

ARCHIVE SERVICES LIMITED

Annual Report

Year ended 30 April 2002



ARCHIVE SERVICES LIMITED

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The following pages do not form part of the statutory financial statements:

Trading and Profit and Loss Account

Trading and Profit and Loss Account Detail

ARCHIVE SERVICES LIMITED

Company Information

DIRECTORS:

N P Smith
C D Drysdale
K Radtke

SECRETARY:

C D Drysdale

REGISTERED OFFICE:

Park House
14 Pepys Road
London
SW20 8NH

REGISTERED NUMBER:

2307053 (England and Wales)

AUDITORS:

RSM Robson Rhodes LLP
Chartered Accountants
Centre City Tower
7 Hill Street
Birmingham
B5 4UU

BANKERS:

Bank of Scotland
110 Queen Street
Glasgow
G1 3BY

SOLICITORS:

Eversheds
115 Colmore Row
Birmingham
B3 3AL

ARCHIVE SERVICES LIMITED

Report of the Directors for the year ended 30 April 2002

The directors present their report with the financial statements of the company for the year ended 30 April 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of storage and retrieval of documents and information.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Responsibilities relating to the company's administration were transferred to a fellow group undertaking following the acquisition of the company by Iron Mountain (UK) Limited on 6 February 2001. Consequently, transactions with the company's customers and suppliers are co-ordinated and settled on a group wide basis. Individual account balances between the company and its customers and suppliers are controlled on a group ledger basis and can no longer be specifically separately identified. Instead, costs and revenues are recharged and booked to the company's accounts through the inter company account.

DIVIDENDS

No dividends will be paid for the year ended 30 April 2002 (2001 - £250,000).

DIRECTORS

The directors during the year under review were:

N P Smith
C D Drysdale
K Radtke
D P Richards – resigned 31 January 2003

The directors holding office at 30 April 2002 did not hold any beneficial interest in the issued share capital of the company at 1 May 2001 or 30 April 2002.

NP Smith and CD Drysdale are also directors of Mentmore plc (formerly Mentmore Abbey plc) which owns 49.9% of the issued share capital of Iron Mountain Europe Limited, the intermediate parent undertaking. The interests of these directors in the share capital of Mentmore Plc are shown in the financial statements of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE ANNUAL REPORT

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which 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, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which 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 1985. 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 ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

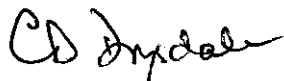
ARCHIVE SERVICES LIMITED

**Report of the Directors (continued)
for the year ended 30 April 2002**

AUDITORS

The auditors, RSM Robson Rhodes LLP, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'C D Drysdale', written in a cursive style.

C D Drysdale - SECRETARY

Dated: 19 May 2003

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARCHIVE SERVICES LIMITED

We have audited the financial statements on pages 5 to 14.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants
Centre City Tower
7 Hill Street
Birmingham
B5 4UU

Dated: 19 May 2003

ARCHIVE SERVICES LIMITED

**Profit and Loss Account
for the year ended 30 April 2002**

	Notes	Year ended 30/4/02		Period 1/4/00 to 30/4/01 (restated)	
		£	£	£	£
TURNOVER – continuing operations	1		1,719,308		1,542,408
Cost of sales			<u>(370,917)</u>		<u>(174,379)</u>
GROSS PROFIT			1,348,391		1,368,029
Administrative expenses			<u>(991,888)</u>		<u>(1,066,467)</u>
OPERATING PROFIT- continuing operations	3		356,503		301,562
Interest payable and similar charges	4		<u>-</u>		<u>(2,818)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			356,503		298,744
Tax on profit on ordinary activities	5		<u>(42,569)</u>		<u>(64,629)</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION			313,934		234,115
Dividends	6		<u>-</u>		<u>(250,000)</u>
RETAINED PROFIT/(LOSS) FOR THE PERIOD			313,934		(15,885)
Retained profit brought forward		91,750		89,720	
Prior period adjustments	5	<u>(17,915)</u>		<u>-</u>	
As restated			<u>73,835</u>		<u>89,720</u>
RETAINED PROFIT CARRIED FORWARD			<u>387,769</u>		<u>73,835</u>

The notes form part of these financial statements

ARCHIVE SERVICES LIMITED**Statement of Total Recognised Gains and Losses
for the year ended 30 April 2002**

	Year ended 30/4/02	Period 1/4/00 to 30/4/01 (restated)
	£	£
PROFIT FOR THE FINANCIAL YEAR	313,934	234,115
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	313,934	<u>234,115</u>
Prior year adjustment (note 5)	<u>(17,915)</u>	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	<u>296,019</u>	

