

Company registration number: 08919703

**Armadillo Storage Holding Company Limited**

**Report and consolidated financial statements**

**For the year ended 31 March 2021**



# **Armadillo Storage Holding Company Limited**

## **Report and financial statements 2021**

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# **Armadillo Storage Holding Company Limited**

## **Report and financial statements 2021**

### **Offices and professional advisers**

<b>Directors</b>	James Gibson Robert Gregg (resigned 1 <sup>st</sup> July 2021) Jon Perrins (resigned 1 <sup>st</sup> July 2021) Adrian Lee John Trotman
<b>Secretary</b>	S Beavis
<b>Registered Office</b>	2 The Deans Bridge Road Bagshot Surrey GU19 5AT
<b>Banker</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
<b>Statutory Auditor</b>	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

# **Armadillo Storage Holding Company Limited**

## **Strategic report**

The Directors present their report and the audited financial statements for Armadillo Storage Holding Company Limited (“the Company”) and the consolidated financial statements for the Company and its subsidiaries (“the Group”) for the year ended 31 March 2021. In preparing this strategic report, they have complied with s414C of the Companies Act 2006.

### **Principal activities and future prospects**

The principal activity of the Group is the rental of self storage units and provision of ancillary services from the properties, such as the sale of packaging materials and contents insurance in the UK.

The Directors believe that the medium-term opportunity to create shareholder value will be principally achieved by leasing up stores to drive revenue, the majority of which flows through to the bottom line given that the operating and central overhead costs are already largely embedded. The location of the Company’s stores, strong brand, unrivalled security, and, most importantly, excellent customer service attracts and retains a loyal and diverse customer base. Self-storage income is largely evergreen with highly defensive characteristics driven from buildings with very low obsolescence. Awareness of self storage will continue to grow as more businesses and individuals use the product at a time when the supply side is restricted, with very few store openings expected in the calendar year. The Directors are therefore positive about the future outlook of the business

### **Future developments**

The company will continue to operate the properties and the directors expect the turnover to remain strong going forward.

## **Our strategy and business model**

### **Our strategy**

Self storage demand from businesses and individuals at any given store is linked in part to local economic activity, consumer and business confidence, all of which are inter-related. Fluctuations in housing activity whether in the rented or owner-occupied sector are also a factor and, in our view influence the top slice of demand over and above a core occupancy.

Local GDP and hence business and housing activity are greatest in the larger conurbations. Furthermore, people and businesses are space constrained in these more expensive areas. Barriers to entry in terms of competition for land and difficulty around obtaining planning are also highest in more urbanised locations.

We continue to believe that the medium term opportunity to create shareholder value will be principally achieved by leasing up existing stores to drive revenue, the majority of which flows through to the bottom line given that our operating and central overhead costs are already largely fixed and embedded.

Our key objectives remain:

- leveraging our brand position to generate new prospects, principally from our online mobile and desktop platforms;
- focusing on training, selling skills, and customer satisfaction to maximise prospect conversion and referrals;
- growing occupancy and net rent so as to drive revenue optimally at each store;
- maintaining a focus on cost control, so revenue growth is transmitted through to earnings growth;
- selectively acquiring existing self storage assets into the Armadillo platform;
- maintaining a conservative capital structure in the Group; and
- producing sustainable returns for shareholders.

# Armadillo Storage Holding Company Limited

## Strategic report (continued)

### Key performance indicators and results for the year

The key performance indicators of our stores are occupancy and net rent per sq ft, which together drive the revenue of the business. These are the three key measures which are focussed on by the Board, and are reported on a weekly basis.

The Group's occupancy increased by eight percentage points to 83.2% of maximum lettable area ("MLA") during the year to 31 March 2021 (2020: 75.2% of MLA) and closing net rent per sq ft grew by 2.6% in the year to 31 March 2021 (2020: net rent growth of 4.1%). The Group generated revenue of £11.3m (2020: £10.5m) and a profit after tax of £9.9m for the period (2020: £2.8m).

### Reclassification of storage units as investment property and restatement of deferred tax liability

The Group had previously been accounting for its properties i.e., storage units, as depreciating land and buildings. During the year management has revisited the classification of these properties. Management has concluded that these properties should be classified as Investment Property. This reclassification has been accounted for retrospectively and the comparative information has been restated.

During 2021, the Group identified that the deferred tax liability had been overstated in previous years due to incorrect computation of the deferred tax balances. This has been corrected by restating each of the affected financial statement line items for the prior periods, this has had the result of increasing profit of the Group for the year ended 31 March 2020 by £248,000 and increasing net assets of the Group as at 1 April 2020 by £1,066,000, this has also resulted in an increase in the net assets of the Group as at 1 April 2019 by £818,000.

### Principal Risks and Uncertainties

The section below details the principal risks and uncertainties that are considered to have the most material impact on the Group's strategy and objectives. These key risks are monitored on an ongoing basis by the Directors, and considered fully by the Board in its annual risk review.

Risk and impact	Mitigation	Change during the year and outlook
<b>Self storage market risk</b>	Self storage is a relatively immature market in the UK compared to other self storage markets such as the United States and Australia, and we believe has further opportunity for growth. Awareness of self storage and how it can be used by domestic and business customers is relatively low throughout the UK, although higher in London. The rate of growth of branded self storage on main roads in good locations has historically been limited by the difficulty of acquiring sites at affordable prices and obtaining planning consent. New store openings in London and other large metropolitan cities within the sector have slowed significantly over the past few years.	The Covid-19 pandemic caused a significant contraction in economic growth for the UK for 2020.
There is a risk to the business that the self storage market does not grow in line with our projections, and that economic growth in the UK is below expectations, which could result in falling demand and a loss of income	We have a large current storage customer base of 7,859 (2020: 6,118) spread across the portfolio of stores. In any month, customers move in and out at the margin resulting in changes in occupancy. This is a seasonal business and typically we see growth over the spring and the summer months, with the seasonally weaker periods being the winter months.	The roll-out of the vaccines has provided some hope of a return to more normal economic conditions, however risks around new variants remain. Governments around the world have taken on significant additional debt to fund the policy responses to the pandemic, and this may result in higher taxation rates in the future to pay for this debt.
		The market risk has reduced since the same time last year given the performance of the business over the past 12 months and the vaccine roll-out.
		The uncertainty that we faced last year associated with the UK's exit from the EU and whether a trade deal would be agreed, has reduced. The uncertainty in the run up to Brexit had impacted consumer behaviour, which caused lower occupancy growth for the Group in the year ended March 2021.

# **Armadillo Storage Holding Company Limited**

## **Strategic report (continued)**

<b>Risk and impact</b>	<b>Mitigation</b>	<b>Change during the year and outlook</b>
<p><b>Valuation risk</b></p> <p>The valuation of the Group's investment properties may fall due to external pressures or the impact of performance.</p> <p>Lack of transactional evidence in the self storage sector leads to more subjective valuations.</p>	<p>The valuations are carried out by independent, qualified external valuers who have significant experience in the UK self storage industry.</p> <p>The portfolio is diverse with 6,639 (2020: 6,118) customers currently using our stores for a wide variety of reasons.</p> <p>There is significant headroom on our loan to value banking covenants.</p>	<p>The gain on revaluation of investment properties on the Group's open store investment properties was £8.5 million in the year, principally due to an improvement in underlying cash flows used in the valuations, coupled with cap rate improvement.</p> <p>There have been portfolio transactions since the onset of the pandemic, and there is institutional money looking to invest in self storage. At the prior year end, the valuation risk was higher in the early stages of the pandemic, and the valuers drew attention in their prior year report to material valuation uncertainty. There is no such clause in this year's valuations.</p>
<p><b>Human resources risk</b></p> <p>Our people are key to our success and as such we are exposed to a risk of high staff turnover, and a risk of the loss of key personnel.</p>	<p>We have developed a professional, lively and enjoyable working environment and believe our success stems from attracting and retaining the right people. We encourage all our staff to build on their skills through appropriate training and regular performance reviews. We believe in an accessible and open culture and everyone at all levels is encouraged to review and challenge accepted norms, so as to contribute to the performance of the Group.</p>	<p>Big Yellow Group PLC, who owns and manages Armadillo, was ranked in the Sunday Times 100 Best Companies to Work For survey in February 2019, (the last time the Group participated in the survey), showing strong levels of engagement from our employees.</p> <p>The Group carried out an engagement survey of its employees during the year, which showed very pleasing results of the level of engagement of our teams.</p> <p>We have consulted regularly with our employees during the year through a series of pulse surveys to listen to their views. Our staff turnover was at its lowest level for a number of years in 2021.</p>
<p><b>Tax and regulatory risk</b></p> <p>The Group is exposed to changes in the tax regime affecting the cost of corporation tax, VAT Stamp Duty and Stamp Duty Land Tax ("SDLT"), for example the imposition of VAT on self storage from 1 October 2012.</p>	<p>We regularly monitor proposed and actual changes in legislation with the help of our professional advisers, through direct liaison with HMRC, and through trade bodies to understand and, if possible, mitigate or benefit from their impact. We hold regular meetings with HMRC. We carry out detailed planning ahead of any future regulatory and tax changes using our expert advisors</p>	<p>The Group experienced an increase in cost in 2017 following the Government's review of business rates, and the next rating review due in 2023 may bring additional cost to the Group, given the rise in industrial rents over the past few years.</p> <p>The corporation tax rate was increased in the March 2021 budget, and there is a risk that tax rates will rise further in the medium-term to fund the increased government deficits that have arisen from the policy response to the pandemic.</p>

# Armadillo Storage Holding Company Limited

## Strategic report (continued)

### Risk and impact

#### Brand and reputation risk

The Group is exposed to the risk of a single serious incident materially affecting our customers, people, financial performance and hence our brand and reputation, including the risk of a data breach.

