

	Group 31.3.23 £000	Group 31.3.22 Restated <sup>1</sup> £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Balance Sheet</b>				
Other investments	353	306	-	-
Trade and other receivables, including amounts due to Group undertakings	4,348	6,501	378,186	405,694
Cash and cash equivalents	50,925	43,484	23,931	1,797
Derivative financial assets	23,245	11,104	-	-
Total financial assets	78,871	61,395	402,117	407,491

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

Financial assets are stated in accordance with IAS 32 *Financial Instruments: Presentation*.

The carrying value of the trade and other receivables and cash and cash equivalents is not deemed to be materially different from their fair value.

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Financial liabilities</b>				
Fair value through profit or loss	33	572	-	-
Measured at amortised cost	253,724	434,158	159,731	193,499
Total financial liabilities	253,757	434,730	159,731	193,499

The financial liabilities are included in the Balance Sheet within the following headings:

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
Trade and other payables	20,808	30,630	155,649	188,759
Borrowings – non-current	226,677	396,633	-	-
Lease liability	6,272	6,929	4,082	4,740
Derivative financial instruments	-	538	-	-
Total financial liabilities	253,757	434,730	159,731	193,499

The carrying value of trade and other payables and borrowings is not deemed to be materially different from the fair value as at 31 March 2023. Financial liabilities are stated in accordance with IAS 32 *Financial Instruments: Presentation*.

The Group financial instruments that are measured subsequent to initial recognition at fair value are interest rate swaps.

Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.



### 36. Financial Instruments continued

IFRS 13 categorises financial assets and liabilities as being valued in three hierarchical levels:

**Level 1:** values are unadjusted quoted prices in active markets for identical assets or liabilities;

**Level 2:** values are derived from observing market data; and

**Level 3:** values cannot be derived from observable market data.

Assets and liabilities measured at fair value are classified as below:

**Level 1:** None;

**Level 2:** Derivative financial instruments (Note 36); and

**Level 3:** Investment property (Note 14), and Other investments (Note 19).

There were no transfers between categories in the current or prior year.

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
<b>Derivative financial instruments</b>				
Interest rate caps	–	925	–	–
Interest rate swaps	23,245	9,641	–	–
	23,245	10,566	–	–

The Group's movement in the fair value of the derivative financial instruments in the year was a gain of £12,757,000 (2022: £17,996,000) due to interest rate caps, floors and swaps.

#### Credit Risk

Credit risks arise from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk the Group periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. It is Group policy to assess the financial viability of potential tenants where their rent roll is individually significant before entering into lease agreements. This review involves the latest available set of financial statements, other publicly available financial information and management accounts where appropriate. The covenant strength of each tenant is determined based on this information and a deposit or guarantee is sought if necessary. The Group's tenants are spread across a wide variety of industries, reducing the Group's risk to any individual industry. The Group works closely with its agents, who advise where a loss allowance is required for individual tenants, based on their credit control procedures.

Credit risk also exists due to cash and cash equivalents and deposits with banks and other financial institutions. The cash is held with investment grade banking institutions and in client accounts with solicitors and managing agents and therefore credit risk is considered low.

As at 31 March 2023 the Group had total credit risk exposure, excluding cash, of £4,348,000, relating to financial assets held at both amortised cost and at fair value through profit and loss. The quantitative disclosures of trade and other receivables credit risk are shown in Note 21.

The Group has a small number of other debtors that are financial assets. Each is considered on an individual basis and involves the Group's detailed knowledge of the counterparties involved in order to assess the likelihood of non-recoverability. All these debtors are deemed to be recoverable.

The amounts owed to the Company are considered on an individual basis by assessing the subsidiaries' and joint ventures' ability to repay the debt at the point at which it is repayable. The Group considers the net assets of the debtor, taking into account any potential uplifts to fair value of investments, land and developments in making its assessment.

The Group is not reliant on any major customer for its ability to continue as a going concern.

#### Liquidity Risk

Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity and funding risks, related processes and policies are overseen by management.

The Group manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, and through numerous sources of finance in order to maintain flexibility. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. The Group's cash and cash equivalents are held with major regulated financial institutions and the Directors regularly monitor the financial institutions that the Group uses to ensure its exposure to liquidity risk is minimised.

For further information on debt facilities, see Notes 25 and 26.

The maturity profile of the Group's contracted financial liabilities, including trade and other payables, lease liabilities and borrowings, is as follows:

	Group 31.3.23 £000	Group 31.3.22 £000	Company 31.3.23 £000	Company 31.3.22 £000
Payable within 3 months	23,320	35,313	155,758	188,963
Payable between 3 months and 1 year	10,379	13,261	614	614
Payable between 1 and 3 years	237,330	26,828	1,637	1,637
Payable after 3 years	11,510	400,404	2,250	3,068
Total contracted liabilities	282,539	475,806	160,259	194,282

At 31 March 2023 the Group had £180,000,000 (31 March 2022: £70,000,000) of undrawn borrowing facilities, £150,000 (31 March 2022: £31,000,000) of uncharged property assets and cash balances of £50,925,000 (31 March 2022 restated: £43,484,000). The above contracted liabilities assume that no loans are extended beyond their current facility expiry date. Management believes that these facilities, together with anticipated sales and the renewal of some of these loan facilities, mean that the Group can meet its contracted liabilities as they fall due.

#### Market Risk

The Group is exposed to market risk, primarily related to interest rates, foreign currency exchange movements, the market value of the investments and accrued development profits. The Group actively monitors these exposures.

#### Interest Rate Risk

It is the Group's policy and practice to minimise interest rate cash flow exposures on long-term financing. The Group does this by using a number of derivative financial instruments including interest rate swaps and interest rate caps and floors. The purpose of these derivatives is to manage the interest rate risks arising from the Group's sources of finance. The Group does not use financial instruments for speculative purposes.

Details of financing and financial instruments can be found in Note 26.

In the year to 31 March 2023, if interest rates had moved by 0.5%, this would have resulted in the following movement to net profits and equity due to movements in interest charges and mark-to-market valuations of derivatives.

