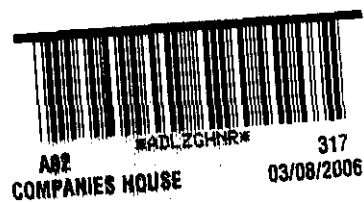


Report of the Directors and
Financial Statements for the year ended 31 October 2005
for
SAFESTORE BERMONDSEY LIMITED



SAFESTORE BERMONDSEY LIMITED

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SAFESTORE BERMONDSEY LIMITED

Company Information
for the year ended 31 October 2005

DIRECTORS:	S W Williams R D Hodsdon
SECRETARY:	R D Hodsdon
REGISTERED OFFICE:	Brittanic House Stirling Way Borehamwood Hertfordshire WD6 2BT
REGISTERED NUMBER:	4184682 (England and Wales)
AUDITORS:	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
BANKERS:	National Westminster Bank Plc P O Box No 34 15 Bishopsgate London EC2P 2AP
SOLICITORS:	Wragge & Co 55 Colmore Row Birmingham B3 2AS

SAFESTORE BERMONDSEY LIMITED

Report of the Directors for the year ended 31 October 2005

The directors present their report with the financial statements of the company for the year ended 31 October 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a non-trading company.

During the year, the company received a waiver in respect of an amount of £2,152,325 owed to group undertakings.

Until 31 October 2004, the company's principal activity was that of the provision of self storage. On that date the company's trade and assets were transferred to a fellow subsidiary undertaking at book value and the company ceased to trade.

REVIEW OF BUSINESS

The financial position of the company is as shown in the annexed financial statements.

The business operated as a joint venture jointly owned by the Safestore Holdings group and the Network Rail group until 28 July 2004 when the equity interests of Network Rail were acquired by Safestore and the company became a wholly owned subsidiary undertaking of Safestore Holdings Limited. On 31 October 2004, the company's trade and assets were transferred to a fellow subsidiary undertaking at book value and the company ceased to trade.

DIVIDENDS

No distribution of dividends has been recommended for the year ended 31 October 2005 (2004 - £nil).

DIRECTORS

The directors during the year under review were:

S W Williams
R D Hodsdon

The directors holding office at 31 October 2005 did not hold any beneficial interest in the issued share capital of the company at 1 November 2004 or 31 October 2005.

The directors in office at 31 October 2005 are also directors of the ultimate parent undertaking, Safestore Holdings Limited, and their interests in the share capital of Safestore Holdings Limited are shown in the directors' report of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.


SAFESTORE BERMONDSEY LIMITED

**Report of the Directors
for the year ended 31 October 2005 (Continued)**

AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



R D Hodsdon - Secretary
23 May 2006

**Report of the Independent Auditors to the members of
Safestore Bermondsey Limited**

We have audited the financial statements of Safestore Bermondsey Limited for the year ended 31 October 2005, which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2005 and of its profit for the year then ended; and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
23 May 2006

SAFESTORE BERMONDSEY LIMITED

Profit and Loss Account for the year ended 31 October 2005

	Note	2005 £	2004 £
TURNOVER		-	365,229
Cost of sales		-	(395,134)
GROSS LOSS		-	(29,905)
Distribution costs		-	(53,082)
Administrative expenses		-	(13,519)
		-	(66,601)
		-	(96,506)
Other operating income	2	2,152,325	-
OPERATING PROFIT/(LOSS)	4	2,152,325	(96,506)
Interest receivable and similar income	5	10,576	12,141
Interest payable and similar charges	6	-	(155,791)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,162,901	(240,156)
Tax on profit/(loss) on ordinary activities	7	-	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	2,162,901	(240,156)

DISCONTINUED OPERATIONS

The above results are derived from discontinued operations following the transfer of trade to a fellow subsidiary undertaking on 31 October 2004.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the 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.

SAFESTORE BERMONDSEY LIMITED

Balance Sheet
31 October 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Debtors	8	142,785	-
CREDITORS			
Amounts falling due within one year	9	-	(2,020,116)
NET CURRENT ASSETS/(LIABILITIES)		<u>142,785</u>	<u>(2,020,116)</u>
NET ASSETS/(LIABILITIES)		<u>142,785</u>	<u>(2,020,116)</u>
CAPITAL AND RESERVES			
Called up share capital	10	50,000	50,000
Profit and loss account	11	<u>92,785</u>	<u>(2,070,116)</u>
EQUITY/(DEFICIT) IN SHAREHOLDERS' FUNDS	14	<u>142,785</u>	<u>(2,020,116)</u>

ON BEHALF OF THE BOARD:



R D Hodsden - Director
23 May 2006

SAFESTORE BERMONDSEY LIMITED

Notes to the Financial Statements for the year ended 31 October 2005

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold - over the lease term

Plant and machinery - 25% on cost

Fixtures and fittings - 10% on cost

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit. The cost of leasehold buildings includes all capital spend incurred in bringing the property to an appropriate condition for operational use. All other costs are classed as repairs and maintenance and are written off to the profit and loss account as incurred.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Cash flow statement

In accordance with FRS1, the company is not required to present a cash flow statement as it is a wholly owned subsidiary, 90% or more of whose voting rights are controlled within the group. Consolidated accounts, which include the company, are publicly available (see note 12).

