

Company Registration No. 10390549 (England and Wales)

BIG BOX MIDCO UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2018

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BIG BOX MIDCO UK LIMITED

COMPANY INFORMATION

Directors	E S Kroenke M G Burnam R O Maly
Secretary	TMF Corporate Administration Services Limited
Company number	10390549
Registered office	5th Floor 6 St. Andrew Street London United Kingdom EC4A 3AE
Auditor	RSM UK Audit LLP Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG

BIG BOX MIDCO UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present the strategic report for the year ended 30 September 2018.

Fair review of the business

StorageMart purchased the shares of the Casehouse Limited group of companies October 2016 and made a second acquisition in October of 2017, acquiring the shares of Self-Storage Space (UK) Limited. Today, StorageMart operates 16 locations in the south/southeast UK comprising nearly 670,000 square feet of rentable space.

Headquartered in the United States, StorageMart is the world's largest privately-owned self-storage company with facilities spanning the United States, Canada, and the United Kingdom. StorageMart owns/operates 207 facilities globally, comprising more than 14 million square feet of rentable space. The principal activity of StorageMart is the provision of self-storage units, which accounts for approximately 90% of total revenue. As of 30 September 2018, the company operated from 16 storage centres in the South/South East of England. Some locations also provide rental of business units and offices. Additional income is derived from the sale of insurance for customers' goods and from a range of packing merchandise.

The storage unit, business unit and office licenses are generally based on a simple prepaid contract (priced by week) paid monthly, which automatically renews at the beginning of the next payment cycle. Customers may terminate a contract at any time. Certain office and business unit rentals are contracted under slight variations to the base arrangement.

The company focuses primarily on growth via acquisition of existing facilities but does occasionally develop new sites from the ground up and redevelops existing real estate in target markets. The company mainly targets freehold sites, with 12 of the 16 sites in the UK being either freehold or long leasehold.

As of 30 September 2018, StorageMart offered customers approximately 670,000 square feet of storage space at its 16 locations. The 16 sites were at an average 70% occupancy, reflecting plenty of opportunity for future revenue growth.

Self-storage is a growing industry in the UK and Europe, with more than 1,500 self-storage stores in the UK and a similar number across the remainder of continental Europe. The US and Australasia have approximately 45,000 and 2,500 facilities respectively, providing a penetration of 7 square feet of rentable space per capita in the US and around 1.25 square feet per capita in Australasia. The UK by contrast has a penetration of just 0.5 square feet per capita. At any time in the UK only about 2% of the adult population makes use of self-storage, but this is a growing percentage.

StorageMart primarily generates new customers via its website, by using SEO and paid advertising strategies, email marketing, programmatic and predictive advertising, and through content and social media marketing. Alternative customer sources include storage centre visibility (drive by) and generally by recommendation/word of mouth. Online reputation management is also a core principle of StorageMart, which generates user reviews on major platforms such as Google Maps.

StorageMart puts a strong emphasis on the value of leads generated through web and other sales funnels by providing a robust e-learning manager certification program, designed to improve the rate at which leads turn into rentals, and also create efficiencies around operating procedures. Other methods through which StorageMart supports new lead generation and current customer inquiries include a proprietary call center dedicated to answer inbound phone calls. Through the call center, a customer can reserve or rent a storage unit.

Principal risks and uncertainties

The key risks to the continued execution of the strategy of the business are:

- Increase in direct competition within a three-mile radius of any single store
- Continued investment in new development stores
- Development of enquiry generation through new media

The company has had several new competitors open within its operating areas over the last 10+ years and has opened new stores in areas with already strong competition present. In each case, evidence points to growth in the local market by increased knowledge of the existence of the product.