	Group impact on results 31.3.23 £000	Group impact on equity 31.3.23 £000	Company impact on results 31.3.23 £000	Company impact on equity 31.3.23 £000
0.5% increase – increase in net results and equity	4,233	4,233	120	120
0.5% decrease – decrease in net results and equity	(4,233)	(4,233)	(120)	(120)

#### Foreign Currency Exchange Risk

The Group and Company have no material exposure to movements in foreign currency rates.

### 37. Restatement

The Group has assessed the impact of the IFRS Interpretation Committee's ("IFRIC") recent Agenda Decision in respect of Demand Deposits with Restrictions on Use arising from a Contract with a Third Party accounted for under IAS 7. The Group holds tenant deposits in separate bank accounts, the use of which is restricted under the terms of the lease agreements. Following the clarification by IFRIC, these tenant deposits are judged to meet the definition of restricted cash under IAS 7. The Group's accounting policy has been updated to align with this clarification.

The Group comparative balances have been restated to reflect this change in accounting policy, which resulted in the below reclassification of tenant deposits from trade and other receivables to cash and cash equivalents.

	31 March 2022 £000	Restatement £000	31 March 2022 Restated £000	31 March 2021 £000	Restatement £000	31 March 2021 Restated £000
<b>Balance Sheet</b>						
Cash and cash equivalents	28,807	14,677	43,484	154,448	12,779	167,227
Trade and other receivables	48,453	(14,677)	33,776	40,428	(12,779)	27,649
LTV	36.4%	(1.4%)	35.0%	22.6%	(1.5%)	21.1%

### 38. Principal Accounting Policies

#### Basis of Consolidation

The Group Financial Statements consolidate those of Helical plc (the "Company") and all of its subsidiary undertakings (together the "Group") drawn up to 31 March 2023. Subsidiary undertakings are entities for which the Group has power over the investee, is exposed to or has the rights to variable returns and has the ability to control those returns. Subsidiaries are accounted for under the purchase method and are held in the Company Balance Sheet at cost and reviewed annually for impairment.

Joint ventures are entities whose economic activities are contractually controlled jointly by the Group and by other ventures independent of the Group, where both parties are exposed to variable returns but neither has control over those returns. This exists where unanimous agreement of the investee's relevant activities is required. They are accounted for using the equity method of accounting, whereby the Group's share of profit after tax in the joint venture is recognised in the Consolidated Income Statement ("Income Statement") and the Group's share of the joint venture's net assets is incorporated in the Consolidated Balance Sheet.

Intra-group balances and any unrealised gains on transactions between the Company and its subsidiaries and between subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Consolidated Financial Statements are presented in sterling which is also the functional currency of the Parent Company.

#### Revenue Recognition

##### Rental income

Rental income receivable is recognised in the Income Statement on a straight-line basis over the lease term. Any incentive for lessees to enter into a lease agreement and any costs associated with entering into the lease are spread over the same period.

##### Service charge income

Service charge income relates to expenditure that is directly recoverable from tenants and is recognised as revenue in the period to which it relates.

##### Sale of goods

Assets, such as trading properties, development sites and completed developments, are regarded as sold at the point at which the customer has control of the goods. This occurs on completion of the contract for sale. Measurements of revenue arising from the sale of such assets are derived from the transaction price as determined by IFRS 15 *Revenue from Contracts with Customers*.

##### Construction contracts and development management services

The Group has contracts to develop and let properties for third parties. Where two or more contracts are entered into at or near the same time with the same customer, the contracts are combined and accounted for as a single contract. An arrangement may involve the construction and letting of a third party property or the sale and subsequent construction and letting of a property. The construction and letting of a property are considered to be separate performance obligations. Where an arrangement also involves the sale of an asset, this is an additional distinct performance obligation. The initial sale of a site to a customer is recognised as a sale of goods in accordance with IFRS 15, where the sale of land is not conditional on the construction of the buildings and is not reversible in the event that the building is not constructed.

Ordinarily, the Group return includes both fixed and variable consideration. These constitute the transaction price. Variable consideration is estimated as the amount of consideration to which the Group would be entitled in exchange for transferring goods or services. This is done on an expected value basis. This estimate is constrained to the extent that it is highly probable that a significant reversal of the amount of revenue recognised will not occur when the uncertainty is removed.

The fixed and variable consideration are allocated to the relevant performance obligations in proportion to their estimated stand-alone selling prices. Revenue is recognised either over time or at a point in time, depending on the terms of the contract. The proportion of the transaction price allocated to construction is recognised at any given reporting date in proportion to the costs certified to date as a percentage of the total expected construction costs. The proportion of the transaction price allocated to the letting of the property is recognised at any given reporting date in proportion to the area subject to leases as a percentage of the total lettable space.

##### Investment income

Revenue in respect of investment and other income represents investment income, fees and commissions earned on an accruals basis and the fair value of the consideration received/receivable on investments held for the short term. Dividends are recognised when the Shareholders' right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

##### Deferred income

Money received in advance of the provision of goods or services is held in the Balance Sheet until the income can be recognised in the Income Statement.

##### Share-Based Payments

The Group provides share-based payments in the form of Performance Share Plan awards and a Share Incentive Plan. These payments are discussed in greater detail in the Directors' Remuneration Report on pages 109 to 130. The fair values of share-based payments related to employees' service are determined indirectly by reference to the fair value of the related instrument at the grant date. The Group uses a combination of the Black-Scholes and stochastic valuation models and the resulting value is amortised through the Income Statement over the vesting period of the share-based payments.

For the Performance Share Plan and Share Incentive Plan awards, where market conditions apply, the expense is allocated to the Income Statement evenly over the vesting period.

For the Performance Share Plan and Share Incentive Plan awards, where non-market conditions apply, the expense is allocated, over the vesting period, to the Income Statement based on the best available estimate of the number of awards that are expected to vest. Estimates are subsequently revised if there is any indication that the number of awards expected to vest differs from previous estimates.

The amount charged to the Income Statement is credited to the Retained Earnings reserve.

#### Depreciation

In accordance with IAS 40 *Investment Property*, depreciation is not provided for on freehold investment properties or on leasehold investment properties. The Group does not own the freehold land and buildings which it occupies. Costs incurred in respect of leasehold improvements to the Group's head office at 5 Hanover Square, London W1S 1HQ are capitalised and held as short-term leasehold improvements. Leasehold improvements, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Residual values are reassessed annually.

