

**Directors' Report and  
Audited Financial Statements for the Year Ended 31 October 2016  
for  
SPACES PERSONAL STORAGE LIMITED**

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for the year ended 31 October 2016**

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**SPACES PERSONAL STORAGE LIMITED**

**Company Information**  
**for the year ended 31 October 2016**

<b>DIRECTORS:</b>	D Penniston A B Jones F Vecchioli
<b>SECRETARY:</b>	S Ahmed
<b>REGISTERED OFFICE:</b>	Brittanic House Stirling Way Borehamwood Hertfordshire WD6 2BT
<b>REGISTERED NUMBER:</b>	03512289 (England and Wales)
<b>INDEPENDENT AUDITOR:</b>	Deloitte LLP Chartered Accountants and Statutory Auditor 2 New Street Square London EC4A 3BZ
<b>BANKERS:</b>	National Westminster Bank Plc P O Box No 34 15 Bishopsgate London EC2P 2AP
<b>SOLICITORS:</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL

**Directors' Report  
for the year ended 31 October 2016**

The directors present their report with the audited financial statements of the company for the year ended 31 October 2016.

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 AND FUTURE DEVELOPMENTS**

The company generated turnover of £3.9 million (2015: £3.8 million) and profit before tax of £1.8 million (2015: £1.7 million). Operating profit of £1.8 million is in line with the operating profit generated in the prior year.

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 (2015: £nil).

No final dividend is being proposed for the year ended 31 October 2016 (2015: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2015 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.

**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 2016.

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

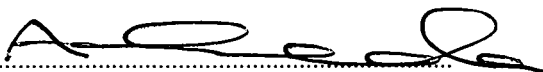
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

**Directors' Report  
for the year ended 31 October 2016**

**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:**

A handwritten signature in black ink, appearing to be 'S Ahmed', written over a dotted line.

S Ahmed - Secretary

Date: 28 April 2017

**Statement of Directors' Responsibilities  
for the year ended 31 October 2016**

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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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.

## **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 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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), including FRS 101 "Reduced Disclosure Framework".

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 Statement of Directors' Responsibilities, 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 2016 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in 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; or
- the directors were not entitled to take advantage of the small companies exemption to prepare a Strategic Report.



William Brooks FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London

Date: 28 April 2017

**SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)**

**Statement of Comprehensive Income  
for the year ended 31 October 2016**

	Notes	2016 £'000	2015 £'000
<b>TURNOVER</b>	2	3,895	3,764
Administrative expenses		<u>(2,109)</u>	<u>(2,035)</u>
<b>OPERATING PROFIT</b>		1,786	1,729
Income from shares in group undertakings	4	<u>-</u>	<u>941</u>
		1,786	2,670
Impairment of investments in subsidiaries	5	<u>-</u>	<u>(939)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	1,786	1,731
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,786	1,731
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,786</u>	<u>1,731</u>




**SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)**

**Balance Sheet**  
**31 October 2016**

	Notes	2016 £'000	2015 (restated (i)) £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	568	584
Investments	9	3,008	3,311
Investment property	10	<u>15,765</u>	<u>16,026</u>
		<b>19,341</b>	<b>19,921</b>
Debtors: amounts falling due after more than one year	11	<u>27,224</u>	<u>26,627</u>
<b>NET CURRENT ASSETS</b>		<b><u>27,224</u></b>	<b><u>26,627</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>46,565</b>	<b>46,548</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	-	<u>(1,769)</u>
<b>NET ASSETS</b>		<b><u>46,565</u></b>	<b><u>44,779</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	4,503	4,503
Share premium	15	36,691	36,691
Retained earnings	15	<u>5,371</u>	<u>3,585</u>
<b>SHAREHOLDERS' FUNDS</b>		<b><u>46,565</u></b>	<b><u>44,779</u></b>

(i) The company transitioned to FRS 101 on 1 November 2014. As a result certain amounts previously reported under UK GAAP have required restatement. See note 1 for further details.

The financial statements were approved by the Board of Directors on 28 April 2017 and were signed on its behalf by:

  
A B Jones - Director

**Statement of Changes in Equity  
for the year ended 31 October 2016**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 November 2014</b>	4,503	1,854	36,691	43,048
<b>Changes in equity</b>				
Total comprehensive income	-	1,731	-	1,731
<b>Balance at 31 October 2015</b>	4,503	3,585	36,691	44,779
<b>Changes in equity</b>				
Total comprehensive income	-	1,786	-	1,786
<b>Balance at 31 October 2016</b>	4,503	5,371	36,691	46,565

**Notes to the Financial Statements  
for the year ended 31 October 2016**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

Spaces Personal Storage Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the company's registered office is shown on page 1.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006. In preparing these financial statements the company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union, but has made amendments where necessary in order to comply with Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company is a qualifying entity for the purposes of FRS 101. Note 16 gives details of the company's parent and how to obtain its consolidated financial statements prepared in accordance with IFRS.

