REGISTERED NUMBER: 04835087 (England and Wales)

Strategic Report, Directors' Report and

Financial Statements for the Year Ended 31 October 2021

for

SAFESTORE ACQUISITION LIMITED

Contents of the Financial Statements
for the year ended 31 October 2021

SAFESTORE ACQUISITION LIMITED

Company Information
for the year ended 31 October 2021

DIRECTORS:	A B Jones F Vecchioli
REGISTERED OFFICE:	Brittanic House Stirling Way Borehamwood Hertfordshire WD6 2BT United Kingdom
REGISTERED NUMBER:	04835087 (England and Wales)
INDEPENDENT AUDITOR:	Deloitte LLP Statutory Auditor Hill House 1 Little New Street London EC4A 3TR United Kingdom
BANKERS:	National Westminster Bank Plc P O Box No 34 15 Bishopsgate London EC2P 2AP United Kingdom
SOLICITORS:	Travers Smith LLP 10 Snow Hill London EC1A 2AL United Kingdom Eversheds LLP 115 Colmore Row Birmingham B3 3AL United Kingdom

SAFESTORE ACQUISITION LIMITED (REGISTERED NUMBER: 04835087)

Strategic Report
for the year ended 31 October 2021

The directors present their strategic report for the year ended 31 October 2021.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS
The company is an intermediate holding company, within the Safestore Holdings plc group (the "Group"). As a result, its principal activity comprises investing activities. There were no changes in the company's principal activity since the prior year and none are anticipated in the foreseeable future.

During the year, the company received dividend income of £0.8 million (2020: £444.4 million). This investment income fluctuates in line with the resources and requirements of investee companies. The significant decrease in dividend income received this year is as a result of the continued internal re-organisation of the Safestore group structure which resulted in the settlement of various intercompany balances through distributions in specie in the year ended 31 October 2020 compared to 2021.

Loss after tax for the financial year amounted to £1.4 million (2020: profit after tax £397.7 million) as a result of the significantly lower investment income received in the current financial year.

On 7 December 2021, the company completed the acquisition of Your Room Self Storage Limited, which includes a freehold store located in Christchurch, Dorset. This property was subsequently transferred to Safestore Properties Limited on 7 December 2021, as part of the post acquisition restructuring to achieve integration within the Safestore Holdings group of companies.

On 30 March 2022, the company completed the acquisition of the remaining 80% of the equity of CERF Storage JV B.V., a joint venture formed in 2019 which it already had a 20% investment. The portfolio is made of twelve freehold properties, two ground leases and one leasehold property. Nine properties are located in the Netherlands and six properties are located in Belgium.

As part of the company's annual impairment review of its subsidiaries, where the recoverable amount of the investments held has been estimated by reference to the underlying net asset value of the entity, a £0.8 million impairment charge was made to its investment in Walnut Tree Self Storage Limited (2020: Spaces Personal Storage Limited £39.9 million, Salus Services Limited £4.5 million, Fortbox Self Storage Limited £2.1 million).

KEY PERFORMANCE INDICATORS
The company's ultimate parent company is Safestore Holdings plc. The strategy of the company is aligned to that of Safestore Holdings plc and hence, that applicable to the Group and presented herein, is relevant to the company.

The Group's first priority remains to maximise the economic return on our existing store portfolio and its 1.1 million sq ft of fully invested unlet space, building on the operational improvements made. This has directly translated into strong trading throughout the year with momentum improving as the year progressed. In 2021, the Group delivered 34.1% growth in Adjusted Diluted EPRA Earnings per Share largely driven by organic growth. Total Group revenue increased by 15.1%

The Group's balance sheet remains robust with a Group LTV ratio of 25% (FY2020: 29%) and an ICR of 10.5x (FY2020: 9.0x). This represents a level of gearing we consider appropriate for the business to enable the Group to increase returns on equity, maintain financial flexibility and achieve our medium-term strategic objectives.

Finally, the Group's approach to store development and acquisitions continues to be pragmatic, flexible and focused on the return on capital, taking advantage of selective portfolio management and expansion opportunities in our existing markets and, if appropriate, in attractive new geographies.

