1. GENERAL INFORMATION

Big Yellow Group PLC is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 2 The Deans, Bridge Road, Bagshot, Surrey, GU19 5AT. The nature of the Group's operations and its principal activities are set out in note 4 and in the Strategic Report on pages 14 to 32.

These financial statements are presented in pounds sterling because that is the currency of the economic environment in which the Group operates.

2. SIGNIFICANT ACCOUNTING POLICIES

Adoption of new and revised standards

The following new and revised Standards and Interpretations have been adopted in the current year:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 19 Employee Benefits
- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
- Amendments to IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities
- Annual Improvements 2009-2011 Cycle
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- Amendments to IAS 32 Offsetting Financial Assets and Financial
- Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

With the exception of IFRS 13, their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

Under IFRS 13 the Group's derivative financial instruments are now subject to a credit value adjustment ("CVA"). The CVA takes into account the credit worthiness of the respective counterparties.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 2 Share-based Payment Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition')
- IFRS 3 Business Combinations Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration)
- IFRS 3 Business Combinations Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures)
- IFRS 7 Financial Instruments: Disclosures Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures
- IFRS 8 Operating Segments Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets)
- IFRS 9 Financial Instruments Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures
- IFRS 13 Fair Value Measurement Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)
- IAS 16 Property, Plant and Equipment Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)
- IAS 19 Employee Benefits Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service
- IAS 24 Related Party Disclosures Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)
- IAS 32 Financial Instruments: Presentation Amendments relating to the offsetting of assets and liabilities
- IAS 36 Impairment of Assets Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets
- IAS 38 Intangible Assets Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)
- IAS 40 Investment Property Amendments resulting from Annual Improvements 2011-2013 Cycle (interrelationship between IFRS 3 and IAS 40)

We do not expect there to be a material impact from the adoption of these standards.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting

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

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted, which have been applied consistently to the results, other gains and losses, assets, liabilities and cash flows of entities included in the consolidated financial statements in the current and preceding year, are set out below:

Going concern

A review of the Group's business activities, together with the factors likely to affect its future development, performance and position are set out on in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are shown in the balance sheet, cash flow statement and accompanying notes to the financial statements. Further information concerning the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk can be found in the Strategic Report and in the notes to the financial statements.

After reviewing Group and Company cash balances, borrowing facilities, forecast valuation movements and projected cash flows, the Directors believe that the Group and Company have adequate resources to continue operations for the foreseeable future. In reaching this conclusion the Directors have had regard to the Group's operating plan and budget for the year ended 31 March 2015 and projections contained in the longer term business plan which covers the period to March 2019. The Directors have considered carefully the Group's trading performance and cash flows as a result of the uncertain global economic environment and the other principal risks to the Group's performance, and are satisfied with the Group's positioning. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 March each year. Control is achieved where the Company has the power to direct the relevant activities of an investee entity so as to obtain benefits from its activities.

The Group accounts consolidate the accounts of Big Yellow Group PLC and all of its subsidiaries at the year end using acquisition accounting principles. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the business combination are recognised in the income statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at the lower of their carrying amount and fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of comprehensive income.

Investment in subsidiaries

These are recognised at cost less provision for any impairment.

Investment in associates

An associate is an entity over which the Group 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 except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed. The goodwill in the balance sheet has an indefinite useful economic life.

Revenue recognition

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

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

Management fees earned are recognised on a straight-line basis over the period for which the services are provided.

Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

Borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Premiums payable on settlement or redemption and direct issue costs are accounted for on an accruals basis in the statement of comprehensive income using the effective interest rate method and are added to the carrying value amount of the instrument to the extent that they are not settled in the period in which they arise.

Finance costs

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

Operating profit

Operating profit is stated after gains and losses on surplus land, movements on the revaluation of investment properties and before the share of results of associates, investment income and finance costs.

Taxation

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant, equipment and owner occupied property

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

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

Freehold property	50 years
Leasehold improvements	Over period of the lease
Plant and machinery	10 years
Motor vehicles	4 years
Fixtures and fittings	5 years
Computer equipment	3 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Investment property

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

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

Leasehold properties that are leased under operating leases are classified as investment properties and included in the balance sheet at fair value. The obligation to the lessor for the buildings element of the leasehold is included in the balance sheet at the present value of the minimum lease payments at inception, and is shown within note 21. Lease payments are apportioned between finance charges and a reduction of the outstanding lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Investment property under construction

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

Gains or losses arising from the changes in fair value of investment property under construction are included in the statement of comprehensive income in the period in which they arise.

Surplus land

Surplus land, which can include assets held for development and future sale, is recognised at the lower of cost and net realisable value. Any gains and losses on surplus land are recognised through the statement of comprehensive income.

Impairment of assets

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

Inventories

Inventories, representing the cost of packing materials, are stated at the lower of cost and net realisable value.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

A – Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of interest rates. The Group uses interest rate swap contracts to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. The policy in respect of interest rates is to maintain a balance between flexibility and the hedging of interest rate risk.

Derivatives are initially recognised at fair value and are subsequently reviewed at each balance sheet date. The fair value of interest rate derivatives at the reporting date is determined by discounting the future cash flows using the forward curves at the reporting date and the credit risk inherent in the contract.

Changes in the fair value of derivative financial instruments are recognised in the statement of comprehensive income as they arise. The Group has not adopted hedge accounting. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the statement of comprehensive income.

B – Loans and receivables

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

C – Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

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

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

D – Cash and cash equivalents

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

E – Financial liabilities and equity

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

F – Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

G – Trade payables

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

Retirement benefit costs

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

Share-based payments

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

Fair value is measured by use of the Black-Scholes model and excludes the effect of non-market based vesting conditions. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recovered in profit and loss such that the cumulative expenses reflects the revised estimate with a corresponding adjustment to equity reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting estimates and judgements

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

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

a) Estimate of fair value of Investment Properties and Investment Property Under Construction

The Group's self storage centres and stores under development are valued using a discounted cash flow methodology which is based on projections of net operating income. The Group employs expert external valuers, Cushman & Wakefield LLP, who report on the values of the Group's stores on a biannual basis. Principal assumptions underlying the estimation of the fair value are those related to: stabilised occupancy levels; the absorption period to these stabilised levels; expected future growth in storage rents and operating costs; maintenance requirements; capitalisation rates and discount rates. A more detailed explanation of the background and methodology adopted in the valuation of the Group's investment properties is set out in note 14 to the accounts.

b) Capital Goods Scheme receivable

The Group has a receivable in respect of amounts due back from HMRC under the Capital Goods Scheme following the imposition of VAT on self storage from 1 October 2012. The amount recognised has been calculated in accordance with the relevant legislation, but is subject to confirmation by HMRC. The amount is payable over up to ten years and has been discounted at the Group's average cost of debt.

