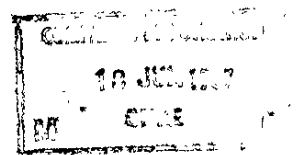


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NATIONWIDE SELF-STORAGE LIMITED
DIRECTORS REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 1986

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



NATIONWIDE SELF-STORAGE LIMITED

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NATIONWIDE SELF-STORAGE LIMITED
DIRECTORS REPORT FOR THE YEAR ENDED
31ST DECEMBER 1986

The directors present herewith their report and financial statements for the year ended 31st December 1986.

During the period, 2,632 Ordinary £1 shares were issued at a premium of £8.50 per share for cash in order to provide additional working capital.

The principal activity of the company is that of providing storage facilities and services.

The results of the company are satisfactory and the directors expect these results to be repeated in 1987. The company's storage facilities have been full since 1st October 1986, and the directors are having to turn a substantial amount of business away. As a result the directors are actively seeking an additional site to develop along the same lines as the company's existing site.

The results for the year are set out on page 3 and the movements in fixed assets are set out in the notes to the financial statements on page 7.

The directors do not recommend payment of a dividend.

The following directors have held office from the 1st January 1986 to the date of this report unless otherwise stated. The interests of the directors holding office at the balance sheet date in the shares of the company according to the register of directors interests were as shown below.

		<u>Ordinary £1 Shares</u>	
		<u>31.12.86</u>	<u>31.12.85</u>
D.F. Mitchell		-	-
H.M. Rayner	(Resigned 23.12.86)	-	5,000
C. Baker		5,000	5,000
D.S. Milne	(Appointed 12.6.86)	7,764	-

The auditors, Slaven Jeffcote & Co., Chartered Accountants, have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

BY ORDER OF THE BOARD


SECRETARY

REPORT OF THE AUDITORS
TO THE MEMBERS OF
NATIONWIDE SELF-STORAGE LIMITED

PAGE 2

We have audited the financial statements on pages 3 to 8. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors, who are also shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been properly reflected in the records.

Subject to the foregoing 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 the company's affairs at 31st December 1986 and of its profit 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.

12th May 1987

NATIONWIDE SELF-STORAGE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST DECEMBER 1986

PAGE 3

	<u>Note</u>	£	£
Turnover	1(b)	116,736	7,108
Less : Administration expenses		104,927	53,922
		<hr/>	<hr/>
Operating profit/(loss) before taxation		11,809	(46,814)
Interest received		50	3,782
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	2	11,859	(43,032)
Taxation	4	-	-
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation		11,859	(43,032)
		=====	=====

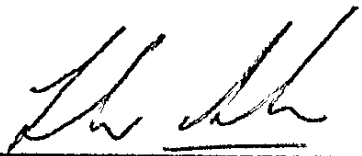
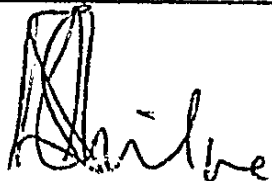
The attached notes form an integral part of these financial statements

NATIONWIDE SELF-STORAGE LIMITED
BALANCE SHEET AS AT
31ST DECEMBER 1986

PAGE 4

		<u>1986</u>		<u>1985</u>	
	<u>Note</u>	£	£	£	£
FIXED ASSETS					
Tangible assets	5		106,539		77,528
CURRENT ASSETS					
Debtors	6		12,069		1,430
CURRENT LIABILITIES					
Creditors - due within one year	7		(49,773)		(46,986)
Net current liabilities			(37,704)		(45,556)
TOTAL ASSETS LESS CURRENT LIABILITIES			68,835		31,972
SHARE CAPITAL AND RESERVES					
Called-up share capital	8		55,264		52,632
Share premium account	9		44,744		22,372
Profit and loss account			(31,173)		(43,032)
			68,835		31,972

Approved by the Board on 12th May 1987

DIRECTORS

The attached notes form an integral part of these financial statements

NATIONWIDE SELF-STORAGE LIMITED
SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 1986