PRINCIPAL RISKS AND UNCERTAINTIES
The business faces a number of risks which, if they arise, could affect its ability to achieve its strategic objectives. Risk is managed at Group level by Safestore Holdings plc. The Board at Safestore Holdings plc is responsible for determining the nature of these risks and ensuring appropriate mitigating actions are in place for managing them.

Effective risk management requires awareness and engagement at all levels of our organisation. It is for this reason that the risk management process is incorporated into the day-to-day management of our business, as well as being reflected in the business's core processes and controls. The Board of Safestore Holdings plc has defined the risk appetite and oversees the risk management strategy and the effectiveness of the business's internal control framework. Risks are considered at every business level and are assessed, discussed and taken into account when deciding upon future strategy, approving transactions and monitoring performance.

Strategic risks are identified, assessed and managed by the Board of Safestore Holdings plc, with support from the Risk Committee. Strategic risks are reviewed by the Audit Committee to ensure they are valid and that they represent the key risks associated with the current strategic direction of the business. Operational risks are identified, assessed and managed by the Risk Committee and Executive Team members, and reported to the Board and the Audit Committee. These risks cover all areas of the business, such as finance, operations, investment, development and corporate risks.

PRINCIPAL RISKS AND UNCERTAINTIES - continued

The risk management process commences with rigorous risk identification sessions incorporating contributions from functional managers and Executive Team members. The output is reviewed and discussed by the Risk Committee, supported by members of senior management from across the business. The Board, supported by the Risk Committee, identifies and prioritises the top business risks, with a focus on the identification of key strategic, financial and operational risks. The potential impact and likelihood of the risks occurring are determined, key risk mitigations are identified and the current level of risk is assessed against our risk appetite.

The principal risks and uncertainties described below are considered to have the most significant effect on the business's strategic objectives.

1. Strategy - business plans are based on a wide range of variables. Incorrect assumptions about the economic environment, self-storage market, or changes in the needs of customers, or the activities of customers may adversely affect the returns achieved by the business. The strategy development process draws on internal and external analysis of the self-storage market, emerging customer trends and a range of other factors. The portfolio is geographically diversified with regular detailed reviews on performance. The impact of the ongoing global pandemic, Covid-19, has also had no discernible impact on the company's performance during the year. This will continue to be assessed as part of the wider Group, further information is provided in the Going Concern section of the Directors' Report. The UK's exit from the European Union (the "EU") on 31 January 2020 has had no discernible impact on the company's operations during the year. The uncertainty associated with the UK's future relationship with the EU has significantly reduced. As the company does not directly rely on imports or exports, the company is largely protected from the near term impact of the UK's exit from the EU, however, the Directors consider that the direct risks that arose due to Brexit have significantly reduced since the 31 October 2020 assessment and is unlikely to have an effect on the company's performance in the next 12 months.

2. Finance - The funding is arranged by other Group undertakings. Funding requirements for business plans and the timing for commitments are regularly reviewed and liquidity managed in accordance with Board-approved policies to ensure that the Group has adequate funds for its ongoing needs. All of the Group's banking facilities now run to 30 June 2023. On 7 May 2021, the Group extended its borrowing facilities with the issuance of new Sterling and Euro denominated US Private Placement Notes to a group of existing institutional investors. In June 2021 additional US Private Placement Notes were issued of £20 million and €29 million maturing in 2028. In August 2021 additional US Private Placement Notes were issued of £80 million and €29 million, maturing in 2031 and 2033 respectively. The US Private Placement Notes mature in three, five, six, seven, eight, ten and twelve years. In addition, an uncommitted $115.0m Shelf facility, which can be drawn in Euros or Sterling, was agreed with one existing lender in May 2021, giving the Group further financing flexibility. The facility would be drawn in the form of Private Placement Notes at a coupon to be agreed at the time of funding.

The company's investment risk is based on the underlying performance of it's subsidiaries. The strategic and operational risks associated for these subsidiaries are managed as part of the wider Group.

Further information on our current strategic and operational risks and key mitigating actions can be found on pages 33 to 37 of the annual report and financial statements for the year ended 31 October 2021 of Safestore Holdings plc, the ultimate parent undertaking.

