



**Lok'nStore Group PLC** - LOK Interim Results  
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**LOK'NSTORE GROUP PLC**  
("Lok'nStore" or "the Group")

**Lok'nStore Group Plc, the AIM listed self-storage company announces interim results for the six months to 31 January 2020**

**Good growth in the period. Robust capital structure and cash flow will help protect the business during this period of economic turbulence. Increased dividend.**

**Highlights:**

**Strong trading**

- Group Revenue (continued operations<sup>1</sup>) £8.97 million up 5.3% (31.1.2019: £8.51 million)
- Group Adjusted EBITDA<sup>2</sup> £4.72 million up 6.4% (31.1.2019: £4.44 million)

**Cash flow growth supports interim dividend increase**

- Cash available for Distribution (CAD)<sup>4</sup> £2.92 million up 4.8% (31.1.2019: £2.78 million)
- Interim dividend 4 pence per share up 9% (31.1.2019: 3.67 pence per share)

**Steady increase in asset value**

- Adjusted Net Asset Value (NAV) per share<sup>6</sup> up 10.1% to £5.32 (31.1.2019: £4.83) (31.7.2019: £5.31 million)
- Adjusted Total assets<sup>5</sup> £213.9 million up 6.4% (31.1.2019: £201.1 million) (31.7.2019: £214.0 million)

**Secure balance sheet**

- Net debt £31.9 million (31.1.2019: £31.2 million) (31.7.2019: £29.3 million)
- Loan to value ratio<sup>7</sup> 17.2% (31.1.2019: 18.3%) (31.7.2019: 16.1%)
- Average cost of debt 2.21% (31.1.2019: 2.13%) (31.7.2019: 2.11%)
- Capital expenditure £4.7 million (31.1.2019: £8.8 million) (31.7.2019: £15.1 million)
- Cash and committed undrawn credit facilities of £43.0 million

**Consistent performance of self-storage business**

- Adjusted Store EBITDA<sup>9</sup> £4.79 million up 5.5% LFL<sup>13</sup> (31.1.2019: £4.66 million)
- Unit Occupancy up 7.9%
- Occupied units pricing flat

**Healthy pipeline of new landmark stores<sup>8</sup>**

- New managed store opened in Gloucester (post period-end on 22 February 2020)
- 3 new sites acquired in Chester, Salford and Oldbury
- Site sharing agreement signed with Lidl for new Cheshunt store
- Flexible capital expenditure model can respond to economic circumstances

**Coronavirus update - post period-end**

As at the date of this Report:

- All stores remain open while maintaining social distancing measures
- Servicing many customers in essential services
- Paying all colleagues as normal - minimal use of government furlough scheme
- Trading to date resilient
- £11m cash at period-end increased to £14.0 million at the date of this report
- March self-storage revenue up 8.5% y-y

**Commenting on the Group's results, Andrew Jacobs CEO of Lok'nStore Group said,**

"Despite the current deeply unsettled circumstances Lok'nStore has a resilient business model and a flexible and conservative debt structure. Our results for the first half of the financial year are robust. We have created a strong platform with revenue, cash flow and asset values all moving ahead and we are raising the interim dividend by 9.0% to 4 pence per share. We continued to bolster our new store pipeline to 16 sites which will significantly increase operating space over the coming years.

"With a strong balance sheet and low gearing helped by capital recycling, we will adjust to the current turbulence caused by the pandemic and when the economy stabilises we will continue to build more landmark stores in an under-supplied market leading to an exciting period of growth. This positions the Group well for the future".

"Our long term objective is to open more landmark stores while remaining conservatively geared delivering sustainable growth and consistently increasing dividends."