#### Mitigation

We have always aimed to run this business in a professional way, which has involved strict adherence with all regulations that affect our business, such as health and safety legislation, building regulations in relation to the construction of our buildings, anti-slavery, anti-bribery and data regulations.

We also invest in cyber security (discussed below), and make an ongoing investment in staff training, facilities management, and the maintenance of our stores.

To ensure consistency of service and to understand the needs of our customers, we send surveys to every customer who moves in and moves out of the business. The results of the surveys and mystery shops are reviewed to continuously improve and deliver consistent performance throughout the business.

We maintain regular communication with our key stakeholders, customers, employees, shareholders, and debt providers.

#### Treasury risk

The Group may face increased costs from adverse interest rate movements.

Our financing policy is to fund our current needs through a mix of debt and cash flow.

The Group reviews its current and forecast projections of cash flow, borrowing and interest cover as part of its monthly management accounts. In addition, an analysis of the impact of significant transactions is carried out regularly, as well as a sensitivity analysis assuming movements in interest rates and store occupancy on gearing and interest cover.

The Group regularly monitors its counterparty risk. The Group monitors compliance with its banking covenants closely. During the year it complied with all its covenants and is forecast to do so for the foreseeable future.

### Change during the year and outlook

During 2018, we developed a crisis response plan with external consultants to ensure the Group is well placed to deal with a major incident more effectively.

During the prior year, we carried out an exercise to stress-test the crisis response plan with a scenario based on a disaster at one of the Group's stores.

Interest rates were reduced to 10bps in March 2020, and the long-term forecast is for rates to remain at low levels for the foreseeable future. A significant proportion of the Group's debt is floating, and hence the Group will benefit from this reduction in base rates.

Debt providers currently remain supportive to Companies with a strong capital structure. That said, a weaker macro-economic performance by the UK economy could adversely affect liquidity and pricing.

# Armadillo Storage Holding Company Limited

## Strategic report (continued)

**Risk and impact**      **Mitigation**

**Change during the year and outlook**

### Security risk

The Group is exposed to the risk of the damage or loss of store due to vandalism, fire, or natural incidents such as flooding. This may also cause reputational damage.

The safety and security of our customers, their belongings, stores, and our staff remains a key priority. To achieve this we invest in state-of-the-art access control systems, individual room alarms, digital CCTV systems, intruder and fire alarm systems and the remote monitoring of all our stores outside of our trading hours. We have implemented customer security procedures in line with advice from the Police and continue to work with the regulatory authorities on issues of security, reviewing our operational procedures regularly. The importance of security and the need for vigilance is communicated to all store staff and reinforced through training and routine operational procedures.

We have continued to run courses for all our staff to enhance the awareness and effectiveness of our procedures in relation to security.

We regularly review and implement improvements to our security processes and procedures.

### Cyber risk

High profile cyber-attacks and data breaches are a regular staple in today's news. The results of any breach may result in reputational damage, fines, or customer compensation, causing a loss of market share and income.

The Group receives specialist advice and consultancy in respect of cyber security and we have dedicated in-house monitoring and regular review of our security systems, we also limit the retention of customer data to the minimum requirement.

Policies and procedures are under regular review and benchmarked against industry best practice by our consultants. These policies also include defend, detect and response policies.

We don't consider the risk to have increased more for the Group than any other business; however, we consider that the threats in the entire digital landscape do continue to increase and evolve. As such we have continued to invest in cyber security upgrading or replacing components as required.

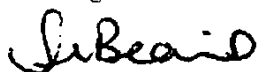
### Financial risk management

The financial risk management objectives and policies of the Group, together with an analysis of the exposure to such risks, as required under the Companies Act are set out in note 16 of the financial statements.

### Performance

The Group's results for the year under review are detailed in the consolidated statement of profit and loss and other comprehensive income shown in these financial statements.

Approved by the Board of Directors  
and signed on behalf of the Board



Shauna Beavis  
Secretary  
20 August 2021

# Armadillo Storage Holding Company Limited

## Directors' report

The Directors present their annual report on the affairs of the Group, together with the financial statements and the auditor's report for the year ended 31 March 2021.

The Directors are satisfied with the performance of the Group in the period and are positive about the outlook of the business. Details of the financial performance and future developments can be found in the Strategic Report on page 2.

### Going concern

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements, taking into account the Group's operating plan and budget for the year ending 31 March 2022 and projections contained in the longer-term business plan which cover the period to March 2025. After reviewing these projected cash flows together with the Group's cash balances, borrowing facilities and covenant requirements, and potential property valuation movements over that period, the Directors believe that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet their liabilities as they fall due for that period.

In making their assessment, the Directors have carefully considered the outlook for the Group's trading performance and cash flows as a result of the economic shock brought on by the Covid-19 pandemic, taking into account the trading performance of the Group from the onset of the pandemic to the date of these financial statements. The Directors have also taken into account the performance of self storage during the Global Financial Crisis. The Directors modelled a number of different scenarios, including material reductions in the Group's occupancy rates and property valuations, and assessed the impact of these scenarios against the Group's liquidity and the Group's banking covenants. The scenarios considered did not lead to breaching any of the banking covenants, and the Group retained sufficient liquidity to meet its financial obligations as they fall due.

The group has net current liabilities at the 31 March 2021. The Company is supported by Big Yellow Group PLC with limited exposure to liquidity or credit risk.

Consequently, the Directors continue to adopt the going concern basis in preparing the financial statements.

### Section 172 Statement

The Directors have assessed the financial position of the Company, its cash flows, liquidity position and borrowing. Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole. In doing this Section 172, requires a Director to have regards among other matters to:

- the likely consequences of any decision in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly with members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The Board's obligations under Section 172 are considered at Board meetings within each relevant section of the Board pack. The stakeholders we consider in this regard are our employees, our customers, our shareholders, our suppliers and the environment. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

The Board regularly receives reports from management on issues concerning customers, the environment, suppliers, employees, and investors, which it takes into account in its discussions and in its decision-making process under Section 172.

### Capital structure

Details of the issued share capital are shown in note 14.

# **Armadillo Storage Holding Company Limited**

## **Directors' report**

### **Dividends**

In the year dividends amounting to £1,708,000 were paid, (2020: £1,630,250) comprising the final dividend of £854,000 for the year ended 31 March 2020 (2019: £776,250) and the interim dividend of £854,000 for the year ended 31 March 2021 (2020: £854,000). The final dividend for the year ended 31 March 2021 of £1,054,000 (2020: £854,000) was declared and paid post year end.

### **Directors**

The Directors who served throughout the year and to the date of this report are shown on page 1.

The Articles of Association of the Group provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Group against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors and remain in place at the date of this report.

### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee consultation**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings.

### **Research and Development**

The Company does not engage in research and development activities.

### **Political Donations**

No political donations were made by the Company in either the current or preceding financial year.

### **Events after the balance sheet date**

On 1 July 2021, Big Yellow Holding Company Limited purchased the remaining 80% of the share capital of Armadillo Storage Holding Company Limited from USS T Pty Ltd as trustee for the Universal Self Storage Unit Trust No. 1.

Big Yellow Holding Company Limited is a wholly owned subsidiary of Big Yellow Group PLC. Following this acquisition, Big Yellow Holding Company became the sole shareholder and immediate parent undertaking of Armadillo Storage Holding Company Limited, and Big Yellow Group PLC became the ultimate parent undertaking and ultimate controlling party of the Company.

## **Armadillo Storage Holding Company Limited**

### **Statement of Directors' responsibilities in respect of the strategic report, the Directors' report and the financial statements**

#### **Disclosure of information to Auditor**

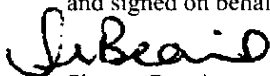
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors  
and signed on behalf of the Board



Shauna Beavis

Secretary

2 The Deans, Bridge Road, Bagshot, Surrey, GU19 5AT

20 August 2021

## **Armadillo Storage Holding Company Limited**

### **Statement of Directors' responsibilities in respect of the strategic report, the Directors' report and the financial statements**

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# **Independent Auditor's Report to the members of Armadillo Storage Holding Company Limited**

## **Opinion**

We have audited the financial statements of Armadillo Storage Holding Company Limited ("the company") for the year ended 31 March 2021 which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Company Balance Sheet, Company Statement of Changes in Equity and related notes, including the accounting policies in note 2 and 20.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

# **Independent Auditor's Report to the members of Armadillo Storage Holding Company Limited**

## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and the store compliance function and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management/ directors/ sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of investment property. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited judgmental aspects to the Group's low value, high volume revenue streams.