Depreciation is charged so as to write off the cost of assets less residual value, over their estimated useful lives, using the straight-line method, on the following basis:

Short leasehold improvements	– Over the term of the lease
Plant and equipment	– 25%

#### Taxation

The taxation charge represents the sum of tax currently payable and deferred tax. The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the Balance Sheet date. Tax payable upon realisation of revaluation gains recognised in prior periods is recorded as a current tax charge with a release of the associated deferred taxation.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method.

Deferred tax liabilities are generally recognised for all taxable timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Group expects, at the Balance Sheet date, to recover or settle the carrying amount of those assets and liabilities. Such assets and liabilities are not recognised if the timing differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The deferred tax asset relating to share-based payment awards reflects the estimated value of tax relief available on the vesting of the awards at the Balance Sheet date.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. It is recognised in the Income Statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

The Group recognises a deferred tax liability for all taxable timing differences associated with investments in subsidiaries, associates and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the Group is able to control the timing of the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

#### Dividends

Dividend distributions to the Company's Shareholders are recognised as a liability in the financial statements in the period in which dividends are approved.

#### Investment Properties

Investment properties are properties owned or leased by the Group which are held for long-term rental income and for capital appreciation. Investment properties are initially recognised at cost, including associated transaction costs, and subsequently at fair value adjusted for the carrying value of lease incentive and letting cost receivables. These fair values are based on market values as determined by professionally qualified external valuers or are determined by the Directors of the Group based on their knowledge of the property. In accordance with IAS 40 *Investment Property*, investment properties held under leases are stated gross of the recognised lease liability.

Gains or losses arising from changes in the fair value of investment properties are recognised as gains or losses on revaluation in the Income Statement of the period in which they arise.

In accordance with IAS 40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

Property that is being constructed or developed for future use as an investment property is treated as investment property in accordance with IAS 40.

When the Group redevelops an existing investment property for continued future use as investment property, the property remains an investment property measured at fair value and is not reclassified. Interest is capitalised before tax relief until the date of practical completion.

Details of the valuation of investment properties can be found in Note 14.

Investment properties are derecognised on completion of sale.

Included in investment property are right-of-use assets relating to leasehold investment property.



**38. Principal Accounting Policies continued****Land and Developments**

Land and developments held for sale are inventory and are included in the Balance Sheet at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to completion and estimated costs necessary to make the sale.

Gross borrowing costs associated with expenditure on properties under development or undergoing major refurbishment are capitalised. The interest capitalised is either based on the interest paid (where a project has a specific loan) or calculated using the Group's weighted average cost of borrowings (where there are no specific borrowings for the project). Interest is capitalised from the date of commencement of the development work until date of practical completion.

**Financial Assets**

Financial assets do not carry any interest and are stated initially at transaction price and subsequently at amortised cost as reduced by appropriate loss allowances. The loss allowance is based on the lifetime expected credit losses associated with the financial asset. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or on transfer of the asset and of the associated risks and rewards to another party.

**Cash and Cash Equivalents**

Cash and cash equivalents are carried in the Balance Sheet at amortised cost. For the purposes of the Cash Flow Statement and Balance Sheet, cash and cash equivalents comprise cash in hand, deposits with banks, including rent deposits, cash held at solicitors, cash in blocked accounts and other short-term, highly liquid investments with original maturities of three months or less.

**Trade and Other Payables**

Trade and other payables are not interest bearing and are initially recognised at fair value and subsequently at amortised cost. The Group derecognises trade and other payable liabilities when they are extinguished, which occurs when the obligation associated with the liability is discharged, cancelled or expires.

**Borrowing and Borrowing Costs**

Interest bearing bank loans are initially recorded at fair value, net of finance and other costs yet to be amortised, in accordance with IFRS 9, and subsequently at amortised cost.

Borrowing costs directly attributable to the acquisition and construction of new developments and investment properties are added to the costs of such properties until the date of completion of the development or investment. After initial recognition borrowings are carried at amortised cost.

Gains or losses on extinguishing debt are recognised in the Income Statement in the period in which they occur.

**Derivative Financial Instruments**

Derivative financial assets and financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group enters into derivative transactions such as interest rate swaps, caps and floors in order to manage the risks arising from its activities. Derivatives are initially recorded at fair value and are subsequently remeasured to fair value based on market prices, estimated future cash flows and forward rates as appropriate. Any change in the fair value of such derivatives is recognised immediately in the Income Statement.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Further information on the categorisation of financial instruments can be found in Note 36.

**Leases**

The Group has leases for which it must account from the position of both a lessee and a lessor.

**Group as lessee**

The Group assesses whether a contract is, or contains, a lease, at inception of a contract based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has also elected to apply the following practical expedients:

- to account for each lease component and any non-lease components as a single arrangement;
- the exemption not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less; and
- leases of low value assets.

The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is presented as a separate line in the Consolidated and Company Balance Sheets. The right-of-use asset is initially measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. This will be assessed annually in line with IAS 36 *Impairment of Assets*.

**Group as lessor**

Leases to tenants where substantially all the risks and rewards of ownership are retained by the Group as the lessor are classified as operating leases. Payments made under operating leases, including prepayments, and net of any incentives provided by the Group, are charged to the Income Statement on a straight-line basis over the period of the lease.

**Net Asset Values Per Share**

Net asset values per share have been calculated in accordance with the best practice recommendations of the European Public Real Estate Association ("EPRA").

**Earnings Per Share**

Earnings per share have been calculated in accordance with IAS 33 *Earnings per Share* and the best practice recommendations of EPRA.

**Use of Judgements and Estimates**

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

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

**Significant Judgements**

The key area is discussed below:

- Consideration of the nature of joint arrangements. In the context of IFRS 10 *Consolidated Financial Statements*, this involves consideration of where the control lies and whether either party has the power to vary its returns from the arrangements. In particular, significant judgement is exercised where the shareholding of the Group is not 50% (Note 18).

**Key Sources of Estimation Uncertainty**

The key area is discussed below:

- Valuation of investment properties. Discussion of the sensitivity of these valuations to changes in the equivalent yields and rental values is included in Note 14. As the values of investments in subsidiaries by the Company are, in part, supported by the underlying subsidiary's property value, this is subject to the same estimation uncertainty.
- Consideration has been given to climate risk but it has been concluded that it does not give rise to material new sources of estimation uncertainty.

