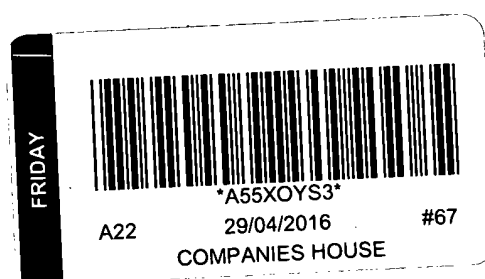


REGISTERED NUMBER: 03512289 (England and Wales)

**Directors' Report and
Audited Financial Statements for the Year Ended 31 October 2015
for
SPACES PERSONAL STORAGE LIMITED**



**Contents of the Financial Statements
for the year ended 31 October 2015**

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SPACES PERSONAL STORAGE LIMITED

**Company Information
for the year ended 31 October 2015**

DIRECTORS:

D Penniston
A B Jones
F Vecchioli

SECRETARY:

S Ahmed

REGISTERED OFFICE:

Brittanic House
Stirling Way
Borehamwood
Hertfordshire
WD6 2BT

REGISTERED NUMBER:

03512289 (England and Wales)

INDEPENDENT AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

BANKERS:

National Westminster Bank Plc
P O Box No 34
15 Bishopsgate
London
EC2P 2AP

SOLICITORS:

Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

**Directors' Report
for the year ended 31 October 2015**

The directors present their report with the financial statements of the company for the year ended 31 October 2015.

The directors' report has been prepared in accordance with the provisions entitled to the small companies' exemption and therefore a Strategic Report has not been prepared.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing facilities suitable for offering storage solutions and related services to commercial and domestic customers. No changes in the company's principal activity are anticipated in the foreseeable future.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements on pages 5 to 11.

The company generated turnover of £3.8 million (2014: £3.9 million) and profit before tax of £1.7 million (2014: £2.7 million). Operating profit of £1.7 million is in line with the operating profit generated in the prior year. Reported profits for the year have been impacted by two specific one-off items, being the receipt of £0.9 million (2014: £nil) dividends from investments in subsidiaries, less a £0.9 million impairment charge (2014: £0.5 million reversal of prior impairment provisions) against the carrying value of investments in subsidiaries.

The Safestore Holdings plc group is a Real Estate Investment Trust ("REIT"). There is no liability to corporation tax for the year.

DIVIDENDS

No dividends have been paid during the year (2014: £nil).

No final dividend is being proposed for the year ended 31 October 2015 (2014: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2014 to the date of this report.

D Penniston
A B Jones
F Vecchioli

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

FINANCIAL RISK MANAGEMENT

Financial risk is managed at a Group level by Safestore Holdings plc. Further information can be found in note 1 to the financial statements in Safestore Holdings plc's annual report and financial statements 2015.

The company's principal financial assets and liabilities are amounts owed by or to Group undertakings, which are considered to have negligible credit risk. These amounts are interest free and sterling denominated, so the company is exposed to neither interest rate risk nor foreign exchange rate risk.

The company's funding is provided by other Group undertakings, which exposes the company to liquidity risk. The Group's policy on liquidity risk is to ensure that sufficient cash is available to fund ongoing operations without the need to carry significant net debt over the medium term. The Group's principal borrowing facilities are provided by a group of core relationship banks in the form of term loans and overdrafts. The quantum of committed borrowing facilities available to the Group is reviewed regularly and is designed to exceed forecast peak gross debt levels.

**Directors' Report
for the year ended 31 October 2015**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 confirm that they have complied with the above requirements in preparing the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Deloitte LLP, has indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD:



S Ahmed - Secretary

Date: 26 April 2016

Report of the Independent Auditor to the Members of Spaces Personal Storage Limited

We have audited the financial statements of Spaces Personal Storage Limited for the year ended 31 October 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Beddy, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date: 26 April 2016

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

**Profit and Loss Account
for the year ended 31 October 2015**

	Notes	2015 £'000	2014 £'000
TURNOVER	2	3,764	3,873
Administrative expenses		<u>(2,035)</u>	<u>(2,099)</u>
OPERATING PROFIT	5	1,729	1,774
Gain on asset disposals		<u>-</u>	<u>425</u>
		1,729	2,199
Income from shares in group undertakings	6	<u>941</u>	<u>-</u>
		2,670	2,199
(Impairment of)/reversal of impairment in subsidiaries	7	<u>(939)</u>	<u>520</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,731	2,719
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,731</u>	<u>2,719</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

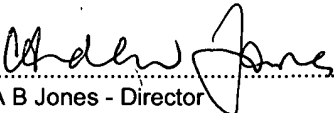
There are no material differences between the profit on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalents.