We also identified a fraud risk related to valuation of investment property in response to the subjective and inherently judgmental nature of this area.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to the investment property account, those posted to the cash suspense account and unexpected revenue pairings.
- Evaluated the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, Covid-19 regulations and certain aspects of Group legislation recognising the financial nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal

## **Independent Auditor's Report to the members of Armadillo Storage Holding Company Limited**

correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

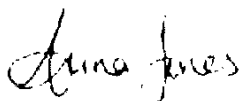
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## **Independent Auditor's Report to the members of Armadillo Storage Holding Company Limited**

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Anna Jones (Senior statutory auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square, London, E14 5GL

20 August 2021

## Armadillo Storage Holding Company Limited

### Consolidated Statement of Profit and Loss and Other Comprehensive Income For the year ended 31 March 2021

	Note	Year to 31 March 2021 £000	Year to 31 March 2020 (restated)* £000
Revenue	3	11,338	10,525
Cost of sales		<u>(5,908)</u>	<u>(5,742)</u>
<b>Gross profit</b>		5,430	4,783
Administrative expenses		<u>(356)</u>	<u>(210)</u>
<b>Operating profit before gain on investment properties</b>	4	5,074	4,573
Gain on revaluation of investment properties	8	8,517	712
<b>Operating profit</b>		<u>13,591</u>	<u>5,285</u>
Finance costs			
- Interest payable	6	(1,196)	(1,297)
Investment income			
- Fair value movement of derivatives		<u>1</u>	<u>5</u>
<b>Profit before tax</b>		12,396	3,993
Taxation	7	<u>(2,443)</u>	<u>(1,193)</u>
<b>Profit for the year</b>		<u>9,953</u>	<u>2,800</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u>9,953</u>	<u>2,800</u>

\*The comparative information is restated on account of reclassification of the properties as investment property and restatement of deferred tax liability, see note 19.

All recognised gains and losses in the current financial year that are reflected in the consolidated statement of profit and loss and other comprehensive income relate to continuing activities.

The accompanying notes form part of these financial statements.

# **Armadillo Storage Holding Company Limited**

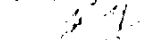
## **Consolidated statement of financial position**

**As at 31 March 2021**

	Note	31 March 2021 £000	31 March 2020 £000 (restated*)	1 April 2019 £000 (restated*)
<b>Assets</b>				
<b>Non-current assets</b>				
Investment property	8	81,075	70,825	60,450
Right-of-use assets	8	2,749	1,950	1,385
Plant and equipment	8	222	237	200
Goodwill		982	982	982
		<u>85,028</u>	<u>73,994</u>	<u>63,017</u>
<b>Current assets</b>				
Inventories		37	33	33
Trade and other receivables	10	424	400	1,103
Cash and cash equivalents		706	2,434	394
		<u>1,167</u>	<u>2,867</u>	<u>1,530</u>
<b>Total assets</b>		<u>86,195</u>	<u>76,861</u>	<u>64,547</u>
<b>Current liabilities</b>				
Trade and other payables	11	(2,425)	(2,263)	(3,552)
Loans and borrowings	12	-	(31,881)	-
Current tax liabilities		(366)	(188)	(482)
Lease liabilities	13	(133)	(90)	(71)
		<u>(2,924)</u>	<u>(34,422)</u>	<u>(4,105)</u>
<b>Net current liabilities</b>		<u>(1,757)</u>	<u>(31,555)</u>	<u>(2,575)</u>
<b>Non-current liabilities</b>				
Derivative financial instruments	16	(17)	-	(3)
Loans and borrowings	12	(30,020)	-	(20,494)
Deferred tax liabilities	7	(7,366)	(5,594)	(4,842)
Lease liabilities	13	(2,664)	(1,886)	(1,314)
		<u>(40,067)</u>	<u>(7,480)</u>	<u>(26,653)</u>
<b>Total liabilities</b>		<u>(42,991)</u>	<u>(41,902)</u>	<u>(30,758)</u>
<b>Net assets</b>		<u>43,204</u>	<u>34,959</u>	<u>33,789</u>
<b>Equity</b>				
Called up share capital	14	9,599	9,599	9,599
Retained earnings		33,605	25,360	24,190
<b>Shareholders' fund</b>		<u>43,204</u>	<u>34,959</u>	<u>33,789</u>

\*The comparative information is restated on account of reclassification of the properties as investment property and restatement of deferred tax liability, see note 19.

These financial statements were approved by the Board of Directors on 20 August 2021 and were signed on its behalf by



**John Trotman**, Director

Company Registered Number: 08919703

The accompanying notes form part of these financial statements.

# **Armadillo Storage Holding Company Limited**

## **Consolidated statement of changes in equity**

**For the year ended 31 March 2021**

	<b>Called up share capital £000</b>	<b>Revaluation reserve £000</b>	<b>Retained earnings £000</b>	<b>Total shareholders' equity £000</b>
At 31 March 2019, as previously reported	9,599	27,174	(3,802)	32,971
Effect of reclassification of properties as investment property and restatement of deferred tax liability*	-	(27,174)	27,992	818
<b>Restated balance as at 1 April 2019</b>	<u>9,599</u>	<u>-</u>	<u>24,190</u>	<u>33,789</u>
Profit for the year (restated)	-	-	2,800	2,800
Dividend paid	-	-	(1,630)	(1,630)
<b>Restated balance as at 31 March 2020</b>	<u>9,599</u>	<u>-</u>	<u>25,360</u>	<u>34,959</u>
Profit for the year	-	-	9,953	9,953
Dividend paid	-	-	(1,708)	(1,708)
<b>At 31 March 2021</b>	<u>9,599</u>	<u>-</u>	<u>33,605</u>	<u>43,204</u>

\*The comparative information is restated on account of reclassification of the properties as investment property and restatement of deferred tax liability, see note 19.

The accompanying notes form part of these financial statements.

# **Armadillo Storage Holding Company Limited**

## **Consolidated cash flow statement** **For the year ended 31 March 2021**

	Note	Year ended 31 March 2021  £000	Year ended 31 March 2020 Restated* £000
<b>Cash flows from operating activities</b>			
Profit for the year		9,953	2,800
Adjustments for:			
Finance costs – Interest payable	6	1,196	1,297
Finance Income		(1)	(5)
Taxation	7	2,443	1,193
<b>Operating profit</b>		13,591	5,285
Gain on the revaluation of investment properties		(8,517)	(712)
Depreciation, including lease depreciation	8	132	111
Non-operational exceptional item		20	26
<b>Operating cash flows before movements in working capital</b>		5,226	4,710
Increase in inventories		(4)	-
(Increase)/ decrease in receivables		(61)	600
Increase in payables		150	(1,347)
<b>Cash flows from operating activities</b>		5,311	3,963
Interest paid		(979)	(1,095)
Interest received		1	3
Tax paid		(492)	(736)
<b>Net cash flow from operating activities</b>		3,841	2,135
<b>Investing activities</b>			
Purchase of investment properties		(1,683)	(9,587)
Purchase of plant and equipment		(72)	(103)
Non recurring acquisition costs		(20)	(26)
<b>Net cash used in investing activities</b>		(1,775)	(9,716)
<b>Financing activities</b>			
Dividend paid	15	(1,708)	(1,630)
Repayment of lease liabilities		(23)	(19)
Drawdown of borrowings		(2,063)	11,270
<b>Net cash generated from financing activities</b>		(3,794)	9,621
<b>(Decrease) /increase in cash and cash equivalents</b>		(1,728)	2,040
Cash and cash equivalents at beginning of the year		2,434	394
<b>Cash and cash equivalents at end of the year</b>		<u>706</u>	<u>2,434</u>

\*The comparative information is restated on account of reclassification of the properties as investment property and restatement of deferred tax liability, see note 19.

The accompanying notes form part of these financial statements.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 1. General information

Armadillo Storage Holding Company Limited is a private company limited by shares incorporated, domiciled and registered in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 2 The Deans, Bridge Road, Bagshot, Surrey, GU19 5AT. The nature of the Group's operations and its principal activities are set out page 2.

### 2. Significant accounting policies

#### Basis of preparation of financial statements

The Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The financial statements are presented in Sterling, being the currency of the primary economic environment in which the Group operates. Unless otherwise stated, figures are rounded to the nearest thousand.

The accounting policies adopted are consistent with those of the previous financial year, except as described in the following sections.

#### Reclassification of storage units as investment property and restatement of deferred tax liability

The Group had previously been accounting for its properties i.e., storage units, as depreciating land and buildings. During the year management has revisited the classification of these properties. Management has concluded that these properties should be classified as Investment Property. This reclassification has been accounted for retrospectively and the comparative information has been restated.

During 2021, the Group identified that the deferred tax liability had been overstated in previous years due to incorrect computation of the deferred tax balances. This has been corrected by restating each of the affected financial statement line items for the prior periods, this has had the result of increasing profit of the Group for the year ended 31 March 2020 by £248,000 and increasing net assets of the Group as at 1 April 2020 by £1,066,000, this has also resulted in an increase in the net assets of the Group as at 1 April 2019 by £818,000. The impact of the restatement is detailed in Note 19

#### New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 16	Property, Plant and Equipment, Proceeds before Intended Use
IAS1 and IFRS Practice Statement 2	Disclosure of Accounting Policy
IFRS 17	Insurance Contracts
Amendments to IAS1	Classification of liabilities as current or non-current
Amendments to IAS 8	Definition of Accounting Estimate
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture
IFRS Standards	Amendments to References to Conceptual Framework in IFRS Standards
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous
Amendment to IFRS 16	COVID 19-Related Rent Concessions

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements**

**For the year ended 31 March 2021**

### **2. Significant accounting policies (continued)**

#### **New and revised IFRSs in issue but not yet effective (continued)**

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

There are no other Standards or Interpretations yet to be effective that would be expected to have a material impact on the financial statements of the Group.