BIG BOX MIDCO UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Other performance indicators

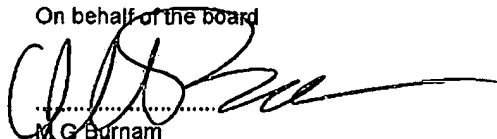
	September 2018 52 weeks	September 2017 49 weeks
Occupancy	70%	68%
Revenue	£11.807m	£11.935m
Gross profit	£7.590m	£7.554m
EBITDA	£6.252m	£6.208m
EBITDA %	58%	52%

EBITDA is calculated as the earnings before interest, tax, depreciation, amortisation and amortisation of capitalised loan costs.

Future Plans and Developments

Following the initial acquisition in 2016 and in 2017, a significant amount of capital, systems, and processes were deployed in all regions, so we could bring easy, clean, service to our customers and mirror customer experiences in the US and Canada. We continue to assess the markets we're in and will continue to acquire where and when it makes economic sense. The company will continue to focus on occupancy and margin improvement.

On behalf of the board



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M. G. Burnam
Director

Date: 29 March 2019

BIG BOX MIDCO UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their annual report and financial statements for the year ended 30 September 2018.

Principal activities

The principal activity of the Company is that of a holding company. The principal activity of the Group is the provision of self storage facilities and ancillary services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E S Kroenke
M G Burnam
R O Maly

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

Financial risk management

The main financial risk facing the group is interest rate risk. The group has a loan facility of £86 million, which bears interest at LIBOR plus 3.95%. There is an interest rate cap in place as required by the loan covenant. Management does not consider either liquidity or credit risk to be significant to the group.

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.


Strategic report

Matters required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report in Accordance with S.414c (11) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



M G Burnam
Director

Date: 29 March 2019

BIG BOX MIDCO UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG BOX MIDCO UK LIMITED

Opinion

We have audited the financial statements of Big Box Midco UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG BOX MIDCO UK LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors 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 for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Geoff Wightwick BA FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3rd Floor

Portland

25 High Street

Crawley

West Sussex, RH10 1BG

29 March 2019

BIG BOX MIDCO UK LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Year ended 30 September 2018 £	Period ended 30 September 2017 £
Turnover	3	11,807,172	11,934,903
Cost of sales		(4,217,155)	(4,380,607)
Gross profit		7,590,017	7,554,296
Administrative expenses		(5,626,225)	(6,484,936)
Operating profit	5	1,963,792	1,089,360
Interest payable and similar expenses	7	(5,553,255)	(3,388,881)
Loss before taxation		(3,589,463)	(2,299,521)
Tax on loss	8	397,791	(417,095)
Loss for the financial year		(3,191,672)	(2,716,616)

Loss for the financial year is all attributable to the owners of the parent company

BIG BOX MIDCO UK LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	9	12,106,125		13,293,983	
Other intangible assets	9	62,035		121,123	
Total intangible assets		12,168,160		13,415,106	
Tangible assets	10	113,382,818		111,247,259	
		125,550,978		124,662,365	
Current assets					
Stocks	14	76,163		71,165	
Debtors	15	1,283,484		1,935,129	
Cash at bank and in hand		3,302,580		1,381,384	
		4,662,227		3,387,678	
Creditors: amounts falling due within one year	16	(3,445,070)		(2,989,712)	
Net current assets		1,217,157		397,966	
Total assets less current liabilities		126,768,135		125,060,331	
Creditors: amounts falling due after more than one year	17	(83,059,172)		(79,854,730)	
Provisions for liabilities	20	(11,979,960)		(11,657,796)	
Net assets		31,729,003		33,547,805	
Capital and reserves					
Called up share capital	22	37,637,291		36,264,421	
Profit and loss reserves	23	(5,908,288)		(2,716,616)	
Total equity		31,729,003		33,547,805	

The financial statements were approved by the board of directors and authorised for issue on 29 March 2019 and are signed on its behalf by:

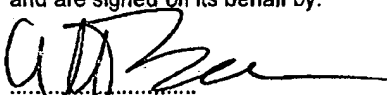

M G Burnam
Director

BIG BOX MIDCO UK LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	11	37,637,291		36,264,421	
Current assets					
Debtors	15	479,466		1,022,720	
Creditors: amounts falling due within one year	16	(481,366)		(1,022,720)	
Net current liabilities			(1,900)		-
Total assets less current liabilities		37,635,391		36,264,421	
Capital and reserves					
Called up share capital	22	37,637,291		36,264,421	
Profit and loss reserves	23	(1,900)		-	
Total equity		37,635,391		36,264,421	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £1,900 (2017 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 March 2019 and are signed on its behalf by:



 M G Burnham
 Director

BIG BOX MIDCO UK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 30 September 2017:				
Loss and total comprehensive income for the period		-	(2,716,616)	(2,716,616)
Issue of share capital	22	36,264,421	-	36,264,421
Balance at 30 September 2017		36,264,421	(2,716,616)	33,547,805
Period ended 30 September 2018:				
Loss and total comprehensive income for the period		-	(3,191,672)	(3,191,672)
Issue of share capital	22	1,372,870	-	1,372,870
Balance at 30 September 2018		37,637,291	(5,908,288)	31,729,003

BIG BOX MIDCO UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 30 September 2017:				
Profit and total comprehensive income for the period		-	-	-
Issue of share capital	22	36,264,421	-	36,264,421
Balance at 30 September 2017		36,264,421	-	36,264,421
Period ended 30 September 2018:				
Loss and total comprehensive income for the period		-	(1,900)	(1,900)
Issue of share capital	22	1,372,870	-	1,372,870
Balance at 30 September 2018		37,637,291	(1,900)	37,635,391

BIG BOX MIDCO UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24	7,182,633		(1,367,430)	
Interest paid		(3,868,750)		-	
Income taxes paid		(1,111,414)		-	
Net cash inflow/(outflow) from operating activities		2,202,469		(1,367,430)	
Investing activities					
Purchase of subsidiaries (net of cash acquired)	(3,998,984)		(69,055,069)		
Purchase of intangible assets	(1,963)		(161,496)		
Purchase of tangible fixed assets	(653,161)		(1,205,963)		
Net cash used in investing activities		(4,654,108)		(70,422,528)	
Financing activities					
Proceeds from issue of shares	1,372,870		36,264,421		
Proceeds from borrowings	3,000,000		79,854,730		
Repayment of borrowings	-		(28,318,250)		
Payment to former shareholders	-		(14,629,596)		
Net cash generated from financing activities		4,372,870		73,171,305	
Net increase in cash and cash equivalents		1,921,231		1,381,347	
Cash and cash equivalents at beginning of year		1,381,347		-	
Cash and cash equivalents at end of year		3,302,578		1,381,347	
Relating to:					
Cash at bank and in hand		3,302,580		1,381,384	
Bank overdrafts included in creditors payable within one year		(2)		(37)	

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

Company information

Big Box Midco UK Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 5th Floor, 6 St. Andrew Street, London, United Kingdom, EC4A 3AE.

The group consists of Big Box Midco UK Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosure framework

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of TKG-StorageMart Partners UK Limited. These consolidated financial statements are available from its registered office, 5th Floor, 6 St. Andrew Street, London, United Kingdom, EC4A 3AE.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of Big Box Midco UK Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The current bank loan of £86,000,000 is due for repayment in October 2019. Since the year end the directors have started discussions with the lender regarding an extension of the loan.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and any applicable value added tax. Income from the provision of both self storage facilities and non-storage services is recognised in the period in which it is earned.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software

Straight line over 3 years

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 7 - 40 years
Long term leasehold land and buildings	Straight line over lower of 40 years and remaining lease term
Short term leasehold land and buildings	Straight line over remaining lease term
Furniture, fixtures and equipment	15% reducing balance 10.7% reducing balance 5% reducing balance

Freehold and leasehold land and assets in the course of construction are not depreciated. Included within long and short term leasehold properties are leasehold improvements which are depreciated at a rate of 7.5% - 30% reducing balance.