The notes form part of these financial statements

ARCHIVE SERVICES LIMITED

Balance Sheet
30 April 2002

		30/4/02		30/4/01 (restated)	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		393,356		447,123
Investments	8		<u>-</u>		<u>-</u>
			393,356		447,123
CURRENT ASSETS					
Debtors	9	190,124		281,843	
Cash at bank		<u>24,783</u>		<u>-</u>	
		214,907		281,843	
CREDITORS: Amounts falling due within one year	10	<u>(89,436)</u>		<u>(372,572)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>125,471</u>		<u>(90,729)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			518,827		356,394
CREDITORS: Amounts falling due after more than one year	11		-		(154,634)
PROVISIONS FOR LIABILITIES AND CHARGES	13		<u>(51,048)</u>		<u>(47,915)</u>
			<u>467,779</u>		<u>153,845</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Share premium	15		79,910		79,910
Profit and loss account			<u>387,769</u>		<u>73,835</u>
EQUITY SHAREHOLDERS' FUNDS	18		<u>467,779</u>		<u>153,845</u>

ON BEHALF OF THE BOARD:



C D Drysdale - DIRECTOR

Approved by the Board on 19 May 2003

The notes form part of these financial statements

ARCHIVE SERVICES LIMITED

Notes to the Financial Statements for the year ended 30 April 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

New accounting standards

FRS 19 "Deferred Tax" has been adopted for the first time in these accounts. Comparative figures have been restated to be consistent with the new accounting policy for deferred tax that is described below. The effect of the change is quantified in note 5. FRS 18 "Accounting Policies" has also been adopted. It did not cause any other changes in policy, as after careful review, the directors are satisfied that the current accounting policies are the most appropriate for the company.

Turnover

Turnover represents the net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Depreciation is provided at the following annual rates:

Short leasehold property	- in accordance with the property
Racking and equipment	- 10% on cost
Motor vehicles	- 25% on reducing balance
Office equipment	- 15% on cost

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit.

Deferred tax

Deferred tax is provided on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses in due course.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the year.

ARCHIVE SERVICES LIMITED

Notes to the Financial Statements for the year ended 30 April 2002

2. STAFF COSTS

	Year ended 30/4/02	Period 1/4/00 to 30/4/01
	£	£
Wages and salaries	367,086	528,241
Social security costs	14,848	43,831
Other pension costs	1,834	3,305
	<u>383,768</u>	<u>575,377</u>

The directors did not receive any emoluments from the company during the year (2001: £190,509).

The average monthly number of employees during the year was as follows:

	Year ended 30/4/02	Period 1/4/00 to 30/4/01
Office and management	7	9
Warehouse staff	<u>8</u>	<u>8</u>
	<u>15</u>	<u>17</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 30/4/02	Period 1/4/00 to 30/4/01
	£	£
Depreciation - owned assets	53,767	59,063
Loss on disposal of fixed assets	-	919
Auditors' remuneration	4,000	6,750
Management fees	<u>330,000</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30/4/02	Period 1/4/00 to 30/4/01
	£	£
Hire purchase	<u>-</u>	<u>2,818</u>

ARCHIVE SERVICES LIMITED

Notes to the Financial Statements for the year ended 30 April 2002

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year ended 30/4/02	Period 1/4/00 to 30/4/01 (restated)
	£	£
Current tax		
UK corporation tax	-	56,300
Relating to prior years	<u>39,436</u>	<u>-</u>
Total current tax	39,436	56,300
Deferred tax		
Net origination of timing differences of timing differences	<u>3,133</u>	<u>8,329</u>
Tax on profit on ordinary activities	<u>42,569</u>	<u>64,629</u>

UK corporation tax has been charged at 30% (2001 - 30%).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 30/4/02	Period 1/4/00 to 30/4/01 (restated)
	£	£
Profit on ordinary activities before tax	<u>356,503</u>	<u>298,744</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 30%)	106,951	89,623
Effects of:		
Group relief claims	(106,490)	(39,436)
Ineligible depreciation	1,982	2,348
Other permanent differences - expenditure disallowed	690	5,794
Other timing differences	(3,133)	(8,329)
Adjustments to tax charge in respect of prior periods	<u>39,436</u>	<u>6,300</u>
Current tax charge	<u>39,436</u>	<u>56,300</u>

FRS 19 "Deferred Tax" has been adopted with effect from 1 April 2000. FRS 19 requires that deferred tax be recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. The company's previous accounting policy in respect of deferred tax was only to recognise deferred tax to the extent that a liability would crystallise. As a result of the change in accounting policy a prior year adjustment of £17,915 has been made. The effect in the current year of the change in deferred tax policy has been to increase the tax charge by £3,133 (effect for 2001: increase the tax charge by £8,329).