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

**Balance Sheet
31 October 2015**

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	9	16,610	16,877
Investments	10	<u>3,311</u>	<u>4,250</u>
		19,921	21,127
Debtors: amounts falling due after more than one year	11	<u>26,627</u>	<u>21,921</u>
NET CURRENT ASSETS		<u>26,627</u>	<u>21,921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		46,548	43,048
CREDITORS			
Amounts falling due after more than one year	12	<u>(1,769)</u>	<u>-</u>
NET ASSETS		<u>44,779</u>	<u>43,048</u>
CAPITAL AND RESERVES			
Called up share capital	14	4,503	4,503
Share premium	15	36,691	36,691
Profit and loss account	15	<u>3,585</u>	<u>1,854</u>
SHAREHOLDERS' FUNDS	18	<u>44,779</u>	<u>43,048</u>

The financial statements were approved by the Board of Directors on 26 April 2016 and were signed on its behalf by:



 A B Jones - Director

**Notes to the Financial Statements
for the year ended 31 October 2015**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. All amounts are presented in £ Sterling and are rounded to the nearest £ thousand, unless otherwise stated.

The principal accounting policies are set out below and have been applied consistently throughout the year.

Preparation of consolidated financial statements

The financial statements contain information about Spaces Personal Storage Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Safestore Holdings plc, a company registered in England and Wales.

Turnover

Turnover represents amounts derived from the rental of property excluding value added tax. Rental income is recognised over the period for which the assets are used on a time apportionment basis.

Tangible fixed assets

Depreciation has been charged at the rate of 2% per annum on the buildings element of the cost of freehold property, after excluding the residual value of the buildings.

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit. Freehold land is not depreciated.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments held as fixed assets are stated at cost less provision for impairment. Reversals of provisions for impairment are recognised where there is a favourable change in the economic assumptions in the period since the provision was made.

Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Safestore Acquisition Limited and is included in the consolidated financial statements of Safestore Holdings plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Safestore Holdings plc group.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

Turnover represents inter-company rent receivable from fellow subsidiary undertakings.

3. STAFF COSTS

There were no staff costs for the year ended 31 October 2015 nor for the year ended 31 October 2014.

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

	2015	2014
Directors	<u>3</u>	<u>3</u>

**Notes to the Financial Statements - continued
for the year ended 31 October 2015**

4. DIRECTORS' EMOLUMENTS

The directors did not receive emoluments for their services to the company (2014: £nil).

Directors' remuneration costs in respect of AB Jones and F Vecchioli are borne by Safestore Holdings Plc. Further details in respect of their remuneration are shown in the consolidated accounts of Safestore Holdings Plc. Directors' remuneration costs in respect of D Penniston are borne by Safestore Limited.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£'000	£'000
Other operating leases	1,688	1,827
Depreciation - owned assets	267	271
Intercompany rent	<u>(3,764)</u>	<u>(3,872)</u>

Auditor's remuneration totalling £8,000 (2014: £8,000) was borne by a fellow group undertaking and there was no recharge made for these costs. No other fees were paid to the auditor.

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2015	2014
	£'000	£'000
Dividends received	<u>941</u>	<u>-</u>

7. AMOUNTS WRITTEN OFF INVESTMENTS

	2015	2014
	£'000	£'000
Reversal of impairment in subsidiary	-	520
Impairment of investments in subsidiaries	<u>(939)</u>	<u>-</u>
	<u>(939)</u>	<u>520</u>

The impairment of investment in subsidiaries arose due to a reduction in the net asset value of Metrostore Group Limited following the payment of dividends.

In the prior year, the reversal of prior impairment provisions made against the carrying value of the company's investment in Safestore Trading Limited arose due to an increase in the net asset value of Safestore Trading Limited as a result of its profitable trading.

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2015 nor for the year ended 31 October 2014.