All assets are subject to a full year of depreciation in the year they are acquired.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition are capitalised as part of the cost of that asset.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and net realisable value after making allowance for obsolete and slow moving items.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated net realisable value is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Intangible fixed assets

Management is required to identify the separable intangible fixed assets acquired in a business combination. In doing so, management exercises judgement in assessing the value of those intangible assets. In relation to the business combinations in the reporting period, management's judgement was that there were no separately identifiable intangible assets, and the excess of consideration over the fair value of the net assets acquired was all represented by goodwill.

Goodwill

Management consider that there are no indicators of impairment and that no impairment is therefore required to be recognised against the value of the group's goodwill at the reporting date.

3 Turnover and other revenue

	2018 £	2017 £
Turnover analysed by class of business		
Provision of self-storage facilities	10,769,058	11,183,275
Provision of insurance on self-storage facilities	1,038,114	751,628
	<u>11,807,172</u>	<u>11,934,903</u>
Turnover analysed by geographical market		
United Kingdom	<u>11,807,172</u>	<u>11,934,903</u>

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Directors	3	3	3	3
Administration and sales staff	5	9	-	-
Operations	40	42	-	-
	<u>48</u>	<u>54</u>	<u>3</u>	<u>3</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	1,340,374	1,607,896	-	-
Social security costs	128,862	248,882	-	-
Pension costs	28,578	24,838	-	-
	<u>1,497,814</u>	<u>1,881,616</u>	<u>-</u>	<u>-</u>

The directors receive no remuneration in respect of qualifying services.

5 Operating profit

	2018 £	2017 £
Operating profit for the period is stated after charging:		
Depreciation of owned tangible fixed assets	2,717,602	2,215,786
(Profit)/loss on disposal of tangible fixed assets	-	19,564
Amortisation of intangible assets	1,570,300	1,517,482
Amortisation of capitalised loan costs	-	1,383,918
Cost of stocks recognised as an expense	59,847	95,851
Operating lease charges	<u>434,129</u>	<u>367,348</u>

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

6 Auditor's remuneration	2018	2017
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	7,500	28,000
Audit of the financial statements of the company's subsidiaries	53,500	62,000
	<u>61,000</u>	<u>90,000</u>
7 Interest payable and similar expenses	2018	2017
	£	£
Interest on bank overdrafts and loans	3,868,750	3,388,881
Amortisation of capitalised loan costs	1,684,505	-
	<u>5,553,255</u>	<u>3,388,881</u>
8 Taxation	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	-	406,871
Adjustments in respect of prior periods	(343,849)	-
	<u>(343,849)</u>	<u>406,871</u>
Deferred tax		
Origination and reversal of timing differences	(53,942)	10,224
	<u>(53,942)</u>	<u>10,224</u>
Total tax (credit)/charge for the period	<u>(397,791)</u>	<u>417,095</u>

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

8 Taxation (Continued)

A reduction in the UK main corporation tax rate from 20% to 19% from 1 April 2017 was announced in the Finance (No 2) Act 2015, which had its third reading in the House of Commons on 26 October 2015. The UK main corporation tax rate will reduce to 17% from 1 April 2020, announced in the Finance Bill 2016. The changes have been substantively enacted at the reporting date. The deferred tax assets and liabilities reflect these rates.

The total tax (credit)/charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(3,589,463)	(2,299,521)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.47%)	(681,998)	(447,717)
Tax effect of expenses that are not deductible in determining taxable profit	333,533	662,985
Effect of change in corporation tax rate	-	2,326
Other non-reversing timing differences	(36,063)	29,034
Under/(over) provided in prior years	(343,849)	-
Fixed asset timing differences	330,586	166,690
Other	-	3,777
Taxation (credit)/charge for the period	(397,791)	417,095