3. REVENUE

Analysis of the Group's operating revenue can be found below and in the Portfolio Summary on page 20.

	2014 £000	2013 £000
Open stores		
Self storage income	**59,994**	58,112
Other storage related income	**10,475**	9,996
Ancillary store rental income	**237**	226
	70,706	68,334
Other revenue		
Non-storage income	**420**	298
Fees earned from Big Yellow Limited Partnership	**640**	639
Other management fees earned	**430**	400
Revenue per statement of comprehensive income	**72,196**	69,671
Interest receivable on bank deposits (see note 7)	**20**	33
Total revenue per IAS 18	**72,216**	69,704

Non-storage income derives principally from rental income earned from tenants of properties awaiting development.

4. SEGMENTAL INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. Given the nature of the Group's business, there is one segment, which is the provision of self storage and related services.

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

5. PROFIT FOR THE YEAR

a) Profit for the year has been arrived at after charging/(crediting):

	2014 £000	2013 £000
Depreciation of plant, equipment and owner-occupied property	526	583
Leasehold property depreciation	974	933
Gain on the revaluation of investment property	(28,350)	(9,535)
Gains on surplus land	–	(1,039)
Cost of inventories recognised as an expense	923	908
Employee costs (see note 6)	11,075	10,947
Operating lease rentals	188	154
Auditor's remuneration for audit services (see below)	167	167

b) Analysis of auditor's remuneration:

	2014 £000	2013 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	160	160
Other services – audit of the Company's subsidiaries' annual accounts	7	7
Total audit fees	167	167
Tax services – compliance	–	32
Tax services – advisory	54	60
Other services	41	34
Real estate advice (planning)	1	11
Total non-audit fees	96	137

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

6. EMPLOYEE COSTS

The average monthly number of full-time equivalent employees (including Executive Directors) was:

	2014 Number	2013 Number
Sales	246	243
Administration	43	43
	289	286

At 31 March 2014 the total number of Group employees was 325 (2013: 319).

	2014 £000	2013 £000
Their aggregate remuneration comprised:		
Wages and salaries	8,007	7,763
Social security costs	1,275	1,472
Other pension costs	356	336
Share-based payments	1,437	1,376
	11,075	10,947

Details of Directors' Remuneration is given on pages 56 to 75.

7. INVESTMENT INCOME

	2014 £000	2013 £000
Bank interest receivable	**20**	33
Unwinding of discount on Capital Goods Scheme receivable	**395**	–
Total interest receivable	**415**	33
Fair value movement on interest rate derivatives	**2,681**	–
Total investment income	**3,096**	33

8. FINANCE COSTS

	2014 £000	2013 £000
Interest on bank borrowings	**10,768**	11,458
Capitalised interest	**(484)**	(236)
Interest on obligations under finance leases	**1,031**	1,057
Other interest payable	**–**	1
Total interest payable	**11,315**	12,280
Change in fair value of interest rate derivatives	**–**	223
Refinancing costs	**–**	4,300
Total finance costs	**11,315**	16,803

The refinancing costs in the prior year relate to the unamortised loan arrangement costs of the previous bank facility, and the write-off of the set-up costs of the new bank facility in accordance with IAS 39.

9. TAXATION

The Group converted to a REIT in January 2007. As a result the Group does not pay 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 are 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.

UK current tax	2014 £000	2013 £000
Current tax:		
– Current year	**300**	–
Deferred tax (see note 20):		
– Current year	**–**	–
	300	–

A reconciliation of the tax charge is shown below:

	2014 £000	2013 £000
Profit before tax	**59,848**	31,876
Tax charge at 23% (2013 – 24%) thereon	**13,765**	7,650
Effects of:		
Revaluation of investment properties	**(6,368)**	493
Permanent differences	**147**	(3,155)
Profits from the tax exempt business	**(6,386)**	(5,313)
Losses not utilised in the year	**–**	4,663
Utilisation of brought forward losses	**(41)**	–
Movement on other unrecognised deferred tax assets	**(817)**	(4,338)
Total tax charge	**300**	–

At 31 March 2014 the Group has unutilised tax losses of £36.5 million (2013: £37.5 million) available for offset against certain types of future taxable profits. All losses can be carried forward indefinitely.

10. ADJUSTED PROFIT BEFORE TAX AND ADJUSTED EBITDA

	2014 £000	2013 £000
Profit before tax	**59,848**	31,876
(Gain)/loss on revaluation of investment properties – wholly owned	**(28,350)**	(9,535)
– in associate	**662**	(821)
Change in fair value of interest rate derivatives – Group	**(2,681)**	223
– in associate	**(258)**	(211)
VAT implementation costs	**–**	179
Refinancing costs	**–**	4,300
Share of refinancing costs in associate	**–**	499
Gains on surplus land	**–**	(1,039)
Adjusted profit before tax	**29,221**	25,471
Net bank interest	**10,264**	11,190
Depreciation (see note 13b)	**526**	583
Adjusted EBITDA	**40,011**	37,244

Adjusted profit before tax which excludes gains and losses on the revaluation of investment properties, changes in fair value of interest rate derivatives, net gains and losses on surplus land, and non-recurring items of income and expenditure have been disclosed to give a clearer understanding of the Group's underlying trading performance. EPRA earnings are £28,921,000 for the year after the tax charge of £300,000 (2013: £25,471,000 after no tax charge).

11. DIVIDENDS

	2014 £000	2013 £000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2013 of 6.0p (2012: 5.5p) per share.	**8,384**	7,057
Interim dividend for the year ended 31 March 2014 of 8.0p (2013: 5.0p) per share.	**11,207**	6,486
	19,591	13,543
Proposed final dividend for the year ended 31 March 2014 of 8.4p (2013: 6.0p) per share.	**11,774**	8,384

Subject to approval by shareholders at the Annual General Meeting to be held on 16 July 2014, the final dividend will be paid on 24 July 2014. The ex-div date is 11 June 2014 and the record date is 13 June 2014.

The Property Income Dividend ("PID") payable for the year is 13 pence per share (2013: 8 pence per share).

12. EARNINGS AND NET ASSETS PER SHARE

	Year ended 31 March 2014			Year ended 31 March 2013		
	Earnings £m	**Shares million**	**Pence per share**	Earnings £m	Shares million	Pence per share
Basic	**59.5**	**139.9**	**42.5**	31.9	130.9	24.4
Dilutive share options	**–**	**1.2**	**(0.3)**	–	1.3	(0.3)
Diluted	**59.5**	**141.1**	**42.2**	31.9	132.2	24.1
Adjustments:						
Gain on revaluation of investment properties	**(28.3)**	**–**	**(20.1)**	(9.5)	–	(7.2)
Change in fair value of interest rate derivatives	**(2.7)**	**–**	**(1.9)**	0.2	–	0.2
Gains on surplus land	**–**	**–**	**–**	(1.0)	–	(0.8)
VAT implementation costs	**–**	**–**	**–**	0.2	–	0.1
Refinancing costs	**–**	**–**	**–**	4.3	–	3.3
Share of associate non-recurring losses/(gains)	**0.4**	**–**	**0.3**	(0.6)	–	(0.4)
EPRA – diluted	**28.9**	**141.1**	**20.5**	25.5	132.2	19.3
EPRA – basic	**28.9**	**139.9**	**20.7**	25.5	130.9	19.5

The calculation of basic earnings is based on profit after tax for the year. The weighted average number of shares used to calculate diluted earnings per share has been adjusted for the conversion of share options.

