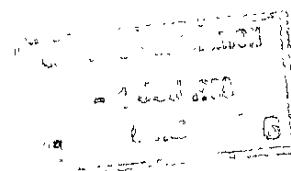


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NATIONWIDE SELF-STORAGE LIMITED  
MODIFIED ACCOUNTS AND AUDITORS' REPORT  
FOR THE YEAR ENDED 31ST DECEMBER 1987

SLAVEN JEFFCOTE & CO  
Chartered Accountants  
1 Lumley Street  
Mayfair  
LONDON W1Y 1TW



AUDITORS REPORT  
TO THE DIRECTORS OF  
NATIONWIDE SELF-STORAGE LIMITED

In our opinion the directors are entitled under Sections 247-249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 31st December 1987, and the modified accounts have been properly prepared in accordance with Schedule 8 of that Act. We are not required to express an audit opinion on the truth and fairness of these modified accounts.

We reported, as auditors of Nationwide Self-Storage Limited, to the members on 2nd June 1988 on the company's accounts prepared under Section 227 of the Companies Act 1985 for the year ended 31st December 1987, and our audit opinion was as follows:

We have audited financial statements on pages 3 to 10. Our audit was conducted in accordance with approved Auditing Standards.

In our opinion the financial statements which have been prepared under the historical cost convention give a true and fair view of the state of affairs of the company at 31st December 1987 and of the loss and source and application of funds for the year then ended, and comply with the Companies Act 1985.

*Slaven Jeffcote & Co.*

SLAVEN JEFFCOTE & CO.,  
Chartered Accountants,  
1 Lumley Street,  
Mayfair,  
LONDON W1Y 1TW.

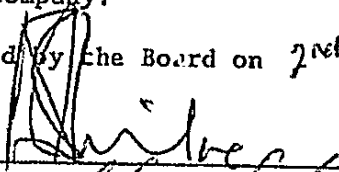
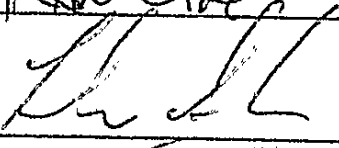
*2nd June 1988*

NATIONWIDE SELF-STORAGE LIMITED  
MODIFIED BALANCE SHEET AS AT  
31ST DECEMBER 1987

		<u>1987</u>	<u>1986</u>
	<u>Note</u>	£	£
FIXED ASSETS			
Tangible assets		1,271,693	106,539
CURRENT ASSETS			
Debtors	2	5,435	12,069
Bank balance		3,985	-
		-----	-----
		9,420	12,069
CURRENT LIABILITIES			
Creditors -			
due within one year	(1,331,054)		(49,773)
		-----	-----
Net current liabilities		(1,321,634)	(37,704)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		(49,941)	68,835
		=====	=====
SHARE CAPITAL AND RESERVES			
Called-up share capital	3	55,264	55,264
Share premium account		44,744	44,744
Profit and loss account		(149,949)	(31,173)
		-----	-----
		(49,941)	68,835
		=====	=====

These accounts have been modified in accordance with the Companies Act 1985. In doing so, we have relied upon Sections 247 to 249 of the Companies Act 1985 as entitling us to deliver modified accounts, on the grounds that the company is entitled to the benefit of those Sections as a small company.

Approved by the Board on 2<sup>nd</sup> June 1988

  
 \_\_\_\_\_  
  
 \_\_\_\_\_

DIRECTORS

The attached notes form an integral part of these financial statements

NATIONWIDE SELF-STORAGE LIMITED  
NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1987

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and on the basis of a going concern which is dependent upon the support of the bank.

(b) Turnover

Turnover represents fees receivable from the provision of storage facilities.

(c) Depreciation

Depreciation has been provided at a rate to write-off the cost of the asset over the estimated useful life. The rates used are as follows:-

Freehold property and improvements	4% - 20%
Leasehold improvements	Over life of lease
Plant and equipment	Over life of lease
Office furniture, fixtures & fittings	20% - 33.3%
Motor vehicles	

(d) Deferred taxation

Deferred taxation is calculated on the liability method to take account of timing differences arising from the different treatment of certain items for taxation purposes when compared with their treatment for accounts purposes.

Deferred taxation is provided on timing differences which will probably reverse at rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which in the opinion of the directors will probably not reverse.

These notes form an integral part of the financial statements

NATIONWIDE SELF-STORAGE LIMITED

NOTES TO THE MODIFIED FINANCIAL STATEMENTS (CONT/D..)  
FOR THE YEAR ENDED 31ST DECEMBER 1987

2. DEBTORS

	<u>1987</u>	<u>1986</u>
	£	£
Amounts falling due within one year	5,435	12,069
	=====	=====

3. CALLED UP SHARE CAPITAL

	<u>1987</u>	<u>1986</u>
	£	£
Authorised: 100,000 ordinary £1 shares	100,000	100,000
	=====	=====
Issued: 55,264 ordinary £1 shares	55,264	55,264
	=====	=====

4. HOLDING COMPANY

The company is a subsidiary of Kiri Holdings, a company registered in Panama.