### 39. Subsidiary and Related Undertakings

The Company's subsidiary and related undertakings are listed below. Except where otherwise indicated all undertakings are incorporated, registered and operate in the United Kingdom at 5 Hanover Square, London, W1S 1HQ.

The share capital of each of the companies, where applicable, is comprised of ordinary shares unless otherwise stated.

Company	Direct/Indirect	Ultimate %
<b>Active Subsidiaries</b>		
1 207 OLD STREET UNIT TRUST <sup>1</sup>	Indirect	100%*
2 211 OLD STREET UNIT TRUST <sup>1</sup>	Indirect	100%*
3 AYCLIFFE & PETERLEE DEVELOPMENT COMPANY LIMITED	# Direct	100%
4 AYCLIFFE & PETERLEE INVESTMENT COMPANY LIMITED	# Direct	100%
5 EMBANKMENT PLACE (LP) LIMITED <sup>4</sup>	# Direct	100%
6 FPM 100 NEW BRIDGE STREET LIMITED <sup>5</sup>	Indirect	100%
7 G2 ESTATES LIMITED	# Direct	100%
8 HB SAWSTON NO 3 LIMITED	# Direct	100%
9 HELICAL BICYCLE 1 LIMITED	Direct	100%
10 HELICAL BICYCLE 2 LIMITED	Indirect	100%
11 HELICAL BICYCLE DEVELOPMENT LIMITED	Indirect	100%
12 HELICAL (CHART) LIMITED	Direct	100%
13 HELICAL (CHURCHGATE) LIMITED	# Indirect	100%
14 HELICAL (CS HOLDINGS) JERSEY LIMITED <sup>1</sup>	Direct	100%
15 HELICAL (CS) JERSEY LIMITED <sup>1</sup>	Indirect	100%
16 HELICAL (DALE HOUSE) LIMITED	# Direct	100%
17 HELICAL (LB) LIMITED	Direct	100%
18 HELICAL (NQ) LIMITED	# Direct	100%
19 HELICAL (OS HOLDCO) JERSEY LIMITED <sup>1</sup>	Indirect	100%
20 HELICAL (POWER ROAD) LIMITED	# Direct	100%
21 HELICAL (WHITECHAPEL) LIMITED	Indirect	100%
22 HELICAL BAR (ST VINCENT STREET) LIMITED	# Direct	100%
23 HELICAL BAR (WALES) LIMITED	# Indirect	100%
24 HELICAL FARRINGDON EAST (JERSEY) LIMITED <sup>1</sup>	Direct	100%
25 HELICAL FINANCE (AV) LIMITED	# Direct	100%
26 HELICAL FINANCE (RBS) LIMITED	Direct	100%
27 HELICAL JERSEY HOLDINGS LIMITED <sup>1</sup>	Direct	100%
28 HELICAL JERSEY INVESTMENT HOLDINGS LIMITED <sup>1</sup>	Direct	100%
29 HELICAL OLD STREET JERSEY HOLDINGS LIMITED <sup>1</sup>	Direct	100%
30 HELICAL OLD STREET JERSEY LIMITED <sup>1</sup>	Indirect	100%
31 HELICAL PROPERTIES LIMITED	Direct	100%
32 HELICAL PROPERTIES INVESTMENT LIMITED	# Direct	100%
33 HELICAL RETAIL LIMITED	Direct	100%
34 HELICAL SERVICES LIMITED	Direct	100%
35 METROPOLIS PROPERTY LIMITED	Indirect	100%
36 OLD STREET UNITHOLDER NO 1 LIMITED <sup>1</sup>	Indirect	100%
37 OLD STREET UNITHOLDER NO 2 LIMITED <sup>1</sup>	Indirect	100%

# Denotes the subsidiaries that have taken exemption from audit under s479a of the Companies Act 2006.

Company	Direct/Indirect	Ultimate %
<b>Active Joint Ventures</b>		
1 ABBEYGATE HELICAL (LEISURE PLAZA) LIMITED	Direct	50%
2 BARTS CLOSE OFFICE LIMITED <sup>1</sup>	Indirect	33%
3 BARTS ONE LIMITED <sup>1</sup>	Indirect	33%
4 BARTS SQUARE ACTIVE ONE LIMITED <sup>1</sup>	Indirect	33%
5 BARTS SQUARE FIRST LIMITED	Indirect	33%
6 BARTS SQUARE FIRST OFFICE LIMITED <sup>1</sup>	Indirect	33%
7 BARTS SQUARE FIRST RESIDENTIAL LIMITED <sup>1</sup>	Indirect	33%
8 BARTS SQUARE SECOND LIMITED	Indirect	33%
9 BARTS SQUARE LAND ONE LIMITED	Indirect	33%
10 BARTS TWO LIMITED <sup>1</sup>	Indirect	33%
11 BARTS, L.P. <sup>3</sup>	Indirect	33%
12 HASLUCKS GREEN LIMITED	Indirect	50%
13 OBC DEVELOPMENT MANAGEMENT LIMITED	Indirect	33%
14 SHIRLEY ADVANCE LLP	Indirect	50%
15 CHARTERHOUSE PLACE LIMITED	Indirect	50%
16 CHARTERHOUSE STREET LIMITED <sup>2</sup>	Indirect	50%
<b>Dormant Subsidiaries and Joint Ventures</b>		
1 ABBEYGATE HELICAL (C4.1) LLP	Direct	50%
2 HB SAWSTON NO. 1 LIMITED	Direct	100%
3 HB SAWSTON NO. 2 LIMITED	Direct	100%
4 HB SAWSTON NO. 4 LIMITED	Direct	100%
5 HELICAL (HAILSHAM) LIMITED	Indirect	100%
6 HELICAL (WEST LONDON) LIMITED	Direct	100%
7 HELICAL BAR (DRURY LANE) LIMITED	Direct	100%
8 HELICAL BAR DEVELOPMENTS (SOUTH EAST) LIMITED	Direct	100%
9 HELICAL BAR DEVELOPMENTS LIMITED	Direct	100%
10 HELICAL BAR LIMITED	Direct	100%
11 HELICAL BAR TRUSTEES LIMITED	Direct	100%
12 HELICAL GROUP LIMITED	Direct	100%
13 HELICAL REGISTRARS LIMITED	Direct	100%
14 OLD STREET HOLDINGS GP LIMITED <sup>2</sup>	Indirect	33%
15 OLD STREET HOLDINGS L.P. <sup>2</sup>	Indirect	33%
16 OLD STREET UNITHOLDER LIMITED <sup>2</sup>	Indirect	33%
17 ROPEMAKER PARK MANAGEMENT COMPANY LIMITED	Indirect	100%**
18 SCBP MANAGEMENT COMPANY LIMITED	Indirect	75%

Registered offices:

1 1 Waverley Place, Union Street, St Helier, Jersey JE4 8SG.