EPRA earnings and earnings per ordinary share before non-recurring items, movements on revaluation of investment properties, gains on surplus land, the change in fair value of interest rate derivatives, and share of associate non-recurring gains and losses have been disclosed to give a clearer understanding of the Group's underlying trading performance.

The European Public Real Estate Association ("EPRA") has issued recommended bases for the calculation of net assets per share information and this is shown in the table below:

	31 March 2014 £000	31 March 2013 £000
Basic net asset value	**594,064**	552,628
Exercise of share options	**483**	555
EPRA NNNAV	**594,547**	553,183
Adjustments:		
Fair value of derivatives	**2,813**	5,494
Fair value of derivatives – share of associate	**(26)**	232
EPRA NAV	**597,334**	558,909
Basic net assets per share (pence)	**423.9**	395.5
EPRA NNNAV per share (pence)	**418.5**	390.0
EPRA NAV per share (pence)	**420.5**	394.1
EPRA NAV (as above) (£000)	**597,334**	558,909
Valuation methodology assumption (see note 14) (£000)	**37,057**	35,621
Adjusted net asset value (£000)	**634,391**	594,530
Adjusted net assets per share (pence)	**446.5**	419.2

	No. of shares	No. of shares
Shares in issue	**143,061,147**	142,639,647
Own shares held in treasury	**(1,418,750)**	(1,418,750)
Own shares held in EBT	**(1,500,000)**	(1,500,000)
Basic shares in issue used for calculation	**140,142,397**	139,720,897
Exercise of share options	**1,926,527**	2,110,396
Diluted shares used for calculation	**142,068,924**	141,831,293

Net assets per share are shareholders' funds divided by the number of shares at the year end. The shares currently held in the Group's Employee Benefit Trust and in treasury are excluded from both net assets and the number of shares. Adjusted net assets per share include the effect of those shares issuable under employee share option schemes and the effect of alternative valuation methodology assumptions (see note 14).

13. NON-CURRENT ASSETS

a) Investment property, investment property under construction and interests in leasehold property

	Investment property £000	Investment property under construction £000	Interests in leasehold property £000	Total £000
At 31 March 2012	726,390	33,905	22,394	782,689
Additions	3,376	305	–	3,681
Capital Goods Scheme adjustment*	(10,629)	–	–	(10,629)
Reclassification	16,260	(16,260)	–	–
Adjustment to present value	–	–	342	342
Revaluation	10,208	(673)	–	9,535
Depreciation	–	–	(933)	(933)
At 31 March 2013	745,605	17,277	21,803	784,685
Additions	1,745	5,860	–	7,605
Capital Goods Scheme adjustment**	1,186	–	–	1,186
Transfer to surplus land	(1,330)	–	–	(1,330)
Adjustment to present value	–	–	2,985	2,985
Revaluation (see note 14)	29,184	(834)	–	28,350
Depreciation	–	–	(974)	(974)
At 31 March 2014	**776,390**	**22,303**	**23,814**	**822,507**

* The Capital Goods Scheme adjustment in the prior year includes the discounted debtor receivable of £10,346,000, and a reduction in the creditor payable of £283,000.
** The Capital Goods Scheme receivable has been reduced in the year by £1.2 million following the identification of some trapped Capital Goods Scheme recovery.

The income from self storage accommodation earned by the Group from its investment property is disclosed in note 3. Direct operating expenses, which are all applied to generating rental income, arising on the investment property in the year are disclosed in the Portfolio Summary on page 20.

Included within additions is £0.5 million of capitalised interest (2013: £0.2 million), calculated at the Group's average borrowing cost for the year of 4.5%.

55 of the Group's investment properties are pledged as security for loans, with a total external value of £770,140,000.

b) Plant, equipment and owner occupied property

	Freehold property £000	Leasehold improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings & office equipment £000	Total £000
Cost						
At 31 March 2012	1,867	44	780	25	6,308	9,024
Additions	–	–	46	–	650	696
At 31 March 2013	1,867	44	826	25	6,958	9,720
Reclassification	(9)	9	–	–	–	–
Retirement of fully depreciated assets	(15)	–	(418)	–	(5,813)	(6,246)
Additions	–	–	17	–	744	761
At 31 March 2014	**1,843**	**53**	**425**	**25**	**1,889**	**4,235**
Depreciation						
At 31 March 2012	(226)	(44)	(563)	(9)	(5,545)	(6,387)
Charge for the year	(35)	–	(46)	(6)	(496)	(583)
At 31 March 2013	(261)	(44)	(609)	(15)	(6,041)	(6,970)
Reclassification	2	(2)	–	–	–	–
Retirement of fully depreciated assets	15	–	418	–	5,813	6,246
Charge for the year	(49)	(3)	(27)	(7)	(440)	(526)
At 31 March 2014	**(293)**	**(49)**	**(218)**	**(22)**	**(668)**	**(1,250)**
Net book value						
At 31 March 2014	**1,550**	**4**	**207**	**3**	**1,221**	**2,985**
At 31 March 2013	1,606	–	217	10	917	2,750

13. NON-CURRENT ASSETS (continued)

c) Goodwill

Goodwill relates to the purchase of Big Yellow Self Storage Company Limited in 1999. The asset is tested bi-annually for impairment. The carrying value of £1,433,000 remains unchanged from the prior year as there is considered to be no impairment in the value of the asset.

d) Investment in associate

The Group has a 33.3% interest in Big Yellow Limited Partnership. This interest is accounted for as an associate, using equity accounting. The Partnership commenced trading on 1 December 2007.

	31 March 2014 £000	31 March 2013 £000
At the beginning of the year	**17,681**	15,496
Subscription for partnership capital and advances	**–**	1,567
Share of results (see below)	**180**	618
	17,861	17,681

The Group has subscribed for cumulative partnership capital and advances of £16,366,000 to 31 March 2014 (2013: £16,366,000).

The figures below show the trading results of Big Yellow Limited Partnership, and the Group's share of the results and the net assets of the Partnership.