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## Notes - What we mean when we say ... (and why we use these key performance indicators (KPIs))

- 1. Continuing Operations** - The Group's document storage business was sold on 31 January 2019 and its disposal constitutes a discontinued operation. Separate reporting of discontinued operations is important in providing users of financial statements with the information necessary to determine the effects of a disposal on the ongoing continuing operations of our business. To ensure a clear separation of the financial performance of Continuing Operations, Discontinued Operations are shown separately on the Statement of Comprehensive Income as a profit on disposal (after tax) which combines operating profit with the profit arising on its disposal. The profit on discontinued operations is then aggregated with profit on continuing operations in determining the Group's total net profit.
- 2. Group Adjusted EBITDA - Earnings before interest, tax, depreciation and amortisation** - This measure strips away non-cash charges, finance charges and tax and now also reflects the removal of operating lease costs from operating expenses as a result of the implementation of IFRS 16. Adjusted EBITDA is defined as EBITDA before losses or profits on disposal, share-based payments, acquisition costs, exceptional items, finance income, finance costs and taxation.
- 3. Exceptional Items** - refers to one-off items of a non-operational nature which arose during the year, often relating to asset disposals, and are unlikely to be recurring. (Refer Note 3(c) of the Interim Financial Statements).
- 4. CAD - Cash Available for Distribution** - is calculated as Adjusted EBITDA less total net finance cost, less capitalised maintenance expenses, New Works Team costs and current tax. This measure is designed to give clarity to the capacity of the business to generate ongoing net operating cash that can be used to pay dividends to shareholders or pay down debt. The calculation of the Cash available for Distribution is set out in the Business and Financial Review on page 15.
- 5. Adjusted Total Assets** - The value of adjusted total assets of £213.9 million (31.01.2019: £201.1 million) (31.07.2019: £214.0 million) is calculated by adding the independent valuation of the leasehold properties of £18.7 million (31.01.2019: £18.2 million) (31.07.2019: £18.7 million) less their corresponding net book value (NBV) £3.8 million (31.01.2019: £3.8 million) (31.07.2019: £4.0 million) to the total assets in the Statement of Financial Position of £199.0 million (31.01.2019: £186.7 million) (31.07.2019: £199.3 million). This provides clarity on the significant value of the leasehold stores as trading businesses which under accounting rules on operating leases are only presented at their book values within the Statement of Financial Position. Total assets now include the Right of Use Assets as a result of the implementation of IFRS16 of £11.75 million. The comparative periods have been adjusted accordingly (31.1.1019: £12.97 million) (31.07.2019: £12.36 million).
- 6. NAV - Net Asset Value per share** - Adjusted net asset value per share is the net assets adjusted for the valuation of leasehold stores (properties held under operating leases) and deferred tax divided by the number of shares at the year-end. The shares held in the Group's employee benefits trust and treasury shares are excluded from the number of shares. The calculation of the Net Asset Value per share is set out in the Business and Financial Review on page 17.
- 7. LTV - Loan to Value Ratio** - measures the debt of the business expressed as a percentage of total property assets giving a perspective on the gearing of the business. The calculation is based on net debt (excluding IFRS 16 lease liabilities) of £31.9 million as set out in note 15 (31.01.2019: £31.2 million) (31.07.2019: £29.3 million) as a percentage of the total properties independently valued by JLL and including development land assets totalling £185.6 million (31.01.2019: £170.0 million) (31.07.2019: £181.2 million) as set out in the Business and Financial Review on page 12.
- 8. Pipeline Sites** - means sites for new stores that we have either exchanged contracts on or have agreed heads of terms and are progressing with our lawyers towards completion. We now have 16 pipeline sites of which 11 are contracted and 5 are currently with lawyers.
- 9. Adjusted Store EBITDA** is Group Adjusted EBITDA (see 2 above) before the deduction of central and head office costs. Unlike Group Adjusted EBITDA this measure excludes the impact of IFRS16 and includes leasing charges as normal operating costs of each store. The measure is designed to give clarity on the recurring operating cash flow of the business and provides important information on the underlying performance of the trading stores and shows the cash generating core of the business. Use of this metric enables us to provide additional information on store EBITDA contributions (after leasing costs) and the margins analysed between freehold and leasehold stores and according to the age of the stores. This analysis is set out in a table in the Business and Financial Review on page 9.
- 10. Gearing** - refers to the level of a company's debt related to its [equity](#) capital, usually expressed in percentage form. It is a measure of a company's financial [leverage](#) and shows the extent to which its operations are funded by [lenders](#) versus shareholders. Gearing can be measured by a number of ratios and we use the debt-to-equity ratio in this document. The calculation of the gearing percentage, also referred to as the net debt to equity ratio is set out in Note 15 of the Interim Financial Statements.
- 11. Group Adjusted EBITDAR** - EBITDAR is Earnings before interest, tax, depreciation amortisation and rent. The measure is designed to give clarity on the effect of the rent payable by leasehold stores and how its elimination enables an analytical comparison between freehold stores operating performance (which do not pay rent) and leasehold stores operating performance. This analysis is set out in a table in the Business and Financial Review on page 10.
- 12. Cost Ratio** - calculates the ratio of the total operating costs of the business as set out on page 13 of the Business and Financial Review, expressed as a percentage of total group revenue (note 2), giving a perspective on the cost efficiency of the business when compared to the cost ratio of the previous year.
- 13. LFL- Like for Like** - This measure is used to give transparency on improvements in the operating business unrelated to the opening of new stores or closure of old stores therefore giving visibility of the true trading picture. The like for like key performance measure is only used where its use is particularly relevant to illustrate a performance metric not otherwise apparent.

