Company Registration No. 05166173

.Big Yellow Self Storage Company Limited

Annual Report and Financial Statements

31 March 2010

.Big Yellow Self Storage Company Limited

Report and financial statements 2010

Contents

Contents	Page

.Big Yellow Self Storage Company Limited

Report and financial statements 2010

Officers and professional advisers

Directors

Nicholas Vetch
James Gibson
Adrian Lee
John Trotman

Secretary

Michael Cole

Registered office

2 The Deans
Bridge Road
Bagshot
Surrey
GU19 5AT

Bankers

Lloyds TSB Bank plc
25 Gresham Street
London
EC2V 7HN

HSH Nordbank AG
Moorgate Hall
155 Moorgate
London
EC2M 6UJ

The Royal Bank of Scotland plc
8th Floor
280 Bishopsgate
London
EC2M 4RB

Solicitors

CMS Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Auditors

Deloitte LLP
Reading, United Kingdom

.Big Yellow Self Storage Company Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

Business review and principal activities

Big Yellow Self Storage Company Limited ("Big Yellow", "the company") is a wholly owned subsidiary of Big Yellow Group PLC

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

There have not been any significant changes in the company's principal activity in the year under review The directors are not aware, at the date of this report, of any likely major changes in the company's activity in the next year

This has continued to be a challenging environment for the company, as the financial crisis which started in August 2007, turned into a deep economic downturn, from which the economy would appear to be slowly recovering Nevertheless, our performance has been relatively resilient, although not immune We believe that resilience is owing to a combination of factors including

- a prime portfolio of freehold self storage properties
- focus on London and the South East, which have proved more resilient during the downturn
- successful acquisition and development of new stores
- the strength of operational and sales management
- the UK's leading self storage brand, with high public awareness
- strong cash flow generation and high operating margins

Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current economic conditions and concluded that it is appropriate More information is provided in note 2 to the financial statements

Business objectives

In recent years, Big Yellow has established itself as the leading self storage brand in the UK (YouGov Survey, September 2009), a key objective set at flotation The company continues to invest in developing quality assets at the premium end of the self storage market and to build on our brand leadership nationally We intend to measure our progress by commissioning quantitative research each year

The main elements of our strategy are

- growing the occupancy in our stores from the current level of 56% to 85% over the medium term
- an unwavering focus on customer service
- excellent operational and financial management generating strong cash flow growth
- innovative and creative marketing
- recruiting and retaining quality people in the business
- the selective build out of freehold stores in major urban conurbations throughout the UK
- locating stores in visible, convenient and accessible locations
- retaining a focus on London, the South and other large metropolitan cities
- an entrepreneurial and passionate culture, with accessible senior management encouraging innovation and dialogue throughout all levels of the business

.Big Yellow Self Storage Company Limited

Directors' Report

Fınancıng objectives

The company's actıvıtıes are financed by ıts parent, Bıg Yellow Group PLC

Store performance

There was a net occupancy gaın ın the year of 66,000 sq ft ın the company's stores, compared to a loss of 85,000 sq ft ın the year to 31 March 2009, and a gaın of 37,000 sq ft ın the year to 31 March 2008 In the year ended 31 March 2008 we saw occupancy growth ın the first few months of the year, but ın the perıod after the onset of the lıquıdıty crısıs ın August 2007, the company lost occupancy of 100,000 sq ft

Of the 51 wholly owned stores open at the year end, 50 are now tradıng profitably at the EBITDA level, wıth the other beıng Twıckenham whıch opened ın the year

Durıng the year the company opened one store ın Twıckenham Thıs store openıng brıngs the number now tradıng ın the company to 51 The avaılable net lettable space ıncreased by 75,000 sq ft over the year to a total of 3 2 mıllıon sq ft wıth the openıng of Twıckenham

We have a rollıng programme of prıce ıncreases to exıstıng storage customers, ın most cases provıdıng an annual ıncrease ın storage rents of 4 25% Over the last sıx years average net storage rental growth has been 5 3% per annum

Over the wınter of 2008/9, followıng the collapse of Lehman Brothers and the resultant antıcıpated consumer downturn, we used aggressıve promotıons and dıscountıng ın all of our stores to combat the weak tradıng envıronment As a consequence, net rent for the company fell to a low of £25 25 per sq ft ın Aprıl 2009 We have successfully ıncreased net rents back to theır September 2008 levels through a combınatıon of ıncreasıng street rents and managıng promotıons to new customers, coupled wıth exıstıng customer rent ıncreases At 31 March 2010, the net rent for the company's wholly owned stores was £26 85 per sq ft, an ıncrease of 5% on the level at 31 March 2009 and 6% up from the Aprıl 2009 low

The average net rental achıeved last year across the 51 wholly owned stores was £26 31 per sq ft per annum (the average rent ın London ıs hıgher at £28 48 per sq ft per annum) The stores ın lease-up achıeved a hıgher average rental (£26 97 per sq ft) than the 32 same stores (£26 12 per sq ft), reflectıng the greater London weıghtıng of the lease-up stores

Store operatıons

The Bıg Yellow store model ıs now well establıshed The "typıcal" store has 60,000 sq ft of net lettable storage area and takes some 3 to 5 years to achıeve 85% occupancy Some stores may take longer than thıs gıven they opened shortly prıor to the downturn The average room sıze ıs 60 sq ft

The store ıs ınıtıally run by three staff, addıng a part tıme member of staff once the store occupancy justıfies the need for the extra admınıstratıve and sales workload Gıven that the operatıng costs of these assets are relatıvely fixed, larger stores ın bıgger urban conurbatıons, partıcularly London, drıve hıgher revenues and hıgher operatıng margıns

Directors' Report (continued)

Store operations (continued)
The drive to improve store operating standards and consistency across the portfolio remains a key focus for the company Excellent customer service is at the heart of our business objectives, as a satisfied customer is our best marketing tool We measure customer service standards through a programme of mystery shoppers and ex-customer surveys and have introduced online customer reviews during the year We have in place a team of Area Managers who have on average been with Big Yellow for seven years They develop and support the stores to drive the growth of the business Adrian Lee, Operations Director, is the Board member responsible for dealing with all customer issues

The store bonus structure rewards occupancy growth, sales growth and cost control through setting quarterly targets based on occupancy and store profitability, including the contribution from ancillary sales of insurance and packing materials Information on bonus build up is circulated monthly and stores are consulted in preparing their own targets and budgets each quarter, leading to improved visibility, a better understanding of sales lines and control of operating costs

We believe that as a customer-facing real estate business it is paramount to maintain the quality of our estate and customer offering We therefore continue to invest in a rolling programme of store makeovers, preventative maintenance, store cleaning and the repair and replacement of essential equipment, such as lifts and gates The ongoing annual expenditure is approximately £30,000 per store, which is included within the income statement in cost of sales This excludes makeovers which typically take place every three years at a cost of approximately £15,000 to £20,000

We have continued to manage the ten freehold stores for HSBC Bank plc branded as Armadillo Self Storage We have moved the stores onto our centralised systems and trained the staff on our way of working During the year we have rebranded all of the stores with a new Armadillo Self Storage livery and integrated the stores onto our website We continue to explore opportunities with HSBC to develop further the Armadillo brand

Sales and marketing

This year our strategy has focused on leveraging the Big Yellow brand We have maintained our position as the clear brand and online leader in the UK self storage industry, with awareness levels three times that of our nearest competitor Once again we have demonstrated the power of our brand to win business

Online innovation

Building on the success of our new website, we have improved our online services, launching innovations which are currently unique to Big Yellow within the UK industry We are constantly looking to improve our e-commerce proposition and we will continue to lead the industry in this area

Check in online

Customers can now get a quote, reserve a room and check in online Similar to systems in the airline industry, this system has the double benefit of improving the user experience, and reducing move-in time by some 30%, and therefore making our operations more efficient

Directors' Report (continued)

Sales and marketing (continued)
Online Customer Reviews

Consistent with our strategy of putting the customer at the heart of our business, we have launched an online customer review system which well known retail brands such as Amazon and e-Bay have made familiar to online users