Big Yellow Limited Partnership	**Year ended 31 March 2014 £000**	Year ended 31 March 2013 £000
Income statement (100%)		
Revenue	**9,529**	8,289
Cost of sales	**(4,846)**	(4,845)
Administrative expenses	**(112)**	(76)
Operating profit	**4,571**	3,368
(Loss)/gain on the revaluation of investment properties	**(1,985)**	2,462
Net interest payable	**(2,820)**	(3,111)
Refinancing costs	**–**	(1,497)
Fair value movement of interest rate derivatives	**774**	633
Profit before and after tax	**540**	1,855
Balance sheet (100%)		
Investment property	**108,110**	109,480
Other non-current assets	**3,588**	3,598
Current assets	**3,009**	3,422
Current liabilities	**(3,201)**	(2,759)
Derivative financial instruments	**77**	(697)
Non-current liabilities	**(58,000)**	(60,000)
Net assets (100%)	**53,583**	53,044

Group share of (33.3%)	**Year ended 31 March 2014 £000**	Year ended 31 March 2013 £000
Operating profit	**1,524**	1,122
(Loss)/gain on the revaluation of investment properties	**(662)**	821
Net interest payable	**(940)**	(1,037)
Refinancing costs	**–**	(499)
Fair value movement of interest rate derivatives	**258**	211
Profit for the year	**180**	618
Associate net assets	**17,861**	17,681

13. NON-CURRENT ASSETS (continued)

The Partnership has a £60 million bank facility with RBS and HSBC expiring in September 2016. £2 million of this facility has been voluntarily repaid and cancelled during the year, leaving drawn debt at £58 million at 31 March 2014. The loan amortises to £51.1 million by September 2016, with amortisation starting in June 2014.

The average cost of debt of the facility in the year was 5.1%. Interest rate derivatives are in place covering 50% of the drawn debt at a pre-margin cost of 1.05%. There is a margin ratchet based on the Partnership's income cover which ranges between 250 bps and 400 bps.

The Partnership loan has a loan to value covenant which requires the gross loan to the value of the Partnership's investment property assets to be no more than 55%. The loan is non-recourse to the Group.

The Group has an option to acquire the property assets within the Partnership exercisable at 31 March 2014 (subject to an IRR hurdle being achieved) and at 31 March 2015 (with no IRR hurdle). The option has been deferred at 31 March 2014, and has been assessed to have nil value at 31 March 2014. The Directors have considered the rights the option bestows on the Group and have concluded that as at 31 March 2014, the option does not allow the Group to direct the relevant activities of the Partnership and accordingly continues to account for its investment in the Partnership on an equity accounting basis.

14. VALUATION OF INVESTMENT PROPERTY

	Deemed cost £000	Revaluation on deemed cost £000	Valuation £000
Freehold stores*			
At 31 March 2013	372,190	328,315	700,505
Transfer to surplus land	(1,330)	–	(1,330)
Capital Goods Scheme adjustment	1,186	(1,186)	–
Movement in year	1,457	25,728	27,185
At 31 March 2014	**373,503**	**352,857**	**726,360**
Leasehold stores			
At 31 March 2013	15,911	29,189	45,100
Movement in year	288	4,642	4,930
At 31 March 2014	**16,199**	**33,831**	**50,030**
Total of open stores			
At 31 March 2013	388,101	357,504	745,605
Transfer to surplus land	(1,330)	–	(1,330)
Capital Goods Scheme adjustment	1,186	(1,186)	–
Movement in year	1,745	30,370	32,115
At 31 March 2014	**389,702**	**386,688**	**776,390**
Investment property under construction			
At 31 March 2013	23,782	(6,505)	17,277
Movement in year	5,860	(834)	5,026
At 31 March 2014	**29,642**	**(7,339)**	**22,303**
Valuation of all investment property			
At 31 March 2013	411,883	350,999	762,882
Transfer to surplus land	(1,330)	–	(1,330)
Capital Goods Scheme adjustment	1,186	(1,186)	–
Movement in year	7,605	29,536	37,141
At 31 March 2014	**419,344**	**379,349**	**798,693**

* Includes one long leasehold property

14. VALUATION OF INVESTMENT PROPERTY (continued)

The Group has classified the fair value investment property and the investment property under construction within Level 3 of the fair value hierarchy. There has been no transfer to or from Level 3 in the year.

The freehold and leasehold investment properties have been valued at 31 March 2014 by external valuers, Cushman & Wakefield LLP ("C&W"). The valuation has been carried out in accordance with the RICS Valuation – Professional Standards, published by The Royal Institution of Chartered Surveyors ("the Red Book"). The valuation of each of the investment properties and the investment properties under construction has been prepared on the basis of either Fair Value or Fair Value as a fully equipped operational entity, having regard to trading potential, as appropriate.

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

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

Market uncertainty

C&W's valuation report comments on valuation uncertainty resulting from low liquidity in the market for self storage property. C&W note that, although there were a number of self storage transactions in 2007, the only significant transactions since 2007 are:

1. The sale of a 51% share in Shurgard Europe which was announced in January 2008 and completed on 31 March 2008;
2. The sale of the former Keepsafe portfolio by Macquarie to Alligator Self Storage which was completed in January 2010;
3. The purchase by Shurgard Europe of the 80% interests held by its joint venture partner (Arcapita) in its two European joint venture vehicles, First Shurgard and Second Shurgard. The price paid was 172 million Euros and the transaction was announced in March 2011. The two joint ventures owned 72 self storage properties; and
4. The purchase of Selstor, Sweden, by Pelican Self Storage/M3 Capital in the fourth quarter of 2012.

There have been ten single store market transactions in the UK since 2010. C&W state that due to the lack of comparable market information in the self storage sector, there is greater uncertainty attached to their opinion of value than would be anticipated during more active market conditions.

Valuation methodology

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

Freehold and long leasehold

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

Assumptions

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

B) The net operating income in future years is calculated assuming either straight-line absorption from day one actual occupancy or variable absorption over years one to four of the cash flow period to an estimated stabilised/mature occupancy level. In the valuation the assumed stabilised occupancy level for the 54 trading stores (both freeholds and leaseholds) open at 31 March 2014 averages 81.1% (31 March 2013: 81.5%). The projected revenues and costs have been adjusted for estimated cost inflation and revenue growth. The average time assumed for the 32 established stores to trade at their maturity levels is 29 months (31 March 2013: 32 months); for the 22 lease-up stores, the period to maturity is 36 months (31 March 2013: 43 months).

C) The capitalisation rates applied to existing and future net cash flow have been estimated by reference to underlying yields for industrial and retail warehouse property, yields for other trading property types such as student housing and hotels, bank base rates, ten year money rates, inflation and the available evidence of transactions in the sector. The valuation included in the accounts assumes rental growth in future periods. If an assumption of no rental growth is applied to the external valuation, the net initial yield pre-administration expenses for the 32 established stores is 7.0% (31 March 2013: 6.8%) rising to a stabilised net yield pre-administration expenses of 7.8% (31 March 2013: 8.1%). Also on a no growth and pre-administration expenses basis the 22 lease-up stores have a net initial yield of 5.5% (31 March 2013: 4.9%) rising to 7.8% (31 March 2013: 8.4%) on stabilisation.

