

Notes to the Financial Statements

1. Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention, as modified by the revaluation of investment properties.

The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous year.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March 2003. Profits or losses on intra group transactions are eliminated in full.

Turnover

Turnover represents rental income, the proceeds from the sale of trading properties and developments and proceeds from the sale of listed investments. For funded developments, turnover comprises the increase in the valuation of work during the year and profit recognised on each development. Income from the sale of trading properties is included in the profit and loss account when, in the opinion of the directors, a binding contract of sale exists.

Depreciation

Depreciation is calculated to write down the cost to residual value of all fixed assets, excluding investment properties, by equal annual instalments over their expected useful economic lives.

The annual rates generally applicable are:

– short leasehold property	length of lease
– leasehold improvements	10%
– vehicles & office equipment	25%

Developments

The attributable profit on developments is recognised once their outcome can be assessed with reasonable certainty. In the case of developments funded by institutions this profit is recognised on the letting of the developments.

Stock

Stock is stated at the lower of cost and net realisable value.

Long-term contract balances included in stock are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Deferred taxation

In accordance with FRS19 the Group makes full provision for timing differences which are primarily in respect of capital allowances on plant and machinery and industrial buildings allowances, both types of allowances derived from assets acquired with, or subsequently purchased for, the Group's investment property portfolio. Deferred tax assets and liabilities provided for under FRS19 are discounted to reflect the time value of money between the balance sheet date and the dates that it is estimated that the underlying timing differences will reverse. Following the sale of a property, any deferred tax provisions not required will be released to the profit and loss account.

Interest capitalised on development properties

Interest costs incurred on development properties are capitalised until the earliest of:

- the date when the development becomes fully let;
- the date when the income exceeds outgoings; and,
- the date of completion of the development.

Investment property

Completed investment properties are included in the balance sheet at their open market values. Any surplus arising is credited to the revaluation reserve and any temporary deficits are netted off against the remaining balance on the reserve. Permanent diminutions in value below original cost are reflected through the profit and loss account. In accordance with the Statement of Standard Accounting Practice No. 19 – Accounting for Investment Properties, freehold investment properties and leasehold investment properties where the unexpired term is over twenty years are not depreciated but are valued by an external valuer at least every three years. In years where an external valuation is not commissioned, a valuation is undertaken by a suitably qualified member of the Company's staff.

This policy represents a departure from statutory accounting principles which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors affecting annual valuation.

Financing costs

The Group uses derivative financial instruments to manage exposure to fluctuations in interest rates. Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate.

The costs of arranging finance for the Group, including financial instruments entered into to protect against the effects of interest rate movements, are written off to the profit and loss account over the terms of, and in proportion to, the associated finance.

Goodwill

Goodwill arising on acquisition is treated as an intangible asset and the cost written off in equal instalments over its useful economic life. The useful economic life is estimated to be 15 years.

Employees share ownership plan trust (the "Trust")

Shares in Helical Bar plc owned by the Trust are stated at cost less provision for any permanent diminution in value. Any deficit arising in the future between the original cost of the shares and their net realisable value will be funded by the Company.

Joint venture companies

The Group's share of the profits or losses and other recognised gains or losses of the joint ventures are included in the Group profit and loss account and statement of total recognised gains and losses, respectively. Where the accounting periods covered by audited financial statements are not coterminous with those of the Group, the share of profits or losses of the joint ventures has been arrived at from the last audited financial statements available and unaudited management accounts to the Group's balance sheet date.

The Group balance sheet includes the investment in the joint ventures and the Group's share of net assets and the goodwill arising on the acquisition of the interest in so far as it has not already been amortised.

The Company balance sheet shows the investment in the joint ventures at cost less amounts written off.

Liquid resources

Liquid resources are managed by the Group by investing as short-term cash deposits at prevailing deposit rates whilst ensuring appropriate access to such funds to meet foreseeable needs.

2. Turnover and gross profit on ordinary activities before taxation

	Turnover		Gross profit	
	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
The analysis of turnover and gross profit by function is as follows:				
Trading property sales	2,588	2,282	349	154
Rental income	29,334	31,384	25,619	27,827
Developments	91,412	102,803	4,630	17,072
Other income and provisions	11,858	163	626	(67)
Gross profit			31,224	44,986
Central overheads			(6,391)	(10,888)
Interest payable less receivable			(9,638)	(14,779)
Share of joint venture company profits			1,544	986
Profit before taxation, profit on sale of investment properties, loss on sale of subsidiary and negative goodwill			16,739	20,305

All sales were within the UK. All turnover is attributable to continuing operations.

