

BETTERSTORE PROPERTIES UK LIMITED

**Company Registration Number:
11810512 (England and Wales)**

Unaudited statutory accounts for the year ended 31 March 2020

Period of accounts

Start date: 6 February 2019

End date: 31 March 2020

BETTERSTORE PROPERTIES UK LIMITED

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for the Period Ended 31 March 2020

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BETTERSTORE PROPERTIES UK LIMITED

Directors' report period ended 31 March 2020

The directors present their report with the financial statements of the company for the period ended 31 March 2020

Principal activities of the company

The company owns and leases self-storage properties which are operated under the Storage King brand.

Additional information

The going concern position of the company is intrinsically linked to that of the Betterstore Group and is therefore considered as part of the directors going concern assessment of the Betterstore Group. In reviewing the current financial position of the company, the directors have noted that at the reporting date the company had net current liabilities of £4,907,031 and net liabilities of £4,444,283. However, within net current liabilities is an amount due to group undertakings of £5,707,715. The company's intermediate parent company, Betterstore Self Storage Holdings Limited, has provided a letter of support confirming its intention not to recall these amounts due until such time as the company is able to repay it and to provide additional working capital funding as necessary for at least twelve months from the date of approval of these financial statements. The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, has forced companies worldwide to move at unprecedented speed to adjust to the changing needs of their staff, their customers and suppliers, whilst navigating the financial and operational challenges it has brought about. The company acted quickly with the impact of the coronavirus outbreak and were proactive in contacting all customers who had given notice prior to the start of lockdown and worked with our business customer base on an individual basis to maintain their custom. Deferred payments or small discounts were given to those customers who could not move out during lockdown. The stores went onto reduced hours and single manning to comply with social distancing along with the introduction of an electronic e-signing contract to allow for minimal contact at store level. Whilst the impact of COVID-19 is significant, trading has remained resilient since March 2020 and the directors have taken full account, in their going concern assessment, of the impact of COVID-19 on the company to date and the uncertainty over its potential future impact. The directors of the company who are also directors of Betterstore Self Storage Holdings Limited have prepared cashflow forecasts for the Betterstore Group for a period including 12 months from the date of approval of these financial statements. Those cashflow statements show the Betterstore Group is able to continue to operate within the existing facilities available to the Betterstore Group and without the support of the wider Stor-Age group for the period of the forecasts. The directors have also given due consideration to the future plans for the group, the profile of debt maturities and the covenants associated with the Betterstore Group's bank facilities. In addition the directors of Betterstore Self Storage Holdings Limited have obtained a letter of support from the ultimate parent company, Stor-Age Property REIT Limited (Stor-Age) which confirms that financial support will be provided, if required to allow the Betterstore Group and the company to meet their liabilities as they fall due for a period of at least 12 months from the approval of these financial statements. As a result of this assessment, the directors do not believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern. Thus, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Directors

The directors shown below have held office during the whole of the period from
6 February 2019 to 31 March 2020

Robin Greenwood
Steven Horton

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
5 October 2020

And signed on behalf of the board by:
Name: Robin Greenwood
Status: Director

BETTERSTORE PROPERTIES UK LIMITED

Profit And Loss Account for the Period Ended 31 March 2020

*14 months to 31
March 2020*

| | £ | |
|--|--------------------|--|
| Turnover: | 73,681 | |
| Cost of sales: | (17,654) | |
| Gross profit(or loss): | <u>56,027</u> | |
| Distribution costs: | 0 | |
| Administrative expenses: | (155,315) | |
| Operating profit(or loss): | <u>(99,288)</u> | |
| Interest receivable and similar income: | 12,247,145 | |
| Interest payable and similar charges: | (16,451,449) | |
| Profit(or loss) before tax: | <u>(4,303,592)</u> | |
| Tax: | (140,692) | |
| Profit(or loss) for the financial year: | <u>(4,444,284)</u> | |

