

Rent A Space Limited

Annual Report

10 months ended 30 April 2003



RENT A SPACE LIMITED

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RENT A SPACE LIMITD

COMPANY INFORMATION

Directors	C D Drysdale N P Smith
Secretary	C D Drysdale
Registered office	Park House Pepys Road London SW20 8NH
Registered number	3713007
Auditors	RSM Robson Rhodes LLP Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU

RENT A SPACE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the period ended 30 April 2003.

Principal activities

Until 31 December 2002, the principal activity of the company continued to be that of the provision of self storage facilities. Following a transfer of the trade and assets to a fellow subsidiary undertaking at book value at 31 December 2002, the company ceased to trade.

Business review and future developments

The results for the period and the financial position of the company are shown in the annexed financial statements. The company does not intend to trade for the foreseeable future.

Directors

The directors during the period under review were:

A S Donaldson – resigned 9 September 2002
M C J Holme – resigned 9 September 2002
P A Fahey – resigned 9 September 2002
C D Drysdale – appointed 9 September 2002
N P Smith – appointed 9 September 2002

Directors' interests

The directors holding office at 30 April 2003 did not hold any beneficial interest in the issued share capital of the company at 1 July 2002 or 30 April 2003.

The directors of the company are also directors of the parent company, Mentmore plc. The interests of the directors in the share capital and share options of the parent company are shown in the financial statements of that company.

Dividends

No dividend will be distributed for the period ended 30 April 2003 (year ended 30 June 200: £Nil).

Change of year end

Following the acquisition of the company on 9 September 2002, the company changed its accounting reference date to 30 April 2003.

RENT A SPACE LIMITED

REPORT OF THE DIRECTORS

(Continued)

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

Afford Astbury Bond resigned as auditors during the period and RSM Robson Rhodes LLP were appointed in their place. RSM Robson Rhodes LLP are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 21 June 2004 and signed on its behalf by:



C D Drysdale
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RENT A SPACE LIMITED

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the *Statement of Directors' Responsibilities*.

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

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

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 April 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Birmingham, England
21 June 2004

RENT A SPACE LIMITED**PROFIT AND LOSS ACCOUNT**
for the 10 months ended 30 April 2003

	Note	2003 £	2002 £
Turnover – discontinued operations		398,725	770,618
Cost of sales		(4,296)	(3,449)
		<hr/>	<hr/>
Gross profit		394,429	767,169
Administrative expenses		(828,994)	(700,867)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	2	(434,565)	66,302
Tax on (loss)/profit on ordinary activities	3	39,021	(15,515)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation	11	(395,544)	50,787
		<hr/>	<hr/>

The above results are derived from discontinued operations following the transfer of trade to a fellow subsidiary on 31 December 2002.


STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the 10 months ended 30 April 2003

	2003 £	2002 £
(Loss)/profit for the financial period	(395,544)	50,787
Prior period adjustment for deferred tax	-	(35,000)
	<hr/>	<hr/>
Total gains and losses recognised since last annual report	(395,544)	15,787
	<hr/>	<hr/>

RENT A SPACE LIMITED**BALANCE SHEET**
at 30 April 2003

	Note	2003 £	2002 £
Fixed assets			
Intangible assets	4	-	194,375
Tangible assets	5	-	375,622
Investments	6	1,000	1,000
		<hr/>	<hr/>
		1,000	570,997
Current assets			
Debtors	7	40,903	280,619
Cash at bank and in hand		-	450
		<hr/>	<hr/>
		40,903	281,069
Creditors: Amounts falling due within one year	8	-	(375,119)
		<hr/>	<hr/>
Net current assets/(liabilities)		40,903	(94,050)
		<hr/>	<hr/>
Total assets less current liabilities		41,903	476,947
Provision for liabilities and charges	9	-	(39,500)
		<hr/>	<hr/>
		41,903	437,447
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	500,000	500,000
Profit and loss account	11	(458,097)	(62,553)
		<hr/>	<hr/>
Equity shareholders' funds		41,903	437,447
		<hr/>	<hr/>

The financial statements were approved by the Board on 21 June 2004 and signed on its behalf by:


C D Drysdale
Director

NOTES TO THE FINANCIAL STATEMENTS

30 April 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with UK applicable accounting standards.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Goodwill

Goodwill is written off in equal annual instalments over its estimate useful economic life (20 years). Where there is evidence of impairment, goodwill is written down to recoverable amount.

Other intangible fixed assets

Other intangible fixed assets relate to a customer database, which is amortised on a straight line basis over 2 years. Amortisation is time apportioned in the year of acquisition and disposal.

Tangible fixed assets and depreciation

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

Plant and machinery	-	10% per annum reducing balance
Fixtures, fittings and machinery	-	25% per annum reducing balance

Where there is evidence of impairment, tangible fixed assets are written down to recoverable amount, with the charge being made to the operating result.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Investments

Fixed asset investments are stated at cost less provision for impairment.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

NOTES TO THE FINANCIAL STATEMENTS

30 April 2003

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	10 months ended 30 April 2003 £	Year ended 30 June 2002 £
Impairment of intangible assets	189,898	-
Impairment of tangible assets	129,260	-
Amortisation of intangible assets	4,377	13,125
Depreciation of tangible assets	20,091	37,071
Auditors' remuneration	-	1,800
Directors' emoluments	16,262	71,397
	<u> </u>	<u> </u>

Auditors remuneration for 2003 is borne by Spaces Personal Storage Limited, a fellow subsidiary undertaking.