This gives us real time feedback from customers and is published on our website by an independent moderator It gives us clear insights as to how we are delivering the experience that our customers demand Reviews are not edited or filtered based on the scores they award, and they prove that we are consistently delivering a very high standard of service

- over 2,500 reviews have been published
- over 50% of reviews awarded an overall score of 5 stars out of 5
- our average score across the board is 4 6 out of 5
- our average customer service score is 4 6 out of 5

Our customers are our most powerful marketing asset, and this system gives us a digital platform to communicate positive "word of mouth" to prospective customers

Search engines and social media

Search engines continue to be fundamental to our strategy, generating 80% of our online prospects

Our strategy is to engage fully with new media, seeing them as complementary to our existing marketing channels, as opposed to replacements for them Social media will continue to be an important part of our marketing mix, providing us with new ways of engaging with our target audiences and gathering customer feedback

Sales promotions

This year we have simplified our sales proposition, with one offer across all stores of "50% off for up to your first 8 weeks" We have also given more emphasis to our Price Promise on our website and in our stores to ensure we are communicating the best value for our customers

Local marketing, selling standards and customer service at store level are also critical to building the brand and achieving customer loyalty and recommendations We invest significantly in training and have a reward structure and performance monitoring systems which focus specifically on achieving sales and customer service objectives

Brand awareness

Highlights from this year's awareness survey include

- our brand awareness is still three times the level of our nearest competitor
- we have maintained brand awareness of 80% in London
- Big Yellow leads the industry in terms of brand preference, with more prospective customers expecting to use Big Yellow than any other brand

Source YouGov, September 2009

Directors' Report (continued)

Sales and Marketing (continued)
Budget

During the year the company spent approximately £2 6 million (4 5% of revenue) on marketing, in line with the previous year It is our intention to continue to invest 4 25% to 4 5% of our revenue to increase awareness of Big Yellow in existing and new markets, particularly as we expand into new cities across the country

People

At Big Yellow we aim to provide a lively, fun and enjoyable working environment, without losing our commitment to delivering the very best standards of customer service

We encourage a culture of partnership within the business and believe in staff participating in corporate performance through bonus schemes and share incentives Many employees benefit from an HMRC approved Sharesave Scheme, which provides an opportunity to invest in the future success of Big Yellow at a discount to the prevailing share price at the date of each invitation Our stakeholder pension scheme has been taken up by over two thirds of employees eligible to join and a voucher awards scheme is used extensively across the business to recognise and reward our staff's efforts and achievements

We aim to promote employee wellbeing through a range of flexible working options to include flexitime, staggered hours, home working and sabbaticals We provide a comprehensive range of medical support and advice though our occupational health providers and have arranged corporate gym membership on a national basis

We continue to recognise the importance of communication and consultation with an annual spring conference, regular formal and informal meetings and bi-monthly newsletters and weekly operational updates In addition, the Directors and senior management spend significant time in the stores and are accessible to employees at all levels An annual Employee Attitude Survey provides management with key feedback and guidance as to where to focus their attention to further improve the working environment

We had 287 full-time, part-time and casual employees in the business at the year end (2009 273 employees), and recruiting and retaining the right calibre people remains critical to the continued success of the Company

We promote the individual development of staff through training and regular performance appraisals and delivered just over 600 days training to employees in the last year, equating to an average of approximately 2 5 days training per employee In the stores, nearly two thirds of the managerial posts have been filled by internal promotions

In March of this year, we were delighted to have achieved 25th position in the Sunday Times 100 Best Companies To Work for 2010 and also to have achieved Two Star Status for the Best Companies Accreditation The results of this survey are testament to the company not just talking about our work environment, but also actively doing something about it

.Big Yellow Self Storage Company Limited

Directors' Report (continued)

Property

We have not acquired any new sites during the year, focusing on obtaining planning consents and building out selected sites within our development pipeline, and conserving available liquidity within the business We believe the continuing difficulties in the banking and capital markets make access to capital required to fund growth more difficult and will slow down the growth in self storage store openings in the market generally We believe that we are in a relatively strong position with our freehold property assets, with the proven ability to access more funding when the opportunity presents itself

We now have a portfolio of 55 stores and sites in the company, of which 51 are currently open and a further four have planning consents

Our store at Twickenham which opened in May 2009 achieved an A+ rating on carbon emissions, indicating that it has net zero CO_2 emissions

Development pipeline

There are a further seven freehold sites to be developed by the company into new Big Yellow self storage facilities These sites are at various stages of planning and construction which, when fully developed, will increase the total capacity of the portfolio to 3 8 million sq ft The development pipeline is summarised in the table below

Wholly owned sites	Location	Status	Anticipated capacity
Eltham, South East London	Junction of A20 and A205, on busy South Circular roundabout	Under construction, opening March 2011	70,000 sq ft
Enfield, North London	Prominent site on the A10 Great Cambridge Road, London	Consent granted	60,000 sq ft
Guildford Central	Prime location in centre of Guildford on Woodbridge Meadows	Consent granted	56,000 sq ft
Gypsy Corner, West London	Highly visible site on A40 in Acton, West London	Consent granted	70,000 sq ft
New Cross, South East London	Prominent location on Lewisham Way (A20), London	Consent granted, development committed with planned opening in early 2012	60,000 sq ft

We expect to open one store in the current financial year, at Eltham

The construction and fit-out of its stores is managed by sister company The Big Yellow Construction Company Limited as we believe it provides both better control and quality, and we have an excellent record of building stores on time and within budget We are currently on site at the store that will open in the financial year

Risk management

The management of risk is a fundamental part of how we have controlled the development of Big Yellow since its formation in September 1998, and the opening of our first purpose built store in Richmond, London in May 1999 The principal areas of risk that the company faces are considered below

Directors' Report (continued)

Self storage market risk

The UK economy has begun to edge out of recession following GDP growth of 0 4% in the fourth quarter of 2009 The demand for self storage has slowed since the liquidity crisis in August 2007, however we believe that the structural need for self storage remains, and we are pleased at the relative resilience that has been shown to date by the sector, with a gradual pick up of demand

Of the customers moving into the business in the last year, our surveys indicate approximately 57% are in some way linked to the housing market, of which 22% are customers renting storage space whilst moving within the rental sector, and 35% moving within the owner occupied sector We have seen a small recovery in demand during the year from customers within the owner occupied sector, consistent with the slowly improving picture for mortgage approvals and housing transactions During the last year 10% of our customers who moved in took storage space as a spare room for lifestyle purposes and approximately 23% of our customers used the product because some event has occurred in their lives generating the need for storage, they may be moving abroad for a job, have inherited furniture, are getting married or divorced, are students who need storage during the holidays, or homeowners developing into their lofts or basements

The balance of 10% of our customer demand in the year came from businesses ranging from start ups and market traders to retailers and larger multinationals These businesses store stock, documents, equipment, or promotional materials all requiring a convenient flexible solution to their storage, either to get started or to free up more expensive space The demand from business customers, who typically occupy larger rooms, has been relatively robust, as they seek a cost effective, flexible solution to their storage requirements, preferring self storage to the commitment of a long lease

Business customers typically stay longer than domestic customers, and will also on average occupy larger rooms Whilst only representing 10% of new customers during the year, businesses represent 20% of our overall customer base, occupying 33% of the space in our stores The average room size occupied by business customers is 101 sq ft, against 51 sq ft for domestic customers

Our business customers range across a number of industry types, such as retailers, professional service companies, hospitality companies and importers/exporters

Self storage is a relatively immature market in the UK compared to other self storage markets such as the United States and Australia, and we believe has further opportunity for growth Awareness of self storage and how it can be used by domestic and business customers is relatively low throughout the UK, although higher in London The rate of growth of branded self storage on main roads in good locations has historically been limited by the difficulty of acquiring sites at affordable prices and obtaining planning consent The lack of availability of credit within the economy has further reduced this rate of growth since the liquidity crisis in 2007

Big Yellow only invests in prime storage locations, developing high quality self storage centres in the large urban conurbations where the drivers in the self storage market are at their strongest and the barriers to competition are at their highest We have focused the business on London, where we believe the drivers and resilience for the product is strongest

