

CITY SELF-STORAGE LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2003



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CITY SELF-STORAGE LIMITED

COMPANY INFORMATION

Director	P Linder
Secretary	M R Haines
Company number	4558833
Registered office	Audrey House 16/20 Ely Place London EC1N 6SN
Auditors	Audit Assure 82 St John Street London EC1M 4JN
Business address	Crown House 72 Hammersmith Road London W14 8TH
Accountants	Vantis Beavis Walker 82 St John Street London EC1M 4JN

CITY SELF-STORAGE LIMITED

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CITY SELF-STORAGE LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003

The director presents his report and financial statements for the period ended 31 December 2003.

Principal activities

The company was incorporated on 10 October 2002 as Partweave Limited. On 7 November 2002 the company changed its name to City Self-Storage Limited.

The principal activity of the company is that of storage room leasing management.

The subsidiary undertaking did not trade throughout the period.

Directors

The following directors have held office since 10 October 2002:

P Linder	(Appointed 5 November 2002)
Instant Companies Limited	(Appointed 10 October 2002 and resigned 5 November 2002)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	31 December 2003	Ordinary of £ 1 each 10 October 2002
P Linder	-	-

The director's interest in the shares of the parent company are disclosed in that company's financial statements.

Auditors

Audit Assure were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

CITY SELF-STORAGE LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

Director's responsibilities

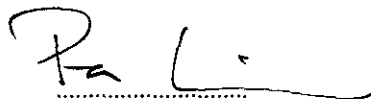
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



P Linder

Director

Signed November 2004.

CITY SELF-STORAGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CITY SELF-STORAGE LIMITED

We have audited the financial statements of City Self-Storage Limited on pages 5 to 11 for the period ended 31 December 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 2 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.1 of the financial statements concerning the continuation of the parent company's loan facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

CITY SELF-STORAGE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF CITY SELF-STORAGE LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Audit Assure

Audit Assure

Chartered Accountants

Registered Auditor

82 St John Street

London

EC1M 4JN

9/11/04

CITY SELF-STORAGE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2003

	Notes	Period ended 31 December 2003 £
Administrative expenses		(1,178,947)
Operating loss	2	(1,178,947)
Other interest receivable and similar income	3	265
Interest payable and similar charges		(33,762)
Loss on ordinary activities before taxation		(1,212,444)
Tax on loss on ordinary activities	4	-
Loss on ordinary activities after taxation	11	(1,212,444)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CITY SELF-STORAGE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£
Fixed assets			
Tangible assets	5		10,261
Investments	6		1
			<u>10,262</u>
Current assets			
Debtors	7	14,328	
Cash at bank and in hand		66,476	
		<u>80,804</u>	
Creditors: amounts falling due within one year	8	(1,302,510)	
Net current liabilities			<u>(1,221,706)</u>
Total assets less current liabilities			<u>(1,211,444)</u>
Capital and reserves			
Called up share capital	10		1,000
Profit and loss account	11		(1,212,444)
Shareholders' funds - equity interests	12		<u>(1,211,444)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 5th November 2004.



P Linder
Director

CITY SELF-STORAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements are prepared on the assumption that the company is a going concern. The director believes that this assumption is applicable as the company's holding company has indicated that it will continue to provide support to the company for the foreseeable future sufficient to ensure that the company's liabilities are met as and when they fall due.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% straight line
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1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of City Self-Storage Holding AS, a company incorporated in Norway, and is included in the consolidated accounts of that company.

CITY SELF-STORAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

2	Operating loss	2003
		£
	Operating loss is stated after charging:	
	Depreciation of tangible assets	2,437
	Auditors' remuneration	3,250
	Director's emoluments	234,550
	and after crediting:	
	Profit on foreign exchange transactions	(18,360)

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1.

3	Investment income	2003
		£
	Bank interest	265

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

The company has tax losses of approximately £1,175,000, which are available for group relief.

5 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 10 October 2002	-
Additions	12,698
At 31 December 2003	12,698
Depreciation	
At 10 October 2002	-
Charge for the period	2,437
At 31 December 2003	2,437
Net book value	
At 31 December 2003	10,261

CITY SELF-STORAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

6 Fixed asset investments

	Shares in group undertakings £
Cost	
At 10 October 2002	-
Additions	1
	<hr/>
At 31 December 2003	1
	<hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
City Self-Storage (UK) Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2003 £	Profit for the year 2003 £
City Self-Storage (UK) Limited	1	-
	<hr/>	<hr/>

City Self-Storage (UK) Limited was dormant during the period to 31st December 2003.

7 Debtors	2003 £
Other debtors	14,328
	<hr/>

CITY SELF-STORAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

8	Creditors: amounts falling due within one year	2003
		£
	Trade creditors	13,780
	Amounts owed to group undertakings	1,054,301
	Other creditors	234,429
		<u>1,302,510</u>

Included within amounts owed to group undertakings is £914,069 due to City Self-Storage Holding AS, the immediate parent company. The loan is unsecured, interest is charged at 7% per annum on the outstanding balance and is repayable on demand.

9 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The pension cost charge represents contributions payable to the company to the fund. At 31st December 2003 £nil of contributions payable were outstanding and are included in other creditors.

	2003
	£
Contributions payable by the company for the period	<u>18,502</u>

10	Share capital	2003
		£
	Authorised	
	1,000 Ordinary of £1 each	<u>1,000</u>
	Allotted, called up and fully paid	
	1,000 Ordinary of £1 each	<u>1,000</u>

At incorporation one ordinary share of £1 was issued, allotted and fully paid at par for cash. On 8 January 2003 a further 999 shares of £1 each were allotted and fully paid at par for cash.

11 Statement of movements on profit and loss account

	Profit and loss account
	£
Retained loss for the period	<u>(1,212,444)</u>

CITY SELF-STORAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

12 Reconciliation of movements in shareholders' funds	2003
	£
Loss for the financial period	(1,212,444)
Proceeds from issue of shares	1,000
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Net depletion in shareholders' funds	(1,211,444)
Opening shareholders' funds	-
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Closing shareholders' funds	(1,211,444)
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13 Transactions with directors

Included within trade creditors is an amount of £708 due to P Linder, the director of the company.

14 Control

The company's immediate parent undertaking is City Self-Storage Holding AS and its ultimate parent and controlling party is Selvaag Gruppen AS, both companies are incorporated in Norway.

The largest and smallest group for which group accounts are prepared, and of which the company is a member, are Selvaag Gruppen AS and City Self-Storage Holdings AS. Copies of the accounts for both these groups can be obtained from Lorenvangen 22, 0512 Oslo, Denmark.

15 Related party transactions

In addition to the related party transaction disclosed in note 8, the following amounts are included in amounts owed to group companies;

- a) £72,388 owed to Selvaag Gruppen AS, the ultimated parent company;
- b) £16,475 owed to City Self-Storage s.r.o., a fellow subsidiary;
- c) £47,251 owed to City Self-Storage AS, a fellow subsidiary; and
- d) £4,115 owed to Selvaag Self-Storage AS, a company owned by Selvaag Gruppen AS.