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

9 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 October 2017	14,771,092	161,496	14,932,588
Additions - separately acquired	-	1,963	1,963
Additions - business combinations	321,391	-	321,391
	<u>15,092,483</u>	<u>163,459</u>	<u>15,255,942</u>
At 30 September 2018			
Amortisation and impairment			
At 1 October 2017	1,477,109	40,373	1,517,482
Amortisation charged for the year	1,509,249	61,051	1,570,300
	<u>2,986,358</u>	<u>101,424</u>	<u>3,087,782</u>
At 30 September 2018			
Carrying amount			
At 30 September 2018	<u>12,106,125</u>	<u>62,035</u>	<u>12,168,160</u>
At 30 September 2017	<u>13,293,983</u>	<u>121,123</u>	<u>13,415,106</u>

The company had no intangible fixed assets at 30 September 2018 or 30 September 2017.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

10 Tangible fixed assets

Group	Freehold land and buildings	Long term leasehold land and buildings	Short term leasehold land and buildings	Assets under construction	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost						
At 1 October 2017	86,536,379	21,592,999	4,229,277	587,988	516,402	113,463,045
Additions	22,826	9,435	-	604,069	16,831	653,161
Business combinations	4,200,000	-	-	-	-	4,200,000
Transfers	393,340	436,906	43,178	(1,175,236)	301,812	-
At 30 September 2018	91,152,545	22,039,340	4,272,455	16,821	835,045	118,316,206
Depreciation and Impairment						
At 1 October 2017	1,663,241	397,478	102,410	-	52,657	2,215,786
Depreciation charged in the year	1,792,345	533,281	278,520	-	113,456	2,717,602
At 30 September 2018	3,455,586	930,759	380,930	-	166,113	4,933,388
Carrying amount						
At 30 September 2018	87,696,959	21,108,581	3,891,525	16,821	668,932	113,382,818
At 30 September 2017	84,873,138	21,195,521	4,126,867	587,988	463,745	111,247,259

The company had no tangible fixed assets at 30 September 2018 or 30 September 2017.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

11 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	12	-	-	37,637,291	36,264,421

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 October 2017	36,264,421
Additions	1,372,870
At 30 September 2018	37,637,291
Carrying amount	
At 30 September 2018	37,637,291
At 30 September 2017	36,264,421

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

12 Subsidiaries

Details of the company's subsidiaries at 30 September 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Big Box BldCo UK Limited	5th Floor, 6 St. Andrew Street, London, EC4A 3AE	Holding company	Ordinary	100.00	
Absolute Uckfield Ltd*	As above	Collection agent	Ordinary		100.00
BBSC HW Ltd*	As above	Collection agent	Ordinary		100.00
BBSC Ins Limited*	As above	Provision of insurance on storage sites	Ordinary		100.00
BBSC Ton Limited*	As above	Collection agent	Ordinary		100.00
Big Box Storage Centres Limited	As above	Collection agent	Ordinary		100.00
Big Box Storage Company Limited*	As above	Collection agent	Ordinary		100.00
Cashouse Limited*	As above	Holding company	Ordinary		100.00
Keepsafe Brighton Trading Limited*	As above	Collection agent	Ordinary		100.00
Strandbase Limited*	As above	Collection agent	Ordinary		100.00
Self Storage Space (UK) Limited*	As above	Collection agent	Ordinary		100.00

All companies above denoted with a * are exempt from audit by virtue of Section 479A of the Companies Act 2006. In accordance with section 479A of the Companies Act 2006, TKG-StorageMart Partners UK Limited has provided guarantees over the liabilities of these subsidiaries, as disclosed in note 26.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

13 Acquisitions

On 18 October 2017 the group acquired the entire issued share capital of Self Storage Space (UK) Limited for consideration of £4,133,264. The assets and liabilities of Self Storage Space (UK) Limited have been recognised at their fair values using the acquisition method of accounting.