.Big Yellow Self Storage Company Limited

Directors' Report (continued)

Self storage market risk (continued)
We have a large current storage customer base of approximately 30,500 spread across the portfolio of open stores and many thousands more who have used Big Yellow over the years In any month, customers move in and out at the margin resulting in changes in occupancy Despite the current environment, this has remained a seasonal business and typically one sees growth over the spring and the summer months, with the seasonally weaker periods being the winter months The table below illustrates the seasonality of the business with move-ins to the portfolio of wholly owned stores that were open at 1 April 2009 Twickenham opened in May 2009

Move-ins	**Year ended 31 March 2010**	Year ended 31 March 2009	
April to June	9,357	9,413	(1%)
July to September	9,919	9,289	7%
October to December	8,042	7,493	7%
January to March	8,279	6,962	19%
Total	35,597	33,157	7%

This also illustrates the year on year activity level improvement in the current year for the last three quarters

The average length of stay in Big Yellow's stores is also increasing At 31 March 2010 the average length of stay for existing customers was 18 6 months, an increase from 18 0 months in the prior year For all customers, including those who have moved out of the business, the average length of stay has increased from 8 4 months to 8 5 months This translates into a loyal customer base In our 32 same store portfolio, 40% of our customers have been storing with us for over three years A further 17% in these stores have been in the business for between one and three years

That said, we have seen a small decline in the financial year of the length of stay of customers who moved out during the year This fell to 8 1 months from 8 6 months in 2009, albeit that was a sizeable increase from 7 4 months in 2008 This is consistent with the improving demand from customers using the product for relatively short periods of time, linked in the main to house moves and home improvements

Property risk

Big Yellow's management has significant experience in the property industry generated over many years and in particular in acquiring property on main roads in high profile locations and obtaining planning consents

We do take planning risk where necessary, although the more distressed property market will in our view provide more opportunity to buy sites on a conditional basis The planning process remains difficult with some planning consents taking in excess of twelve months to achieve, although given we have planning consent on all bar one site, the risk to the company has reduced significantly from prior years

We manage the construction of our properties very tightly The building of each site is handled through a design and build contract, with the fit out project managed in-house using an established professional team of external advisors and sub-contractors who have worked with us for many years to our Big Yellow specification

Directors' Report (continued)

Credit risk

Our customers are required to pay a deposit when they start to rent a self storage room and are also required to pay in advance for their four-weekly storage charges The company is therefore not exposed to a significant credit risk 74% of our current customers pay by direct debit, however of new customers moving into the business in the last year 83% have paid by direct debit Businesses often prefer to pay by cheque or BACS During the recession, we did not see an increase in the levels of bad debts and arrears Our bad debt expense represents 0 17% of revenue in the year (2009 0 17% of revenue)

Tax risk

The company is exposed to changes in the tax regime affecting the cost of corporation tax, VAT and Stamp Duty Land Tax ("SDLT") We regularly monitor proposed and actual changes in legislation with the help of our professional advisors, through direct liaison with HMRC, and through trade bodies to understand and, if possible, mitigate or benefit from their impact

Real Estate Investment Trust ("REIT") risk

The company converted to a REIT with effect from 15 January 2007 The company is therefore exposed to potential tax penalties or loss of its REIT status by failing to comply with the REIT legislation The company has internal monitoring procedures in place to ensure that the appropriate rules and legislation are complied with To date all REIT regulations have been complied with

Human Resources risk

At Big Yellow we have developed a professional, lively and enjoyable working environment and believe our success stems from attracting and retaining the right people We encourage all our staff to build on their skills through appropriate training and regular performance reviews We believe in an accessible and open culture and everyone at all levels is encouraged to review and challenge accepted norms, so as to contribute to the performance of the company

Reputational risk

Big Yellow's reputation with all its stakeholders is something we value highly and will always look to protect and enhance We aim to communicate clearly with our customers, suppliers, local authorities and communities, employees and shareholders and to listen to and take account of their views Big Yellow's intranet and website (bigyellow co uk) are important avenues of communication for both employees and shareholders

Security risk

The safety and security of our customers and stores remains a key priority To achieve this we invest in state of the art access control systems, individual room alarms, digital CCTV systems, intruder and fire alarm systems and the remote monitoring of all our stores out of our trading hours

.Big Yellow Self Storage Company Limited

Directors' Report (continued)

Security risk (continued)
We have implemented customer security procedures in line with advice from the Police and continue to work with the regulatory authorities on issues of security, reviewing our operational procedures regularly The importance of security and the need for vigilance is communicated to all store staff and reinforced through training and routine operational procedures We have continued to run courses for all our staff to enhance the awareness and effectiveness of our procedures in relation to security

Corporate social responsibility

The Board employs a Corporate Social Responsibility Manager, who reports to the Board through the Operations Director We remain committed to our formal corporate social responsibility ("CSR") policy The policy can be found in the group accounts

Share capital

The authorised and issued share capital of the company at the beginning and end of the year are £1,000

Results and dividends

The income statement is set out on page 15 of the financial statements The directors do not recommend the payment of a dividend (2009 £nil)

Directors

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

Auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

Deloitte LLP were appointed as auditors for the Company on 30 June 2004

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM

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

Michael Cole
Secretary

15 September 2010

.Big Yellow Self Storage Company Limited

Statement of directors' responsibilities

The dırectors are responsıble for preparıng the Annual Report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law the dırectors have elected to prepare the financıal statements ın accordance wıth Internatıonal Fınancıal Reportıng Standards (IFRSs) as adopted by the European Unıon Under company law the dırectors must not approve the financıal statements unless they are satısfied that they gıve a true and faır vıew of the state of affaırs of the company and of the profit or loss of the company for that perıod In preparıng these financıal statements, Internatıonal Accountıng Standard 1 requıres that dırectors

- properly select and apply accountıng polıcıes,
- present ınformatıon, ıncludıng accountıng polıcıes, ın a manner that provıdes relevant, relıable, comparable and understandable ınformatıon,
- provıde addıtıonal dısclosures when complıance wıth the specıfic requırements ın IFRSs are ınsufficıent to enable users to understand the ımpact of partıcular transactıons, other events and condıtıons on the entıty's financıal posıtıon and financıal performance, and
- make an assessment of the company's abılıty to contınue as a goıng concern

The dırectors are responsıble for keepıng adequate accountıng records that are sufficıent to show and explaın the company's transactıons and dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and enable them to ensure that the financıal statements comply wıth the Companıes Act 2006 They are also responsıble for safeguardıng the assets of the company and hence for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

The dırectors are responsıble for the maıntenance and ıntegrıty of the corporate and financıal ınformatıon ıncluded on the company's websıte Legıslatıon ın the Unıted Kıngdom governıng the preparatıon and dıssemınatıon of financıal statements may dıffer from legıslatıon ın other jurısdıctıons

Independent auditors' report to the members of .Big Yellow Self Storage Company Limited

We have audited the financial statements of Big Yellow Self Storage Company Limited for the year ended 31 March 2010 which comprise the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the related notes 1 to 22 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report to the members of .Big Yellow Self Storage Company Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Jason Davies (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, UK

15 September 2010

.Big Yellow Self Storage Company Limited

Income statement
Year ended 31 March 2010

	Note	2010 £000	2009 £000
Revenue	3	57,040	56,988
Cost of sales		(21,982)	(21,678)
Gross profit		35,058	35,310
Administrative expenses		(6,232)	(5,478)
Operating profit before gains/(losses) on investment properties and other non-current assets	5	28,826	29,832
Gain/(loss) on revaluation of investment properties	10e	4,941	(52,182)
Impairment of development property	10c	-	(10,264)
Profit on disposal of non-current assets	10a	-	433
Impairment of investment in subsidiaries	10d	(4,519)	-
Operating profit/(loss)		29,248	(32,181)
Dividends received	7	4,475	-
Finance costs	8	(13,420)	(19,667)
Profit/(loss) before tax		20,303	(51,848)
Tax	9	-	(460)
Profit/(loss) for the year		20,303	(52,308)