D) The future net cash flow projections (including revenue growth and cost inflation) have been discounted at a rate that reflects the risk associated with each asset. The weighted average annual discount rate adopted (for both freeholds and leaseholds) is 11.0% (31 March 2013: 11.2%).

E) Purchaser's costs of 5.8% (see below) have been assumed initially and sale plus purchaser's costs totalling 6.8% are assumed on the notional sales in the tenth year in relation to the freehold stores.

14. VALUATION OF INVESTMENT PROPERTY (continued)

Short leasehold

The same methodology has been used as for freeholds, except that no sale of the assets in the tenth year is assumed but the discounted cash flow is extended to the expiry of the lease. The average unexpired term of the Group's seven short leasehold properties is 16.8 years (31 March 2013: 15.7 years).

Investment properties under construction

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

Immature stores: value uncertainty

C&W have assessed the value of each property individually. However, two of the stores in the portfolio are relatively immature and have low initial cash flow. C&W have endeavoured to reflect the nature of the cash flow profile for these properties in their valuation, and the higher associated risks relating to the as yet unproven future cash flow, by adjustment to the capitalisation rates and discount rates adopted. However, immature low cash flow stores of this nature are rarely, if ever, traded individually in the market, unless as part of a distressed sale or similar situation. Although, there is more evidence of immature low cash flow stores being traded as part of a group or portfolio transaction.

Please note C&W's comments in relation to market uncertainty in the self storage sector due to the lack of comparable market transactions and information. The degree of uncertainty relating to the two immature stores is greater than in relation to the balance of the properties due to there being even less market evidence that might be available for more mature properties and portfolios.

C&W state that in practice, if an actual sale of the properties were to be contemplated then any immature low cash flow stores would normally be presented to the market for sale lotted or grouped with other more mature assets owned by the same entity, in order to alleviate the issue of negative or low short term cash flow. This approach would enhance the marketability of the group of assets and assist in achieving the best price available in the market by diluting the cash flow risk.

C&W have not adjusted their opinion of fair value to reflect such a grouping of the immature assets with other properties in the portfolio and all stores have been valued individually. However, they highlight the matter to alert the Group to the manner in which the properties might be grouped or lotted in order maximise their attractiveness to the market place.

C&W consider this approach to be a valuation assumption but not a Special Assumption, the latter being an assumption that assumes facts that differ from the actual facts existing at the valuation date – and which, if not adopted, could produce a material difference in value.

C&W have not assumed that the entire portfolio of properties owned by the entity would be sold as a single lot and the value for the whole portfolio in the context of a sale as a single lot may differ significantly (either higher or lower) from the aggregate of the individual values for each property in the portfolio, reflecting the lotting assumption described above.

Valuation assumption for purchaser's costs

The Group's investment property assets have been valued for the purposes of the financial statements after deducting notional purchaser's cost of 5.8% of gross value, being the maximum amount for notional purchaser's costs as if they were sold directly as property assets. The valuation is an asset valuation which is entirely linked to the operating performance of the business. They would have to be sold with the benefit of operational contracts, employment contracts and customer contracts, which would be very difficult to achieve except in a corporate structure.

This approach follows the logic of the valuation methodology in that the valuation is based on a capitalisation of the net operating income after allowing a deduction for operational cost and an allowance for central administration costs. Sale in a corporate structure would result in a reduction in the assumed Stamp Duty Land Tax but an increase in other transaction costs reflecting additional due diligence resulting in a reduced notional purchaser's cost of 2.75% of gross value. All the significant sized transactions that have been concluded in the UK in recent years were completed in a corporate structure. The Group therefore instructed C&W to carry out a Red Book valuation on the above basis, and this results in a higher property valuation at 31 March 2014 of £834.2 million (£35.5 million higher than the value recorded in the financial statements). The valuations in Big Yellow Limited Partnership are £4.8 million higher than the value recorded in the financial statements, of which the Group's share is £1.6 million. The sum of these is £37.1 million and translates to 26.0 pence per share. We have included this revised valuation in the adjusted diluted net asset calculation (see note 12).

15. SURPLUS LAND

	£000
At 31 March 2013	4,593
Transfer from investment property	1,330
Additions	136
At 31 March 2014	**6,059**

In the prior year a gain of £1,039,000 was recognised following the disposal of three sites.

16. TRADE AND OTHER RECEIVABLES

	31 March 2014 £000	31 March 2013 £000
Current		
Trade receivables	**2,594**	2,373
Capital Goods Scheme receivable	**1,344**	2,845
Other receivables	**384**	887
Prepayments and accrued income	**9,209**	8,345
	13,531	14,450
Non-current		
Capital Goods Scheme receivable	**7,620**	7,501

Trade receivables are net of a bad debt provision of £42,000 (2013: £45,000). The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

The Financial Review contains commentary on the Capital Goods Scheme receivable.

Trade receivables

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

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

Included in the Group's trade receivable balance are debtors with a carrying amount of £285,000 (2013: £384,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 37 days past due (2013: 34 days past due).

Ageing of past due but not impaired receivables

	2014 £000	2013 £000
1 – 30 days	**136**	299
30 – 60 days	**52**	37
60 + days	**97**	48
Total	**285**	384

The aged debtors relate principally to tenants at sites awaiting development, rather than storage customers. The majority of these amounts have been collected since the year end.

16. TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for doubtful debts

	2014 £000	2013 £000
Balance at the beginning of the year	**45**	24
Amounts provided in year	**73**	116
Amounts written off as uncollectible	**(76)**	(95)
Balance at the end of the year	**42**	45

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

Ageing of impaired trade receivables

	2014 £000	2013 £000
1 – 30 days	**–**	–
30 – 60 days	**5**	3
60 + days	**37**	42
Total	**42**	45

17. TRADE AND OTHER PAYABLES

	31 March 2014 £000	31 March 2013 £000
Current		
Trade payables	**10,758**	8,454
Other payables	**5,647**	5,445
Accruals and deferred income	**10,330**	10,500
Amounts owed to associate	**2**	2
VAT repayable under Capital Goods Scheme	**81**	20
	26,818	24,421
Non-current		
VAT repayable under Capital Goods Scheme	**–**	12

The Group has financial risk management policies in place to ensure that all payables are paid within the credit terms. The Directors consider the carrying amount of trade and other payables and accruals and deferred income approximates fair value.