SECTION 172(1) STATEMENT

Throughout the year the directors have performed their duty to promote the success of the company under section 172, taking consideration of:

- issues, factors and stakeholders relevant in complying with section 172(1)(a) to (f);
- main methods used to engage with stakeholders and to understand the issues to which they must have regard; and
- information on the effect of that regard on the company's decisions and strategies during the financial year and in the long term.

The company's stakeholder engagement and strategic direction is set and managed by the Group, which directs the activities of the subsidiaries on a co-ordinated basis.

Our stakeholder engagement processes enable the Board to understand what matters to our stakeholders and to inform decision making that leads to our high standards of business and ethical conduct and Safestore's success in the long term.

SECTION 172(1) STATEMENT- continued

The Board has regard to the matters set out in Section 172(1) of the Companies Act 2006, when performing its duties under Section 172 to act in a way it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters, when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by Section 172 factors. The decisions associated with the Covid-19 pandemic are one example of decisions taken by the Board during the year ended 31 October 2021 and how Section 172 factors have been considered as part of the Board's decision making. The impact of the Covid-19 pandemic has been fast moving and uncertain but the Directors consider that decisions have been made in the best long term interests of all the Company's stakeholders. Since the first national lockdowns the Company has maintained its strategic progress. The Company's response has also been informed by stakeholders and proactive ongoing engagement received by the Board.

As a Safestore company, our purpose is fully embedded in the way the company operates, ranging from strategic planning, to individual transactions, to how the business engages with its suppliers, customers and other stakeholders. Further information can be found on pages 30 to 32 of the Safestore Holdings plc annual report and financial statements for the year ended 31 October 2021.

ON BEHALF OF THE BOARD:

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A B Jones - Director
Date: 26 April 2022

SAFESTORE ACQUISITION LIMITED (REGISTERED NUMBER: 04835087)

Directors' Report
for the year ended 31 October 2021

The directors present their report with the audited financial statements of the company for the year ended 31 October 2021.

DIVIDENDS
No interim dividend was paid during the year (2020: £nil).
No final dividend is proposed for the year ended 31 October 2021.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 November 2020 to the date of this report. The directors have the benefit of the qualifying third party indemnity provision (as defined by section 234 of the Companies Act 2006), which provides a limited indemnity in respect of liabilities incurred as a director of the company for their periods of directorship and at the date of this report.

A B Jones
F Vecchioli

GOING CONCERN
The company has net assets of £646.9 million (2020: £648.3 million) and net current liabilities £229.4 million (restated 2020: £161.2 million). The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the financial statements. Furthermore, the Directors of Safestore Holdings Plc have confirmed, as outlined in a Letter of Support, they will not call any amount due for a period of at least twelve months from the date signing of the financial statements unless the subsidiary is in a financial position to do so.

In assessing the company's going concern position, the directors considered a detailed number of factors at the Group level, for which this company forms part, including the current balance sheet position of both the individual company and Group, the principal and emerging risks which could impact the performance of the Group and the Group's strategic and financial plan. Consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts.

Specifically, the Covid-19 pandemic resulted in a significant reduction in the economic growth of the UK and Europe in 2020 and 2021. The implications of Covid-19 have been thoroughly considered with respect to the Group's strategy through the annual planning and budgeting process. Covid-19 will continue to be monitored through regular and periodic reforecasts and scenario analysis over the next 12 months and align with the three-year outlook of this review during the 2022 year. In addition, various scenarios and stress tests have been modelled including sensitivities relating to the ongoing impact of Covid-19. This included the potential impact on performance due to possible changes in the levels of demand and enquiry levels, average rate growth and the level of cost savings. The assessment concluded that, for the foreseeable future, the Group has sufficient capital to support its operations; has a funding and liquidity base which is strong, robust and well managed with substantial future capacity; and has expectations that performance will continue to improve as the Group's strategy is executed.

FINANCIAL RISK MANAGEMENT
Financial risk is managed at a Group level by Safestore Holdings plc. Further information can be found in note 20 to the financial statements in Safestore Holdings plc's annual report and financial statements for the year ended 31 October 2021.