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	2,056,987	2,143,013	4,200,000
Inventories	2,940	-	2,940
Trade and other receivables	9,307	-	9,307
Cash and cash equivalents	134,280	-	134,280
Trade and other payables	(118,848)	-	(118,846)
Tax liabilities	(43,358)	-	(43,358)
Deferred tax	(8,138)	(364,312)	(372,450)
Total identifiable net assets	<u>2,033,172</u>	<u>1,778,701</u>	<u>3,811,873</u>
Goodwill			<u>321,391</u>
Total consideration			<u><u>4,133,264</u></u>
The consideration was satisfied by:			£
Cash			3,949,236
Acquisition costs			<u>184,028</u>
			<u><u>4,133,264</u></u>

The adjustments arising on acquisition were in respect of the uplift of the property to its fair value on acquisition and the provision for deferred tax on this uplift.

The economic driver behind the acquisition was to obtain the business and trading site operated by Self Storage Space (UK) Limited in Bognor. The strict legal status was that the property was directly held by the shareholders of Self Storage Space (UK) Limited and used by the company in its business. As part of the acquisition, the property was acquired from the shareholders at the same time as the entire issued share capital of the company – effectively forming one transaction.

The directors consider it more appropriate to treat the acquisition as one transaction and reflect the fair value of the property on acquisition as part of the purchase method of accounting, with a correspondingly lowered goodwill figure. This is considered by the directors to better reflect the substance of the transaction, being the acquisition of an additional business and associated trading site for the group, rather than the strict legal form.

The effect of adopting this is to not recognise a separate goodwill balance of £2,100k, and a separate fair value uplift of the same, but to instead recognise a goodwill balance of £348k and incorporate the fair value increase of £2,143k in respect of the property and associated deferred tax liability of £364k as part of the acquisition accounting.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

13 Acquisitions (Continued)

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition: £

Turnover	543,348
Loss after tax	(33,648)

14 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	76,163	71,165	-	-

15 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	93,137	262,935	-	-
Unpaid share capital	156	156	-	-
Amounts owed by group undertakings	479,466	1,022,720	479,466	1,022,720
Other debtors	-	382,910	-	-
Prepayments and accrued income	710,725	266,408	-	-
	1,283,484	1,935,129	479,466	1,022,720

16 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	18	2	37	-	-
Other borrowings	18	1,282,762	-	-	-
Trade creditors		767,552	187,843	-	-
Amounts due to group undertakings		-	-	481,366	1,022,720
Corporation tax payable		46,124	1,461,685	-	-
Other taxation and social security		583,378	531,598	-	-
Other creditors		11,505	39,531	-	-
Accruals and deferred income		753,747	769,018	-	-
		3,445,070	2,989,712	481,366	1,022,720

Included within other creditors is £5,459 (2017: £39,531) of unpaid pension contributions at the year end.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

17 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Other borrowings	18	83,059,172	79,854,730	-	-

18 Borrowings

		Group 2018 £	2017 £	Company 2018 £	2017 £
Bank overdrafts	2	37	-	-	-
Other loans	84,341,934	79,854,730	-	-	-
		84,341,936	79,854,767	-	-
Payable within one year	1,282,764	37	-	-	-
Payable after one year	83,059,172	79,854,730	-	-	-

The long-term loan is secured by fixed and floating charges over the company's assets, and an unlimited intercompany guarantee with Big Box Storage Company Limited, Casehouse Limited, BBSC HW Ltd, BBSC Ins Limited, BBSC Ton Limited, Keepsafe Trading Limited and Self Storage Space (UK) Limited.

The loan is repayable in full by October 2019, and interest is charged at LIBOR plus 3.95% margin. Since the year end the directors have started discussions with the lender regarding an extension of the loan.

19 Financial Instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	572,759	1,931,657	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	85,874,740	83,845,099	n/a	n/a

The directors consider the fair value of financial assets and liabilities is not significantly different from the carrying amounts.

