

REGISTERED NUMBER: 03512289 (England and Wales)

**Directors' report and
Financial Statements for the Year Ended 31 October 2012
for
SPACES PERSONAL STORAGE LIMITED**



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for the year ended 31 October 2012**

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SPACES PERSONAL STORAGE LIMITED

Company Information for the year ended 31 October 2012

DIRECTORS

D Penniston
P D Gowers
A B Jones

COMPANY SECRETARY:

S Ahmed

REGISTERED OFFICE

Brittanic House
Stirling Way
Borehamwood
Hertfordshire
WD6 2BT

REGISTERED NUMBER

03512289 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

BANKERS:

National Westminster Bank Plc
P O Box No 34
15 Bishopsgate
London
EC2P 2AP

SOLICITORS

Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

Directors' report for the year ended 31 October 2012

The directors present their report with the audited financial statements of the company for the year ended 31 October 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the rental of property to fellow subsidiary undertakings for use in the self storage business

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the financial statements on pages 5 to 11

The company generated profit before tax of £1,980,405 in the year ended 31 October 2012 compared to profit before tax of £1,852,546 in the previous financial year to 31 October 2011

DIVIDENDS

No distribution of dividends will be recommended for the year ended 31 October 2012 (2011 £nil)

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are given below

D Penniston
P D Gowers
R D Hodsdon (resigned 7 May 2013)
A B Jones (appointed 7 May 2013)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each 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

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

**Directors' report - continued
for the year ended 31 October 2012**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

ON BEHALF OF THE BOARD



**S Ahmed
Company Secretary**

30 July 2013

**Independent auditors' report to the Members of
Spaces Personal Storage Limited**

We have audited the financial statements of Spaces Personal Storage Limited for the year ended 31 October 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 October 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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.

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



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

31 July 2013

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

**Profit and Loss Account
for the year ended 31 October 2012**

	Note	2012 £	2011 £
TURNOVER	2	4,478,708	4,511,187
Administrative expenses		<u>(2,498,303)</u>	<u>(2,658,641)</u>
GROSS PROFIT, OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,980,405	1,852,546
Tax on profit on ordinary activities	6	<u>-</u>	<u>(821,650)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,980,405</u>	<u>1,030,896</u>

The company has changed the rate at which group relief is paid/ received during 2012, with group relief now being claimed/ surrendered free of charge (2011 equal to the average tax rate)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

**Balance Sheet
as at 31 October 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	25,605,694	25,957,757
Investments	8	<u>3,730,505</u>	<u>3,730,505</u>
		29,336,199	29,688,262
CURRENT ASSETS			
Debtors	9	9,297,966	6,940,748
CREDITORS.			
Amounts falling due within one year	10	<u>(24,750)</u>	<u>-</u>
NET CURRENT ASSETS		<u>9,273,216</u>	<u>6,940,748</u>
NET ASSETS		<u><u>38,609,415</u></u>	<u><u>36,629,010</u></u>
CAPITAL AND RESERVES			
Called-up share capital	12	4,503,189	4,503,189
Share premium account	13	36,690,713	36,690,713
Profit and loss account	13	<u>(2,584,487)</u>	<u>(4,564,892)</u>
TOTAL SHAREHOLDERS' FUNDS	18	<u><u>38,609,415</u></u>	<u><u>36,629,010</u></u>

The financial statements were approved by the Board of Directors on 30 July 2013 and were signed on its behalf by


A B Jones - Director

The notes on pages 7 to 11 form part of these financial statements

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

Notes to the Financial Statements for the year ended 31 October 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost and going concern conventions and are in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Accounting policies have been applied consistently for both financial years.

Preparation of consolidated financial statements

The financial statements contain information about Spaces Personal Storage Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Safestore Holdings plc, a company registered in England and Wales.

Tangible fixed assets

Depreciation has been charged at the rate of 2% per annum on the buildings element of the cost of freehold property, after excluding the residual value of the buildings.

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit. Freehold land is not depreciated.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Cash flow statement

Safestore Holdings plc, the ultimate parent company, has included a cash flow statement in its Group financial statements for the year ended 31 October 2012. Under paragraph 5(a) of Financial Reporting Standard 1 (Revised 1996), "Cash Flow Statements", no cash flow statement is therefore required in the financial statements of this company.

2 TURNOVER

	2012 £	2011 £
Rents received	<u>4,478,708</u>	<u>4,511,187</u>
Rents received have been reclassified from Other operating income to Turnover in both the current and prior year in order to more accurately reflect the company's operations.		

3 STAFF COSTS

There were no staff costs for the year ended 31 October 2012 or for the year ended 31 October 2011.

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

	2012	2011
Directors	<u>3</u>	<u>3</u>

4 DIRECTORS' EMOLUMENTS

The directors did not receive emoluments for their services to the company (2011: £nil).

5 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Other operating leases	2,146,240	2,363,954
Depreciation - owned assets	352,063	294,687
Intercompany rent	<u>(4,478,708)</u>	<u>(4,511,187)</u>

Auditors' remuneration was borne by a fellow group company in the current year and preceding financial year and there was no recharge made for these costs.