The company's principal financial assets and liabilities are amounts owed by or to Group undertakings, which are considered to have negligible credit risk. The terms of these amounts vary, such that balances with UK undertakings are interest free and sterling denominated, so the company is not exposed to either interest rate risk or foreign exchange rate risk for these balances. The company is exposed to interest rate risk and foreign exchange risk on the interest bearing euro denominated loans provided to overseas subsidiaries and associates, however due to the financial instruments in place held by it's immediate parent undertaking, this risk is considered to be effectively managed.

The company's funding is provided by other Group undertakings, which exposes the company to liquidity risk. The Group's policy on liquidity risk is to ensure that sufficient cash is available to fund ongoing operations whilst maintaining reasonable leverage over the medium term. The Group's principal borrowing facilities are provided by a group of core relationship banks in the form of term loans, overdrafts and US private placement notes. The quantum of committed borrowing facilities available to the Group is reviewed regularly and is designed to exceed forecast peak gross debt levels.

DISCLOSURE OF INFORMATION TO THE AUDITOR
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 auditor is 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 auditor is aware of that information.

Directors' Report - continued
for the year ended 31 October 2021

POST BALANCE SHEET EVENTS
On 7 December 2021, the company completed the acquisition of Your Room Self Storage Limited for c£2.6 million (debt and equity), which includes a freehold store located in Christchurch, Dorset. This property was subsequently transferred to Safestore Properties Limited on 7 December 2021, as part of the post acquisition restructuring to achieve integration within the Safestore Holdings group of companies.

On 30 March 2022, the company completed the acquisition of the remaining 80% of the equity of CERF Storage JV B.V., a joint venture formed in 2019 which it already had a 20% investment for c€135.3 million (debt and equity). The portfolio is made of twelve freehold properties, two ground leases and one leasehold property. Nine properties are located in the Netherlands and six properties are located in Belgium.

AUDITOR
The auditor, Deloitte LLP, has indicated their willingness to continue in office and a resolution concerning their re-appointment has been approved at the Annual General Meeting of the Ultimate Parent Company.

ON BEHALF OF THE BOARD:

Andrea Jones

....
A B Jones - Director
Date: 26 April 2022

Statement of Directors' Responsibilities
for the year ended 31 October 2021

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent; 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.

Independent Auditor's report to the Members of Safestore Acquisition Limited

Opinion
In our opinion the financial statements of Safestore Acquisition Limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 31st October 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the Members of
Safestore Acquisition Limited

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists including tax and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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 and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent Auditor's report to the Members of Safestore Acquisition Limited

Use of our report

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 auditor's 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.

David Bicker

David Bicker (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

26 April 2022

SAFESTORE ACQUISITION LIMITED (REGISTERED NUMBER: 04835087)

Statement of Comprehensive Income
for the year ended 31 October 2021

	Notes	2021 £'000	2020 £'000
REVENUE		**-**	-
Administrative expenses		**(206)**	(438)
		(206)	(438)
Impairment of investments in subsidiaries	4	**(789)**	(46,557)
Share of loss in associate	9	**(78)**	(6)
Other operating (expense)/income		**(1,292)**	143
OPERATING LOSS		**(2,366)**	(46,858)
Income from shares in group undertakings	3	**789**	444,376
Interest receivable and similar income	5	**172**	148
Interest payable and similar charges	6	**-**	(1)
(LOSS)/PROFIT BEFORE TAXATION	7	**(1,405)**	397,665
Tax on (loss)/ profit	8	**-**	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(1,405)**	397,665
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(1,405)**	397,665

Other operating (expense)/income and operating (loss)/profit are all derived from continuing operations.

The notes on pages 14 to 22 form part of these financial statements

SAFESTORE ACQUISITION LIMITED (REGISTERED NUMBER: 04835087)

Balance Sheet
As at 31 October 2021

	Notes	2021 £'000	2021 £'000	Restated 2020 £'000	Restated 2020 £'000
FIXED ASSETS					
Investments in associates	9		**6,160**		5,309
Investments in subsidiaries	10		**455,205**		455,994
Loans to group undertakings	11		**414,977**		348,188
			876,342		800,491
CURRENT ASSETS					
Debtors: amounts falling due within one year	12	**571**		1,952	
Debtors: amounts falling due after more than one year	12	**2,672**		1,902	
Cash at bank		**11,661**		76	
		14,904		3,930	
CREDITORS					
Amounts falling due within one year	13	**(244,318)**		(165,088)	
NET CURRENT LIABILITIES			**(229,413)**		(161,158)
TOTAL ASSETS LESS CURRENT LIABILITIES			**646,928**		648,333
NET ASSETS			**646,928**		648,333
CAPITAL AND RESERVES					
Called up share capital	14		**-**		-
Profit and loss account			**646,928**		648,333
SHAREHOLDERS' FUNDS			**646,928**		648,333

Details of the restatement are provided in note 17.