An analysis of property assets can be found in note 11 and the directors do not consider a further analysis of net assets to be appropriate.

3. Administrative expenses

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Administration	6,391	10,888
Negative goodwill	(6,362)	–
Total administrative expenses	29	10,888
Operating profit on ordinary activities is stated after:		
Staff costs during the year:		
– salaries and other remuneration	3,426	7,590
– social security costs	323	604
– other pension costs	104	100
	3,853	8,294
Depreciation and amortisation		
– tangible fixed assets	230	267
– goodwill	51	52
Auditors' remuneration:		
– audit services	108	106
– non-audit services	18	58

Details of directors' remuneration are included in the Directors' Remuneration Report on pages 52 to 56.

With the exception of the pension contributions referred to in the Directors' Remuneration Report, other pension costs relate to payments to individual pension plans.

The average number of employees of the Group during the year was:

	31.3.03	31.3.02
Management and administration	25	25

4. Sale of investment properties

	31.3.03 £000	31.3.02 £000
Net proceeds from the sale of investment properties	133,294	67,525
Book value (note 11)	(131,168)	(65,062)
Profit on sale of investment properties	2,126	2,463

5. Net interest payable and similar charges

	31.3.03 £000	31.3.02 £000
Interest payable on bank loans and overdrafts	9,543	14,804
Finance arrangement costs	783	408
Other interest payable and similar charges	2,351	3,215
Interest capitalised	(795)	(1,006)
Interest receivable and similar income	(2,244)	(2,642)
	9,638	14,779

Interest payable on bank loans and overdrafts includes the Company's share of interest payable by joint ventures of £935,000 (2002: £708,000).

6. Taxation on profit on ordinary activities

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
The tax charge is based on the profit for the year and represents:		
– United Kingdom corporation tax at 30% (2002: 30%)	8,337	4,811
– Adjustments in respect of prior periods	(2,847)	1
Current tax charge	5,490	4,812
Deferred tax – origination of timing differences (note 20)	2,170	541
Tax on profit on ordinary activities	7,660	5,353

The deferred tax charge includes the Company's share of deferred tax provision of joint ventures of £192,000 (2002: nil).

Factors affecting tax charge for period:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	31.3.03 £000	31.3.02 £000
Profit on ordinary activities before tax	25,227	22,573
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	7,568	6,772
Effect of:		
– Payments for use of tax losses	3,112	911
– Expenses not deductible for tax purposes	86	102
– Capital allowances for period in excess of depreciation	(2,586)	(2,947)
– Chargeable gain in excess of profit on sale of investment property	264	787
– Capitalised interest	–	(109)
– Other timing differences	(107)	(100)
– Utilisation of losses	–	(605)
Current tax charge for period	8,337	4,811

7. Dividends

	31.3.03 £000	31.3.02 £000
Attributable to equity share capital		
Ordinary		
– interim paid 6.00p (2002: 5.50p) per share	1,705	1,563
– final proposed 9.00p (2002: 8.25p) per share	2,570	2,345
Total 15.00p (2002: 13.75p) per share	4,275	3,908
– special payable nil (2002: 100.00p) per share	–	28,420
	4,275	32,328

The interim dividend of 6.00p was paid on 19 December 2002 to shareholders on the register on 29 November 2002. The final dividend, if approved at the AGM on 23 July 2003, will be paid on 24 July 2003 to shareholders on the register on 13 June 2003.

8. Parent company

The Company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in the financial statements. The financial profit for the year of the Company was £47,509,000 (2002: £27,471,000).

9. 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. Shares held by the ESOP, which has waived its entitlement to receive dividends, are treated as cancelled for the purposes of this calculation.