2 IFC 5, St Helier, Jersey, JE1 1ST.

3 c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States.

4 c/o Dentons, 1 George Square, Glasgow G2 1AL.

5 PO Box 146, Level 2 Park Place, St Peters Port, Guernsey, GY1 3HZ.

Notes:

\* No shares in issue in the Unit Trusts. The registered office address is that of the appropriate trustee.

\*\* Limited by guarantee



**All appendices are unaudited.**

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

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

**See-Through Net Rental Income**

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

		Year ended 31.3.23 £000	Year ended 31.3.22 £000
Gross rental income	– subsidiaries	36,555	35,324
	– joint ventures	287	317
<b>Total gross rental income</b>		<b>36,842</b>	<b>35,641</b>
Rents payable	– subsidiaries	(157)	(169)
Property overheads	– subsidiaries	(2,092)	(4,069)
	– joint ventures	(1,103)	(175)
<b>See-through net rental income</b>		<b>33,490</b>	<b>31,228</b>

**See-Through Net Development Property Profits**

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

		Year ended 31.3.23 £000	Year ended 31.3.22 £000
In parent and subsidiaries		2,005	3,519
In joint ventures		1,262	764
<b>Total gross development property profit</b>		<b>3,267</b>	<b>4,283</b>
(Provision)/reversal of provision	– subsidiaries	(30)	2,285
<b>See-through development property profits</b>		<b>3,237</b>	<b>6,568</b>

**See-Through Net Gain on Sale and Revaluation of Investment Properties**

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

		Year ended 31.3.23 £000	Year ended 31.3.22 £000
Revaluation (deficit)/surplus on investment properties	– subsidiaries	(97,854)	33,311
	– joint ventures	5,095	18,473
<b>Total revaluation (deficit)/surplus</b>		<b>(92,759)</b>	<b>51,784</b>
Net gain/(loss) on sale of investment properties	– subsidiaries	4,564	(45)
	– joint ventures	66	–
<b>Total net gain/(loss) on sale of investment properties</b>		<b>4,630</b>	<b>(45)</b>
<b>See-through net (loss)/gain on sale and revaluation of investment properties</b>		<b>(88,129)</b>	<b>51,739</b>

**See-Through Administration Expenses**

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

		Year ended 31.3.23 £000	Year ended 31.3.22 £000
Administration expenses	– subsidiaries	9,845	9,598
	– joint ventures	459	295
<b>Total administration expenses</b>		<b>10,304</b>	<b>9,893</b>
Performance related awards, including NIC	– subsidiaries	2,990	7,170
<b>Total performance related awards, including NIC</b>		<b>2,990</b>	<b>7,170</b>
<b>See-through administration expenses</b>		<b>13,294</b>	<b>17,063</b>

**See-Through Net Finance Costs**

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

		Year ended 31.3.23 £000	Year ended 31.3.22 £000
Interest payable on bank loans and overdrafts	– subsidiaries	8,284	10,169
	– joint ventures	2,703	2,407
<b>Total interest payable on bank loans and overdrafts</b>		<b>10,987</b>	<b>12,576</b>
Other interest payable and similar charges	– subsidiaries	2,908	9,065
	– joint ventures	203	181
<b>Interest capitalised</b>	– joint ventures	<b>(1,815)</b>	<b>(2,142)</b>
<b>Total finance costs</b>		<b>12,283</b>	<b>19,680</b>
Interest receivable and similar income	– subsidiaries	(274)	(6)
	– joint ventures	(23)	–
<b>See-through net finance costs</b>		<b>11,986</b>	<b>19,674</b>

**See-Through Property Portfolio**

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

		31.3.23 £000	31.3.22 £000
Investment property fair value	– subsidiaries	693,550	961,500
	– joint ventures	145,975	135,820
<b>Total investment property fair value</b>		<b>839,525</b>	<b>1,097,320</b>
Land and development property	– subsidiaries	28	2,089
	– joint ventures	539	8,349
<b>Total land and development property</b>		<b>567</b>	<b>10,438</b>
Land and development property surplus	– subsidiaries	302	302
<b>Total land and development property at fair value</b>		<b>869</b>	<b>10,740</b>
<b>See-through property portfolio</b>		<b>840,394</b>	<b>1,108,060</b>

### See-Through Net Borrowings

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

	31.3.23 £000	31.3.22 Restated <sup>1</sup> £000
Gross borrowings more than one year – subsidiaries	226,677	396,633
Total gross borrowings in parent and subsidiaries	226,677	396,633
Gross borrowings more than one year – joint ventures	59,416	39,585
Total gross borrowings in joint ventures	59,416	39,585
Cash and cash equivalents – subsidiaries	(50,925)	(43,484)
– joint ventures	(3,749)	(4,474)
Total cash and cash equivalents	(54,674)	(47,958)
<b>See-through net borrowings</b>	<b>231,419</b>	<b>388,260</b>

### See-Through Gearing and Loan to Value

	31.3.23 £000	31.3.22 Restated <sup>1</sup> £000
See-through property portfolio	840,394	1,108,060
See-through net borrowings	231,419	388,260
Net assets	608,675	687,043
See-through gearing	38.0%	56.5%
See-through loan to value	27.5%	35.0%

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

### Total Accounting Return

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Brought forward IFRS net assets	687,043	608,161
Carried forward IFRS net assets	608,675	687,043
(Decrease)/increase in IFRS net assets	(78,368)	78,882
Dividends paid	13,842	12,582
<b>Total Accounting Return</b>	<b>(64,526)</b>	<b>91,464</b>
<b>Total Accounting Return percentage</b>	<b>-9.4%</b>	<b>15.0%</b>