PAGE 5

	<u>1986</u>		<u>1985</u>	
	£	£	£	£
SOURCES OF FUNDS				
Profit before taxation		11,859		-
Item not involving movement of funds				
Depreciation		9,754		1,313
		<hr/>		<hr/>
		21,613		1,313
OTHER SOURCES				
Issue of share capital	2,632		52,632	
Share premiums	22,372		22,372	
	<hr/>		<hr/>	
		25,004		75,004
APPLICATION OF FUNDS				
Purchase of fixed assets	(38,765)		(78,841)	
Loss for period	-		(43,032)	
	<hr/>		<hr/>	
		(38,765)		(121,873)
		<hr/>		<hr/>
		7,852		(45,556)
		<hr/>		<hr/>
MOVEMENT IN WORKING CAPITAL				
Increase in debtors	10,639		1,430	
(Increase) in creditors	(17,186)		(8,830)	
Decrease/(increase) in overdraft	14,399		(38,156)	
	<hr/>		<hr/>	
		7,852		(45,556)
		<hr/>		<hr/>

NATIONWIDE SELF-STORAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1986

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:-

Leasehold improvements	Over life of lease
Plant and equipment	Over life of lease
Office equipment	33 1/3%

(d) Deferred taxation

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.

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:-

	<u>1986</u>	<u>1985</u>
	£	£
Auditors remuneration	1,725	800
Directors remuneration	24,000	22,000
Interest payable	4,150	703
Depreciation	9,754	1,313
	=====	=====

3. STAFF COSTS

	<u>1986</u>	<u>1985</u>
	£	£
Wages and salaries	26,483	22,000
Social security costs	2,790	1,527
	-----	-----
	29,273	23,527
	=====	=====

4. TAXATION

There is no liability to U.K. corporation tax due to available losses brought forward.

NATIONWIDE SELF-STORAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FIXED ASSETS

	<u>Leasehold Improvements</u>	<u>Plant & Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£
Cost as at 1.1.86	27,739	51,102	-	78,841
Additions	-	32,159	6,606	38,765
	<hr/>	<hr/>	<hr/>	<hr/>
Cost as at 31.12.86	27,739 =====	83,261 =====	6,606 =====	117,606 =====
Depreciation as at 1.1.86	462	851	-	1,313
Charge for year	1,849	5,704	2,201	9,754
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation as at 31.12.86	2,311 =====	6,555 =====	2,201 =====	11,067 =====
Net book value at 31.12.86	25,428 =====	76,706 =====	4,405 =====	106,539 =====
Net book value at 31.12.85	27,277 =====	50,251 =====	- =====	77,528 =====

6. DEBTORS

	<u>1986</u>	<u>1985</u>
	£	£
Trade debtors	2,318	200
Prepayment	8,400	1,230
Sundry debtors	1,351	-
	<hr/>	<hr/>
	12,069 =====	1,430 =====

7. CREDITORS - due within one year

	<u>1986</u>	<u>1985</u>
	£	£
Other creditors	22,117	5,021
Accruals	3,899	2,915
PAYE & NIC	-	894
Bank overdraft (secured)	23,757	38,156
	<hr/>	<hr/>
	49,773 =====	46,986 =====

Midland Bank Plc., holds a fixed charge over the book debts and a floating charge over all assets of the company.

NATIONWIDE SELF-STORAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. CALLED-UP SHARE CAPITAL	<u>1986</u>	<u>1985</u>
	£	£
Authorised : 100,000 Ordinary £1 shares	100,000 =====	100,000 =====
Issued : 55,264 Ordinary £1 shares	55,264 =====	52,632 =====

During the year 2,632 Ordinary £1 shares were issued at a premium of £8.50 per share for cash in order to provide additional working capital.

9. SHARE PREMIUM	<u>1986</u>	<u>1985</u>
	£	£
Share premium account	44,744 =====	22,372 =====

10. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date and nothing has arisen since that date which should be brought to the attention of the members.

11. CAPITAL COMMITMENTS	<u>1986</u>	<u>1985</u>
	£	£
At the balance sheet date capital commitments were:-		
Authorised but no contracted for	- =====	12,000 =====

12. HOLDING COMPANY

The majority shareholder is Kiri Holdings S.A., a company registered in Panama.

13. DEFERRED TAXATION

No deferred tax has been provided as the tax effect of losses carried forward exceed the full potential liability of other timing differences.

These notes form an integral part of the financial statements