BETTERSTORE PROPERTIES UK LIMITED

Balance sheet

As at 31 March 2020

| | <i>Notes</i> | <i>14 months to 31 March 2020</i> |
|--|--------------|---------------------------------------|
| | | £ |
| Called up share capital not paid: | | 0 |
| Fixed assets | | |
| Intangible assets: | | 0 |
| Tangible assets: | 3 | 57,590 |
| Investments: | 4 | 20,987,625 |
| Total fixed assets: | | <u>21,045,215</u> |
| Current assets | | |
| Stocks: | 5 | 4,887 |
| Debtors: | 6 | 870,868 |
| Cash at bank and in hand: | | 282,839 |
| Investments: | | 0 |
| Total current assets: | | <u>1,158,594</u> |
| Prepayments and accrued income: | | 0 |
| Creditors: amounts falling due within one year: | 7 | (6,065,625) |
| Net current assets (liabilities): | | <u>(4,907,031)</u> |
| Total assets less current liabilities: | | <u>16,138,184</u> |
| Creditors: amounts falling due after more than one year: | 8 | (19,121,937) |
| Provision for liabilities: | | (1,460,530) |
| Accruals and deferred income: | | 0 |
| Total net assets (liabilities): | | <u>(4,444,283)</u> |
| Capital and reserves | | |
| Called up share capital: | | 1 |
| Share premium account: | | 0 |
| Other reserves: | | 0 |
| Profit and loss account: | | (4,444,284) |
| Total Shareholders' funds: | | <u>(4,444,283)</u> |

The notes form part of these financial statements

BETTERSTORE PROPERTIES UK LIMITED

Balance sheet statements

For the year ending 31 March 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 5 October 2020
and signed on behalf of the board by:**

Name: Robin Greenwood
Status: Director

The notes form part of these financial statements

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Revenue is recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax. Revenue is attributable to renting storage units to customers and selling merchandise. Storage rental and related income is recognised over the period in which the storage room is occupied by the customer on a straight line basis. All revenue arose within the United Kingdom. Other income is recognised when performance obligations of the relevant service or goods are met.

Tangible fixed assets depreciation policy

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis: Plant and machinery - 25% straight line; Fixtures and fittings - 20% straight line; Computer equipment - 33% straight line. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Valuation information and policy

Investments in subsidiaries are measured at cost less accumulated impairment.

Other accounting policies

Inventories Debtors Financial instruments Creditors Finance income and costs Current and deferred taxation

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements for the Period Ended 31 March 2020

2. Employees

*14 months to 31
March 2020*

Average number of employees during the period

0

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

3. Tangible assets

| | Land & buildings | Plant & machinery | Fixtures & fittings | Office equipment | Motor vehicles | Total |
|-----------------------|------------------|-------------------|---------------------|------------------|----------------|---------|
| Cost | £ | £ | £ | £ | £ | £ |
| Additions | | 2,238 | | | | 2,238 |
| Disposals | | | | | | |
| Revaluations | | | | | | |
| Transfers | | 111,422 | | | | 111,422 |
| At 31 March 2020 | | 113,660 | | | | 113,660 |
| Depreciation | | | | | | |
| Charge for year | | 199 | | | | 199 |
| On disposals | | | | | | |
| Other adjustments | | 55,871 | | | | 55,871 |
| At 31 March 2020 | | 56,070 | | | | 56,070 |
| Net book value | | | | | | |
| At 31 March 2020 | | 57,590 | | | | 57,590 |

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

4. Fixed assets investments note

Subsidiary undertakings The following were subsidiary undertakings of the company:

| Name | Country of incorporation | Class of shares |
|-------------------------------------|--------------------------|--|
| Holding Principal | activity | The Storage Pod Limited |
| England and Wales | Ordinary | 100% Owns self-storage facility |
| Viking Self Storage Bedford Limited | England and Wales | Ordinary 100% Owns self-storage facility |

The registered office of all the company's subsidiaries is 127a High Street, Ruislip, HA4 8JN.