The financial statements were approved by the Board of Directors on 26 April 2022 and were signed on its behalf by:

Andrew Jones

A B Jones - Director

The notes on pages 14 to 22 form part of these financial statements

SAFESTORE ACQUISITION LIMITED (REGISTERED NUMBER: 04835087)

Statement of Changes in Equity
for the year ended 31 October 2021

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 November 2019	247,728	2,940	250,668
Comprehensive income:			
Profit for the year	-	397,665	397,665
Total comprehensive income	**-**	**397,665**	**397,665**
Transactions with owners:			
Share capital reduction	(247,728)	247,728	-
Transactions with owners	(247,728)	247,728	-
Balance at 31 October 2020	-	648,333	648,333
Comprehensive loss:			
Loss for the year	-	(1,405)	(1,405)
Total comprehensive loss	**-**	**(1,405)**	**(1,405)**
Balance at 31 October 2021	**-**	**646,928**	**646,928**

Notes to the Financial Statements
for the year ended 31 October 2021

1. ACCOUNTING POLICIES

Basis of preparation
Safestore Acquisition Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the company's registered office is shown on page 1.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006. In preparing these financial statements the company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union, but has made amendments where necessary in order to comply with Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the company's parent and how to obtain its consolidated financial statements prepared in accordance with IFRS.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets; and
  - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

These financial statements are separate financial statements. Under s400 of the Companies Act 2006 the company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Safestore Holdings plc. Details of the parent in whose consolidated financial statements the company is included are shown in note 15 to the financial statements.

Standards, amendments to standards and interpretations issued and applied
The following new or revised accounting standards or IFRIC interpretations are applicable for the first time in the year ended 31 October 2021:

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 Definition of a Business
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
- Amendment to IFRS 16 Covid-19 - Related Rent Concessions

The adoption of the standards and interpretations has not significantly impacted these financial statements and any changes to the accounting policies as a result of their adoption have been reflected in this note.

1. ACCOUNTING POLICIES - continued

Going concern
As described in the Directors' Report, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

Investments in subsidiaries
Investments in subsidiaries are stated at cost less provision for impairment in value.

Investments in associates
An associate is an entity over which the company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the company's share of the net assets of the associate, less any impairment in the value of individual investments.

Impairment of non-financial assets
The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying amount exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Financial assets and liabilities
Financial assets are classified as financial assets at fair value through profit or loss or at amortised cost as appropriate. The company determines the classification of its assets at initial recognition. Financial assets are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the profit or loss or other liabilities, as appropriate. Financial liabilities are recognised initially at fair value and subsequently at amortised cost.

Dividends
Dividend income receive from subsidiaries is recognised in the statement of comprehensive income when the right to receive payment is established.

Critical accounting estimates and judgements
The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

1. ACCOUNTING POLICIES - continued

Carrying value of investments in subsidiaries and associate
The directors have performed an impairment assessment of the investments at reporting date. The assessment of investments in subsidiaries is based on comparing the investment carrying amount to that of the net assets in the subsidiary company. The assessment of investment in associate is based on the recoverable amount. Due to the uncertainty about future financial performance of the subsidiaries and associate, the carrying amount of the investments of £455.2 million (2020: £456.0 million) and £6.2 million (2020: £5.3 million) respectively, may change in the next financial year.

Given the nature of the company no other areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been identified by management.

2. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 October 2021 nor for the year ended 31 October 2020.

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

	2021	2020
Directors	**2**	2

The directors did not receive emoluments for their services to the company (2020: £nil).