Notes to the Financial Statements - continued
for the year ended 31 October 2015

8. TAXATION - continued

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:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	<u>1,731</u>	<u>2,719</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.4% (2014 - 21.8%)	353	593
Effects of:		
Expenses not deductible for tax purposes	246	60
Income not taxable for tax purposes	(192)	(93)
Profits from tax exempt business	(407)	(560)
Transfer pricing adjustment on debt	223	203
Group relief not paid for	(223)	(203)
	<u>-</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The Safestore Holdings plc group is a REIT. As a result the Group is exempt from UK corporation tax on the profits and gains from its qualifying rental business in the UK provided that it meets certain conditions. Non-qualifying profits and gains of the Group remain subject to corporation tax as normal. The Group monitors its compliance with the REIT conditions. There have been no breaches of the conditions to date.

The main rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. Accordingly the Group's results for this accounting period are taxed at an effective rate of 20.4%. Due to the Group's REIT status there will be no deferred taxation impact in respect of the changes in taxation rates.

9. TANGIBLE FIXED ASSETS

	Freehold property £'000
COST	
At 1 November 2014 and 31 October 2015	<u>19,763</u>
DEPRECIATION	
At 1 November 2014	2,886
Charge for year	<u>267</u>
At 31 October 2015	<u>3,153</u>
NET BOOK VALUE	
At 31 October 2015	<u>16,610</u>
At 31 October 2014	<u>16,877</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2015

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 November 2014 and 31 October 2015	<u>16,652</u>
PROVISIONS FOR IMPAIRMENT	
At 1 November 2014	(12,402)
Provision for year	<u>(939)</u>
At 31 October 2015	<u>(13,341)</u>
NET BOOK VALUE	
At 31 October 2015	<u>3,311</u>
At 31 October 2014	<u>4,250</u>

The entities listed below are subsidiaries of the company:

Safestore Trading Limited*

Country of incorporation: Great Britain
Nature of business: Non trading

Class of shares:	% holding
Ordinary	100.00

Metrostore Group Limited*†

Country of incorporation: Great Britain
Nature of business: Non-trading

Class of shares:	% holding
Ordinary	100.00

Safestore Property Management Limited†

Country of incorporation: Great Britain
Nature of business: Non-trading

Class of shares:	% holding
Ordinary	100.00

* Owned directly by the company.

† Subsidiary has been liquidated subsequent to the balance sheet date.

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

	2015 £'000	2014 £'000
Amounts owed by group undertakings	<u>26,627</u>	<u>21,921</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. However, the directors consider it unlikely that repayment will arise in the short term and it is for this reason that the amounts are shown as falling due after one year.

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

	2015 £'000	2014 £'000
Amounts owed to group undertakings	<u>1,769</u>	<u>-</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2015

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. The directors have received assurance that repayment of amounts owed to group undertakings will not arise in the short term and it is for this reason that the amounts are shown as falling due after one year.

13. OPERATING LEASE COMMITMENTS

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

		Land and buildings	
		2015	2014
		£'000	£'000
Expiring:			
In more than five years		<u>1,839</u>	<u>1,827</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2015	2014
Number:	Class:		£'000	£'000
90,063,813	Ordinary	5p	<u>4,503</u>	<u>4,503</u>

15. RESERVES

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1 November 2014	1,854	36,691	38,545
Profit for the year	<u>1,731</u>	-	<u>1,731</u>
At 31 October 2015	<u>3,585</u>	<u>36,691</u>	<u>40,276</u>

16. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is Safestore Acquisition Limited. The ultimate parent company and controlling party is Safestore Holdings plc which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Safestore Holdings plc financial statements can be obtained from the company's registered office at Brittan House, Stirling Way, Borehamwood, Hertfordshire WD6 2BT.

17. CONTINGENT LIABILITIES

As part of the group banking, the Company has guaranteed the borrowings totalling £251.3 million (2014: £265.2 million) of fellow Group undertakings by way of a charge over all of its property and assets. There are similar cross guarantees provided by Group companies in respect of any bank borrowings which the Company may draw under a Group facility agreement. The financial liability associated with this guarantee is considered remote and therefore no provision has been recorded.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £'000	2014 £'000
Profit for the financial year	<u>1,731</u>	<u>2,719</u>
Net addition to shareholders' funds	1,731	2,719
Opening shareholders' funds	<u>43,048</u>	<u>40,329</u>
Closing shareholders' funds	<u>44,779</u>	<u>43,048</u>