Notes to the Financial Statements - continued
for the year ended 31 October 2012

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
- UK corporation tax	-	821,650
Tax on profit on ordinary activities	-	821,650

Factors affecting the tax charge

The tax assessed for the year is lower (2011 higher) than the standard effective rate of corporation tax in the UK for the year ended 31 October 2012 of 24.83% (2011 26.83%). The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>1,980,405</u>	<u>1,852,546</u>
Profit on ordinary activities multiplied by the standard rate in the UK of 24.83% (2011 26.83%)	491,735	496,983
Effects of		
- Expenses not deductible for tax purposes	87,419	79,057
- Transfer pricing adjustment on debt	122,294	245,610
- Group relief not paid for	<u>(701,448)</u>	-
Current tax charge for the year	-	821,650

During the year, the UK corporation tax rate reduced from 26% to 24% effective from 1 April 2012. Current tax has therefore been provided at the effective rate for the period of 24.83% (2011 26.83%).

Further reductions to the UK corporation tax rate have been enacted and proposed since the balance sheet date. Given the Group's REIT status from 1 April 2013 and an expected effective tax rate of zero percent from that date, these further reductions are not expected to have any impact on the future current or deferred tax charge. The taxable profits for the period from 1 November 2012 up to the point of REIT entry shall be taxable at the prevailing tax rate for the period of 24%.

7 TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 November 2011 and 31 October 2012	<u>28,108,141</u>
ACCUMULATED DEPRECIATION	
At 1 November 2011	2,150,384
Charge for year	<u>352,063</u>
At 31 October 2012	<u>2,502,447</u>
NET BOOK VALUE	
At 31 October 2012	<u>25,605,694</u>
At 31 October 2011	<u>25,957,757</u>

SPACES PERSONAL STORAGE LIMITED (REGISTERED NUMBER: 03512289)

**Notes to the Financial Statements - continued
for the year ended 31 October 2012**

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 November 2011 and 31 October 2012	<u>16,652,296</u>
PROVISIONS	
At 1 November 2011 and 31 October 2012	<u>12,921,791</u>
NET BOOK VALUE	
At 31 October 2012	<u>3,730,505</u>
At 31 October 2011	<u>3,730,505</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Safestore Trading Limited

Country of incorporation England and Wales
Nature of business Property investment

Class of shares	%
Ordinary	holding 100.00

Metrostore Group Limited

Country of incorporation England and Wales
Nature of business Holding company

Class of shares	%
Ordinary	holding 100.00

Safestore Property Management Limited

Country of incorporation England and Wales
Nature of business Service company

Class of shares	%
Ordinary	holding 100.00

Safestore Property Management Limited is a 100% wholly owned subsidiary of Metrostore Group Limited

9 DEBTORS

	2012 £	2011 £
Amounts owed by group undertakings	9,297,966	6,764,267
Prepayments and accrued income	<u>-</u>	<u>176,481</u>
	<u>9,297,966</u>	<u>6,940,748</u>

Amounts owed by group undertakings are non interest bearing, unsecured and repayable on demand

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Taxation and social security	<u>24,750</u>	<u>-</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2012

11 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2012 £	2011 £
Expiring in more than five years	<u>2,146,240</u>	<u>2,363,954</u>

12 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
90,063,813	Ordinary shares	5p	<u>4,503,189</u>	<u>4,503,189</u>

13 RESERVES

	Profit and loss account £	Share premium accounts £	Totals £
At 1 November 2011	(4,564,892)	36,690,713	32,125,821
Profit for the financial year	<u>1,980,405</u>	-	<u>1,980,405</u>
At 31 October 2012	<u>(2,584,487)</u>	<u>36,690,713</u>	<u>34,106,226</u>

14 IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Safestore Acquisition Limited. The ultimate parent company and controlling party is Safestore Holdings plc which is incorporated in Great Britain and registered in England and Wales. Safestore Holdings plc is the smallest and largest parent undertaking to consolidate these financial statements. Copies of the Group financial statements may be obtained from the company's registered office at Brittan House, Stirling Way, Borehamwood, Hertfordshire WD6 2BT.

15 CONTINGENT LIABILITIES

As part of the group banking facility, the company has guaranteed the borrowings totalling £343.9 million (2011 £341.3 million) of fellow group undertakings by way of a charge over all of its property and assets. There are similar cross guarantees provided by group companies in respect of bank and private placement loan note borrowings which the company may draw under group facility agreements. The financial liability associated with these guarantees is considered remote and therefore no provision has been recorded.

16 RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption available under Financial Reporting Standard 8, Related Party Disclosures, to dispense with the requirement to disclose transactions with fellow subsidiaries, whose voting rights are wholly owned by the Group, and which are included in the consolidated financial statements of Safestore Holdings plc.

**Notes to the Financial Statements - continued
for the year ended 31 October 2012**

17 POST BALANCE SHEET EVENTS

The Safestore Holding plc group has succeeded in converting to a Real Estate Investment Trust ("REIT"), effective from 1 April 2013. REIT status will exempt qualifying companies from paying corporation tax on their qualifying earnings in return for distributing 90% of qualifying profits to shareholders. Certain rules apply to a REIT limiting the amount of development, debt gearing and non-qualifying trading activities.

For the purposes of enabling efficiency with REIT compliance processes, on 27 March 2013 the company transferred a freehold property to a fellow group undertaking for consideration of £7,500,000.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	<u>1,980,405</u>	<u>1,030,896</u>
Net addition to shareholders' funds	1,980,405	1,030,896
Opening shareholders' funds	<u>36,629,010</u>	<u>35,598,114</u>
Closing shareholders' funds	<u>38,609,415</u>	<u>36,629,010</u>