3. TAXATION

	10 months ended 30 April 2003 £	Year ended 30 June 2002 £
Current tax		
UK corporation tax at 30% (2002: 20%)	-	11,015
Adjustment relating to prior periods	479	-
	<u> </u>	<u> </u>
Current tax charge	479	11,015
	<u> </u>	<u> </u>
Deferred tax		
Deferred tax (credit)/charge current period	(39,500)	4,500
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	(39,021)	15,515
	<u> </u>	<u> </u>
Current tax reconciliation		
(Loss)/profit on ordinary activities	(434,565)	66,302
Theoretical tax at UK Corporation tax rate 30% (2002: 30%)	(130,370)	19,891
Small companies tax rate	-	(6,476)
Expenditure not allowed for tax	902	2,100
Goodwill impairment	51,750	-
Elimination of tax assets on transfer of trade	19,499	-
ACA movement	58,218	-
Adjustments to prior year tax charge	479	(4,500)
	<u> </u>	<u> </u>
	479	11,015
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
30 April 2003

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Other £	Total £
Cost			
At 1 July 2002	200,000	25,000	225,000
Inter-group transfer	(200,000)	(25,000)	(225,000)
At 30 April 2003	-	-	-
Depreciation			
At 1 July 2002	27,500	3,125	30,625
Charge for the period	-	4,377	4,377
Impairment	172,500	17,498	189,998
Inter-group transfer	(200,000)	(25,000)	(225,000)
At 30 April 2003	-	-	-
Net book value			
At 30 April 2003	-	-	-
At 30 June 2002	172,500	21,875	194,375

5. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2002	-	453,281	16,090	469,371
Additions	5,247	-	23,530	28,777
Inter-group transfers	(5,247)	(453,281)	(39,620)	(498,148)
At 30 April 2003	-	-	-	-
Depreciation				
At 1 July 2002	-	86,572	7,177	93,749
Charge for the period	7	18,487	1,597	20,091
Impairment	-	124,826	4,434	129,260
Inter-group transfer	(7)	(229,885)	(13,208)	(243,100)
At 30 April 2003	-	-	-	-
Net book value				
At 30 April 2003	-	-	-	-
At 30 June 2002	-	366,709	8,913	375,622

NOTES TO THE FINANCIAL STATEMENTS
30 April 2003

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings and participating interests £
Cost	
At 1 July 2002 and 30 April 2003	1,000

Holdings of more than 20%

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

Company	Country of registration or incorporation	Classes of shares held	%
Hallco 483 Limited	England and Wales	A & B £1 ordinary	100

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial is as follows:

	Capital and reserves £	Loss for the period £
Hallco 483 Limited	39,994	(677)

The principal activity of Hallco 483 Limited is that of the provision of self storage facilities. The trade and assets of the company were transferred to a fellow subsidiary on 31 December 2002 and from this date it will not trade in the foreseeable future.

7. DEBTORS

	30 April 2003 £	30 June 2002 £
Trade debtors	-	72,231
Amounts owed by group undertakings	40,903	78,177
Other debtors	-	130,211
	40,903	280,619

NOTES TO THE FINANCIAL STATEMENTS

30 April 2003

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 April 2003 £	30 June 2002 £
Bank loans and overdrafts	-	24,242
Trade creditors	-	130,554
Amounts owed to parent and fellow subsidiary undertakings	-	111,397
Corporation tax	-	11,015
Taxes and social security costs	-	15,841
Accruals and deferred income	-	82,070
	-	375,119

9. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance at 1 July 2002	39,500
Profit and loss account	(39,500)
Balance at 30 April 2003	-

Deferred taxation provided in the financial statements is as follows:

	30 April 2003 £	30 June 2002 £
Accelerated capital allowances	-	39,500

10. SHARE CAPITAL

	2003 £	2002 £
Authorised		
9,950,000 ordinary A shares of £1 each	9,950,000	9,950,000
50,000 ordinary B shares of £1 each	50,000	50,000
	10,000,000	10,000,000
Allotted, called up and fully paid		
450,000 ordinary A shares of £1 each	450,000	450,000
50,000 ordinary B shares of £1 each	50,000	50,000
	500,000	500,000

NOTES TO THE FINANCIAL STATEMENTS**30 April 2003****11. RESERVES**

	Profit and loss account £
At 1 July 2002	(62,553)
Loss for the period	(395,544)
	<hr/>
Deficit at 30 April 2003	(458,097)
	<hr/>

10. FINANCIAL COMMITMENTS

At 30 April 2003 the company had annual commitments under non-cancellable operating leases as follows:

	30 April 2003 £	30 June 2002 £
Expiry date:		
Between two and five years	-	216,000
	<hr/>	<hr/>

11. ULTIMATE PARENT COMPANY

Following the acquisition of the company on 9 September 2002, the company's ultimate parent company is Mentmore plc, a company registered in England & Wales.

Mentmore plc is the parent company of the largest and smallest group of which Rent A Space Limited is a member and for which group accounts are drawn up. Copies of the group accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under the rules of FRS8 not to disclose related party transactions as over 90% of the voting rights of the company were controlled by the group headed by Mentmore plc, which has prepared consolidated financial statements for the year ended 30 April 2003.