This is the first year that the company has presented its financial statements under FRS 101. In the transition to FRS 101 the company has applied IFRS 1: 'First-time adoption of International Financial Reporting Standards' whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The last financial statements under UK GAAP were for the year ended 31 October 2015 and the date of transition to FRS 101 was therefore 1 November 2014.

On transition to FRS 101, certain interests in properties previously reported as tangible fixed assets under UK GAAP have been reclassified as investment properties under FRS 101. This has had no impact on reported profit. Further information on the impact of transition for FRS 101 is given in note 18.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets; and
  - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Safestore Holdings plc. Details of the parent in whose consolidated financial statements the company is included are shown in note 16 to the financial statements.

**Going concern**

The financial statements have been prepared on a going concern 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. Freehold land is not depreciated.

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

**Notes to the Financial Statements - continued  
for the year ended 31 October 2016**

**1. ACCOUNTING POLICIES - continued**

**Investment property**

Investment properties are those properties owned by the company that are held to earn rental income, or for capital growth, or both. Investment properties are stated at historic cost, including related transaction and borrowing costs, less accumulated depreciation.

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. Freehold land is not depreciated.

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

**Turnover**

Turnover represents inter-company rent receivable from fellow subsidiary undertakings under operating leases, and is recognised on a time apportionment basis.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

**Investments**

Investments in subsidiaries are stated at cost less provision for impairment in value. 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.

**Financial assets and liabilities**

Financial assets are classified as financial assets at fair value through profit or loss or loans or receivables as appropriate. The company determines the classification of its assets at initial recognition. Financial assets are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through the profit or loss or other liabilities, as appropriate. Financial liabilities are recognised initially at fair value and subsequently at amortised cost.

**Critical accounting estimates and judgements**

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Given the straight forward nature of the company no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been identified by management.

**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 under operating leases.

**3. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 October 2016 nor for the year ended 31 October 2015.

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

	2016	2015
Directors	<u>3</u>	<u>3</u>

The directors did not receive emoluments for their services to the company (2015: £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.

Notes to the Financial Statements - continued  
for the year ended 31 October 2016

## 4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2016 £'000	2015 £'000
Dividends received from subsidiaries	<u>-</u>	<u>941</u>

## 5. IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES

	2016 £'000	2015 £'000
Impairment of investments in subsidiaries	<u>-</u>	<u>939</u>

In the prior year, 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.

## 6. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	2016 £'000	2015 £'000
Other operating leases	1,744	1,688
Operating lease income	(3,895)	(3,764)
Depreciation - owned assets	<u>277</u>	<u>267</u>

Auditor's remuneration totalling £8,100 (2015: £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.

## 7. TAXATION

## Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2016 nor for the year ended 31 October 2015.

## Factors affecting the tax expense

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

	2016 £'000	2015 £'000
Profit on ordinary activities before income tax	<u>1,786</u>	<u>1,731</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.0% (2015 - 20.4%)	357	353
Effects of:		
Expenses not deductible for tax purposes	-	246
Income not taxable for tax purposes	-	(192)
Profits from tax exempt business	(357)	(407)
Transfer pricing adjustment on debt	190	223
Group relief not paid for	<u>(190)</u>	<u>(223)</u>
Tax expense	<u>-</u>	<u>-</u>

The Safestore Holdings plc group is a real estate investment trust (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 21% to 20% from 1 April 2015. Accordingly the Group's results for this accounting period are taxed at an effective rate of 20.0% (2015: 20.4%). Due to the Group's REIT status there will be no deferred taxation impact in respect of the changes in taxation rates.

Notes to the Financial Statements - continued  
for the year ended 31 October 2016

8. TANGIBLE FIXED ASSETS

	Freehold property £'000
<b>COST</b>	
At 1 November 2015 (restated) and 31 October 2016	<u>800</u>
<b>DEPRECIATION</b>	
At 1 November 2015 (restated)	216
Charge for year	<u>16</u>
At 31 October 2016	<u>232</u>
<b>NET BOOK VALUE</b>	
At 31 October 2016	<u>568</u>
At 31 October 2015 (restated)	<u>584</u>

9. INVESTMENTS

	Shares in group undertakings £'000
<b>COST</b>	
At 1 November 2015	16,652
Disposals	<u>(2,139)</u>
At 31 October 2016	<u>14,513</u>
<b>PROVISIONS FOR IMPAIRMENT</b>	
At 1 November 2015	(13,341)
Eliminated on disposal	<u>1,836</u>
At 31 October 2016	<u>(11,505)</u>
<b>NET BOOK VALUE</b>	
At 31 October 2016	<u>3,008</u>
At 31 October 2015	<u>3,311</u>

During the year, the company's investment in Metrostore Group Limited was liquidated. The carrying value of the company's investment equated to the net assets of Metrostore Group Limited at liquidation, so no gain or loss arose on liquidation.

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Safestore Trading Limited\***

Country of incorporation: Great Britain

Nature of business: Non trading

Class of shares:

Ordinary

%  
holding  
100.00

\* Owned directly by the company.