Acquisition of The Storage Pod Limited On 26 March 2019 the company entered into an agreement to purchase 100% of the share capital of The Storage Pod Limited. The total consideration for the acquisition was £8.2 million and was settled in cash and deferred consideration to the vendors. As part of the transaction, a further £3.4m was paid directly to The Storage Pod Limited which was used to settle the bank loans held by the acquired company prior to acquisition. As at the period end, the investment in The Storage Pod Limited was assessed for evidence of impairment. Due to an intention to hive-up the assets of The Storage Pod Limited to Betterstore Properties UK Limited during the period ended 31 March 2020, an impairment indicator was deemed to exist. As such, the recoverable value of the investment was assessed. Upon completion of this assessment, an impairment charge to bring the investment in line with the recoverable value, which was determined to be equal to the net asset value of The Storage Pod Limited was recognised.

Acquisition of Viking Self Storage Bedford Limited On 1 March 2019 the company entered into an agreement to purchase 100% of the share capital of Viking Self Storage Bedford Limited. The total consideration for the acquisition was £12.8 million and was settled in cash and deferred consideration to the vendors. Subsequent to this, the company then made a further £1.3m investment in Viking Self Storage Bedford Limited by way of a capital contribution. The property held by Viking Self Storage Bedford Limited was then hived up into the company on 31 January 2020 at the fair value attributed at the time. The remaining net assets were considered to have a fair value of £Nil and therefore the cost of the investment was written down accordingly. Following year end, on the 4 of May 2020, the members placed Viking Self Storage Bedford Limited in voluntary liquidation.

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

5. Stocks

*14 months to 31
March 2020*

£

Stocks

4,887

Total

4,887

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

6. Debtors

| | <i>14 months to 31 March 2020</i> |
|--------------------------------|---------------------------------------|
| | £ |
| Trade debtors | 53,460 |
| Prepayments and accrued income | 71,790 |
| Other debtors | 745,618 |
| Total | <u>870,868</u> |

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

7. Creditors: amounts falling due within one year note

| | <i>14 months to 31 March 2020</i> |
|------------------------------|---------------------------------------|
| | £ |
| Trade creditors | 62,452 |
| Taxation and social security | 133 |
| Accruals and deferred income | 231,819 |
| Other creditors | 5,771,221 |
| Total | <u>6,065,625</u> |

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

8. Creditors: amounts falling due after more than one year note

| | <i>14 months to 31 March 2020</i> |
|---------------------------|---------------------------------------|
| | £ |
| Bank loans and overdrafts | 19,121,937 |
| Total | 19,121,937 |

Bank loans 19,121,937 The initial new group-wide facility of £37.5 million was extended to £52 million on 1 March 2019. Finance costs relating to the new facility of £145,000 have been offset against the loan and are being amortised over the facility length of 6 years. The unamortised amount of these finance costs at the year end was £128,063. The facility is available to all companies within the Betterstore Self Storage Holdings Limited group, with £19,250,000 being utilised by the company. Interest is payable at LIBOR plus a margin of 2.75%. The facility is available until 18 October 2024, inclusive of a two year option to extend which management expect to utilise. The loan is secured via unlimited continuing guarantees and a debenture by each of Betterstore Self Storage Holdings Limited, Betterstore Self Storage Properties I Limited, Betterstore Self Storage Properties III Limited, Betterstore Self Storage Operations Limited, Betterstore Properties UK Limited, Viking Self Storage Bedford Limited, The Storage Pod Limited and Flexistore Self Storage Limited. In addition to this further security is provided by way of a legal mortgage in respect of the property assets held by the above companies.

BETTERSTORE PROPERTIES UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 March 2020

9. Financial Commitments

Within the Betterstore Self Storage Group there is a group-wide facility totalling £52,000,000. Of this facility, £31,317,137 has been drawn-down by Betterstore Self Storage Properties I Limited and a further £19,250,000 has been drawn-down by Betterstore Properties UK Limited. These loans are secured via unlimited continuing guarantees and a debenture by each of Betterstore Self Storage Holdings Limited, Betterstore Self Storage Properties I Limited, Betterstore Self Storage Properties III Limited, Betterstore Self Storage Operations Limited, Betterstore Properties UK Limited, Viking Self Storage Bedford Limited, The Storage Pod Limited and Flexistore Self Storage Limited. In addition to this further security is provided by way of a legal mortgage in respect of the property assets held by the above companies.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.