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

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

	Earnings £	Year Ended 31.3.03 Weighted average no. of shares	Per share amount pence	Earnings £	Year Ended 31.3.02 Weighted average no. of shares	Per share amount pence
Basic earnings per share	17,407,000	28,421,537	61.2	17,056,000	28,419,782	60.0
Dilutive effect of share options		964,200			1,090,450	
Diluted earnings per share	17,407,000	29,385,737	59.2	17,056,000	29,510,232	57.8

10. Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Total £000
Cost at 1 April 2002	767	(6,238)	(5,471)
Additions	841	–	841
Disposals	–	6,238	6,238
Cost at 31 March 2003	1,608	–	1,608
Amortisation at 1 April 2002	645	124	769
Provision for the year	51	–	51
Eliminated on disposals	–	(124)	(124)
Amortisation at 31 March 2003	696	–	696
Net book amount at 31 March 2003	912	–	912
Net book amount at 31 March 2002	122	(6,362)	(6,240)

Additions in the year include the acquisition of the minority 25% shareholding in Helical Retail Limited which is now a 100% subsidiary of Helical Bar plc.

Negative goodwill was recognised, at 31 March 2002, as a consequence of the adoption of FRS19 and represented the excess of the value of the assets of Glenlake Limited over the consideration paid for those assets in June 1999. The assets included a sum of £6,362,000 (net of acquisition costs) representing the fair value of tax losses acquired with Glenlake Limited.

The non-monetary assets of Glenlake Limited were disposed of during the year and, consequently, the negative goodwill has been written off.

11. Tangible fixed assets

	Investment Properties		Short leasehold property & improvements £000	Vehicles & office equipment £000	Total £000
	Freehold £000	Leasehold £000			
Group					
Cost or valuation at 1 April 2002	397,061	42,850	646	968	441,525
Additions at cost	23,929	23,246	–	152	47,327
Disposals	(131,168)	–	–	(256)	(131,424)
Revaluation	(10,138)	(3,296)	–	–	(13,434)
Cost or valuation at 31 March 2003	279,684	62,800	646	864	343,994
Depreciation at 1 April 2002	–	–	319	521	840
Provision for the year	–	–	47	183	230
Eliminated on disposals	–	–	–	(174)	(174)
Depreciation at 31 March 2003	–	–	366	530	896
Net book amount at 31 March 2003	279,684	62,800	280	334	343,098
Net book amount at 31 March 2002	397,061	42,850	327	447	440,685

Interest capitalised in respect of the development of investment properties is included in tangible fixed assets to the extent of £1,013,000 (2002: £2,244,000).

Interest capitalised during the year in respect of investment properties in the course of development was £nil (2002: £365,000).

	Short leasehold property & improvements £000	Vehicles & office equipment £000	Total £000
Cost at 1 April 2002	646	968	1,614
Additions at cost	–	152	152
Disposals	–	(256)	(256)
Cost at 31 March 2003	646	864	1,510
Depreciation at 1 April 2002	319	521	840
Provision for the year	47	183	230
Eliminated on disposals	–	(174)	(174)
Depreciation at 31 March 2003	366	530	896
Net book amount at 31 March 2003	280	334	614
Net book amount at 31 March 2002	327	447	774

11. Tangible fixed assets continued

The investment properties have been valued on an open market basis at 31 March 2003 as follows:

	£000
Cushman & Wakefield Healey & Baker, International Real Estate Consultants	258,585
Allsop & Co, Chartered Surveyors	35,000
DTZ Debenham Tie Leung, International Property Advisors	21,000
Jones Lang LaSalle, International Real Estate Consultants	16,000
Drivers Jonas, Chartered Surveyors	8,400
Knight Frank, Chartered Surveyors	3,060
Directors' valuation	439
	342,484

The net deficit arising of £13,434,000 (2002: surplus £18,528,000) has been transferred to the revaluation reserve.

The historical cost of investment property is £249,441,000 (2002: £299,435,000).

12. Fixed asset investments

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Employees' Share Ownership Plan Trust – own shares	9,011	9,599	9,011	9,599
Shares in subsidiary undertakings at cost	–	–	3,318	2,564
	9,011	9,599	12,329	12,163
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000

The movement in the year was as follows:

At 1 April 2002	9,599	9,546	12,163	11,837
Acquired during year	–	–	846	273
Disposed of during year	(588)	–	(680)	–
Provisions released	–	53	–	53
At 31 March 2003	9,011	9,599	12,329	12,163

Following approval at the 1997 Annual General Meeting the Company established the Helical Bar Employees' Share Ownership Plan Trust (the "Trust") to be used as part of the remuneration arrangements for employees. The purpose of the Trust is to facilitate and encourage the ownership of shares by or for the benefit of employees by the acquisition and distribution of shares in the Company.