All items in the income statement relate to continuing activities

.Big Yellow Self Storage Company Limited

Balance sheet
31 March 2010

	Note	2010 £000	2009 £000
Non-current assets			
Investment property	10a	760,980	735,060
Investment property under construction	10a	18,290	-
Development property	10a	-	26,269
Interests in leasehold properties	10a	21,998	21,852
Plant, equipment and owner-occupied property	10b	1,262	1,452
Deferred tax asset	12	-	-
Investment in subsidiaries	18	1	4,520
		802,531	789,153
Current assets			
Inventories		296	338
Surplus land	11	9,647	-
Trade and other receivables	13	9,761	8,249
Cash and cash equivalents		353	748
		20,057	9,335
Total assets		822,588	798,488
Current liabilities			
Trade and other payables	14	(18,530)	(17,584)
Obligations under finance leases	16	(1,958)	(1,984)
		(20,488)	(19,568)
Non-current liabilities			
Trade and other payables	14	(638,667)	(637,086)
Obligations under finance leases	16	(20,040)	(19,868)
		(658,707)	(656,954)
Total liabilities		(679,195)	(676,522)
Net assets		143,393	121,966
Equity			
Called up share capital	17	1	1
Reserves		143,392	121,965
Shareholders' funds		143,393	121,966

These financial statements were approved by the Board of Directors on 15 September 2010

Signed on behalf of the Board of Directors

John Trotman
Director

Company Registration No. 05166173

.Big Yellow Self Storage Company Limited

Statement of comprehensive income
Year ended 31 March 2010

	2010 £000	2009 £000
Current and deferred tax recognised in equity	-	(443)
Net expense recognised directly in equity for the year	-	(443)
Profit/(loss) for the year	20,303	(52,308)
Total comprehensive income for the year attributable to equity shareholder	20,303	(52,751)

Statement of changes in equity
Year ended 31 March 2010

	Share capital £000	Retained earnings £000	Total £000
At 1 April 2009	1	121,965	121,966
Total comprehensive income for the year	-	20,303	20,303
Credit to equity for equity-settled share based payments	-	1,124	1,124
At 31 March 2010	1	143,392	143,393

.Big Yellow Self Storage Company Limited

Cash flow statement
Year ended 31 March 2010

	2010 £000	2009 £000
Operating profit/(loss)	29,248	(32,181)
Impairment of investment in subsidiaries	4,519	-
(Gain)/loss on revaluation of investment properties	(4,941)	52,182
Impairment of development property	-	10,264
(Gain)/loss on non-current assets	-	(433)
Depreciation	597	695
Repayment of finance lease capital obligations	815	690
Share option expense	1,664	593
Decrease/(increase) in inventories	42	(6)
Increase in receivables	(1,512)	(1,225)
Increase/(decrease) in payables	2,820	(15,425)
Cash flows from operating activities	33,252	15,154
Interest paid	(13,632)	(19,668)
Net cash from operating activities	19,620	(4,514)
Investing activities		
Purchase of non-current assets	(9,463)	(7,787)
Additions to surplus land	(276)	-
Sale of assets to associate	-	9,986
Purchase of assets from other group company	(13,936)	-
Sale of non-current assets	-	3,357
Dividends received from other group company	4,475	-
Cash flows from investing activities	(19,200)	5,556
Financing activities		
Repayment of finance lease capital obligations	(815)	-
Net cash from financing activities	(815)	-
Net (decrease)/increase in cash and cash equivalents	(395)	1,042
Opening cash and cash equivalents	748	(294)
Closing cash and cash equivalents	353	748

Notes to the financial statements
Year ended 31 March 2010

1. General information

Big Yellow Self Storage Company Limited is a company incorporated in the United Kingdom under the Companies Act 2006 The address of the registered office is given on page 1 The nature of the company's operations and its principal activities are set out on page 2

The results and financial position of the company are expressed in pounds sterling which is the functional currency of the company, and the presentational currency for the financial statements

2. Significant accounting policies

Adoption of new and revised standards

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements

Standards affecting the reported results and financial position

Presentation

IAS 1 (revised) requires the presentation of a statement of changes in equity as a primary statement, separate from the income statement and statement of comprehensive income As a result, a statement of changes in equity has been included as a primary statement, showing changes in each component of equity for each period presented In addition, the revised standard requires the presentation of a third balance sheet, where certain changes in accounting policies are applied retrospectively

Development properties

Previously, development properties were accounted for under IAS 16, but are now accounted for under IAS 40 (revised) The company's date of adoption of the revised standard was 1 April 2009 The impact of the adoption of IAS 40 (revised) was a) the reclassification of property under construction into investment property (previously held within development property), and b) the reclassification of surplus land elements into surplus land current assets (previously held within development property) In accordance with IAS 40 (revised) the prior year comparatives have not been restated to reflect this change in accounting policy The company's investment property under construction and surplus land accounting policies are included below

In the past, where the company had assets in the course of construction, these had been held at cost, and an assessment made of the anticipated surplus to be achieved on the opening and leasing up of a Big Yellow self storage facility within the branded portfolio If this supported the existing book cost, taking account of projected costs to complete, no provision was made against the cost The external valuation takes a different approach, and in effect is assuming a sale to a third party of an asset in the course of construction, assuming contingencies on construction costs, assessment of alternative use where planning risk remains and a level of developer's profit An external valuation also has to consider market evidence, which is clearly limited in the current economic climate

As a result, and given this is the first time this standard has been applied by the company, a deficit has been booked of £4 8 million against the company assets

IFRS 7

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk The company has elected not to provide comparative information for this additional disclosure in the current year, in accordance with the transitional reliefs included in the amendments

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

2. Sıgnıficant accounting polıcıes (contınued)

Standards not affectıng the reported results nor the financıal posıtıon

The followıng new and revısed Standards and Interpretatıons have been adopted ın the current year Theır adoptıon has not had any sıgnıficant ımpact on the amounts reported ın these financıal statements but may ımpact the accountıng for future transactıons and arrangements

- Amendments to IFRS 2 Share-based Payment, effectıve for accountıng perıods begınnıng on or after 1 January 2009
- IFRS 8 Operatıng segments, thıs dıd not affect the company's dısclosure as the requırements of the standard were already beıng met
- IFRIC 15 Agreements for the Constructıon of Real Estate, effectıve for accountıng perıods commencıng on or after 1 January 2009
- IFRIC 16 Hedges of a Net Investment ın a Foreıgn Operatıon, effectıve for accountıng perıods commencıng on or after 1 October 2008
- Amendment to IAS 32 Fınancıal Instruments Presentatıon and IAS 1 Presentatıon of Fınancıal Statements, effectıve for accountıng perıods commencıng on or after 1 January 2009
- Amendments to IAS 39 permıt an entıty to reclassıfy non-derıvatıve financıal assets from 'faır value through profit or loss' (FVTPL) and 'avaılable for sale' (AFS) categorıes ın lımıted cırcumstances

At the date of approval of these financıal statements, the followıng standards and guıdance relevant to the company were ın ıssue but not yet effectıve

- IFRS 3 (revısed) Busıness Combınatıons, effectıve for accountıng perıods begınnıng on or after 1 July 2009
- IFRS 9 Fınancıal Instruments – Classıficatıon and Measurement, effectıve for accountıng perıods begınnıng on or after 1 January 2013
- IFRIC 17 Dıstrıbutıons of Non-cash Assets to Owners, effectıve for accountıng perıods begınnıng on or after 1 July 2009
- IFRIC 18 Transfers of Assets from Customers, effectıve for transfers receıved on or after 1 July 2009
- IFRIC 19 Extınguıshıng Fınancıal Lıabılıtıes wıth Equıty Instruments, effectıve for accountıng perıods begınnıng on or after 1 July 2010
- Amendments to IAS 27 Consolıdated and Separate Fınancıal Statements, effectıve for accountıng perıods begınnıng on or after 1 July 2009
- Amendments to IAS 28 Investments ın Assocıates, effectıve for accountıng perıods begınnıng on or after 1 July 2009
- Varıous other amendments made as part of the IASB's 2009 Annual Improvements programme effectıve for accountıng perıods begınnıng on or after 1 January 2010