Directors' remuneration costs in respect of AB Jones and F Vecchioli are borne by Safestore Holdings plc. Further details in respect of their remuneration are shown in the consolidated accounts of Safestore Holdings plc.

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2021	2020
	£'000	£'000
Dividends received from subsidiaries	**789**	444,376

4. IMPAIRMENT IN SUBSIDIARIES

	2021	2020
	£'000	£'000
Impairment of investments in subsidiaries	**789**	46,557

The impairment charge of £789,000 (2020: £46,557,000) relates to the company's investment in Walnut Tree Self Storage Limited (2020: Spaces Personal Storage Limited £39,909,000, Salus Services Limited £4,546,000, Fortbox Self Storage Limited £2,081,000, Assay Services Limited £2,000, and Walnut Tree Self Storage Limited £19,000). The recoverable amount of the investments held has been estimated by reference to the underlying net asset value of the entity and its subsidiaries, respectively..

There was no reversal of impairment provisions (2020: £nil).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Intercompany interest receivable	**119**	49
Interest receivable from loans to associates	**53**	99
	172	148

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£'000	£'000
Bank charges	**-**	1
	-	1

7. (LOSS)/PROFIT BEFORE TAXATION

The (loss)/profit before taxation is stated after charging:

	2021	2020
	£'000	£'000
Impairment of investments in subsidiaries	**789**	46,557

As part of the company's annual impairment review of its subsidiaries the impairment charge of £789,000 (2020: £46,557,000) relates to the company's investment in Walnut Tree Self Storage Limited (2020: Spaces Personal Storage Limited £39,909,000, Salus Services Limited £4,546,000, Fortbox Self Storage Limited £2,081,000, Assay Services Limited £2,000, and Walnut Tree Self Storage Limited £19,000).

Auditor's remuneration totalling £10,000 (2020: £8,000) was borne by a fellow group undertaking (Safestore Holdings plc) and there was no recharge made for these costs. No other fees were paid to the auditor.

8. TAXATION

Analysis of tax expense
No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2021 nor for the year ended 31 October 2020.

Factors affecting the tax expense
The tax assessed for the year is higher (2020 – higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£'000	£'000
(Loss)/profit before income tax	**(1,405)**	397,665
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%)	**(267)**	75,556
Effects of:		
Expenses not deductible for tax purposes	**165**	8,887
Non-taxable income	**(150)**	(84,433)
Transfer pricing adjustment on debt	**739**	236
Group relief received for nil consideration	**(487)**	(246)
Tax for the year	**-**	-

The Safestore Holdings plc group is a real estate investment trust (REIT). As a result the Group is exempt from UK corporation tax on the profits and gains from its qualifying rental business in the UK provided that it meets certain conditions. Non-qualifying profits and gains of the Group remain subject to corporation tax as normal. The Group monitors its compliance with the REIT conditions. There have been no breaches of the conditions to date.

The main rate of corporation tax will increase from 19% to 25% from 1 April 2023. There will be no deferred taxation impact in respect of this change in taxation rates.

9. INVESTMENTS IN ASSOCIATES

The company has a 20% interest in CERF Storage JV B.V. ("CERF"), a company registered and operating in the Netherlands. CERF is accounted for using the equity method of accounting. CERF invests in carefully selected self storage opportunities in. The Group earns a fee for providing management services to CERF. This investment is considered immaterial relative to the company's underlying operations. The aggregate carrying value of the company's interest in the associate is £8,832,000 (2020: £7,211,000), made up of an investment of £6,160,000 (2020: £5,309,000), a loan to the associate including interest accrued of £2,672,000 (2020: £1,902,000) (note 12). The company's share of loss from continuing operations for the period was £78,000 (2020: £6,000). The company's share of other comprehensive income of associates in the year was £nil (2020: £nil).

10. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 November 2020	520,098
Disposals	(14,305)
At 31 October 2021	**505,793**
PROVISIONS FOR IMPAIRMENT	
At 1 November 2020	(64,104)
Charge for year (see note 4)	(789)
Disposals	14,305
At 31 October 2021	**(64,104)**
NET BOOK VALUE	
At 31 October 2021	**455,205**
At 31 October 2020	455,994

During the year, Safestore Acquisition Limited continued their corporate restructuring exercise, resulting in an impairment charge of £0.8 million (note 4).