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	47,259	10,224
Fair value on acquisition	11,932,701	11,647,572
	<u>11,979,960</u>	<u>11,657,796</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 October 2017	11,657,796	-
Charge to profit or loss	314,026	-
Transfer in on acquisition	8,138	-
	<u>11,979,960</u>	<u>-</u>
Liability at 30 September 2018		

The deferred tax liability set out above, excluding that relating to revaluations is expected to reverse within 36 months and relates to accelerated capital allowances and other timing differences that are expected to mature within the same period. The deferred tax liability in respect of revaluations is expected to reverse over 40 years and relates to revaluation gains on land and buildings which are not expected to be sold in the near future.

21 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>28,578</u>	<u>24,838</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

22 Share capital

	Group and company	
	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
37,637,291 (2017: £36,264,421) Ordinary shares of £1 each	37,637,291	36,264,421

The company's Ordinary shares carry full voting rights and an entitlement to receive dividends and distributions under all circumstances.

23 Reserves

Profit and loss reserves
Cumulative profit and loss net of distributions to owners.

24 Cash generated from group operations

	2018	2017
	£	£
Loss for the year after tax	(3,191,672)	(2,716,616)
Adjustments for:		
Taxation credited	(397,791)	-
Finance costs	5,553,255	-
(Gain)/loss on disposal of tangible fixed assets	-	19,564
Amortisation and impairment of Intangible assets	1,570,300	1,517,482
Depreciation and Impairment of tangible fixed assets	2,717,602	2,215,786
(Decrease)/increase in provisions	-	10,224
Movements in working capital:		
(Increase) in stocks	(2,060)	(4,971)
Decrease in debtors	660,952	1,296,119
Increase/(decrease) in creditors	272,047	(3,705,018)
Cash generated from/(absorbed by) operations	7,182,633	(1,367,430)

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	381,730	379,180	-	-
Between one and five years	1,420,870	1,464,233	-	-
In over five years	3,564,214	3,894,944	-	-
	<u>5,366,814</u>	<u>5,738,357</u>	<u>-</u>	<u>-</u>

26 Financial commitments, guarantees and contingent liabilities

In order for the subsidiary companies Casehouse Limited, Strandbase Limited, Keepsafe Brighton Trading Limited, BBSC Ins Ltd, BBSC HW Ltd, Big Box Storage Company Ltd, BBSC Ton Limited, Absolute Uckfield Limited and Self Storage Space (UK) Limited to take the audit exemption under section 479A of the Companies Act 2006, the parent company, TKG-Storage Partners UK Limited has guaranteed all outstanding liabilities of those subsidiary companies at 30 September 2018 until those liabilities are satisfied in full.

27 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Loan guarantee fees charged		Provision of financing	
	2018 £	2017 £	2018 £	2017 £
Group				
Other related parties	<u>166,350</u>	<u>129,000</u>	<u>3,624,228</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2018 Balance £	2017 Balance £
Group		
Other related parties	<u>3,624,228</u>	<u>-</u>

BIG BOX MIDCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

27 Related party transactions (Continued)

Other related parties represent companies under the control of key management personnel.

No expense has been recognised in the year (2017: £nil) in respect of bad debts from related parties. The amounts outstanding are unsecured, non-interest bearing and will be settled in cash.

Remuneration of key management personnel

The directors are considered to be the key management personnel. No remuneration was paid or is payable to the key management personnel in respect of their services to the group or company for the current year or previous period.

28 Controlling party

TKG-StorageMart Partners UK Limited is the parent of the largest group for which consolidated accounts including the company are prepared and are publicly available. Copies of the consolidated accounts of TKG-StorageMart Partners UK Limited can be obtained from the company's registered office, 5th Floor, 6 St. Andrew Street, London, EC4A 3AE.

The ultimate parent undertaking of the company is UK TKG-StorageMart Partners LP, an entity incorporated in the United States of America. The registered office for UK TKG-StorageMart Partners LP is 215 N Stadium Blvd, Suite 207, Columbia MO 65203, USA. The ultimate controlling party is Mr E S Kroenke.