At 31 March 2003 the Trust held 1,361,939 (2002: 1,491,939) ordinary shares in Helical Bar plc over which options had been granted.

At 31 March 2003 the Trust held nil (2002: nil) ordinary shares over which no options had been granted.

Interests in joint venture companies

At 31 March 2003 the Group and the Company had interests in the following joint venture companies:

	Country of incorporation	Class of share capital held	Proportion held		Nature of business
			Group	Company	
Prescot Street Investments Ltd	United Kingdom	Ordinary	50%	50%	Property investment
Grosvenor Hill (Sprucefields) Ltd	United Kingdom	Ordinary	50%	50%	Property investment

12. Fixed asset investments continued

The Company's principal subsidiary undertakings, all of which have been consolidated, are:

Name of undertaking	Nature of business	Percentage of ordinary share capital held
61 Southwark Street Ltd*	Investment	100%
Aycliffe and Peterlee Development Company Ltd	Development and trading	100%
Aycliffe and Peterlee Investment Company Ltd*	Investment	100%
Baylight Developments Ltd	Investment	100%
Dencora (Docklands) Ltd	Investment	100%
Dencora (Dunstable) Ltd	Trading	100%
Dencora (Harlow) Ltd	Trading	100%
Chancerygate (Albion) Ltd	Trading	100%
Chancerygate (Mill Street) Ltd	Trading	100%
Glenlake Ltd*	Investment	100%
Harbour Developments (Bracknell) Ltd	Development	100%
Helical Bar (Berkeley Square) Ltd	Development	100%
Helical Bar (Bunhill Row) Ltd	Development	100%
Helical Bar (Chiswell Street) Ltd*	Development	100%
Helical Bar (CL) Investments Ltd*	Investment	100%
Helical Bar Developments (South East) Ltd	Development and trading	100%
Helical Bar (Hawtin Park) Ltd	Investment	100%
Helical Bar (Rex House) Ltd	Investment	100%
Helical Bar Services Ltd	Management Services	100%
Helical Bar Trustees Ltd	Trustee of Profit Sharing Scheme	100%
Helical Bar (Wales) Ltd*	Trading	100%
Helical Bar (White City) Ltd	Development	100%
Helical Properties Ltd	Investment and trading	100%
Helical Properties (Basingstoke) Ltd*	Investment	100%
Helical Properties Investment Ltd	Investment	100%
Helical Properties Retail Ltd	Investment	100%
Helical Retail Ltd	Development and trading	100%
Helical Retail (RBS) Ltd*	Development and trading	100%
Helical (CR) Ltd	Development and trading	100%
Helical (Fleet) Ltd	Investment	100%
Helical (HIS) Ltd	Investment	100%
Helical (Letchworth) Ltd	Investment	100%
Helical (Liphook) Ltd	Development (Jersey)	100%
Helical (SA) Ltd	Investment	100%
Helical (Sevenoaks) Ltd	Investment	100%
Helical (St Austell) Ltd	Investment	100%
Helical (Wednesfield) Ltd	Investment	100%
Helical (Westfields) Ltd	Investment	100%
Intercontinental Land and Development Co. Ltd*	Investment development and trading	100%
Networth Ltd*	Investment	100%
Helical (Interchange) Ltd	Investment	90%
Helical Properties (WSM) Ltd*	Investment	75%

All principal subsidiary undertakings operate in the United Kingdom and, unless otherwise indicated, are incorporated and registered in England and Wales.

*Ordinary capital is held by a subsidiary undertaking.

13. Stock

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Development sites	20,593	15,464	–	141
Properties held as trading stock	20,519	14,121	–	–
	41,112	29,585	–	141

Interest capitalised in respect of the development of sites is included in stock to the extent of £1,141,000 (2002: £633,000). Interest capitalised during the year in respect of development sites amounted to £795,000 (2002: £641,000).