#### **Basis of accounting**

The financial statements have been prepared on the historical cost basis, except for the revaluation of investment properties and derivative financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted, which have been applied consistently to the results, other gains and losses, assets, liabilities and cash flows of entities included in the consolidated financial statements in the current and preceding year, are set out below:

#### **Going Concern**

The Directors have assessed the financial position of the company and the Group, its cash flows, liquidity position and borrowing facilities. The company is in a net current liability position; however, the Directors are confident of meeting liabilities as they fall due given the available undrawn facilities of £1.8m and anticipated profits and cash flows over the coming year. After reviewing the cash balances, available borrowing facilities, forecast valuation movements and projected cash flows, the Directors believe that the company has adequate resources to continue operations for at least 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

The Directors note that the company has a debt facility as shown in note 12 for £30.0m, which is due for full repayment on 30 April 2023. The current loan to value ratio is 36% versus the requirement of the facility of 65% and the Group Interest Cover is 5.9:1 versus the requirement of the facility of 2:1.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements, taking into account the Group's operating plan and budget for the year ending 31 March 2022 and projections contained in the longer-term business plan which cover the period to March 2025. After reviewing these projected cash flows together with the Group's and Company's cash balances, borrowing facilities and covenant requirements, and potential property valuation movements over that period, the Directors believe that, taking account of severe but plausible downsides, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period.

In making their assessment, the Directors have carefully considered the outlook for the Group's trading performance and cash flows as a result of the economic shock brought on by the Covid-19 pandemic, taking into account the trading performance of the Group from the onset of the pandemic to the date of these financial statements. The Directors have also taken into account the performance of self storage during the Global Financial Crisis. The Directors modelled a number of different scenarios, including material reductions in the Group's occupancy rates and property valuations, and assessed the impact of these scenarios against the Group's liquidity and the Group's banking covenants. The scenarios considered did not lead to breaching any of the banking covenants, and the Group retained sufficient liquidity to meet its financial obligations as they fall due.

The group has net current liabilities at the 31 March 2021. The Company is supported by Big Yellow Group PLC with limited exposure to liquidity or credit risk.

Consequently, the Directors continue to adopt the going concern basis in preparing the financial statements.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 March each year. Control is achieved where the Company has the power to direct the relevant activities of an investee entity so as to obtain benefits from its activities.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Significant accounting policies (continued)

#### Basis of consolidation (continued)

The Group consolidates the financial results and balance sheets of Armadillo Storage Holding Company Limited and all of its subsidiaries at the period end using acquisition accounting principles. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the business combination are recognised in the income statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at the lower of their carrying amount and fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of comprehensive income.

#### Investment in subsidiaries

These are recognised at cost less provision for any impairment.

#### Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated statement of profit and loss and other comprehensive income. Goodwill is reviewed for impairment at least annually. Any impairment is recognised immediately in the consolidated statement of profit and loss and other comprehensive income and is not subsequently reversed.

#### Revenue recognition

Revenue represents amounts derived from the provision of services which fall within the Group's ordinary activities after deduction of trade discounts and any applicable value added tax. Self storage income is recognised over the period for which the storage room is occupied by the customer on a straight-line basis. The opening offer discount of 50% off for up to 8 weeks is spread evenly over the term of the discount period.

Other storage related income comprises:

- packing material sales are recognised at the point of sale, as there is no further ongoing performance obligation beyond the point of sale; and
- insurance income which is recognised on a straight line basis over the period a customer occupies their room. The Group recognises insurance income as a principal, as the insurance contract is between the Group and the customer. The Group is also responsible for setting the pricing for the sale of insurance to customers.

The Group recognises non-storage income, which is principally rental income from tenants of properties awaiting development, on a straight-line basis over the period in which it is earned.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Significant accounting policies (continued)

#### **Borrowings**

Interest-bearing loans and overdrafts are measured at fair value, net of direct issue costs. Premiums payable on settlement or redemption and direct issue costs are accounted for on an accruals basis in the consolidated statement of profit and loss and other comprehensive income using the effective interest rate method and are added to the carrying value amount of the instrument to the extent that they are not settled in the period in which they arise. Borrowings are subsequently held at amortised cost.

#### **Finance costs and income**

All borrowing costs are recognised in the consolidated statement of profit and loss and other comprehensive income the statement of comprehensive income in the period in which they are incurred, unless the costs are incurred as part of the development of a qualifying asset, when they will be capitalised. Commencement of capitalisation is the date when the Group incurs expenditure for the qualifying asset, incurs borrowing costs and undertakes activities that are necessary to prepare the assets for their intended use when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. In the case of suspension of activities during extended periods, the Group suspends capitalisation. The Group ceases capitalisation of borrowing costs when substantially all of the activities necessary to prepare the asset for use are complete, typically when a store opens.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

The Group classifies finance costs and income as operating cash flow in the cash flow statement.

#### **Operating profit**

Operating profit is stated after gains and losses on surplus land, movements on the revaluation of investment properties and before the share of results of associates, investment income and finance costs.

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the consolidated statement of profit and loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates substantively enacted at the balance sheet date that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset as there is a legally enforceable right to set off current tax assets against current tax liabilities.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements For the year ended 31 March 2021

### 2. Significant accounting policies (continued)

#### Leases

The Group adopted IFRS 16 (Leases) in the prior year. The Group applied the modified retrospective approach in adopting IFRS 16 to operating leases. This method includes the calculated lease liabilities and right-of-use assets to be recognised in the consolidated balance sheet on the Group's transition date of 1 April 2019, without the requirement to restate prior periods. Under the standard, the Group also had the option to set the balance of the right-of-use assets, on transition, at an amount equal to the lease liabilities. This option was taken.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Where the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Plant and equipment

All plant, and equipment, not classified as investment property, is carried at historic cost less depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and investment properties, less any residual value over their estimated useful lives, using the straight-line method, on the following bases:

Plant and machinery	10 years
Fixtures and fittings	5 years
Computer equipment	3 to 5 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss and other comprehensive income.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Significant accounting policies (continued)

#### Investment property

The criteria used to distinguish investment property from owner-occupied property is to consider whether the property is held for rental income and/or for capital appreciation. Where this is the case, the Group recognises these owned or leased properties as investment properties. Investment property is initially recognised at cost and revalued at the balance sheet date to fair value as determined by professionally qualified external valuers. In accordance with IAS 40, investment property held as a leasehold is stated gross of the recognised right-of-use liability.

Gains or losses arising from the changes in fair value of investment property are included in the comprehensive statement of profit and loss and other comprehensive income for the period in which they arise. In accordance with IAS 40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

Leasehold properties are classified as investment properties and included in the balance sheet at fair value. The obligation to the lessor for the buildings element of the leasehold is included in the balance sheet at the present value of the minimum lease payments at inception and is shown within note 13. Note 13 does also include leases which are not classified as investment properties.

When the Group redevelops an existing investment property for continued future use as investment property, the property remains an investment property measured at fair value and is not reclassified.

#### Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of an asset's net selling price and its value-in-use (i.e. the net present value of its future cash flows discounted at the Group's average pre-tax interest rate that reflects the borrowing costs and risk for the asset).

#### Inventories

Inventories, representing the cost of packing materials, are stated at the lower of cost and net realisable value.

#### Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income. The net gain or loss recognised in the consolidated statement of profit and loss and other comprehensive income incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

#### A - Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of interest rates. The Group uses interest rate swap contracts to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. The policy in respect of interest rates is to maintain a balance between flexibility and the hedging of interest rate risk.

Derivatives are initially recognised at fair value and are subsequently reviewed at each balance sheet date. The fair value of interest rate derivatives at the reporting date is determined by discounting the future cash flows using the forward curves at the reporting date and the credit risk inherent in the contract.

Changes in the fair value of derivative financial instruments are recognised in the consolidated statement of profit and loss and other comprehensive income as they arise. The Group has not adopted hedge accounting.

#### B - Financial assets

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

#### *Subsequent measurement and gains and losses*

Financial assets at FVTPL – these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI – these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI – these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### **C - Impairment of financial assets**

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses ("ECLs"). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information. The company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the company in full.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### *Write-offs*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

#### **D - Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amounts of these assets approximate to the fair value.

#### **E - Financial liabilities and equity**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

1. they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
2. where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### **Retirement benefit costs**

Pension costs represent contributions payable to defined contribution schemes and are charged as an expense to the consolidated statement of profit and loss and other comprehensive income as they fall due. The assets of the schemes are held separately from those of the Group.