Notes to the financial statements
Year ended 31 March 2010

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

Standards not affecting the reported results nor the financial position (continued)
These pronouncements, when applied, will either result in changes to presentation and disclosure, or are not expected to have a material impact on the financial statements

The Directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the company except for treatment of acquisition of subsidiaries and associates when IFRS 3 (revised 2008), IAS 27 (revised 2008) and IAS 28 (revised 2008) come into effect for business combinations for which the acquisition date is on or after the period commencing 1 April 2010

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the company financial statements comply with Article 4 of the EU IAS Regulation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments Historical cost is generally based on the fair value of the consideration given in exchange for the assets The principal accounting policies adopted are set out below

Other than the adoption of IAS 40 (Revised) as described earlier, the principal accounting policies have been applied consistently to the results, other gains and losses, assets, liabilities and cash flows of entities included in the financial statements in the current and preceding year Certain comparative amounts in the cash flow statement have been classified to ensure comparability with the current year

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 2 to 11

The financial position of the company, its cash flows and liquidity position, as shown in the balance sheet, cash flow statement and notes to the financial statements, is such that it is in a net assets position with limited exposure to liquidity or credit risk and is financed by an intercompany loan from Big Yellow PLC, as disclosed in note 14

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Big Yellow Group to continue as a going concern or its ability to continue with the current financing arrangements

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Investment in subsidiaries

These are recognised at cost less provision for any impairment

Notes to the financial statements
Year ended 31 March 2010

2. Significant accounting policies (continued)

Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification

Revenue recognition

Revenue represents amounts derived from the provision of services which fall within the company's ordinary activities after deduction of trade discounts and any applicable value added tax Income is recognised over the period for which the storage room is occupied by the customer The company recognises non-storage income over the period in which it is earned

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

Management fees earned are recognised over the period for which the services are provided

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease

Finance costs

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

Operating profit

Operating profit is stated after gains and losses on non-current assets, movements on the revaluation of investment properties and before the share of results of associates, investment income and finance costs

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

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

Tax

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

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

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

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

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

Deferred tax is calculated at the tax rates substantively enacted at the balance sheet date that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the company intends to settle its current tax assets and liabilities on a net basis

Plant, equipment and owner occupied property

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

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

Freehold property	50 years
Freehold improvements	20 years
Leasehold improvements	Over period of the lease
Plant and machinery	10 years
Fixtures and fittings	5 years
Computer equipment	3 years

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

Plant, equipment and owner occupied property (continued)
The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income

Investment property

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

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

Leasehold properties that are leased under operating leases are classified as investment properties and included in the balance sheet at fair value The obligation to the lessor for the buildings element of the leasehold is included in the balance sheet at the present value of the minimum lease payments at inception, and is shown within note 10a Lease payments are apportioned between finance charges and a reduction of the outstanding lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability

Investment property under construction

Investment property under construction is initially recognised at cost and revalued at the balance sheet date to fair value as determined by professionally qualified external valuers

Gains or losses arising from the changes in fair value of investment property under construction are included in the income statement in the period in which they arise In accordance with IAS 40, as the company uses the fair value model, no depreciation is provided in respect of investment properties including integral plant

Surplus land

Surplus land is recognised at the lower of cost and net realisable value Any gains and losses on surplus land are recognised through the income statement

Impairment of assets

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

Inventories

Inventories are stated at the lower of cost and net realisable value

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

Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument

A - Derivative financial instruments and hedge accounting

There are no derivative financial instruments in the company

B - Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables Loans and receivables are measured at amortised cost using the effective interest method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

C - Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet 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 of the investment have been impacted

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account When a trade receivable is considered uncollectible, it is written off against the allowance account

Subsequent recoveries of amounts previously written off are credited against the allowance account Changes in the carrying amount of the allowance account are recognised in profit or loss

D - Cash and cash equivalents

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

E - Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

F - Equity instruments

There are no equity instruments in the company

G - Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts

Notes to the financial statements
Year ended 31 March 2010

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

H - Trade payables

Trade payables are not interest bearing and are stated at their nominal value

Retirement benefit costs

Pension costs represent contributions payable to defined contribution schemes and are charged as an expense to the income statement as they fall due The assets of the schemes are held separately from those of the company

Share-based payments

The company has applied the requirements of IFRS 2 Share-based Payments In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 April 2005

The company issues equity-settled share-based payments to certain employees These are measured at fair value at the date of grant The fair value determined at the grant date of the share-based payment is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest

Fair value is measured by use of the Black Scholes model The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations

Critical accounting estimates and judgements

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

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

a) Estimate of Fair Value of Investment Properties and Investment Property Under Construction

The company's self storage centres and stores under development are valued using a discounted cash flow methodology which is based on projections of net operating income The company employs expert external valuers, Cushman & Wakefield LLP, who report on the values of the company's stores on a biannual basis Principal assumptions underlying management's estimation of the fair value are those related to stabilised occupancy levels, the absorption period to these stabilised levels, expected future growth in storage rents and operating costs, maintenance requirements, capitalisation rates and discount rates A more detailed explanation of the background and methodology adopted in the valuation of the company's investment properties is set out in note 10 to the accounts

b) Surplus land

The company's surplus land is held in the balance sheet at historic cost less provisions for impairment and is not valued externally The Directors review all surplus land assets for impairment at each balance sheet date, considering all available evidence as to the likely proceeds receivable from the sale of the surplus land

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

3. Revenue

	2010 £000	2010 £000	2009 £000	2009 £000
Open stores				
Self storage income	46,613		47,204	
Other storage related income	8,282		7,964	
Ancillary store rental income	89		96	
		54,984		55,264
Stores under development				
Non-storage income	452		139	
		452		139
Fee income				
Fees earned from Big Yellow Limited Partnership	1,198		1,368	
Other management fees earned	406		67	
		1,604	-	1,435
Franchise income				
Franchise fee received	-		150	
		-		150
Revenue per income statement		57,040		56,988

4. Segmental information

Revenue represents amounts derived from the provision of self storage accommodation and related services which fall within the company's ordinary activities after deduction of trade discounts and value added tax The company's net assets, revenue and profit before tax are attributable to one activity, the provision of self storage accommodation and related services These all arise in the United Kingdom

5. Operating profit

Profit for the year has been arrived at after

	2010 £000	2009 £000
Depreciation of plant, equipment and owner-occupied property	597	693
Finance lease depreciation	815	690
(Increase)/decrease in fair value of investment property	(9,705)	52,182
Decrease in fair value of investment property under construction	4,764	-
Impairment in investment in subsidiaries	4,519	-
Cost of inventories recognised as an expense	765	751
Employee costs (see note 6)	9,649	8,333
Operating lease rentals	84	80

The auditors' remuneration for the audit of the company's accounts was £84,000 (2009 £83,000) The auditors' remuneration was borne by the company's parent company

Amounts payable to Deloitte LLP by the company in respect of non audit services were £nil (2009 £nil)

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

6. Dırectors' remuneratıon and employee costs

The total amounts for Dırectors' remuneratıon were as follows

	2010					2010	2009
	Salary /fees	Annual Bonus	Taxable benefits	Sub total	Pension	Total	Total
	£	£	£	£	£	£	£
Nıcholas Vetch	234,800	23,480	8,493	266,773	23,480	290,253	261,023
James Gıbson	257,460	25,746	9,140	292,346	25,746	318,092	286,574
Adrıan Lee	190,600	19,060	5,875	215,535	19,060	234,595	212,516
John Trotman	125,000	12,500	4,586	142,086	12,500	154,586	139,207
	807,860	80,786	28,094	916,740	80,786	997,526	899,320

Three Dırectors exercısed share optıons ın the year (2009 nıl)

Four Dırectors receıved contrıbutıons to theır money purchase pensıon plans (2009 four Dırectors) The Dırectors' pensıon entıtlements are equıvalent to 10% of theır basıc salary, unchanged from the prıor year