14. Debtors

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Trade debtors	4,412	5,155	1,193	–
Amounts owed by joint venture undertakings	6,552	6,487	6,552	6,487
Amounts owed by subsidiary undertakings	–	–	173,570	111,892
Other debtors	2,995	151	466	85
Prepayments and accrued income	11,834	9,496	1,251	210
	25,793	21,289	183,032	118,674

15. Current asset investments

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
UK listed investments at cost	13	1	–	–
	13	1	–	–

The market value of listed investments at 31.3.03 was £13,000 (2002: £1,000).

16. Cash at bank and in hand

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Rent deposits and cash secured against debt repayable within one year	2,142	3,247	–	–
Cash held to fund future development costs	5,087	28,300	–	–
Free cash	8,908	43,967	345	39,021
	16,137	75,514	345	39,021

17. Creditors: amounts falling due within one year

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Bank overdrafts and term loans	46,038	3,316	12,027	–
Trade creditors	6,217	11,021	201	568
Corporation tax	5,598	4,053	2,847	3,961
Social security costs and other taxation	1,152	207	–	–
Dividends payable	2,570	30,765	2,570	30,765
Other creditors	4,685	4,820	162	112
Accruals and deferred income	19,383	53,754	439	540
	85,643	107,936	18,246	35,946

18. Creditors: amounts falling due after more than one year

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Bank loans repayable within:				
– 1 – 2 years	15,105	3,438	–	–
– 2 – 5 years	81,925	124,261	–	–
– after 5 years	14,720	98,382	–	–
	111,750	226,081	–	–
Deferred arrangement costs	(758)	(1,484)	–	–
	110,992	224,597	–	–

Bank overdrafts and 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 value of £284,109,000 (2002: £378,416,000). These will be repayable when the underlying properties are sold. Bank overdrafts and term loans exclude the Groups' share of borrowings in joint venture companies of £14,355,000 (2002: £14,520,000).

19. Financing and financial instruments

The policies for dealing with liquidity and interest rate risk are noted in the Financial Review on pages 18 to 21.

Short-term debtors and creditors

Short-term debtors and creditors have been excluded from the following disclosures.

	Group	
	31.3.03 £000	31.3.02 £000
Bank overdraft and loans – maturity		
Due after more than one year	110,992	224,597
Due within one year	46,038	3,316
	157,030	227,913

The Group has various undrawn committed borrowing facilities. The facilities available at 31.3.03 in respect of which all conditions precedent had been met were as follows:

	Group	
	31.3.03 £000	31.3.02 £000
Expiring in one year or less	9,500	10,000
Expiring in more than one year but not more than two years	10,000	10,000
Expiring in more than two years	33,560	86,233
	53,060	106,233

Interest rates

	%	Expiry	31.3.03		%	Expiry	31.3.02	
			£000				£000	
Fixed rate borrowings								
– fixed	9.050	Feb. 2009	8,830		9.050	Feb. 2009	9,231	
– swap rate plus bank margin	5.656	Sep. 2005	9,040		–	–	–	
– swap rate plus bank margin	4.965	Mar. 2007	5,925		6.890	Oct. 2002	50,000	
– swap rate plus bank margin	5.846	Jun. 2006	3,500		6.450	July 2002	49,000	
Weighted average	7.140	Apr. 2007	27,295		8.090	Mar. 2003	108,231	
Floating rate borrowings			130,493				121,166	
Total borrowings			157,788				229,397	
Deferred arrangement costs			(758)				(1,484)	
			157,030				227,913	

Floating rate borrowings bear interest at rates based on LIBOR.

19. Financing and financial instruments continued

Hedging

In addition to the fixed rates, borrowings are also hedged by the following financial instruments:

Instrument	Value £000	Rate %	Start	Expiry
Current				
– cap	49,000	6.000-6.100		July 2004
– cap	80,000	7.500		Jan. 2006
– collar	31,000	4.730-6.500		Jan. 2006
– floor	49,000	4.730		Jan. 2006
Future				
– floor	80,000	4.830	Jan. 2004	Jan. 2006
– collar	80,000	4.800-7.000	Jan. 2006	Sept. 2009

Gearing

	31.3.03 £000	31.3.02 £000
Total borrowings	157,030	227,913
Cash	(16,137)	(75,514)
Net borrowings	140,893	152,399
Net assets	238,497	239,109
Gearing	59%	64%

If the payment of the special dividend on 26 April 2002 were to be taken into account, the Group's gearing level at 31 March 2002 would have been 76%.