#### **Share capital**

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

#### **Dividends**

Dividends unpaid at the reporting date are only recognized as a liability (and deduction to equity) at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Significant accounting policies (continued)

#### Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Judgement applied for classification of properties*

The Group applies judgement for classification of certain properties, i.e., storage units, as property, plant and equipment or investment properties. As part of the assessment, the Group notes that customers have full access to the space rented by them, that the Group itself has restricted access to such space and that ancillary services supplied by the Group are not significant to the arrangement as a whole. In assessing the judgement applied, management has concluded that it is more appropriate to classify these assets as Investment Property

#### *Estimate of fair value of Investment Properties (critical accounting estimate)*

The Group's self storage centres and stores under development are valued using a discounted cash flow methodology which is based on projections of net operating income. The Group employs expert external valuers, Jones Lang LaSalle on an annual basis. The principal assumptions underlying the estimation of the fair value are those related to: stabilised occupancy levels; expected future growth in storage rents; capitalisation rates; and discount rates. A more detailed explanation of the background and methodology adopted in the valuation of the Group's investment properties is set out in note 8 to the financial statements.

## Armadillo Storage Holding Company Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 3. Revenue

	2021 £000	2020 £000
Self storage income	9,499	8,830
Other storage related income	1,783	1,657
Ancillary store rental income	56	38
<b>Total revenue</b>	<b>11,338</b>	<b>10,525</b>

#### 4. Profit for the year

Profit for the year has been arrived at after:

	2021 £000	2020 £000
		<b>Restated</b>
Depreciation, including lease depreciation (note 8)	132	111
Gain on the revaluation of investment property	8,517	712
Business Rates	893	844
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3	2
Fees payable to the Company's auditor for the subsidiaries' annual accounts	57	32
Exceptional items	20	26

The non-audit fees paid to KPMG LLP were £nil. (2020: £nil).

#### 5. Directors' remuneration and employee costs

The Company paid no remuneration to the directors during the year and the directors received no remuneration in their capacity as directors of the Company. The directors are also directors of a number of other associated entities. The services provided in respect of the Company are considered to be immaterial in the context of their overall remuneration and therefore no allocation of their remuneration has been performed in this Company.

The number of persons employed by the Group during the year was:

	2021 Number	2020 Number
Sales	59	54
	<b>2021 £000</b>	<b>2020 £000</b>
Wages and salaries	1,568	1,492
Social security costs	144	139
Other pension costs	153	55
	<b>1,865</b>	<b>1,686</b>

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 6. Finance cost

	2021 £000	2020 £000
Interest on bank borrowings	1,126	1,227
Interest on obligations under leases	70	70
	<u>1,196</u>	<u>1,297</u>

### 7. Taxation

	2021 £000	2020 £000
<b>Current tax</b>		<b>Restated</b>
Current year	741	525
Adjustment in respect of prior years	(70)	(84)
<b>Total current tax charge</b>	<u>671</u>	<u>441</u>
<b>Deferred tax movement shown in income statement</b>		
Origination and reversal of temporary differences	1,713	268
Adjustment in respect of prior years	59	(76)
Effect of changes in tax rates	-	560
<b>Total deferred tax charge</b>	<u>1,772</u>	<u>752</u>
<b>Total tax charge</b>	<u>2,443</u>	<u>1,193</u>

The tax assessed for the year differs from that resulting from applying the standard rates of corporation tax applicable in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
		<b>Restated</b>
Profit before tax	<u>12,396</u>	<u>3,993</u>
Profit before tax multiplied by standard rate	2,355	759
Effects of:		
- Other differences	99	34
- Adjustment in respect of prior years	(11)	(160)
- Effects of changes in tax rates	-	560
<b>Total tax charge</b>	<u>2,443</u>	<u>1,193</u>

## Armadillo Storage Holding Company Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 7. Taxation (continued)

The deferred tax liability included in the statement of financial position is as follows:

	<b>Liability</b>	<b>Asset</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2019	(5,664)	4	(5,660)
Effect of restatement	818	-	818
At 1 April 2019 (restated)	(4,846)	4	(4,842)
Adjustment in respect of prior years	76		76
Origination and reversal of temporary differences	(268)	-	(268)
Effect of changes in tax rate	<u>(560)</u>	<u>-</u>	<u>(560)</u>
At 31 March 2020 (restated)	<u>(5,598)</u>	<u>4</u>	<u>(5,594)</u>
	<b>Liability</b>	<b>Asset</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2020	(5,598)	4	(5,594)
Adjustment in respect of prior years	(55)	(4)	(59)
Origination and reversal of temporary differences	(1,713)		(1,713)
Effect of changes in tax rate	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>(7,366)</u>	<u>-</u>	<u>(7,366)</u>

A UK corporation tax rate of 19% (effective 1 April 2021) was substantively enacted on 17 March 2021, reversing the previously enacted reduction in the rate from 19% to 17%. In the March 2021 Budget it was announced that the main rate of corporation tax was going to increase to 25% from 1 April 2023 but this was not substantively enacted by 31 March 2021. This will increase the Company's future current tax charge accordingly. Any deferred tax at 31 March 2021 has been calculated at 19% (2020: 19%).

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements**

**For the year ended 31 March 2021**

### **8. Non-current Assets**

#### **a) Investment property**

	<b>Investment property £000</b>
<b>Cost:</b>	
<b>At 31 March 2020 (Restated)*</b>	<b>70,825</b>
Additions	1,733
Revaluation	8,517
Depreciation	-
<b>At 31 March 2021</b>	<b>81,075</b>

	<b>Investment property £000</b>
<b>Cost:</b>	
<b>At 1 April 2019</b>	<b>-</b>
Effect of reclassification of property as investment property *	60,450
<b>At 1 April 2019 (Restated)*</b>	<b>60,450</b>
Additions	9,663
Revaluation	712
Depreciation	-
<b>At 31 March 2020 *Restated</b>	<b>70,825</b>

#### **b) Plant and Equipment**

	<b>Plant and equipment £000</b>	<b>Right of use assets £000</b>
<b>Cost:</b>		
<b>At 31 March 2020 (restated)*</b>	<b>359</b>	<b>2,208</b>
Additions	72	844
Disposals	(46)	-
Revaluation	-	-
<b>At 31 March 2021</b>	<b>385</b>	<b>3,052</b>

<b>Depreciation:</b>		
<b>At 31 March 2020 (restated)*</b>	<b>122</b>	<b>258</b>
Depreciation charge	87	45
Depreciation on disposal	(46)	-
<b>At 31 March 2021</b>	<b>163</b>	<b>303</b>

<b>Net book value:</b>		
<b>At 31 March 2021</b>	<b>222</b>	<b>2,749</b>
<b>At 31 March 2020 (restated)*</b>	<b>237</b>	<b>1,950</b>

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements** **For the year ended 31 March 2021**

### **8. Non-current Assets (continued)** **b) Plant and equipment (continued)**

	Land and buildings	Right of use asset	Plant and equipment	Total
Cost or valuation:	£000	£000	£000	£000
At 1 April 2019	60,450	1,598	278	62,326
Effect of reclassification of property as investment property *	(60,450)	-	-	(60,450)
At 1 April 2019 (restated)*	-	1,598	278	1,876
Additions	-	610	103	713
Disposals	-	-	(22)	(22)
Revaluation	-	-	-	-
At 31 March 2020 (restated)*	-	2,208	359	2,567
<b>Depreciation:</b>				
At 1 April 2019	-	213	78	291
Depreciation charge	-	45	66	111
Depreciation on disposal	-	-	(22)	(22)
At 31 March 2020	-	258	122	380
<b>Net book value:</b>				
At 31 March 2020 (restated)*	-	1,950	237	2,187
At 1 April 2019 (restated)*	-	1,385	200	1,585

The right-of-use assets represent the present value of minimum lease payments for leasehold properties – see note 13 for further details of the obligations under lease liabilities.

\*The comparative information is restated on account of reclassification of properties as investment property. Refer to note 19.

### **9. Valuation of Investment Property**

The wholly owned land and buildings have been valued at 31 March 2021 and 31 March 2020 by external valuers, Jones Lang LaSalle LLP (“JLL”). The valuation has been carried out in accordance with the RICS Valuation – Professional Standards, published by The Royal Institution of Chartered Surveyors (“the Red Book”). The valuation of land and building has been prepared on the basis of either Fair Value or Fair Value as a fully equipped operational entity, having regard to trading potential, as appropriate.

JLL have constructed a discounted cash flow model. This sets out their assumptions on the underlying cash flow that they believe could be generated at each of the properties, both at the valuation date and in the near future as the properties increase their occupancy and try to increase the rents charged to customers. Judgements are made as to the trading potential and likely long term sustainable occupancy. Stable occupancy depends upon the nature of demand, size of property and nearby competition, and allows for a reasonable vacancy rate to enable the operator to sell units to new customers. Other key inputs include forecast net rent per square foot, maximum lettable area and forecast operating costs.