The Directors estimate the fair value of the Group's VAT payable under the Capital Goods Scheme as follows:

	2014		2013	
	Carrying amount £000	Estimated fair value £000	Carrying amount £000	Estimated fair value £000
VAT payable under the Capital Goods Scheme	**81**	**81**	32	31

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

18. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group's debt facilities require 60% of total drawn debt to be fixed. The Group has complied with this during the year.

With the exception of derivative instruments which are classified as a financial liability at fair value through the profit and loss ("FVTPL"), financial liabilities are categorised under amortised cost. All financial assets are categorised as loans and receivables.

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. Derivative financial instruments are used to manage exposure to fluctuations in interest rates, but are not employed for speculative purposes.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

A. Balance sheet management

The Group's Board reviews the capital structure on an ongoing basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group seeks to have a conservative gearing ratio (the proportion of net debt to equity). The Board considers at each review the appropriateness of the current ratio in light of the above. The Board is currently satisfied with the Group's gearing ratio.

The gearing ratio at the year end is as follows:

	2014 £000	2013 £000
Debt	**(229,368)**	(238,306)
Cash and cash equivalents	**3,301**	7,850
Net debt	**(226,067)**	(230,456)
Balance sheet equity	**594,064**	552,628
Net debt to equity ratio	**38.1%**	41.7%

Debt is defined as long term and short term borrowings, as detailed in note 19, excluding finance leases and debt issue costs. Equity includes all capital and reserves of the Group attributable to equity holders of the Company. Net debt is defined as gross bank borrowings less cash and cash equivalents.

B. Debt management

The Group borrows through a senior term loan, secured on 40 self storage assets and sites, and through a 15 year loan with Aviva Commercial Finance Limited secured on a portfolio of 15 self storage assets. Borrowings are arranged to ensure an appropriate maturity profile and to maintain short term liquidity. Funding is arranged in the Group and in Big Yellow Limited Partnership through banks and financial institutions with whom the Group has a strong working relationship.

C. Interest rate risk management

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

At 31 March 2014 the Group had one interest rate derivative in place; £70 million fixed at 2.80% (excluding the margin on the underlying debt instrument) until September 2016.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The interest rate swaps settle on a monthly basis. The floating rate on the interest rate swaps is one month LIBOR. The Group will settle the difference between the fixed and floating interest rate on a net basis.

The Group does not hedge account for its interest rate swaps and states them at fair value, with changes in fair value included in the statement of comprehensive income. The gain in the statement of comprehensive income for the year on the fair value of interest rate derivatives was £2,681,000 (2013: loss of £223,000).

The fair value of the above derivatives at 31 March 2014 was a liability of £2,813,000 (2013: liability of £5,494,000).

18. FINANCIAL INSTRUMENTS (continued)

D. Interest rate sensitivity analysis

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

At 31 March 2014, it is estimated that an increase of 0.5 percentage points in interest rates would have reduced the Group's adjusted profit before tax by £315,000 (2013: reduced adjusted profit before tax by £350,000) and a decrease of 0.5 percentage points in interest rates would have increased the Group's adjusted profit before tax by £315,000 (2013: increased adjusted profit before tax by £350,000). There would have been no effect on amounts recognised directly in equity. The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings, net of interest rate swaps, at the year end.

The Group's sensitivity to interest rates has decreased during the year, following the repayment of floating rate debt from cash resources. The Board monitors closely the exposure to the floating rate element of our debt.

E. Cash management and liquidity

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 19 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

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

F. Foreign currency management

The Group does not have any foreign currency exposure.

G. Credit risk

The credit risk management policies of the Group with respect to trade receivables are discussed in note 16. The Group has no significant concentration of credit risk, with exposure spread over 42,000 customers in our stores.

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

H. Financial maturity analysis

In respect of interest-bearing financial liabilities, the following table provides a maturity analysis for individual elements.

2014 Maturity	**Total £000**	**Less than one year £000**	**One to two years £000**	**Two to five years £000**	**More than five years £000**
Debt					
Aviva mortgage	96,368	2,034	2,136	7,073	85,125
Bank loan payable at variable rate	63,000	–	–	63,000	–
Debt fixed by interest rate derivatives	70,000	–	–	70,000	–
Total	**229,368**	**2,034**	**2,136**	**140,073**	**85,125**

2013 Maturity	Total £000	Less than one year £000	One to two years £000	Two to five years £000	More than five years £000
Debt					
Aviva mortgage	98,306	1,937	2,034	6,735	87,600
Bank loan payable at variable rate	70,000	–	–	70,000	–
Debt fixed by interest rate derivatives	70,000	–	–	70,000	–
Total	238,306	1,937	2,034	146,735	87,600

18. FINANCIAL INSTRUMENTS (continued)

I. Fair values of financial instruments

The fair values of the Group's cash and short term deposits and those of other financial assets equate to their book values. Details of the Group's receivables at amortised cost are set out in note 16. The amounts are presented net of provisions for doubtful receivables, and allowances for impairment are made where appropriate. Trade and other payables, including bank borrowings, are carried at amortised cost. Finance lease liabilities are included at the fair value of their minimum lease payments. Derivatives are carried at fair value.

For those financial instruments held at valuation, the Group has categorised them into a three level fair value hierarchy based on the priority of the inputs to the valuation technique in accordance with IFRS 7. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. The fair value of the Group's outstanding interest rate derivative, as detailed in note 18C, has been estimated by calculating the present value of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined by IFRS 7. There are no financial instruments which have been categorised as Level 1 or Level 3.

J. Maturity analysis of financial liabilities

The contractual maturities based on market conditions and expected yield curves prevailing at the year end date are as follows:

2014	**Trade and other payables £000**	**Interest rate swaps £000**	**Borrowings and interest £000**	**Finance leases £000**	**Total £000**
From five to twenty years	–	–	115,534	28,355	143,889
From two to five years	–	306	155,696	6,308	162,310
From one to two years	–	1,062	12,279	1,646	14,987
Due after more than one year	–	1,368	283,509	36,309	321,186
Due within one year	26,818	1,558	12,279	1,646	42,301
Total	**26,818**	**2,926**	**295,788**	**37,955**	**363,487**

2013	Trade and other payables £000	Interest rate swaps £000	Borrowings and interest £000	Finance leases £000	Total £000
From five to twenty years	–	–	122,377	23,489	145,866
From two to five years	–	2,216	168,561	5,965	176,742
From one to two years	12	1,649	12,472	1,989	16,122
Due after more than one year	12	3,865	303,410	31,443	338,730
Due within one year	24,421	1,641	12,472	1,989	40,523
Total	24,433	5,506	315,882	33,432	379,253

K. Reconciliation of maturity analyses

The maturity analysis in note 18J shows non-discounted cash flows for all financial liabilities including interest payments. The table below reconciles the borrowings column in note 19 with the borrowings and interest column in the maturity analysis presented in note 18J.