No amounts were paıd to thırd partıes ın respect of servıces provıded by the Dırectors

The average monthly number of employees (ıncludıng Executıve Dırectors) was

	2010 No.	2009 No.
Sales	209	194
Admınıstratıon	43	45
	252	239

At 31 March 2010 the total number of employees was 287 (2009 273) Theır aggregate remuneratıon comprısed

	2010 £000	2009 £000
Wages and salarıes	6,948	6,727
Socıal securıty costs	719	709
Other pensıon costs	318	304
Share-based payments	1,664	593
	9,649	8,333

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

7. Investment income

	2010 £000	2009 £000
Dividend received from subsidiaries	4,475	-
	4,475	-

8. Finance costs

	2010 £000	2009 £000
Interest on obligations under finance leases	1,147	1,319
Intercompany interest	12,485	19,266
Capitalised interest	(213)	(920)
Other interest payable	1	2
	13,420	19,667

9. Tax

	2010 £000	2009 £000
UK current tax		
Current tax		
- Current tax	-	1
- Adjustment in respect of prior year	-	(90)
Deferred tax (see note 12):		
- Release prior year deferred tax	-	549
	-	460

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

9. **Tax (continued)**

A reconciliation of the tax charge is shown below

	2010 £000	2009 £000
Profit/(loss) before tax	20,303	(51,848)
Tax charge at 28% (2009 - 28%) thereon	5,685	(14,517)
Effects of		
Permanent differences	(996)	(70)
Temporary timing differences	168	-
Adjustments to tax in respect of prior periods	-	(90)
Revaluations post REIT period	(1,384)	14,611
Profits from the tax exempt business	(4,157)	123
Release of deferred tax losses	-	549
Losses utilised in the period	-	(146)
Losses not utilised in the period	684	-
Total tax credit	-	460

Analysis of deferred tax charge (see note 12)	**2010 £000**	**2009 £000**
Deductions for share options	-	444
Other	-	549
Deferred tax credit	-	993

There was no current year income statement tax charge (2009 £1,000), and no movement on reserves (2009 £443,000) relating to the current tax deduction and the deferred tax arising on potential future deductions under Schedule 23, in respect of the exercise of employee share options

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

10. Non-current assets

a) Investment property, development property and interests in leasehold property

	Investment property £000	Investment property under construction £000	Development property £000	Interests in leasehold property £000
At 1 April 2009	735,060	-	26,269	21,852
Reclassification to investment property under construction	-	16,898	(16,898)	-
Reclassification to surplus land	-	-	(9,371)	-
Additions	2,369	6,156	-	-
Adjustment to present value	-	-	-	961
Transfer to investment property	13,846	(13,846)	-	-
Revaluation	9,705	(4,764)	-	-
Transfer from other group company	-	13,846	-	-
Depreciation	-	-	-	(815)
At 31 March 2010	760,980	18,290	-	21,998

b) Plant, equipment and owner-occupied property

	Freehold Property £000	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and office equipment £000	Total £000
Cost					
At 1 April 2009	139	26	652	3,147	3,964
Additions	10		20	288	318
Transfer from other group companies	-	-	12	77	89
At 31 March 2010	149	26	684	3,512	4,371
Depreciation					
At 1 April 2009	(2)	(17)	(393)	(2,100)	(2,512)
Charge for the year	-	(3)	(63)	(531)	(597)
Transfer from other group companies	-	-	-	-	-
At 31 March 2010	(2)	(20)	(456)	(2,631)	(3,109)
Net book value					
At 31 March 2010	147	6	228	881	1,262
At 31 March 2009	137	9	259	1,047	1,452

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

c) Impairment of non-current assets

In the year no impairment was made against development property (2009 £10,264,000)

d) Investments in associates

The company made an impairment against the value of its investment in Speed 8546 Limited of £2,258,901 The remaining value of investment is £1,099 which is equal to the nominal value of the share capital of Speed 8546 Limited

The company made an impairment against the value of its investment in Silicon Investments Limited of £2,259,899 The remaining value of investment is £101 which is equal to the nominal value of the share capital of Speed 8546 Limited

e) Valuation of investment property

	Deemed cost £000	Revaluation on deemed cost £000	Valuation £000
Freehold stores*			
As at 1 April 2009	307,222	372,098	679,320
Movement in period	16,692	14,348	31,040
As at 31 March 2010	323,914	386,446	710,360
Leasehold stores			
As at 1 April 2009	15,396	40,344	55,740
Movement in period	113	(4,643)	(4,530)
As at 31 March 2010	15,509	35,701	51,210
Total of open stores			
As at 1 April 2009	322,618	412,442	735,060
Movement in period	16,805	9,705	26,510
As at 31 March 2010	339,423	422,147	761,570
Investment property under construction			
As at 1 April 2009	-	-	-
Movement in period	23,054	(4,764)	18,290
As at 31 March 2010	23,054	(4,764)	18,290
Valuation of all investment property			
As at 1 April 2009	322,618	412,442	735,060
Movement in period	39,859	4,941	44,800
As at 31 March 2010	362,477	417,383	779,860

Notes to the financial statements
Year ended 31 March 2010

10. Non-current assets (continued)

e) Valuation of investment property (continued)

The freehold and leasehold investment properties have been valued at 31 March 2010 by external valuers, Cushman & Wakefield LLP ("C&W") The valuation has been carried out in accordance with the RICS Valuation Standards published by The Royal Institution of Chartered Surveyors ("the Red Book") The valuation of each of the investment properties and the investment properties under construction has been prepared on the basis of Market Value as a fully equipped operational entity, having regard to trading potential

The valuation has been provided for accounts purposes and as such, is a Regulated Purpose Valuation as defined in the Red Book In compliance with the disclosure requirements of the Red Book, C&W have confirmed that

- The members of the RICS who have been the signatories to the valuations provided to the Group for the same purposes as this valuation have done so since September 2004
- C&W have been carrying out this bi-annual valuation for the same purposes as this valuation on behalf of the Group since September 2004
- C&W do not provide other significant professional or agency services to the Group
- In relation to the preceding financial year of C&W, the proportion of the total fees payable by the Group to the total fee income of the firm is less than 5%
- The fee payable to C&W is a fixed amount per store, and is not contingent on the appraised value

Market uncertainty

C&W's valuation report comments on valuation uncertainty resulting from the recent global banking crisis coupled with the economic downturn, which have caused a low number of transactions in the market for self storage property C&W note that, although there were a number of self storage transactions in 2007, the only two significant transactions since 2007 are the sale of a 51% share in Shurgard Europe which was announced in January 2008 and completed on 31 March 2008 and the sale of the former Keepsafe portfolio by Macquarie to Alligator Self Storage which was completed in January 2010 C&W observe that in order to provide a rational opinion of value at the present time it is necessary to assume that the self storage sector will continue to perform in a way not greatly different from that being anticipated prior to the "credit crunch", however they have reflected negative sentiment in their capitalisation rates and they have reflected current trading conditions in their cash flow projections for each property C&W state that there is therefore greater uncertainty attached to their opinion of value than would be anticipated during more active market conditions

Valuation methodology

C&W have adopted different approaches for the valuation of the leasehold and freehold assets as follows

Freehold and long leasehold

The valuation is based on a discounted cash flow of the net operating income over a ten year period and notional sale of the asset at the end of the tenth year

10. Non-current assets (continued)
e) Valuation of investment property (continued)

Assumptions

A Net operating income is based on projected revenue received less projected operating costs together with a central administration charge of 6% of the estimated annual revenue subject to a cap and a collar The initial net operating income is calculated by estimating the net operating income in the first 12 months following the valuation date

B The net operating income in future years is calculated assuming straight-line absorption from day one actual occupancy to an estimated stabilised/mature occupancy level In the valuation the assumed stabilised occupancy level for the 51 open stores (both freeholds and leaseholds) at 31 March 2010 averages 84 20% (2009 85 04%) The projected revenues and costs have been adjusted for estimated cost inflation and revenue growth The average time assumed for the stores to trade at their maturity levels across the portfolio is 42 months (2009 40 months), for the 32 same stores, the period to maturity is 37 months (2009 34 months)