Income for the cash flow is calculated by estimating the trading performance with reference to benchmarks from the self storage industry, and has regard to a reasonable operator’s business plan and trading information. The fair valuation of the land and buildings has been allocated as Level 3 in the fair value hierarchy as key inputs in the valuation are not observable.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 9. Valuation of Investment Property (continued)

#### Sensitivities

Self storage valuations are complex, derived from data which is not widely publicly available and involve a degree of judgement. For these reasons, we have classified the valuations of our property portfolio as Level 3 as defined by IFRS 13. Inputs to the valuations, some of which are 'unobservable' as defined by IFRS 13, include capitalisation yields, stable occupancy rates, and rental growth rates. The existence of an increase of more than one unobservable input would augment the impact of the valuation. The impact on the valuation would be mitigated by the interrelationship between unobservable inputs moving in opposite directions. For example, an increase in stable occupancy may be offset by an increase in yield, resulting in no net impact on the valuation. A sensitivity analysis showing the impact on valuations of changes in yields and stable occupancy is shown in the following table:

	Valuation £000	Impact of a change in capitalisation rates		Impact of a change in stabilised occupancy assumption	
		25 bps decrease £000	25 bps increase £000	1% increase £000	1% decrease £000
31 March 2021	£81,075	£3,000	(£2,800)	£1,600	(£1,650)
31 March 2020	£70,825	£2,575	(£2,425)	£1,050	(£1,175)

A sensitivity analysis has not been provided for a change in the rental growth rate adopted as there is a relationship between this measure and the discount rate adopted. So, in theory, an increase in the rental growth rate would give rise to a corresponding increase in the discount rate and the resulting value impact would be limited.

### 10. Trade and other receivables

	2021 £000	2020 £000
Trade receivables	248	328
Other debtors	48	18
Prepayments and accrued income	128	54
	<u>424</u>	<u>400</u>

#### Trade receivables

The Group does not typically offer credit terms to its customers, requiring them to pay in advance of their storage period and hence the Group is not exposed to significant credit risk. A late charge of 10% is applied to a customer's account if they are greater than 10 days overdue in their payment. The Group provides for receivables on a specific basis. There is a right of lien over the customers' goods, so if they have not paid within a certain time frame, we have the right to sell the items they store to recoup the debt owed by the customer. Trade receivables that are overdue are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

For individual storage customers, the Group does not perform credit checks, however this is mitigated by the fact that these customers are required to pay in advance, and also to pay a deposit ranging from between one week to four weeks' storage income. Before accepting a new business customer who wishes to use a number of the Group's stores, the Group uses an external credit rating to assess the potential customer's credit quality and defines credit limits by customer. There are no customers who represent more than 5% of the total balance of trade receivables.

Included in the Group's trade receivable balance are debtors with a carrying amount of £10,000 (2020: £43,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 27 (2020: 20) days past due.

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements**

### **For the year ended 31 March 2021**

#### **10. Trade and other receivables (continued)**

##### **Ageing of past due but not impaired receivables**

	<b>31 March 2021 £000</b>	<b>31 March 2020 £000</b>
1 - 30 days	7	42
30 - 60 days	1	1
60 + days	2	-
<b>Total</b>	<u>10</u>	<u>43</u>

##### **Movement in the allowance for doubtful debts**

	<b>31 March 2021 £000</b>	<b>31 March 2020 £000</b>
Balance at the beginning of the period	31	2
Amounts provided in period	31	63
Amounts written off as uncollectible	(25)	(34)
<b>Balance at the end of the period</b>	<u>37</u>	<u>31</u>

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

#### **11. Trade and other payables**

	<b>31 March 2021 £000</b>	<b>31 March 2020 £000</b>
Trade creditors	313	491
Taxation and social security	29	25
Other payables	509	445
Accruals and deferred income	<u>1,574</u>	<u>1,302</u>
	<u>2,425</u>	<u>2,263</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the credit terms. The Directors consider the carrying amount of trade and other payables and accruals and deferred income approximates fair value.

#### **12. Loans and borrowings**

	<b>31 March 2021 £000</b>	<b>31 March 2020 £000</b>
<b>Current</b>		
Bank borrowings	-	32,000
Unamortised loan arrangement costs	-	(119)
<b>Total current borrowings</b>	<u>-</u>	<u>31,881</u>
<b>Non-current</b>		
Bank borrowings	30,250	-
Unamortised loan arrangement costs	(230)	-
<b>Total non-current borrowings</b>	<u>30,020</u>	<u>-</u>
<b>Total borrowings</b>	<u>30,020</u>	<u>31,881</u>

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

### For the year ended 31 March 2021

#### 12. Loans and Borrowings (continued)

The loan is secured on the Group's land and buildings and its carrying value is deemed to equate to its fair value. The loan has a variable interest rate of 2.75% + LIBOR. The loan, which previously had a maturity date of 31 July 2020, was extended during the year to 30 April 2023. The Company was in compliance with its banking covenants throughout the year.

#### 13. Lease liabilities

	Minimum lease payments		Present value minimum of lease payments	
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Lease liabilities:</b>				
Within one year	135	90	133	90
Within two to five years inclusive	541	361	487	325
Greater than five years	5,365	4,199	2,177	1,561
	<u>6,041</u>	<u>4,650</u>	<u>2,797</u>	<u>1,976</u>
Less: future finance charges	(3,244)	(2,674)		
Present value of lease obligations	<u>2,797</u>	<u>1,976</u>		

All lease obligations are denominated in sterling. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The carrying amount of the Group's lease obligations approximates their fair value.

#### 14. Called up share capital

	31 March 2021 £000	31 March 2020 £000
<b>Allotted, called up and fully paid</b>		
9,598,820 ordinary shares of £1 each	<u>9,599</u>	<u>9,599</u>

#### 15. Dividends

A final dividend for the year ended 31 March 2020 amounting to £854,000, 8.90 pence per share (2019: £776,250, 8.09 pence per share) was paid on 12 May 2020. An interim dividend amounting to £854,000, 8.90 pence per share (2020: £854,000, 8.90 pence per share) was paid on 26 October 2020. A final dividend of £1,054,000, 10.98 pence per share (2020: £854,000, 8.90 pence per share) was announced and paid following the period end on 21 April 2021 but before the financial statements were authorised for issue. Accordingly, they have not been provided for.

#### 16. Financial instruments

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 11, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group's debt facilities require 60% of total drawn debt to be fixed. The Group has complied with this during the year and in the previous period.

With the exception of derivative instruments, which are classified as a financial liability at fair value through the profit and loss, financial liabilities are categorised under amortised cost. All financial assets are categorised as loans and receivables.

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. Derivative financial instruments are used to manage exposure to fluctuations in interest rates, but are not employed for speculative purposes.

#### Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

### For the year ended 31 March 2021

#### 16. Financial instruments (continued)

##### A. Balance sheet management

The Group's Board reviews the capital structure on an ongoing basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group seeks to have a conservative gearing ratio (the proportion of net debt to equity). The Board considers at each review the appropriateness of the current ratio in light of the above. The Board is currently satisfied with the Group's gearing ratio.

##### B. Debt management

The Group currently borrows through a senior term loan, secured on 12 self storage assets and sites. Borrowings are arranged to ensure an appropriate maturity profile and to maintain short term liquidity. Funding is arranged in the Group through banks and financial institutions with whom the Group has a strong working relationship.

##### C. Interest rate risk management

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

At 31 March 2021 the Company had one interest rate derivative in place; £16 million (2020 - Nil) fixed at 0.203% (excluding the margin on the underlying debt instrument) until April 2023.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The £16 million interest rate swap settles on a monthly basis. The floating rate on the interest rate swap is one month LIBOR. The Group settles the difference between the fixed and floating interest rate on a net basis.

The Group does not hedge account for its interest rate swaps and states them at fair value, with changes in fair value included in the statement of comprehensive income. The loss in the consolidated statement of profit and loss and other comprehensive income for the year on the fair value of interest rate derivatives was £17,057 (2020: Nil).

The fair value of the above derivatives at 31 March 2021 was a liability of £17,057 (2020: Nil).

##### D. Interest rate sensitivity analysis

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings, without jeopardising its flexibility. Over the longer term, permanent changes in interest rates may have an impact on consolidated earnings.

The Board monitors closely the exposure to the floating rate element of the debt.

##### E. Cash management and liquidity

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 11 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Short term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to risk.

##### F. Foreign currency management

The Group does not have any foreign currency exposure.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

### For the year ended 31 March 2021

#### 16. Financial instruments (continued)

##### G. Credit risk

The Group has no significant concentration of credit risk. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

##### H. Fair values of financial instruments

The fair values of the Group's cash and short term deposits and those of other financial assets equate to their book values. Details of the Group's receivables at amortised cost are set out in note 9. The amounts are presented net of provisions for doubtful receivables, and allowances for impairment are made where appropriate. Trade and other payables, including bank borrowings, are carried at amortised cost. Derivatives are carried at fair value.

For those financial instruments held at valuation, the Group has categorised them into a three level fair value hierarchy based on the priority of the inputs to the valuation technique in accordance with IFRS 7. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

##### I. Maturity analysis of financial liabilities

The contractual maturities based on market conditions and expected yield curves prevailing at the year end date are as follows:

	Trade and other payables £000	Interest rate swaps £000	Financial liability cash flows £000	Lease liabilities £000	Total £000
<b>2021</b>					
From five to twenty years	-	-	-	5,365	5,365
From two to five years	-	-	30,354	406	30,760
From one to two years	-	-	970	135	1,105
Due after more than one year	-	-	31,324	5,906	37,230
Due within one year	2,425	2	970	135	3,532
<b>Total</b>	<b>2,425</b>	<b>2</b>	<b>32,294</b>	<b>6,041</b>	<b>40,762</b>

	Trade and other payables £000	Interest rate swaps £000	Financial liability cash flows £000	Lease liabilities £000	Total £000
<b>2020</b>					
From five to twenty years	-	-	-	4,199	4,199
From two to five years	-	-	-	271	271
From one to two years	-	-	68	90	158
Due after more than one year	-	-	68	4,560	4,628
Due within one year	2,263	-	32,467	90	34,820
<b>Total</b>	<b>2,263</b>	<b>-</b>	<b>32,535</b>	<b>4,650</b>	<b>39,448</b>

## Armadillo Storage Holding Company Limited

### Notes to the financial statements

For the year ended 31 March 2021

#### 16. Financial instruments (continued)

##### J. Reconciliation of maturity analysis

The maturity analysis in note 16I shows non-discounted cash flows for all financial liabilities including interest payments. The table below reconciles the borrowings column in note 11 with the borrowings and interest column in the maturity analysis presented in note 16I.