### Total Accounting Return on EPRA Net Tangible Assets

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Brought forward EPRA net tangible assets	713,279	658,663
Carried forward EPRA net tangible assets	613,455	713,279
(Decrease)/increase in EPRA net tangible assets	(99,824)	54,616
Dividends paid	13,842	12,582
<b>Total Accounting Return on EPRA net tangible assets</b>	<b>(85,982)</b>	<b>67,198</b>
<b>Total Accounting Return percentage on EPRA net tangible assets</b>	<b>-12.1%</b>	<b>10.2%</b>

### Total Property Return

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
See-through net rental income	33,490	31,228
See-through development property profits	3,237	6,568
See-through revaluation (deficit)/surplus	(92,759)	51,784
See-through net gain/(loss) on sale of investment properties	4,630	(45)
<b>Total Property Return</b>	<b>(51,402)</b>	<b>89,535</b>



## Income Statements

	Year ended 31.3.23 £000	Year ended 31.3.22 £000	Year ended 31.3.21 £000	Year ended 31.3.20 £000	Year ended 31.3.19 £000
<b>Revenue</b>	<b>49,848</b>	51,146	38,596	44,361	44,175
Net rental income	34,306	31,086	24,965	27,838	24,599
Development property profit	2,005	3,519	678	2,076	2,564
(Provisions)/reversal of provisions	(30)	2,285	(82)	1,198	(4,345)
Share of results of joint ventures	3,494	20,708	2,352	13,396	(3,217)
Other operating income	–	28	48	88	–
	<b>39,775</b>	57,626	27,961	44,596	19,601
Gain/(loss) on sale of investment properties	4,564	(45)	(1,341)	(1,272)	15,008
Revaluation (deficit)/surplus on investment properties	(97,854)	33,311	19,387	38,351	44,284
Fair value movement of available-for-sale assets	–	–	–	–	144
Administrative expenses excluding performance related awards	(9,845)	(9,598)	(9,276)	(10,524)	(10,858)
Performance related awards (including NIC)	(2,990)	(7,170)	(5,140)	(6,191)	(5,895)
Finance costs	(11,192)	(19,234)	(14,079)	(16,100)	(17,407)
Finance income	274	6	58	1,345	983
Change in fair value of derivative financial instruments	12,757	17,996	2,938	(7,651)	(3,322)
Change in fair value of Convertible Bond	–	–	–	468	865
Foreign exchange gains	–	–	–	8	53
<b>(Loss)/profit before tax</b>	<b>(64,511)</b>	72,892	20,508	43,030	43,456
Tax on (loss)/profit on ordinary activities	–	16,002	(2,631)	(4,313)	(836)
<b>(Loss)/profit after tax</b>	<b>(64,511)</b>	88,894	17,877	38,717	42,620

## Balance Sheets

	31.3.23 £000	31.3.22 Restated <sup>1</sup> £000	31.3.21 Restated <sup>1</sup> £000	31.3.20 £000	31.3.19 £000
Investment portfolio at fair value	693,550	961,500	756,875	836,875	791,250
Land, trading properties and developments	28	2,089	448	852	2,311
Group's share of investment properties held by joint ventures	145,975	135,820	82,516	76,809	25,382
Group's share of land, trading and development properties held by joint ventures	539	8,349	16,545	34,164	56,935
Group's share of land and development property surpluses	302	302	578	578	578
Group's share of total properties at fair value	<b>840,394</b>	1,108,060	856,962	949,278	876,456
Net debt	175,752	353,149	169,476	273,598	227,712
Group's share of net debt of joint ventures	55,667	35,111	11,688	24,933	40,861
Group's share of net debt	<b>231,419</b>	388,260	181,164	298,531	268,573
Net assets	608,675	687,043	608,161	598,689	567,425
EPRA net tangible assets value	<b>613,455</b>	713,279	658,663	640,424	597,321
Dividend per ordinary share paid	11.30p	10.30p	8.70p	10.20p	9.60p
Dividend per ordinary share declared	11.75p	11.15p	10.10p	8.70p	10.10p
EPRA earnings/(loss) per ordinary share	9.4p	5.2p	(1.8)p	7.6p	(8.4)p
EPRA net tangible assets per share	<b>493p</b>	572p	533p	524p	494p

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 and 31 March 2021 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

## London Portfolio – Investment Properties

Property	Description	Area sq ft (NIA)	Vacancy rate at 31.3.23 %	Vacancy rate at 31.3.22 %
<b>Completed properties</b>				
The Warehouse & Studio, The Bower, EC1	Multi-let office building	151,439	0.0	0.0
The Tower, The Bower, EC1	Multi-let office building	182,193	0.0	5.3
The Loom, E1	Multi-let office building	106,838	28.4	20.1
The JJ Mack Building, EC1	Multi-let office building	206,050	81.6	n/a
25 Charterhouse Square, EC1	Multi-let office building	42,921	15.2	4.4
The Power House, W4	Single-let recording studios/office building	21,268	0.0	0.0
		710,709	19.8	6.9
<b>Development pipeline</b>				
100 New Bridge Street, EC4	Single-let office building	167,026 <sup>1</sup>	2.6	0.0
		877,735	16.1	6.7

1 192,000 sq ft redevelopment consented.