Disposals during the year, relate to the following subsidiaries, that were previously fully impaired, and were formally dissolved on the Companies Registrar's: Stork Self Storage (Holdings) Limited, Stork Self Storage (UK) Limited, Alligator Storage Limited, Alligator Self Storage Limited, SPV2 Limited, Alligator Storage Centres Limited, SPV1 Limited, Alligator Birmingham Limited, Alligator Bolton Limited, Alligator Wednesbury Limited, Space Maker Trading Limited, R&M Hampson Limited, Crown Self Storage (Exeter) Limited, Crown Self Storage (Plymouth) Limited, Space Maker Stores Limited, and Salus Services Limited.

10. **INVESTMENTS - continued**

The entities listed below are subsidiaries of the company:

Access Storage Holdings (France), S.à r.l.[2]
Country of incorporation: Luxembourg
Nature of business: Holding company

Class of shares:	% holding
Ordinary	100.00

Assay Services Limited[3, 8]
Country of incorporation: Guernsey
Nature of business: Insurance services

Class of shares:	% holding
Ordinary	100.00

Compagnie de Libre Entreposage France SAS[4, 10]
Country of incorporation: France
Nature of business: Holding company

Class of shares:	% holding
Ordinary	100.00

Mentmore Limited*[1]
Country of incorporation: England & Wales
Nature of business: Holding company

Class of shares:	% holding
Ordinary	100.00

Safestore Limited*[1]
Country of incorporation: England & Wales
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00

Safestore Trading Limited[1]
Country of incorporation: England & Wales
Nature of business: Non-trading

Class of shares:	% holding
Ordinary	100.00

Safestore Properties Limited*[1]
Country of incorporation: England & Wales
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00
Deferred	100.00

Spaces Personal Storage Limited*[1]
Country of incorporation: England & Wales
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00

10. **INVESTMENTS - continued**

Une Pièce en Plus SAS[4]
Country of incorporation: France
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00

Fortbox Self Storage Limited*[5, 9]
Country of incorporation: England & Wales
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00

Fort Box Limited[5, 9]
Country of incorporation: England & Wales
Nature of business: Non-trading

Class of shares:	% holding
Ordinary	100.00

USIFB Storage Company Limited[5, 9]
Country of incorporation: England & Wales
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00

Walnut Tree Self Storage Limited*[5, 8]
Country of incorporation: England & Wales
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00

OMB Self Storage S.L.U. *[6]
Country of incorporation: Spain
Nature of business: Provision of self-storage facilities

Class of shares:	% holding
Ordinary	100.00

Safestore Netherlands B.V. *[7]
Country of incorporation: Netherlands
Nature of business: Holding company

Class of shares:	% holding
Ordinary	100.00

* Owned directly by the company.
1 Registered address: Brittanic House, Stirling Way, Borehamwood, WD6 2BT United Kingdom.
2 Registered address: 412Fm route d'Esch, L-0286 Luxembourg.
3 Registered address: St Martin's House, Le Bordage, St Peter Port, Guernsey. 99.9996% is owned by the Company.
4 Registered address: 1, rue Francois Jacob, 92500 Rueil Malmaison, France.
5 Registered address: 1st Floor 2 Chamberlain Square, Birmingham, B3 2RT United Kingdom.
6 Registered address: Calle Marina 153, 08013 Barcelona, Spain.
7 Registered address: Herikerbergweg 88, 1101CM Amsterdam, 1077ZX Amsterdam, Netherlands.
8 Companies that are being liquidated.
9 Companies liquidated 9 March 2022.
10 Compagnie de Libre Entreposage France SAS also has 24.9% ownership of PBC Les Groues SAS, an entity incorporated and operating in France, which acts as the holding company for this joint venture.

Safestore Acquisition Limited also has 20% ownership CERF Storage JV B.V, an entity incorporated and operating in the Netherlands.