	<b>Borrowings £000</b>	<b>Interest £000</b>	<b>Unamortised borrowing costs £000</b>	<b>Financial liability cash flows £000</b>
<b>2021</b>				
From five to twenty years	-	-	-	-
From two to five years	30,250	72	33	30,355
From one to two years	-	871	98	969
Due after more than one year	30,250	943	131	31,324
Due within one year	-	871	99	970
<b>Total</b>	<b>30,250</b>	<b>1,814</b>	<b>230</b>	<b>32,294</b>

	<b>Borrowings £000</b>	<b>Interest £000</b>	<b>Unamortised borrowing costs £000</b>	<b>Financial liability cash flows £000</b>
<b>2020</b>				
From five to twenty years	-	-	-	-
From two to five years	-	-	-	-
From one to two years	-	-	-	-
Due after more than one year	-	-	-	-
Due within one year	32,000	398	137	32,535
<b>Total</b>	<b>32,000</b>	<b>398</b>	<b>137</b>	<b>32,535</b>

#### 17. Ultimate parent undertakings

As at the balance sheet date, the immediate parent undertaking and ultimate controlling party was USS T Pty Ltd as trustee for the Universal Self Storage Unit Trust No. 1, which is incorporated and resident in Australia. The registered office address of USS T Pty Ltd is Unit 11B, 23 James Street Fortitude Valley, Brisbane Q 4006.

On 1 July 2021, Big Yellow Holding Company Limited purchased the remaining 80% of the share capital of Armadillo Storage Holding Company Limited from USS T Pty Ltd as trustee for the Universal Self Storage Unit Trust No. 1. As a result of this, at the date of signing the immediate parent undertaking is Big Yellow Holding Company Limited, a company incorporated in the United Kingdom and registered and operating in England and Wales. The ultimate controlling party is Big Yellow Group PLC, a company incorporated in the United Kingdom and registered and operating in England and Wales.

# Armadillo Storage Holding Company Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 18. Related party transactions

Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Related party	Relationship	Year	Amount of transaction £000	Balance £000	Details of transactions
Big Yellow Self Storage M Limited	Big Yellow Self Storage M Limited is 100% subsidiary of Big Yellow Group PLC which has a 20% interest in the group.	2021	(1)	-	Intercompany recharges
		2020	2	1	
Big Yellow Limited Partnership	Big Yellow Limited Partnership is 100% subsidiary of Big Yellow Group PLC which has a 20% interest in the group.	2021	-	1	Intercompany recharges
		2020	(1)	1	
Big Yellow Self Storage Company Limited	Big Yellow Self Storage Company Limited is 100% subsidiary of Big Yellow Group PLC which has a 20% interest in the group.	2021	(766)	(68)	Management fee
		2020	(839)	(70)	Management fee
Armadillo Self Storage 2 Limited	An associated company	2021	52	24	Intercompany recharges
		2020	(36)	(28)	
Big Yellow Holding Company Limited	Has a 20% interest in the Group.	2021	(342)	-	Dividends paid
		2020	(326)	-	Dividends paid
USS T Pty Ltd	Ultimate controlling party during the year.	2021	(1,366)	-	Dividends paid
			-	-	Travel Expenses
		2020	(1,304)	-	Dividends paid
			10	-	Travel Expenses

### 19. Reclassification of storage units as investment property and restatement of deferred tax liability

The Group had previously been accounting for its properties i.e., storage units, as depreciating land and buildings. During the year management has revisited the classification of these properties. Management has concluded that these properties should be classified as Investment Property. This reclassification has been accounted for retrospectively and the comparative information has been restated.

During 2021, the Group identified that the deferred tax liability had been overstated in previous years due to incorrect computation of the deferred tax balances. This has been corrected by restating each of the affected financial statement line items for the prior periods, this has had the result of increasing profit of the Group for the year ended 31 March 2020 by £248,000 and increasing net assets of the Group as at 1 April 2020 by £1,066,000, this has also resulted in an increase in the net assets of the Group as at 1 April 2019 by £818,000.

The above reclassification and restatement has also resulted in adjustments to the consolidated cash flow statement for the year ended 31 March 2020. The impact of the restatement is detailed below

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements**

### **For the year ended 31 March 2021**

#### **19. Reclassification of storage units as investment property and restatement of deferred tax liability (continued)**

##### **a) Consolidated statement of profit or loss and OCI**

		Year to 31 March 2020 £000	Reclassification of storage units as investment property	Restatement of deferred tax liability	Year to 31 March 2020 (restated) £000
	Note				
Revenue	3	10,525	-	-	10,525
Cost of sales		(5,742)	-	-	(5,742)
<b>Gross profit</b>		<b>4,783</b>	<b>-</b>	<b>-</b>	<b>4,783</b>
Administrative expenses		(1,194)	984	-	(210)
<b>Operating profit before gain on investment properties and other non-current assets</b>	4	<b>3,589</b>	<b>984</b>	<b>-</b>	<b>4,573</b>
Gain on revaluation of investment properties		-	712	-	712
<b>Operating profit</b>		<b>3,589</b>	<b>1,696</b>	<b>-</b>	<b>5,285</b>
Finance costs					
- Interest payable	6	(1,297)	-	-	(1,297)
Investment income					
- Fair value movement of derivatives		5	-	-	5
<b>Profit before tax</b>		<b>2,297</b>	<b>1,696</b>	<b>-</b>	<b>3,993</b>
Taxation	7	(568)	(873)	248	(1,193)
<b>Profit for the year</b>		<b>1,729</b>	<b>823</b>	<b>248</b>	<b>2,800</b>
<b>Other comprehensive income</b>					
<b>Items that will not be classified subsequently to profit or loss</b>					
Gain on revaluation of land and buildings		1,696	(1,696)	-	-
Tax on revaluation	7	(873)	873	-	-
<b>Total items never reclassified to profit or loss</b>		<b>823</b>	<b>(823)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,552</b>	<b>-</b>	<b>248</b>	<b>2,800</b>

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements**

**For the year ended 31 March 2021**

### **19. Reclassification of storage units as investment property and restatement of deferred tax liability** **(continued)**

#### **b) Consolidated statement of Financial Position**

	Note	1 April 2019 £000	Reclassification of storage units as investment property	Restatement of deferred tax liability	1 April 2019 £000 (restated)
<b>Non-current assets</b>					
Land & Buildings		60,450	(60,450)	-	-
Investment Property		-	60,450	-	60,450
Right-of-use assets		1,385	-	-	1,385
Plant and equipment		200	-	-	200
Goodwill		982	-	-	982
		63,017	-	-	63,017
<b>Current assets</b>		1,530	-	-	1,530
<b>Total assets</b>		64,547	-	-	64,547
<b>Current Liabilities</b>		(4,105)			(4,105)
<b>Non-current liabilities</b>					
Derivative financial instruments		(3)	-		(3)
Bank borrowings		(20,494)	-		(20,494)
Deferred tax liabilities		(5,660)	-	818	(4,842)
Obligations under finance leases		(1,314)	-		(1,314)
		(27,471)	-	818	(26,653)
<b>Total liabilities</b>		(31,576)	-	818	(30,758)
<b>Net assets</b>		32,971	-	818	33,789
<b>Equity</b>					
Called up share capital	13	9,599	-	-	9,599
Revaluation reserve		27,174	(27,174)	-	-
Retained earnings		(3,802)	27,174	818	24,190
<b>Shareholders' fund</b>		32,971	-	818	33,789

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements**

**For the year ended 31 March 2021**

### **19. Reclassification of storage units as investment property and restatement of deferred tax liability (continued)**

#### **Consolidated statement of Financial Position**

	Note	31 March 2020 £000	Reclassification of storage units as investment property	Restatement of deferred tax liability	31 March 2020 £000 (restated)
<b>Non-current assets</b>					
Land & Buildings		70,825	(70,825)	-	-
Investment Property		-	70,825	-	70,825
Right-of-use assets		1,950	-	-	1,950
Plant and equipment		237	-	-	237
Goodwill		982	-	-	982
		<u>73,994</u>	<u>-</u>	<u>-</u>	<u>73,994</u>
<b>Current assets</b>		2,867	-	-	2,867
<b>Total assets</b>		<u>76,861</u>	<u>-</u>	<u>-</u>	<u>76,861</u>
<b>Current liabilities</b>		34,422			34,422
<b>Non-current liabilities</b>					
Deferred tax liabilities		(6,660)	-	1,066	(5,594)
Obligations under finance leases		(1,886)	-	-	(1,886)
		<u>(8,546)</u>	<u>-</u>	<u>1,066</u>	<u>(7,480)</u>
<b>Total liabilities</b>		<u>(42,968)</u>	<u>-</u>	<u>1,066</u>	<u>(41,902)</u>
<b>Net assets</b>		<u>33,893</u>	<u>-</u>	<u>1,066</u>	<u>34,959</u>
<b>Equity</b>					
Called up share capital	13	9,599	-	-	9,599
Revaluation reserve		27,997	(27,997)	-	-
Retained earnings		(3,703)	27,997	1,066	25,360
<b>Shareholders' fund</b>		<u>33,893</u>	<u>-</u>	<u>1,066</u>	<u>34,959</u>