2014	**Borrowings £000**	**Interest £000**	**Unamortised borrowing costs £000**	**Borrowings and interest £000**
From five to twenty years	85,125	29,119	1,290	115,534
From two to five years	140,073	15,623	–	155,696
From one to two years	2,136	10,143	–	12,279
Due after more than one year	227,334	54,885	1,290	283,509
Due within one year	2,034	10,245	–	12,279
Total	**229,368**	**65,130**	**1,290**	**295,788**

18. FINANCIAL INSTRUMENTS (continued)

2013	Borrowings £000	Interest £000	Unamortised borrowing costs £000	Borrowings and interest £000
From five to twenty years	87,600	33,356	1,421	122,377
From two to five years	146,735	21,826	–	168,561
From one to two years	2,034	10,438	–	12,472
Due after more than one year	236,369	65,620	1,421	303,410
Due within one year	1,937	10,535	–	12,472
Total	238,306	76,155	1,421	315,882

19. BORROWINGS

Secured borrowings at amortised cost	**31 March 2014 £000**	31 March 2013 £000
Current liabilities		
Aviva mortgage	**2,034**	1,937
Non-current liabilities		
Bank borrowings	**133,000**	140,000
Aviva mortgage	**94,334**	96,369
Unamortised loan arrangement costs	**(1,290)**	(1,421)
Total non-current borrowings	**226,044**	234,948
Total borrowings	**228,078**	236,885

The weighted average interest rate paid on the borrowings during the year was 4.5% (2013: 4.2%).

The Group has £22,000,000 in undrawn committed borrowing facilities at 31 March 2014, which expire between two and three years (2013: £15,000,000 expiring between three and four years).

In April 2012, the Group completed a £100 million 15 year fixed rate loan with Aviva Commercial Finance Limited. The loan is secured over a portfolio of 15 freehold self storage centres which were valued at £242.1 million at 29 February 2012 for the purposes of the drawdown. The annual fixed interest rate on the loan is 4.90%.

The loan amortises to £60 million over the course of the 15 years, consistent with the Group's medium term debt reduction strategy. The debt service is payable monthly based on fixed annual amounts. The loan outstanding on the fifth anniversary will be £89.8 million; £76.7 million outstanding on the tenth anniversary, with £60 million remaining at expiry in April 2027.

The Group has a £155 million 4 year bank facility with Lloyds, HSBC and Santander, expiring in September 2016. £120 million of the facility is term loan with the balance of £35 million revolving. The facilities attract a ratcheted margin over LIBOR based on interest cover. The Group is currently paying a blended 2.4% margin, the lowest margin on the ratchet, which is effective for asset income cover of greater than 3 times.

The Group was comfortably in compliance with its banking covenants at 31 March 2014, as illustrated in the table below.

Covenant	**Covenant level**	**At 31 March 2014**
Consolidated EBITDA	Minimum 1.5x	**3.96x**
Consolidated net tangible assets (less goodwill)	Minimum £250m	**£592.6 m**
Bank loan income cover	Minimum 1.75x	**5.29x**
Aviva loan interest service cover ratio	Minimum 1.5x	**2.64x**
Aviva loan debt service cover ratio	Minimum 1.2x	**1.88x**

The bank and Aviva loan income cover ratios are calculated by dividing the net operating income earned from the respective charged asset pools by the interest charged on each loan over a rolling 12 month period. The Aviva debt service covenant additionally includes the capital repayment with the interest.

19. BORROWINGS (continued)

Interest rate profile of financial liabilities

Interest rate profile of financial liabilities	Total £000	Floating rate £000	Fixed rate £000	Weighted average interest rate	Period for which the rate is fixed	Weighted average period until maturity
At 31 March 2014						
Gross financial liabilities	**229,368**	**63,000**	**166,368**	**4.5%**	**7.4 years**	**6.1 years**
At 31 March 2013						
Gross financial liabilities	238,306	70,000	168,306	4.4%	8.3 years	6.9 years

The floating rate at 31 March 2014 was paying a margin of 2.4% above one month LIBOR, the fixed rate debt was paying a weighted average margin of 2.5%. All monetary liabilities, including short term receivables and payables are denominated in sterling. The weighted average interest rate includes the effect of the Group's interest rate derivatives. The Directors have concluded that the carrying value of borrowings equates to its fair value.

Narrative disclosures on the Group's policy for financial instruments are included within the Report on Corporate Governance and in note 18.

20. DEFERRED TAX

Deferred tax assets in respect of share based payments (£0.1 million), interest rate swaps (£0.6 million), corporation tax losses (£5.3 million), capital allowances in excess of depreciation (£0.4 million) and capital losses (£2.0 million) in respect of the non-REIT taxable business have not been recognised due to uncertainty over the projected tax liabilities arising in the short term within the non-REIT taxable business.

21. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value minimum of lease payments	
	2014 £000	2013 £000	2014 £000	2013 £000
Amounts payable under finance leases:				
Within one year	**1,646**	1,989	**1,615**	1,952
Within two to five years inclusive	**7,954**	7,954	**6,973**	6,917
Greater than five years	**28,355**	23,489	**15,226**	12,934
	37,955	33,432	**23,814**	21,803
Less: future finance charges	**(14,141)**	(11,629)		
Present value of lease obligations	**23,814**	21,803		

All lease obligations are denominated in sterling. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The carrying amount of the Group's lease obligations approximates their fair value.

22. SHARE CAPITAL

	Authorised		Called up, allotted and fully paid	
	2014 £000	2013 £000	2014 £000	2013 £000
Ordinary shares of 10 pence each	**20,000**	20,000	**14,306**	14,264

Movement in issued share capital	
Number of shares at 31 March 2012	131,393,041
Exercise of share options – share option schemes	369,935
Issue of shares to Employee Benefit Trust	876,671
Placing of shares	10,000,000
Number of shares at 31 March 2013	142,639,647
Exercise of share options – share option schemes	421,500
Number of shares at 31 March 2014	**143,061,147**

The Company has one class of ordinary shares which carry no right to fixed income.