ARCHIVE SERVICES LIMITED

Notes to the Financial Statements for the year ended 30 April 2002

6. DIVIDENDS

	Year ended 30/4/02 £	Period 1/4/00 to 30/4/01 £
Equity shares:		
Interim ordinary dividend of £nil per share (2001: £2,500)	<u>-</u>	<u>250,000</u>

7. TANGIBLE FIXED ASSETS

	<u>Short leasehold property</u>	<u>Racking and equipment</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Totals</u>
	£	£	£	£	£
COST					
At 1 May 2001 and 30 April 2002	<u>81,240</u>	<u>347,269</u>	<u>64,072</u>	<u>149,779</u>	<u>642,360</u>
DEPRECIATION					
At 1 May 2001	15,703	87,042	37,429	55,063	195,237
Charge for year	<u>8,305</u>	<u>14,466</u>	<u>13,348</u>	<u>17,648</u>	<u>53,767</u>
At 30 April 2002	<u>24,008</u>	<u>101,508</u>	<u>50,777</u>	<u>72,711</u>	<u>249,004</u>
NET BOOK VALUE					
At 30 April 2002	<u>57,232</u>	<u>245,761</u>	<u>13,295</u>	<u>77,068</u>	<u>393,356</u>
At 30 April 2001	<u>65,537</u>	<u>260,227</u>	<u>26,643</u>	<u>94,716</u>	<u>447,123</u>

ARCHIVE SERVICES LIMITED

Notes to the Financial Statements for the year ended 30 April 2002

8. FIXED ASSET INVESTMENTS

	£
COST	
At 1 May 2001 and 30 April 2002	<u>80,000</u>
PROVISIONS	
At 1 May 2001 and 30 April 2002	<u>80,000</u>
NET BOOK VALUE	
At 30 April 2002	<u><u>-</u></u>
At 30 April 2001	<u><u>-</u></u>

The company's investment represents a 100% holding in the ordinary share capital of Jones and Crossland Limited, a non trading company registered in England and Wales.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/4/02 £	30/4/01 £
Trade debtors	-	222,411
Other debtors	-	3,290
Prepayments & accrued income	-	56,142
Amounts due from group undertakings	<u>190,124</u>	<u>-</u>
	<u><u>190,124</u></u>	<u><u>281,843</u></u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/4/02 £	30/4/01 £
Bank overdraft	-	7,072
Trade creditors	-	1,650
Amounts due to group undertakings	-	28,363
Social security & other taxes	-	8,206
Corporate taxation	89,436	50,000
Accruals and deferred income	<u>-</u>	<u>277,281</u>
	<u><u>89,436</u></u>	<u><u>372,572</u></u>

ARCHIVE SERVICES LIMITED

Notes to the Financial Statements for the year ended 30 April 2002

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30/4/02	30/4/01
	£	£
Payments in advance	<u>-</u>	<u>154,634</u>

12. OBLIGATIONS UNDER OPERATING LEASES

The following payments are committed to be paid within one year:

	Land and buildings	
	30/4/02	30/4/01
	£	£
Expiring: In more than five years	<u>277,550</u>	<u>277,550</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	30/4/02	30/4/01 (restated)
	£	£
Deferred tax – accelerated capital allowances	<u>51,048</u>	<u>47,915</u>

	Deferred tax
	£
Balance at 1 May 2001 (restated)	47,915
Profit and loss account	<u>3,133</u>
Balance at 30 April 2002	<u>51,048</u>

ARCHIVE SERVICES LIMITED

Notes to the Financial Statements for the year ended 30 April 2002

14. CALLED UP SHARE CAPITAL

Authorised

	30/4/02	30/4/01
	£	£
95,000 ordinary shares of £1 each	95,000	95,000
5,000 "A" ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid

	30/4/02	30/4/01
	£	£
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

15. SHARE PREMIUM

	30/4/02	30/4/01
	£	£
At 30 April 2001 and 30 April 2002	<u>79,910</u>	<u>79,910</u>

16. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Iron Mountain Incorporated, of Delaware, United States of America.

Iron Mountain Group (Europe) Limited, incorporated in England and Wales, was the EC parent company of the largest and smallest group of which Archive Services Limited was a member and for which group accounts are drawn up. Iron Mountain Europe Limited, the intermediate holding company, was the EC parent of the smallest group for which group accounts are drawn up. Copies of the group accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

17. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under the rules of FRS8 not to disclose related party transactions as over 90% of the voting rights of the company were controlled, from 6 February 2001, within the group headed by Iron Mountain Group (Europe) Limited, which has prepared consolidated financial statements for the period ended 30 April 2002.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30/4/02	30/4/01
	£	£
Profit for the financial year	313,934	234,115
Dividends	<u>-</u>	<u>(250,000)</u>
Net addition/(reduction) to shareholders' funds	313,934	(15,885)
Opening shareholders' funds		
(originally £171,760 before prior year adjustment of £17,915)	<u>153,845</u>	<u>169,730</u>
Closing shareholders' funds	<u>467,779</u>	<u>153,845</u>