## London Portfolio – Development Properties

Address	Description	Total apartments	Unsold apartments at 31.3.23	Unsold apartments at 31.3.22
Barts Square, EC1	Residential apartments and 8 retail units	236	0	14

## Appendix 5 – EPRA performance measures

The European Public Real Estate Association (“EPRA”) Best Practice Recommendations set out a number of EPRA Performance Measures (“EPMs”) to aid comparability in reporting across property companies. The principal EPMs applicable to the Group are set out below:

EPRA performance measure	Definition	Note	31.3.23	31.3.22 Restated <sup>1</sup>
EPRA Earnings per share	Earnings per share from operational activities.	13	9.4p	5.2p
EPRA NRV	Net asset value adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded.	34	516p	602p
EPRA NTA	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax, but excludes assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded.	34	493p	572p
EPRA NDV	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	34	490p	551p
EPRA NIY	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.		3.91%	3.50%
EPRA Topped Up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		4.05%	4.45%
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.		16.32%	4.89%
EPRA Cost Ratios (including direct vacancy costs)	Administrative and operating costs (including vacancy costs) divided by the gross rental income.		39.45%	53.26%
EPRA Cost Ratios (excluding direct vacancy costs)	Administrative and operating costs (excluding vacancy costs) divided by the gross rental income.		35.73%	49.24%
EPRA LTV	Debt divided by market value of the property		28.98%	36.20%

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 and 31 March 2021 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

The note references provide the calculation of the associated measure. Other measures are calculated as follows:

EPRA Net Initial Yield and EPRA Topped Up Net Initial Yield		31.3.23 £000	31.3.22 £000
Investment property at fair value	– subsidiaries	693,400	961,500
	– joint ventures	141,250	135,820
Less:	Property under construction	–	(122,250)
	Undeveloped land	(100)	(100)
Completed property portfolio		834,550	974,970
Allowance for estimated purchases' costs of 6.8%		56,749	66,298
Gross up completed property portfolio		891,299	1,041,268
Passing rent net of head rents		34,808	36,423
EPRA NIY		3.91%	3.50%
Topped up annualised net rents		36,060	46,329
EPRA Topped Up NIY		4.05%	4.45%

Excludes non-core properties and Barts Square Retail

EPRA Vacancy Rate	31.3.23 £000	31.3.22 £000
ERV of vacant space	9,857	2,854
ERV of total portfolio	60,408	58,419
EPRA Vacancy Rate	16.32%	4.89%

EPRA Cost Ratios	31.3.23 £000	31.3.22 £000
Administrative expenses	12,835	16,768
Property overheads (including ground rents payable)	2,249	4,238
Head rents payable	(156)	(169)
Development management fees	(858)	(2,239)
Share of joint ventures' expenses	400	295
EPRA costs including direct vacancy costs	14,470	18,893
Direct vacancy costs	(1,363)	(1,425)
EPRA costs excluding direct vacancy costs	13,107	17,468

Gross rental income	36,555	35,324
Head rents payable	(156)	(169)
Share of joint ventures' rental income less head rents	287	317
Adjusted gross rental income	36,686	35,472
EPRA cost ratio including direct costs	39.5%	53.3%
EPRA cost ratio excluding direct costs	35.7%	49.2%

EPRA LTV	31.3.23 £000	31.3.22 Restated <sup>1</sup> £000
Borrowings	226,677	396,633
	59,416	39,585
Net payables	6,298	–
	2,606	10,210
Owner occupied property	4,082	4,740
	–	–
Cash	(50,925)	(43,484)
	(3,749)	(4,474)
Net debt	244,405	403,210
Owner occupied property	2,980	3,501
	–	–
Investment properties	693,550	961,500
	145,975	135,820
	868	10,740
Net receivables	–	2,217
	–	–
Total property value	843,373	1,113,778
LTV	29.0%	36.2%

1. Trade and other receivables and cash and cash equivalents have been restated as at 31 March 2022 and 31 March 2021 following the IFRIC agenda decision in respect of demand deposits with restrictions on use arising from a contract with a third party (see Note 37).

Below is a table setting out in greater detail the types of capital expenditure made by the Group during the year:

	Year ended 31.3.23 £000	Year ended 31.3.22 £000
Acquisitions	–	160,000
Existing portfolio	10,509	5,520
Total capital expenditure	10,509	165,520

There were no (2022: one) new investment properties purchased during the year. All of the expenditure on the existing portfolio was made on the London portfolio.



## C

**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.

**Compound Annual Growth Rate (“CAGR”)**

The annualised average growth rate.

## D

**Diluted figures**

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

## E

**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 13).

**EPRA net assets per share**

Diluted net asset value per share adjusted to exclude fair value surplus of financial instruments, 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 34).

**EPRA net disposal value per share**

Represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax (see Note 34).

**EPRA net reinstatement value per share**

Net asset value adjusted to reflect the value required to rebuild the entity and assuming that entities never sell assets. Assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 34).

**EPRA net tangible assets per share**

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax, but excludes assets and liabilities, such as fair value movements on financial derivatives, that are not expected to crystallise in normal circumstances and deferred taxes on property valuation surpluses are excluded (see Note 34).

**EPRA topped-up NIY**

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

**Estimated rental value (“ERV”)**

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

**EPRA total accounting return**

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

## G

**Gearing**

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

## I

**Initial yield**

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

## L

**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.

## M

**MSCI INC. (“MSCI IPD”)**

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

## N

**Net asset value per share (“NAV”)**

Net assets divided by the number of ordinary shares at the Balance Sheet date (see Note 34).

## P

**Passing rent**

The annual gross rental income being paid by the tenant.

## R

**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.

## S

**See-through/Group share**

The consolidated Group and the Group's share in its joint ventures (see Appendix 1).

**See-through net gearing**

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

## T

**Total Accounting Return**

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

**Total Property Return**

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

**Total Shareholder Return (“TSR”)**

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

**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.

## U

**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.

## W

**WAULT**

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

### Website

The report and financial statements, a list of properties held by the Group, Company presentations, press releases, the financial calendar and other information on the Group are available on our website at [www.helical.co.uk](http://www.helical.co.uk)

### Registrar

All general enquiries concerning holdings of ordinary shares in Helical plc should be addressed to the Company's Registrar:

### Equiniti

Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom

Telephone: 0371 384 2030\*

From outside the UK +44 371 384 2030

Website: [www.shareview.co.uk](http://www.shareview.co.uk)

Email: [help.shareview.co.uk](mailto:help.shareview.co.uk)

\* Calls are charged at the standard geographic rate and will vary by provider. Lines are open between 8:30am - 5:30pm Monday to Friday excluding public holidays in England and Wales, if calling from outside the UK; calls will be charged at the applicable international rate.

### E-communication

Shareholders and all interested parties may choose to be alerted about press releases, regulatory news updates and financial calendar updates by subscribing to the alert service in the "Regulatory News" area of our website.