C The capitalisation rates applied to existing and future net cash flow have been estimated by reference to underlying yields for industrial and retail warehouse property, yields for other trading property types such as student housing and hotels, bank base rates, ten year money rates, inflation and the available evidence of transactions in the sector The valuation included in the accounts assumes rental growth in future periods If an assumption of no rental growth is applied to the external valuation, the stabilised yield for the 51 stores pre administration expenses is 8 44% (2009 8 55%)

D The future net cash flow projections (including revenue growth and cost inflation) have been discounted at a rate that reflects the risk associated with each asset The weighted average annual discount rate adopted (for both freeholds and leaseholds) is 11 35% (2009 11 41%)

E Purchaser's costs of 5 75% (see below) have been assumed initially and sale plus purchaser's costs totalling 6 75% are assumed on the notional sales in the tenth year in relation to the freehold stores

Short leasehold

The same methodology has been used as for freeholds, except that no sale of the assets in the tenth year is assumed but the discounted cash flow is extended to the expiry of the lease The average unexpired term of the Group's seven short leasehold properties is 15 8 years (March 2009 seven short leaseholds - 16 8 years)

Investment properties under construction

C&W have valued the stores in development adopting the same methodology as set out above but on the basis of the cash flow projection expected for the store at opening after allowing for the outstanding costs to take each scheme from its current state to completion and full fit out C&W have allowed for holding costs and construction contingency, as appropriate For the schemes where planning consent has not yet been granted, C&W have reflected the planning risk in their valuation

10. Non-current assets (continued)

e) Valuation of investment property (continued)

Prudent lotting

C&W have assessed the value of each property individually However, with regard to ten recently opened stores which are loss making or have low cash flow (three wholly owned and seven in the Partnership) (2009 six stores, three wholly owned and three in the Partnership) C&W have prepared their valuation on the assumption that were these properties to be brought to the market then they would be lotted or grouped for sale with other more mature assets of a similar type owned by the Company in such a manner as would most likely be adopted in the case of an actual sale of the interests valued This lotting assumption has been made in order to alleviate the issue of negative or low short term cash flow C&W have not assumed that the entire portfolio of properties owned by the Group would be sold as a single lot and the value for the whole portfolio in the context of a sale as a single lot may differ significantly from the aggregate of the individual values for each property in the portfolio, reflecting prudent lotting as described above

Valuation assumption for purchaser's costs

The Group's investment property assets have been valued for the purposes of the financial statements after deducting notional purchaser's cost of 5 75% of gross value, as if they were sold directly as property assets The valuation is an asset valuation which is entirely linked to the operating performance of the business They would have to be sold with the benefit of operational contracts, employment contracts and customer contracts, which would be very difficult to achieve except in a corporate structure

This approach follows the logic of the valuation methodology in that the valuation is based on a capitalisation of the net operating income after allowing a deduction for operational cost and an allowance for central administration costs Sale in a corporate structure would result in a reduction in the assumed Stamp Duty Land Tax but an increase in other transaction costs reflecting additional due diligence resulting in a reduced notional purchaser's cost of 2 75% of gross value All the significant sized transactions that have been concluded in the UK in recent years were completed in a corporate structure The Group therefore instructed C&W to carry out a Red Book valuation on the above basis, and this results in a higher property valuation at 31 March 2010 of £831,170,000 (£35,640,000 higher than the value recorded in the financial statements) The valuations in Big Yellow Limited Partnership are £4,460,000 higher than the value recorded in the financial statements, of which the Group's share is £1,487,000 The sum of these is £37,127,000 and translates to 28 3 pence per share We have included this revised valuation in the adjusted diluted net asset calculation (see note 12)

The income from self storage accommodation earned by the company from its investment property is disclosed in note 3 Direct operating expenses (excluding depreciation) arising on the investment property in the year were £24 million (2009 £20 million).

There were no disposals of non-current assets in the year (2009 profit on disposal of £433,000 recognised) The majority of the trading properties are secured against borrowings in Big Yellow Group PLC

11. Surplus land

	2010
	£000
At 1 April 2009	
Reclassifications from development property	9,371
Additions	276
At 31 March 2010	9,647

Notes to the financial statements
Year ended 31 March 2010

12. Deferred tax

The movement and major deferred tax items are set out below

	Deduction for share options £000	Other £000	Total £000
At 31 March 2008	444	549	993
Release of deferred tax provision	-	(549)	(549)
Recognised in equity	(444)	-	(444)
At 31 March 2009	-	-	-
Recognised in income	-	-	-
Recognised in equity	-	-	-
At 31 March 2010	-	-	-

13. Trade and other receivables

	2010 £000	2009 £000
Trade receivables	1,739	1,543
Other receivables	670	98
Intercompany receivables	-	58
Prepayments and accrued income	7,352	6,550
	9,761	8,249

Trade receivables are net of a bad debt provision of £29,000 (2009 £21,000)

The directors consider that the carrying amount of trade and other receivables approximates their fair value

Trade receivables

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

For individual storage customers, the company does not perform credit checks, however this is mitigated by the fact that all customers are required to pay in advance, and also to pay a deposit ranging from between 1 week's to 4 weeks' storage income Before accepting a new business customer who wishes to use a number of the company's stores, the company uses an external credit rating to assess the potential customer's credit quality and defines credit limits by customer There are no customers who represent more than 5 per cent of the total balance of trade receivables

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

13. Trade and other receivables (continued)

Included in the company's trade receivable balance are debtors with a carrying amount of £161,000 (2009 £155,000) which are past due at the reporting date for which the company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable The company holds a right of lien over the customers' goods if these debts are not paid The average age of these receivables is 36 days past due (2009 25 days past due)

Ageing of past due but not impaired receivables

	2010 £000	2009 £000
0 - 30 days	98	108
30 - 60 days	38	30
60 +days	25	17
Total	161	155

Movement in the allowance for doubtful debts

	2010 £000	2009 £000
Balance at the beginning of the year	21	4
Impairment losses recognised	29	21
Amounts written off as uncollectible	(21)	(4)
Balance at the end of the year	29	21

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

Ageing of impaired trade receivables

	2010 £000	2009 £000
0 - 30 days	-	-
30 - 60 days	4	3
60 + days	25	18
Total	29	21

Notes to the financial statements
Year ended 31 March 2010

14. Trade and other payables

	2010 £000	2009 £000
Current		
Trade payables	7,404	7,460
Tax and social security	707	209
VAT repayable on capital goods scheme	1,052	1,228
Other payables	1,667	1,689
Accruals and deferred income	7,700	6,998
	18,530	17,584
Non- current		
Amounts owed to group undertakings	637,058	634,425
VAT repayable on capital goods scheme	1,609	2,661
	638,667	637,086

The actual interest cost incurred by Big Yellow Group PLC is recharged to its subsidiaries with a 0 05% markup on the average group interest rate, and is apportioned between the subsidiaries based on the weighted average intercompany loan balance for the year

The directors estimate the fair value of the company's VAT payable under the capital goods scheme as follows

	2010 £000	2009 £000
Carrying amount	2,661	3,889
Estimated fair value	2,490	3,578

The fair values have been calculated by discounting expected cash flows at interest rates prevailing at the year end

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs The average credit period taken for trade purchases is 28 days (2009 33 days) For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice Thereafter, interest is charged on the outstanding balances at various interest rates The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe

15. Financial instruments

The company is financed through an intercompany loan from ultimate parent company Big Yellow Group PLC Details of the group financing arrangements are disclosed in the group financial statements which are publicly available at Companies House

A. Debt management

The Group, of which the company is a part, borrows through a senior term loan, secured on its existing store portfolio Borrowings are arranged to ensure an appropriate maturity profile and to maintain short term liquidity Funding is arranged in the Group through banks and financial institutions with whom the Group has a strong working relationship