11. LOANS TO GROUP UNDERTAKINGS

	2021 £'000	Restated 2020 £'000
Loans to group undertakings	**414,977**	348,188

Amounts owed by all UK undertakings are unsecured and repayable on demand; however, the Directors consider it unlikely that repayment will arise in the short term and balances owed by group undertakings are intended for continuous use and are used to meet the financing requirements of the borrower with no realistic repayment in the near future. It is for this reason that the amounts are classified as fixed assets (note 17). Amounts owed by OMB Self Storage SL of £20.1 million (2020: £7.2 million) are unsecured, attract interest at 1.3% per annum with scheduled repayments all expected to be repaid within five years, of which £0.6 million (2020: £0.6 million) receivable within 12 months (see note 12).

12. DEBTORS

	2021 £'000	Restated 2020 £'000
Amounts falling due within one year:		
Other debtors	**7**	-
Amounts owed by group undertakings	**564**	1,952
	571	1,952
Amounts falling due after more than one year:		
Amounts owed by investments in associates	**2,672**	1,902
	2,672	1,902
Aggregate amounts	**3,243**	3,854

Amounts owed by OMB Self Storage SL of £0.6 million (2020: £0.6 million) are unsecured, attract interest at 1.3% per annum with scheduled repayments all expected to be repaid within five years. Amounts owed by investments in associates are unsecured, attract interest at 5.0% per annum and are repayable after more than five years. See note 17 for further details regarding the restatement of the 2020 balance.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	Restated 2020 £'000
Trade creditors	**-**	10
Accrued expenses	**19**	31
Amounts owed to group undertakings	**244,299**	165,047
	244,318	165,088

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. The Directors have received assurance that repayment of amounts owed to group undertakings will not arise in the short term. See note 17 for further details regarding the restatement of the 2020 balance.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
247,728,300	Ordinary	0.0001p	**-**	-

15. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Safestore Group Limited. The ultimate parent company and controlling party is Safestore Holdings plc which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Safestore Holdings plc financial statements can be obtained from the company's registered office at Brittanic House, Stirling Way, Borehamwood, Hertfordshire, WD6 2BT United Kingdom.

16. CONTINGENT LIABILITIES

As part of the group banking arrangements, the company has guaranteed the borrowings totalling £486.5 million (2020: £456.0 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.

17. PRIOR YEAR ADJUSTMENT

Reclassification of assets – The company has previously treated amounts owed by group undertakings which are repayable on demand, as debtors due after more than one year; however, these amounts should have been classified as fixed assets as defined in Schedule 10 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as the Directors consider it unlikely that repayment will arise in the short term and balances owed by group undertakings are intended for continuous use and are used to meet the financing requirements of the borrower with no realistic repayment expected in the near future. Such loans are, in effect, investments intended for use on a continuing basis in the lender company's activities and should therefore be classified as fixed assets.

This reclassification therefore resulted in the restatement of the balance as at 31 October 2020 of £348.2 million, for amounts owed by group undertakings from debtors due after more than one year to fixed assets as loans to group undertakings, with no impact to gross or net assets previously disclosed. There has been no impact to opening reserves or prior profit/(loss) for the periods.

Reclassification of liabilities – The company has previously treated amounts owed to group undertakings which are repayable on demand, as creditors due after more than one year; however, these amounts should have been classified as creditors due within one year. Per Schedule 10 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, liabilities where the Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period, should be classified as current liabilities.

This reclassification therefore resulted in the restatement of the balance as at 31 October 2020 of £165.0 million, for amounts owed to group undertakings from creditors due after more than one year to creditors due within one year, with no impact to gross or net assets previously disclosed. There has been no impact to opening reserves or prior profit/(loss) for the periods.

18. POST BALANCE SHEET EVENTS

On 7 December 2021, the company completed the acquisition of Your Room Self Storage Limited for c£2.8 million (debt and equity), which includes a freehold store located in Christchurch, Dorset. This property was subsequently transferred to Safestore Properties Limited on 7 December 2021, as part of the post acquisition restructuring to achieve integration within the Safestore Holdings group of companies.

On 30 March 2022, the company completed the acquisition of the remaining 80% of the equity of CERF Storage JV B.V., a joint venture formed in 2019 which it already had a 20% investment for c€135.3 million (debt and equity). The portfolio is made of twelve freehold properties, two ground leases and one leasehold property. Nine properties are located in the Netherlands and six properties are located in Belgium.