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statements**

**For the year ended 31 March 2021**

### **c) Consolidated Cash Flow Statement**

	Note	Year to 31 March 2020 £000	Reclassification of storage units as investment property £000	Restatement of deferred tax liability £000	Year to 31 March 2020 (Restated) £000
<b>Cash flows from operating activities</b>					
Profit for the year		1,729	823	248	2,800
Adjustments for:					
Finance costs – Interest payable	6	1,297	-	-	1,297
Finance Income		(5)	-	-	(5)
Taxation	7	568	873	(248)	1,193
<b>Operating profit</b>		<b>3,589</b>	<b>1,696</b>	<b>-</b>	<b>5,285</b>
Gain on the revaluation of investment properties		-	(712)	-	(712)
Depreciation, including finance lease depreciation	8	1,095	(984)	-	111
Non-operational exceptional item		26	-	-	26
<b>Operating cash flows before movements in working capital</b>		<b>4,710</b>	<b>-</b>	<b>-</b>	<b>4,710</b>
<b>Cash flows from operating activities</b>		<b>3,963</b>	<b>-</b>	<b>-</b>	<b>3,963</b>
<b>Net cash flow from operating activities</b>		<b>2,135</b>	<b>-</b>	<b>-</b>	<b>2,135</b>
<b>Investing activities</b>					
Purchase of Plant and Equipment		(9,690)	9,587	-	(103)
Purchase of Investment Property		-	(9,587)	-	(9,587)
Non recurring acquisition costs		(26)	-	-	(26)
<b>Net cash used in investing activities</b>		<b>(9,716)</b>	<b>-</b>	<b>-</b>	<b>(9,716)</b>
<b>Net cash generated from financing activities</b>		<b>9,621</b>	<b>-</b>	<b>-</b>	<b>9,621</b>
<b>(Decrease) /increase in cash and cash equivalents</b>		<b>2,040</b>	<b>-</b>	<b>-</b>	<b>2,040</b>
Cash and cash equivalents at beginning of the year		394	-	-	394
<b>Cash and cash equivalents at end of the year</b>		<b>2,434</b>	<b>-</b>	<b>-</b>	<b>2,434</b>

### **20. Events after the balance sheet date**

On 1 July 2021, Big Yellow Holding Company Limited purchased the remaining 80% of the share capital of Armadillo Storage Holding Company Limited from USS T Pty Ltd as trustee for the Universal Self Storage Unit Trust No. 1.

Big Yellow Holding Company Limited is a wholly owned subsidiary of Big Yellow Group PLC. Following this acquisition, Big Yellow Holding Company became the sole shareholder and immediate parent undertaking of Armadillo Storage Holding Company Limited, and Big Yellow Group PLC became the ultimate parent undertaking and ultimate controlling party of the Company.

# **Armadillo Storage Holding Company Limited**

## **Company Statement of financial position** **As at 31 March 2021**

	Note	Company Only 2021 £000	Company Only 2020 £000
<b>Non current assets</b>			
Investment in subsidiaries	22	9,599	9,599
<b>Current assets</b>			
Trade and other receivables	23	2,262	2,262
<b>Total assets</b>		<u>11,861</u>	<u>11,861</u>
<b>Current liabilities</b>			
Other payables	24	(1,755)	(1,755)
<b>Total current liabilities</b>		<u>(1,755)</u>	<u>(1,755)</u>
<b>Net assets</b>		<u>10,106</u>	<u>10,106</u>
<b>Equity</b>			
Called up share capital	14	9,599	9,599
Retained earnings		507	507
<b>Shareholders' funds</b>		<u>10,106</u>	<u>10,106</u>

As permitted by section 408 of the Companies Act 2006, the statement of profit and loss and other comprehensive income of the Company is not presented as part of these financial statements. The profit for the year attributable to equity shareholders dealt with in the financial statements of the Company was £1,708,000 (2020: profit £1,630,250).

These financial statements were approved by the Board of Directors on 20 August 2021 and were signed on its behalf by

  
**J Trotman,**

Director

Company Registered Number: 08919703

The accompanying notes form part of these financial statements.

# **Armadillo Storage Holding Company Limited**

## **Company Statement of changes in equity** **As at 31 March 2021**

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total shareholder's equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 31 March 2019	9,599	507	10,106
Profit and total comprehensive income for the period	-	1,630	1,630
Dividend paid	-	(1,630)	(1,630)
At 31 March 2020	<u>9,599</u>	<u>507</u>	<u>10,106</u>
Profit and total comprehensive income for the period	-	1,708	1,708
Dividend paid	-	(1,708)	(1,708)
At 31 March 2021	<u>9,599</u>	<u>507</u>	<u>10,106</u>

The accompanying notes form part of these financial statements.

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statement**

**For the year ended 31 March 2021**

### **21. Accounting policies**

The accounting policies adopted in the Company's financial statements are consistent with those outlined for the Group in note 2.

#### **a) Statement of Compliance**

These financial statements are presented in Pounds Sterling, the Company's functional currency.

#### **b) Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Comparative period reconciliations for share capital, tangible fixed assets, and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosure of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Armadillo Storage Holding Company Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

These financial statements have been prepared on a going concern basis (see note 2), under the historical cost convention, except for financial instruments which have been measured at fair value through profit and loss ("FVTPL").

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statement** **For the year ended 31 March 2021**

### **22. Investment in subsidiaries**

	<b>Investment in subsidiary undertaking Armadillo Storage 1 limited £000</b>
<b>Cost</b>	
At 31 March 2020	9,599
At 31 March 2021	<hr/> 9,599

No impairment has been recognised.

The subsidiary undertakings of the Parent are:

The registered office of all subsidiaries is 2 The Deans, Bridge Road, Bagshot, Surrey, GU19 5AT

<b>Name of subsidiary</b>	<b>Place of incorporation ownership (or registration) and operation</b>	<b>Proportion of ownership interest %</b>	<b>Proportion of voting power held %</b>	<b>Principal activity</b>
Armadillo Storage 1 Limited	UK	100	100	Holding company
Armadillo Self Storage Limited	UK	100	100	Self storage
Apollo Self Storage Limited	UK	100	100	Self storage
Patrick Corporate Investment Limited	UK	100	100	Dormant
Quickstore Storage Limited	UK	100	100	Self storage

On 28 September 2020, two dormant subsidiaries, Lock & Leave (Canterbury) Limited and Lock & Leave (Molesey) Limited were struck off at Companies House. The dissolution date of the companies was 6 October 2020.

### **Audit exemption statement**

For its most recent year end the companies listed below were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members of these companies have not required them to obtain an audit of their financial statements for the year ended 31 March 2021.

Patrick Corporate Investment Limited  
 Quickstore Storage Limited  
 Apollo Self Storage Limited

# **Armadillo Storage Holding Company Limited**

## **Notes to the financial statement For the year ended 31 March 2021**

### **23. Trade and other receivables**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Amounts owed from group undertakings	<u>2,262</u>	<u>2,262</u>
No interest is charged on amounts owed from group undertakings which are unsecured and receivable on demand		

### **24. Other payables**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<u>1,755</u>	<u>1,755</u>
Amounts owed to group undertakings are interest free, unsecured and repayable on demand.		

### **25. Dividends**

A final dividend for the year ended 31 March 2020 amounting to £854,000, 8.90 pence per share (2019: £776,250, 8.09 pence per share) was paid on 12 May 2020. An interim dividend amounting to £854,000, 8.90 pence per share (2020: £854,000, 8.90 pence per share) was paid on 26 October 2020. A final dividend of £1,054,000, 10.98 pence per share (2020: £854,000, 8.90 pence per share) was announced and paid following the period end on 21 April 2021 but before the financial statements were authorised for issue. Accordingly, they have not been provided for.

### **26. Related party transactions**

The company has a related party transactions as follows:

Related party	Amount of transaction £000	Balance £000	Details of transactions
<b>Year ended 31 March 2021</b>			
Armadillo Storage 1 Limited	1,708	2,262	Inter-company transactions & dividends received
Armadillo Self Storage Limited	(1,708)	(1,755)	Inter-company transactions
Big Yellow Holding Company	(341)	-	Dividend Paid
USS T Pty Ltd	(1,366)	-	Dividend Paid
<b>Year ended 31 March 2020</b>			
Armadillo Storage 1 Limited	1,630	2,262	Inter-company transactions & dividends received
Armadillo Self Storage Limited	(1,630)	(1,755)	Inter-company transactions
Big Yellow Holding Company	(326)	-	Dividend Paid
USS T Pty Ltd	(1,304)	-	Dividend Paid