

Notes to the Financial Statements (continued)

Year ended 31 March 2016

13. NON-CURRENT ASSETS (continued)

c) Goodwill

The 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 remains unchanged from the prior year as there is considered to be no impairment in the value of the asset.

d) Investment in associates

Armadillo

The Group has a 20% interest in Armadillo Storage Holding Company Limited ("Armadillo 1") and a 20% interest in Armadillo Storage Holding Company 2 Limited ("Armadillo 2"). Both interests are accounted for as associates, using the equity method of accounting.

	Armadillo 1		Armadillo 2	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
At the beginning of the year	3,638	–	1,934	–
Subscription for partnership capital and advances	–	3,648	–	1,789
Part disposal of Partnership interest	–	(1,728)	–	–
Share of results (see below)	718	1,807	386	145
Dividends	(183)	(89)	(87)	–
	4,173	3,638	2,233	1,934

The Group's total subscription for partnership capital and advances in Armadillo Storage Holding Company Limited is £1,920,000 and £1,789,000 in Armadillo Storage Holding Company 2 Limited.

The investment properties owned by Armadillo 1 and Armadillo 2 have been valued at 31 March 2016 by Jones Lang LaSalle.

Big Yellow Limited Partnership

At the start of the prior year the Group had a 33.3% interest in Big Yellow Limited Partnership. This interest was accounted for as an associate, using equity accounting. On 1 December 2014, the Group acquired the remaining 66.7% of the Partnership interest that it did not previously own. From this date, the Partnership is accounted for as a wholly owned subsidiary of the Group. The results up to this date are shown in the note below:

	31 March 2016 £000	31 March 2015 £000
At the beginning of the period	–	17,861
Share of results	–	1,564
Acquisition of remaining interest	–	(19,425)
At the end of the period	–	–

13. NON-CURRENT ASSETS (continued)

d) Investment in associates (continued)

The figures below show the trading results of the Armadillo Partnerships, and the Group's share of the results and the net assets of the Armadillo Partnerships.

	Armadillo Storage 1		Armadillo Storage 2	
	Year ended 31 March 2016 £000	Period from 16 April 2014 to 31 March 2015 £000	Year ended 31 March 2016 £000	Period from 3 February 2015 to 31 March 2015 £000
Income statement (100%)				
Revenue	4,829	4,321	4,139	627
Cost of sales	(2,560)	(2,258)	(1,954)	(225)
Administrative expenses	(77)	(100)	(97)	(75)
Operating profit	2,192	1,963	2,088	327
Gain on the revaluation of investment properties	2,340	10,078	1,111	1,449
Net interest payable	(514)	(504)	(688)	(183)
Acquisition costs written off	-	(467)	-	(540)
Fair value movement of interest rate derivatives	(9)	(197)	(104)	(35)
Deferred and current tax	(421)	(1,833)	(478)	(290)
Profit attributable to shareholders	3,588	9,040	1,929	728
Dividends paid	(916)	(447)	(434)	-
Retained profit	2,672	8,593	1,495	728
Balance sheet (100%)				
Investment property	32,825	30,125	24,825	23,175
Interest in leasehold properties	-	-	3,809	4,083
Other non-current assets	1,015	1,005	1,490	1,465
Current assets	888	1,132	845	1,256
Current liabilities	(1,193)	(2,151)	(1,840)	(1,812)
Derivative financial instruments	(207)	(197)	(139)	(35)
Non-current liabilities	(12,463)	(11,721)	(17,825)	(18,462)
Net assets (100%)	20,865	18,193	11,165	9,670
Group share				
Operating profit	439	471	418	65
Gain on the revaluation of investment properties	468	2,042	222	290
Net interest payable	(103)	(123)	(138)	(37)
Acquisition costs written off	-	(177)	-	(108)
Fair value movement of interest rate derivatives	(2)	(39)	(21)	(7)
Deferred and current tax	(84)	(367)	(95)	(58)
Profit attributable to shareholders	718	1,807	386	145
Dividends paid	(183)	(89)	(87)	-
Retained profit	535	1,718	299	145
Associates' net assets	4,173	3,638	2,233	1,934

The prior year balance sheet and income statement have been restated for Armadillo 2 to reflect finance lease accounting for the short leasehold property. There is no change to the prior year net assets or profit.