Notes to the Financial Statements - continued  
for the year ended 31 October 2016

## 10. INVESTMENT PROPERTY

	Total £'000
<b>COST</b>	
At 1 November 2015 (restated) and 31 October 2016	<u>18,963</u>
<b>DEPRECIATION</b>	
At 1 November 2015 (restated)	2,937
Charge for year	<u>261</u>
At 31 October 2016	<u>3,198</u>
<b>NET BOOK VALUE</b>	
At 31 October 2016	<u>15,765</u>
At 31 October 2015 (restated)	<u>16,026</u>

The fair value of the company's property portfolio is estimated at £117.2 million (2015: £106.1 million).

Rental income earned from investment properties for the year ended 31 October 2016 was £3.9 million (2015: £3.8 million).

At the balance sheet date, the company had contracted to receive the following future minimum lease payments from fellow group undertakings under non-cancellable operating leases:

	2016 £'000	2015 £'000
Within one year	3,667	3,563
Between one and five years	12,305	14,035
In more than five years	<u>5,390</u>	<u>6,266</u>
	<u>21,362</u>	<u>23,864</u>

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

	2016 £'000	2015 £'000
Amounts owed by group undertakings	<u>27,224</u>	<u>26,627</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

	2016 £'000	2015 £'000
Amounts owed to group undertakings	<u>-</u>	<u>1,769</u>

## 13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016 £'000	2015 £'000
Within one year	1,546	1,491
Between one and five years	6,185	6,185
In more than five years	<u>14,620</u>	<u>16,166</u>
	<u>22,351</u>	<u>23,842</u>

Notes to the Financial Statements - continued  
for the year ended 31 October 2016

## 14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2016 £'000	2015 £'000
90,063,813	Ordinary	5p	<u>4,503</u>	<u>4,503</u>

## 15. RESERVES

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 November 2015	3,585	36,691	40,276
Profit for the year	<u>1,786</u>	<u>-</u>	<u>1,786</u>
At 31 October 2016	<u>5,371</u>	<u>36,691</u>	<u>42,062</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 Brittanica House, Stirling Way, Borehamwood, Hertfordshire WD6 2BT.

## 17. CONTINGENT LIABILITIES

As part of the group banking, the Company has guaranteed the borrowings totalling £317.5 million (2015: £251.3 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. EXPLANATION OF TRANSITION TO FRS 101

This is the first year that the company has presented its financial statements under FRS 101. In the transition to FRS 101 the company has applied IFRS 1: 'First-time adoption of International Financial Reporting Standards' whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The last financial statements under UK GAAP were for the year ended 31 October 2015 and the date of transition to FRS 101 was therefore 1 November 2014.

On transition to FRS 101, certain interests in properties previously reported as tangible fixed assets under UK GAAP have been reclassified as investment properties under FRS 101. The company has adopted the cost model policy option under IAS 40 and the previously adopted useful lives and residual values remain appropriate, so no adjustments have been required to historic depreciation amounts, and therefore previously reported profit is unchanged on first time adoption of FRS 101, hence no reconciliation of profit for the year ended 31 October 2015 has been prepared.



Notes to the Financial Statements - continued  
for the year ended 31 October 2016

## 18. EXPLANATION OF TRANSITION TO FRS 101 - continued

## Reconciliation of equity at 1 November 2014 (date of transition to FRS 101)

	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
<b>FIXED ASSETS</b>			
Tangible assets	16,877	(16,277)	600
Investments	4,250	-	4,250
Investment property	-	16,277	16,277
	<u>21,127</u>	<u>-</u>	<u>21,127</u>
<b>CURRENT ASSETS</b>			
Debtors	<u>21,921</u>	<u>-</u>	<u>21,921</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>43,048</u>	<u>-</u>	<u>43,048</u>
<b>NET ASSETS</b>	<u>43,048</u>	<u>-</u>	<u>43,048</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4,503	-	4,503
Share premium	36,691	-	36,691
Retained earnings	<u>1,854</u>	<u>-</u>	<u>1,854</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>43,048</u>	<u>-</u>	<u>43,048</u>

## Reconciliation of equity at 31 October 2015

	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
<b>FIXED ASSETS</b>			
Tangible assets	16,610	(16,026)	584
Investments	3,311	-	3,311
Investment property	-	16,026	16,026
	<u>19,921</u>	<u>-</u>	<u>19,921</u>
<b>CURRENT ASSETS</b>			
Debtors	<u>26,627</u>	<u>-</u>	<u>26,627</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>46,548</u>	<u>-</u>	<u>46,548</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	<u>(1,769)</u>	<u>-</u>	<u>(1,769)</u>
<b>NET ASSETS</b>	<u>44,779</u>	<u>-</u>	<u>44,779</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4,503	-	4,503
Share premium	36,691	-	36,691
Retained earnings	<u>3,585</u>	<u>-</u>	<u>3,585</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>44,779</u>	<u>-</u>	<u>44,779</u>