15. Financial instruments

B. Interest rate risk management

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

C. Interest rate sensitivity analysis

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

At 31 March 2010, it is estimated that an increase of 0 5 percentage points in interest rates would have reduced the Group's annual profit before tax by £550,000 (2009 increased loss before tax by £606,500) and a decrease of 0 5 percentage points in interest rates would have increased the Group's annual profit before tax by £550,000 (2009 reduced loss before tax by £606,500) There would have been no effect on amounts recognised directly in equity The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings, net of interest rate swaps, at the year end In the prior year, a 1 percentage point increase/decrease was used, however, given monthly LIBOR is currently 0 54%, the Board considered it appropriate to reduce this measure

The company's sensitivity to interest rates has decreased during the year, following the repayment of floating rate debt from cash resources

D. Cash management and liquidity

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements The Group, of which the company is part, manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities

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

E. Credit risk

The credit risk management policies of the company with respect to trade receivables are discussed in note 13 The company has no significant concentration of credit risk, with exposure spread over 30,500 customers in our stores

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Notes to the financial statements
Year ended 31 March 2010

16. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2010	2009	2010	2009
	£000	£000	£000	£000
Amounts payable under finance leases:				
Within one year	1,998	2,028	1,958	1,984
Within two to five years inclusive	7,993	8,057	6,836	6,805
Greater than five years	25,254	27,348	13,204	13,063
	35,245	37,433	21,998	21,852
Less Future finance charges	(13,247)	(15,581)		
Present value of lease obligations	21,998	21,852		

All lease obligations are denominated in sterling The fair value of the company's lease obligations approximates their carrying amount

17. Called up share capital

	2010	2009
	£	£
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
Ordinary shares of £1	1,000	1,000

18. Related party transactions

Included within these financial statements are assets with a net book value of £13,936,000 which were transferred from other group companies at their net book value, an intercompany loan of £637,058,000 (2009 £634,425,000), and intercompany interest payable of £12,485,000 (2009 £19,266,000)

On 1 December 2009 the company received a dividend of £2,244,000 from wholly owned subsidiary Speed 8546 Limited (2009 £nil) This dividend represents a distribution of all its distributable profits As a result of this, and the sale of Speed 8546 Limited's assets in a prior period, the company has impaired the value of its investment in Speed 8546 Limited to £1,099, this being the nominal value of the share capital

On 1 December 2009 the company received a dividend of £2,230,000 from wholly owned subsidiary Silicon Investments Limited (2009 £nil) This dividend represents a distribution of all its distributable profits As a result of this, and the sale of Silicon Investments Limited's assets in a prior period, the company has impaired the value of its investment in Silicon Investments Limited to £101, this being the nominal value of the share capital

The Group has a 33% interest in Big Yellow Limited Partnership and entered into transactions with the partnership during the year on normal commercial terms

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

19. Ultimate parent company and controlling party

The immediate and ultimate parent company, controlling party and only company that prepares group accounts into which the results of the company are consolidated, is Big Yellow Group PLC, a company incorporated in Great Britain and registered and operating in England and Wales The financial statements of Big Yellow Group PLC are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ

20. Share based payments

Big Yellow Group PLC, of which the company is a member, has four equity share-based payment arrangements, namely approved and unapproved share option schemes, an LTIP scheme, an Employee Share Save Scheme ("SAYE") and a Long Term Bonus Performance Plan The Group recognised a total expense in the year related to equity-settled share-based payment transactions since 7 November 2002 of £1,664,000 (2009 £593,000) The company employs all staff who are beneficiaries of the Group's share-based payment arrangements, therefore the cost is borne in the company accounts

Equity-settled share option plans

The Group granted options to employees under Approved and Unapproved Inland Revenue Share option schemes between 16 November 1999 and 11 November 2003 The Group's schemes provided for a grant price equal to the average quoted market price of the Group shares on the date of grant The vesting period is three to ten years If the options remain unexercised after a period of 10 years from the date of grant, the options expire Furthermore, options are forfeited if the employee leaves the Group before the options vest

Since 3 September 2004 the Group has operated an Employee Share Save Scheme ("SAYE") which allows any employee who has more than six months service to purchase shares at a 20% discount to the average quoted market price of the Group shares at the date of grant The associated savings contracts are three years at which point the employee can exercise their option to purchase the shares or take the amount saved, including interest, in cash The scheme is administered by Yorkshire Building Society

On 27 September 2004, 6 June 2005, 9 June 2006, 13 July 2007, 9 July 2008 and 3 August 2009 the Group awarded nil-paid options to senior management under the Group's Long Term Incentive Plan ("LTIP") The awards are conditional on the achievement of challenging performance targets as described on page 55 of the Remuneration Report of Big Yellow Group PLC, contained within the The awards granted on 27 September 2004, 6 June 2005 and 9 June 2006 vested in full

The weighted average share price at the date of exercise for options exercised in the year was 373 pence (2009 297 pence)

Share option scheme "ESO"	**2010 No. of Options**	**2010 Weighted average exercise price (in £)**	**2009 No. of Options**	**2009 Weighted average exercise price (in £)**
Outstanding at beginning of year	2,072,795	1 06	2,091,075	1 06
Exercised during the year	(1,965,293)	1 07	(18,280)	0 88
Outstanding at the end of the year	107,502	0 94	2,072,795	1 06
Exercisable at the end of the year	107,502	0 94	2,072,795	1 06

19. Share based payments (contınued)

Optıons outstandıng at 31 March 2010 had a weıghted average contractual lıfe of 2 4 (2009 2 7) years

LTIP scheme	2010 No. of Options	2009 No. of Optıons
Outstandıng at begınnıng of year	1,885,914	1,559,914
Granted durıng the year	393,700	373,000
Forfeıted durıng the year	(2,000)	(9,277)
Exercısed durıng the year	(788,834)	(37,723)
Outstandıng at the end of the year	1,488,780	1,885,914
Exercısable at the end of the year	228,330	556,332

The weıghted average faır value of optıons granted durıng the perıod was £434,528 (2009 £298,813)

Optıons outstandıng at 31 March 2010 had a weıghted average contractual lıfe of 7 3 years (2009 7 5 years)

Employee Share Save Scheme ("SAYE")	2010 No. of Optıons	2010 Weıghted average exercise price (in £)	2009 No of Optıons	2009 Weıghted average exercıse prıce (ın £)
Outstandıng at begınnıng of year	303,939	1 62	157,919	2 94
Granted durıng the year	27,447	2 55	387,943	1 76
Forfeıted durıng the year	(22,042)	1 81	(219,504)	2 82
Exercısed durıng the year	(5,169)	3 47	(22,419)	1 56
Outstandıng at the end of the year	304,175	1 66	303,939	1 62
Exercısable at the end of the year	-	-	831	2 25

Optıons outstandıng at 31 March 2010 had a weıghted average contractual lıfe of 1 6 years (2009 2 3 years)

The ınputs ınto the Black-Scholes model are as follows

	ESO	LTIP	SAYE
Expected volatılıty	24%	34%	36%
Expected lıfe	3 years	3 years	3 years
Rısk-free rate	4 7%	4 7%	4 1%
Expected dıvıdends	3 2%	3 9%	4 1%

Expected volatılıty was determıned by calculatıng the hıstorıcal volatılıty of the Group's share prıce over the year prıor to grant

.Big Yellow Self Storage Company Limited

Notes to the financial statements
Year ended 31 March 2010

19. Share based payments (continued)

Long term bonus performance plan

The Group has a joint share ownership plan in place This is accounted for as a compound instrument, with 50% accrued as a liability as this proportion of the award may be cash settled The balance is recognised as a credit to equity, recognising the equity settled element The plan was set up in August 2009 Directors and senior employees have a partial interest in 1,905,000 shares with the Group's Employee Benefit Trust, which were granted during the year The fair value of each award is £2 subject to the vesting criteria as set out in the Directors' Remuneration Report At 31 March 2010 the weighted average contractual life was 2 4 years

21. Capital commitments

Amounts contracted but not provided in respect of the company's properties as at 31 March 2010 were £nil (2009 £5 8 million)

22. Events after the balance sheet date

There are no reportable events after the balance sheet date