22. SHARE CAPITAL (continued)

At 31 March 2014 options in issue to Directors and employees were as follows:

Date option Granted	Option price per ordinary share	Date first exercisable	Date on which the exercise period expires	Number of ordinary shares 2014	Number of ordinary shares 2013
2 July 2003	82.5p	2 July 2006	1 July 2013	**–**	10,000
11 November 2003	96p	11 November 2006	10 November 2013	**–**	4,350
6 June 2005	nil p**	6 June 2008	5 June 2015	**–**	66,667
9 June 2006	nil p**	9 June 2009	8 June 2016	**–**	72,462
9 July 2008	nil p**	9 July 2011	8 July 2018	**7,320**	24,080
3 August 2009	nil p**	3 August 2012	2 August 2019	**5,625**	24,425
23 February 2010	255p*	1 April 2013	1 October 2013	**–**	6,985
12 July 2010	nil p **	12 July 2013	11 July 2020	**14,049**	440,072
28 February 2011	263p *	28 February 2014	29 August 2014	**24,471**	26,184
19 July 2011	nil p **	19 July 2013	19 July 2021	**485,582**	492,082
12 March 2012	240p *	1 April 2015	1 October 2015	**99,088**	111,820
11 July 2012	nil p **	11 July 2015	10 July 2022	**621,977**	626,977
12 March 2013	305.5p *	1 April 2016	1 October 2016	**38,954**	53,657
19 July 2013	nil p **	19 July 2016	19 July 2023	**514,821**	–
25 February 2014	442.6p*	1 April 2017	1 October 2017	**25,686**	–
				1,837,573	1,959,761

* SAYE (see note 23) ** LTIP (see note 23)

OWN SHARES

The own shares reserve represents the cost of shares in Big Yellow Group PLC purchased in the market, and held by the Big Yellow Group PLC Employee Benefit Trust, along with shares issued directly to the Employee Benefit Trust. 1,500,000 shares are held in the Employee Benefit Trust (2013: 1,500,000), and 1,418,750 shares are held in treasury (2013: 1,418,750).

23. SHARE-BASED PAYMENTS

The Company has four equity share-based payment arrangements, namely approved and unapproved share option schemes, an LTIP scheme, an Employee Share Save Scheme ("SAYE") and a Long Term Bonus Performance Plan. The Group recognised a total expense in the year related to equity-settled share-based payment transactions of £1,437,000 (2013: £1,376,000).

Equity-settled share option plans

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

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

On an annual basis since 2004 the Group awarded nil-paid options to senior management under the Group's Long Term Incentive Plan ("LTIP"). The awards are conditional on the achievement of challenging performance targets as described on page 60 of the Remuneration Report. The awards granted in 2004, 2005 and 2006 vested in full. The awards granted in 2007 and 2009 lapsed, and the awards granted in 2008 and 2010 partially vested.

The weighted average share price at the date of exercise for options exercised in the year was £4.50 (2013: £3.19).

23. SHARE-BASED PAYMENTS (continued)

Share option scheme "ESO"	2014 No. of options	2014 Weighted average exercise price £	2013 No. of options	2013 Weighted average exercise price £
Outstanding at beginning of year	**14,350**	**0.87**	42,413	0.85
Exercised during the year	**(14,350)**	**0.87**	(28,044)	0.89
Lapsed during the year	**–**	**–**	(19)	–
Outstanding at the end of the year	**–**	**–**	14,350	0.87
Exercisable at the end of the year	**–**	**–**	14,350	0.87

There were no options outstanding at 31 March 2014 (31 March 2013: options outstanding had a weighted average contractual life of 0.3 years).

LTIP scheme	2014 No. of options	2013 No. of options
Outstanding at beginning of year	**1,746,765**	1,547,811
Granted during the year	**514,821**	626,977
Lapsed during the year	**(213,310)**	(308,350)
Exercised during the year	**(398,902)**	(119,673)
Outstanding at the end of the year	**1,649,374**	1,746,765
Exercisable at the end of the year	**–**	187,634

The weighted average fair value of options granted during the year was £759,000 (2013: £650,000).

Options outstanding at 31 March 2014 had a weighted average contractual life of 8.2 years (2013: 7.9 years).

Employee Share Save Scheme ("SAYE")	2014 No. of options	2014 Weighted average exercise price £	2013 No. of options	2013 Weighted average exercise price £
Outstanding at beginning of year	**198,646**	**2.61**	380,675	1.86
Granted during the year	**25,686**	**3.04**	53,657	2.40
Forfeited during the year	**(27,885)**	**2.74**	(13,468)	2.98
Exercised during the year	**(8,248)**	**2.55**	(222,218)	1.41
Outstanding at the end of the year	**188,199**	**2.84**	198,646	2.61
Exercisable at the end of the year	**–**	**–**	–	–

Options outstanding at 31 March 2014 had a weighted average contractual life of 1.8 years (2013: 2.5 years).

The inputs into the Black-Scholes model are as follows:

	LTIP	SAYE
Expected volatility	22%	24%
Expected life	3 years	3 years
Risk-free rate	0.7%	0.7%
Expected dividends	4.1%	4.1%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the year prior to grant.

23. SHARE-BASED PAYMENTS (continued)

Long Term Bonus Performance Plan

The Group has a joint share ownership plan in place. This is accounted for as an equity instrument. The plan was set up in November 2012. Directors have a partial interest in 1,500,000 shares with the Group's Employee Benefit Trust. The fair value of each award is £2 subject to the vesting criteria as set out in the Directors' Remuneration Report. At 31 March 2014 the weighted average contractual life was 1.6 years.

24. CAPITAL COMMITMENTS

There were no amounts contracted but not provided in respect of the Group's properties as at 31 March 2014 (2013: no capital commitments).

25. EVENTS AFTER THE BALANCE SHEET DATE

On 16 April 2014, the Group invested £3.6 million in a new joint venture with a consortium of investors to acquire the entire share capital of HSIL Properties (Self Storage) UK Limited, which owns the 10 store Armadillo Self Storage portfolio. The Group has a 38% stake in the joint venture and has agreed a five year contract to manage the portfolio.

26. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with Big Yellow Limited Partnership

As described in note 13, the Group has a 33.3% interest in Big Yellow Limited Partnership ("the Partnership"), and entered into transactions with the Partnership during the year on normal commercial terms.

In the current year the Group earned fees from the Partnership of £640,000 (2013: £639,000). At 31 March 2014, the Partnership owed £338,000 to the Group (2013: Partnership owed £526,000 to the Group).

The remuneration of the Executive and Non-Executive Directors, who are the key management personnel of the Group, is set out below in aggregate. Further information on the remuneration of individual Directors can be found in the audited part of the Directors' Remuneration Report on pages 68 to 75.

	31 March 2014 £000	31 March 2013 £000
Short term employee benefits	**1,216**	1,184
Post-employment benefits	**92**	89
Share based payments	**633**	2,700
	1,941	3,973

Dreams plc

Steve Johnson, a Non-Executive Director of the Group was the Executive Chairman of Dreams plc until 31 October 2012. During the prior year, the Group leased a retail unit at its Eltham store to Dreams plc on normal commercial terms.

AnyJunk Limited

James Gibson is a Non-Executive Director and shareholder in AnyJunk Limited and Adrian Lee is a shareholder in AnyJunk Limited. During the year AnyJunk Limited provided waste disposal services to the Group on normal commercial terms, amounting to £32,000 (2013: £19,000).

No other related party transactions took place during the years ended 31 March 2014 and 31 March 2013.