Shareholders may inform us how they wish to receive statutory communications from the Company, including annual reports and notices of general meetings, via the Shareholder portal. Further to a letter of deemed consent sent to Shareholders on 5 April 2017, Shareholders are notified by post by default when notices, documents and information from the Company are available on the website at [www.helical.co.uk](http://www.helical.co.uk). If you wish to be notified by email each time the Company places a statutory document on its website or if you would like to receive printed copies of statutory documents in the post, please go to [www.signalshares.com](http://www.signalshares.com). Once you have registered, click on the "Manage your Account" link and follow the on-screen instructions.

### Payment of dividends

UK Shareholders whose dividends are not currently paid to mandated accounts may wish to consider having their dividends paid directly into their bank or building society account. This has a number of advantages, including the crediting of cleared funds into the nominated account on the dividend payment date. Shareholders who would like their future dividends to be paid in this way should complete a mandate instruction available from the Registrar or register their mandate at: [www.signalshares.com](http://www.signalshares.com). Under this arrangement dividend confirmations are sent to the Shareholder's registered address.

### Dividends for Shareholders resident outside the UK

Instead of waiting for a sterling cheque to arrive by mail, you can ask us to send your dividends direct to your bank account. For information, please contact the Company's Registrar.

### Dividend Reinvestment Plan ("DRIP")

The Company offers Shareholders the option to participate in a DRIP. This enables Shareholders to reinvest their cash dividends in Helical plc shares.

For further details, contact the Company's Registrar (on 0371 664 0381\* or email [help.shareview.co.uk](mailto:help.shareview.co.uk)) or complete an application form online at: [www.shareview.co.uk](http://www.shareview.co.uk)

\* Calls are charged at the standard geographic rate and will vary by provider. Lines are open between 8:30am - 5:30pm Monday to Friday excluding public holidays in England and Wales, if calling from outside the UK; calls will be charged at the applicable international rate.

For participants in the DRIP, key dates of forthcoming dividends can be found on the Financial Calendar page in the "Investors" section of the website [www.helical.co.uk](http://www.helical.co.uk)

### Share dealing service

An online and telephone share dealing service is available to our Shareholders through Link Share Deal.

For further information on this service or to buy and sell shares online, please visit [www.shareview.co.uk](http://www.shareview.co.uk) or call 0371 384 2030\*.

\* Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.00am - 4.30pm Monday to Friday excluding public holidays in England and Wales.

### ShareGift

Shareholders with a small number of shares, which are uneconomical to sell, may wish to consider donating them to a charity, free of charge through ShareGift (registered charity 1052686). For further information please visit [www.sharegift.org](http://www.sharegift.org), call 020 7930 3737 or write to ShareGift, PO Box 72253, London, SW1P 9LQ / [help@sharegift.org](mailto:help@sharegift.org)

### Dividends

Dividends declared and/or paid during the year to 31 March 2023 were as follows:

Dividend	Record date 2022	Payment date 2022	Amount
2021-22 Final	24 June	29 July 2022	8.25p
2022-23 Interim	2 December	13 January 2023	3.05p

Dividend payment dates in 2023 will be as follows:

Dividend	Record date 2023	Payment date	Amount
2022-23 Final	23 June	28 July 2023	8.70p
2023-24 Interim	December	January 2024	TBC <sup>1</sup>

<sup>1</sup> The amount of the 2023-24 interim dividend will be announced in November 2023.

### Unsolicited investment advice – warning to Shareholders

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. It is not just the novice investor who has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited investment advice, offers to buy shares at a discount or offers of free reports into Helical.

If you receive unsolicited investment advice:

- Exercise caution and never disclose personal details;
- Obtain the correct name of the person and organisation and make a record of any other information they give you, such as a telephone number, address or website address;
- Check that they are properly authorised by the FCA (Financial Conduct Authority) before getting involved. This can be checked at [fca.org.uk/consumers](http://fca.org.uk/consumers). If you deal with an unauthorised firm you will not be eligible to receive payment under the Financial Services Compensation Scheme;
- Get impartial advice before handing over any money;
- If the caller persists, hang up;
- Inform us on 020 7629 0113 (email: [reception@helical.co.uk](mailto:reception@helical.co.uk)) or our Registrar, Equiniti, on 0371 384 2030 (email: [help.shareview.co.uk](mailto:help.shareview.co.uk)). Whilst we are not able to investigate such incidents ourselves we will record the details and will liaise with the FCA; and
- Report the suspected fraud to the FCA either by calling: 0800 111 6768 or by completing an online form at: [www.fca.org.uk/consumers/report-scam-unauthorised-firm](http://www.fca.org.uk/consumers/report-scam-unauthorised-firm).

### Share price information

The latest information on the Helical plc share price is available on our website [www.helical.co.uk](http://www.helical.co.uk).

### Registered office

5 Hanover Square, London, W1S 1HQ

Registered in England and Wales No. 156663

### Calendar 2023–2024

2023	
22 June 2023	Ex-dividend date for final ordinary dividend
23 June 2023	Record date for final ordinary dividend
7 July 2023	Last day for DRIP elections
13 July 2023	Annual General Meeting
28 July 2023	Final ordinary dividend payable
November 2023 <sup>1</sup>	Half Year Results and interim ordinary dividend announced
December 2023 <sup>2</sup>	Ex-dividend date for interim ordinary dividend
December 2023 <sup>2</sup>	Registration qualifying date for interim ordinary dividend

2024	
May 2024	Announcement of Full Year Results to 31 March 2024

### Notes

- <sup>1</sup> The announcement date of the Half Year Results will be confirmed in October 2023.
- <sup>2</sup> Dates for the potential interim dividend will be confirmed in the Half Year Results Announcement.

### Advisors

<b>Registrar</b>	Equiniti
<b>Bankers</b>	Barclays Bank PLC HSBC Bank PLC The Royal Bank of Scotland PLC National Westminster Bank PLC Wells Fargo Bank N.A., London Branch Allianz Debt Fund SCSp SICAV-SIF
<b>Financial advisors</b>	Lazard & Co., Ltd
<b>Joint stockbrokers</b>	Peel Hunt LLP Numis Securities Limited
<b>Auditor</b>	Deloitte LLP
<b>Corporate solicitors</b>	Clifford Chance LLP Mishcon de Reya LLP

### Contact details

**Helical plc**  
Registered in England and Wales No.156663

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5 Hanover Square  
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