2. OTHER OPERATING INCOME

	2005 £	2004 £
Intercompany loan waiver	<u>2,152,325</u>	<u>-</u>

3. STAFF COSTS

	2005 £	2004 £
Wages and salaries	-	58,645
Social security costs	<u>-</u>	<u>5,494</u>
	<u>-</u>	<u>64,139</u>

The average monthly number of employees during the year was as follows:

	2005	2004
Sales	-	3
Directors	<u>2</u>	<u>3</u>
	<u>2</u>	<u>6</u>

SAFESTORE BERMONDSEY LIMITED

Notes to the Financial Statements - continued for the year ended 31 October 2005

4. OPERATING PROFIT/(LOSS)

The operating profit (2004 - operating loss) is stated after charging:

	2005 £	2004 £
Other operating leases	-	187,980
Auditors' remuneration	-	2,000
	<u>-</u>	<u>189,980</u>
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

Auditors' remuneration was borne by a fellow group company in the current year. Directors' emoluments were paid by a fellow group company for both the year ended 31 October 2005 and the period ended 31 October 2004.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005 £	2004 £
Deposit account interest	10,576	12,141
	<u>10,576</u>	<u>12,141</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Intercompany interest	-	2,808
2011 unsecured loan notes	-	152,983
	<u>-</u>	<u>155,791</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2005 nor for the year ended 31 October 2004.

Factors affecting the tax charge

The tax assessed for the year is lower (period ended 31 October 2004: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2005 £	2004 £
Profit/(loss) on ordinary activities before tax	<u>2,162,901</u>	<u>(240,156)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	648,870	(72,047)
Effects of:		
Expenses not deductible for tax purposes	-	4,440
Utilisation of tax losses not recognised	-	70,402
Short term timing differences	-	(2,795)
Group relief surrendered without payment	(3,173)	-
Items outside the scope of corporation tax	<u>(645,697)</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

SAFESTORE BERMONDSEY LIMITED

Notes to the Financial Statements - continued for the year ended 31 October 2005

7. TAXATION - continued

Deferred tax

The transfer of the company's trade and assets to a fellow group undertaking included the transfer of the company's potential deferred tax asset which has not been recognised in the financial statements.

The deferred tax asset immediately prior to the transfer on 31 October 2004 comprised £130,730 in respect of the excess of depreciation over capital allowances, cumulative trading losses of £272,799, and short term timing differences of £4,013.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Amounts owed by group undertakings	<u>142,785</u>	<u>-</u>

Until 31 March 2004, no interest was charged on amounts owed by group undertakings. From 1 April 2004, interest has been charged at an average rate of 8% per annum.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Amounts owed to group undertakings	<u>-</u>	<u>2,020,116</u>

Amounts owed to group undertakings at 31 October 2005 include £1.90m arising from the transfer of the company's trade and assets on 31 October 2004.

Until 31 March 2004, no interest was charged on amounts owed to group undertakings. From 1 April 2004, interest has been charged at an average rate of 8% per annum.

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005	2004
			£	£
25,000	"A" ordinary shares	£1	25,000	25,000
25,000	"B" ordinary shares	£1	<u>25,000</u>	<u>25,000</u>
			<u>50,000</u>	<u>50,000</u>

11. RESERVES

	Profit and loss account £
At 1 November 2004	(2,070,116)
Retained profit for the financial year	<u>2,162,901</u>
At 31 October 2005	<u>92,785</u>

12. INTERMEDIATE AND ULTIMATE PARENT COMPANY

The intermediate parent company is Safestore Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Safestore Holdings Limited is the smallest group of which the company is a member and for which consolidated financial statements are prepared. Copies of Safestore Holdings Limited group accounts are available from the company's registered office at Brittan House, Stirling Way, Borehamwood, Hertfordshire, WD6 2BT.

Bridgepoint Capital Limited and its associated investment funds hold over 50% of the equity of Safestore Holdings Limited. As a result the directors consider that the group is effectively controlled by Bridgepoint Capital Limited, the registered office of which is at 101 Finsbury Pavement, London, EC2A 1EJ.

SAFESTORE BERMONDSEY LIMITED

Notes to the Financial Statements - continued for the year ended 31 October 2005

13. CONTINGENT LIABILITIES

As part of the group banking, the company has guaranteed the borrowings (£132.3 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 any bank borrowings which the company may draw under a group facility agreement.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit/(Loss) for the financial year	<u>2,162,901</u>	<u>(240,156)</u>
Net addition/(reduction) to shareholders' funds	2,162,901	(240,156)
Opening shareholders' funds	<u>(2,020,116)</u>	<u>(1,779,960)</u>
Closing shareholders' funds	<u>142,785</u>	<u>(2,020,116)</u>
Equity interests	<u>142,785</u>	<u>(2,020,116)</u>