Fair value of financial assets and financial liabilities

	31.3.03		31.3.02	
	Book Value £000	Fair Value £000	Book Value £000	Fair Value £000
Borrowings	157,788	159,127	229,383	230,256
Interest rate swaps	–	555	–	1,242
Other financial instruments	(223)	5,185	(223)	565
	157,565	164,867	229,160	232,063

The fair value of financial assets and financial liabilities represents the mark to market valuations at 31 March 2003 and 31 March 2002. The adjustment to net assets from a recognition of these values, net of tax relief, would be to reduce diluted net asset value per share by 15p (2002: 6p).

20. Provision for liabilities and charges – deferred taxation

Deferred taxation provided for in the financial statements is set out below:

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Accelerated capital allowances	3,124	5,822	81	69
Other timing differences	42	754	–	–
	3,166	6,576	81	69
Less: – tax losses carried forward	–	(5,684)	–	–
– discount	(460)	(164)	(12)	(13)
Discounted provision for deferred tax	2,706	728	69	56

The Group has applied the provisions of FRS19 Deferred Tax, which requires that deferred tax be recognised as a liability or asset if the transactions or events that give the Group an obligation to pay more or less tax in the future have occurred by the balance sheet date. In accordance with FRS19, the Group makes full provision for timing differences which are primarily in respect of capital allowances on plant and machinery, industrial buildings allowances and tax losses.

Amounts unprovided are:

	Group		Company	
	31.3.03 £000	31.3.02 £000	31.3.03 £000	31.3.02 £000
Unrealised capital gains	17,144	32,102	–	–
	17,144	32,102	–	–

No provision has been made for taxation which would accrue if the investment properties were sold at their revalued amounts. The adjustment to net assets resulting from a recognition of these amounts would be to reduce diluted net asset value per share by 53p (2002: 99p).

21. Share capital

	31.3.03 £000	31.3.02 £000
Authorised		
– 688,954,752 (2002: 688,954,752) ordinary shares of 5p each	34,448	34,448
	34,448	34,448
Allotted, called up and fully paid		
Attributable to equity interests:		
– 29,913,476 (2002: 29,913,476) ordinary shares of 5p each	1,496	1,496
	1,496	1,496

Share options

At 31 March 2003 options over 2,553,323 (2002: 2,489,221) new ordinary shares in the Company and 1,361,939 (2002: 1,491,939) purchased shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the year options over 64,102 new ordinary shares were granted and options over 130,000 purchased shares were exercised.

	Exercise price per share pence	Number of shares	Date from which exercisable	Expiry date of options
Senior Executive 1988 Share Option Scheme				
Subscription options				
Options granted:				
– 11 July 1997	412.5	365,000	11 July 2002	10 July 2007
– 29 September 1997	467.5	100,000	29 September 2002	28 September 2007
– 27 November 1997	452.5	394,000	27 November 2002	26 November 2007
Purchase options				
Options granted:				
– 27 November 1997	452.5	76,000	27 November 2001	26 November 2007
– 10 July 1998	565.0	400,000	10 July 2002	9 July 2008
Helical Bar 1999 Share Option Scheme				
Subscription options				
Options granted:				
– 8 March 1999	442.5	1,547,768	8 March 2004	7 March 2009
– 8 January 2001	780.0	30,000	8 January 2006	7 January 2011
– 21 November 2002	707.5	59,862	21 November 2007	20 November 2012
Purchase options				
Options granted:				
– 8 March 1999	442.5	93,000	8 March 2004	7 March 2009
– 18 December 2000	750.0	529,000	18 December 2005	17 December 2010
– 8 January 2001	780.0	34,102	8 January 2006	7 January 2011
– 15 November 2001	766.5	229,837	15 November 2006	14 November 2011
Helical Bar 1999 Approved Share Option Scheme				
Subscription options				
Options granted:				
– 8 March 1999	442.5	52,453	8 March 2002	7 March 2009
– 21 November 2002	707.5	4,240	21 November 2005	20 November 2012
		3,915,262		

22. Share premium and reserves

	Non-distributable				Distributable
	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Revaluation reserve £000	Profit & loss account £000
Group					
At 1 April 2002	35,271	7,101	291	142,100	50,993
Profit retained	–	–	–	–	13,132
Revaluation of investment property – subsidiaries	–	–	–	(13,434)	–
– joint ventures	–	–	–	(470)	–
Minority interest in revaluation of investment property	–	–	–	(599)	–
Realised on disposals	–	–	–	(33,998)	33,998
At 31 March 2003	35,271	7,101	291	93,599	98,123
Company					
At 1 April 2002	35,271	7,101	1,987	–	88,916
Profit retained	–	–	–	–	43,234
At 31 March 2003	35,271	7,101	1,987	–	132,150

23. Reconciliation of operating profit to net cash inflow from operating activities

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Operating profit	31,195	34,098
Depreciation of fixed assets	230	267
Release of provision	–	(53)
Loss on sale of fixed assets	38	7
Amortisation of goodwill	51	52
Negative goodwill	(6,362)	–
Dividends from joint ventures	150	179
(Increase)/decrease in debtors	(3,704)	10,429
(Decrease)/increase in creditors	(37,999)	22,212
Increase in stock	(10,732)	(1,557)
Net cash (outflow)/inflow from operating activities	(27,133)	65,634

24. Analysis of cash flows for headings netted in the cash flow statement

	Year Ended 31.3.03 £000	Year Ended 31.3.02 £000
Return on investments and servicing of finance		
Interest received	1,416	2,632
Interest paid	(11,289)	(18,567)
Minority interest dividends paid	(37)	(127)
	(9,910)	(16,062)
Taxation		
Tax received	–	106
Tax paid	(3,945)	(5,073)
	(3,945)	(4,967)
Capital expenditure and financial investment		
Purchase of property	(47,175)	(30,816)
Sale of property	133,295	70,535
Purchase of tangible fixed assets	(152)	(76)
Sale of tangible fixed assets	44	525
Purchase of investments	–	(100)
Sale of investments	576	–
	86,588	40,068

25. Management of liquid resources

	31.3.03 £000	31.3.02 £000
Decrease/(increase) in short-term deposits	28,634	(20,285)
	28,634	(20,285)

26. Analysis of net debt

	At 31.3.02 £000	Cash Flow £000	Other non cash changes £000	At 31.3.03 £000
Cash at bank and in hand	75,514	(59,377)	–	16,137
Bank overdraft	(15)	15	–	–
	75,499	(59,362)	–	16,137
Debt due within one year	(3,301)	(42,737)	–	(46,038)
Debt due after more than one year	(226,081)	114,331	–	(111,750)
Less: arrangement expenses	1,484	57	(783)	758
	(227,898)	71,651	(783)	(157,030)
Total	(152,399)	12,289	(783)	(140,893)

27. Contingent liabilities

The Company has entered into cross guarantees in respect of the banking facilities of its subsidiaries. The Company has also entered into interest rate floors on £80m at 4.83% from January 2004 to January 2006, on £80m at 4.73% from July 1999 to January 2006 and on a further £80m at 4.80% from January 2006 to September 2009.

Other than these contingent liabilities and the deferred tax referred to in note 20 there were no contingent liabilities at 31 March 2003 (2002: nil).

28. Net assets per share

	31.3.03 £000	Number of shares 000s	31.3.03 pence per share	Change since 31.3.02 + / (-) %
Net asset value	235,881	29,913	789	(0.5)
Add: potential exercise of options	11,525	2,554		
Diluted net asset value	247,406	32,467	762	(0.5)
Adjustment for:				
– capital allowances provided for but unlikely to be clawed back	2,706		8	
Adjusted diluted net asset value	250,112	32,467	770	0.1
Adjustment for:				
– potential capital gains not provided for	(17,144)		(53)	
– mark to market value of interest rate hedging agreements	(5,111)		(15)	
Adjusted diluted triple net asset value	227,857	32,467	702	5.9

29. Capital commitments

At 31 March 2003 nil (2002: nil).

30. Related party transactions

At 31 March 2003 there is an amount due from Prescott Street Investments Ltd of £4,692,000 (2002: £4,721,000) and an amount due from Grosvenor Hill (Sprucefields) Ltd of £1,510,000 (2002: £1,517,000).