See also the glossary on page •

## Chairman's Statement

Before I address the current situation regarding the Covid 19 virus I want to report to you on the excellent first half of the financial year to 31 January 2020. I will return to the current unsettled situation at the end of my statement.

The first half-year results can be summarised as:

- **Strong operating performance resulting in turnover and adjusted EBITDA profit growth**
- **Increase in pipeline to 16 stores**
- **Growing asset value**
- **Increased dividend**
- **Continuing to invest in our landmark store opening programme**

This is a solid set of results with Lok'nStore continuing to deliver on our commitment to sustainable growth.

The detail behind these results is discussed further in our Business and Financial Review on pages 9 to 18.

The continued investor interest in this sector together with the corresponding market transactions of self-storage stores underpins the Board's confidence in the value of our assets.

#### **Increased Dividend**

Lok'nStore's dividend payments to shareholders reflect the growth in the underlying cash generated from operations as reflected in the cash available for distribution (CAD) which is up 4.8% period to period.

At interim stage we will pay one third of the previous year's total annual dividend which equates to 4 pence per share, up 9% on the 3.67 pence per share interim dividend last year. The increase in the interim dividend follows a consistent pattern of dividend growth reflecting the sustained growth of the Group. The interim dividend will be paid on 12 June 2020 to shareholders on the register on 11 May 2020. The ex-dividend date will be 7 May 2020. The final deadline for Dividend Reinvestment Election by investors is 22 May 2020. The final dividend will be declared when the Group's full year results are announced in late October 2020.

Clearly the dividend is well covered by the cash available for distribution. In addition, the Company has cash reserves that could be used in support of the dividend for some considerable time going forward.

#### **IFRS 16**

The Group has applied IFRS 16 for the first time in this period. IFRS 16 introduces new requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a corresponding lease liability in the Statement of Financial Position.

The prior period financial comparatives contained within these statements have been restated to reflect the first-time adoption of IFRS 16 which changes previously reported EBITDA, interest and depreciation numbers in the Statement of Comprehensive Income. Further details of these restatements can be found in note 1.

Lok'nStore will continue to report on CAD which aims to look through the statutory accounts and give a clear picture of the ongoing ability of the Company to generate positive cash flow from the operating business that can be used to pay dividends or pay down debt. As mentioned above this was up 4.8% period to period.

#### **Investment in our stores**

In the previous financial year, we completed the strategic disposal of our document storage business generating £7.64 million in cash (gross) while the sale and manage back of our Crayford store generated a further £7.42 million in cash. These proceeds are being reinvested back into our pipeline of new faster growth landmark stores.

While we invested £4.7 million in sites and store development in this period, as a result of this recycling of capital we are able to report a period end loan-to-value (LTV) ratio of only 17.2% (31.1.2019: 18.3%) (31.7.2019: 16.1%) and net debt of only £31.9 million (31.1.2019: £31.2 million) (31.7.2019: £29.3 million).

The Group is still finding high quality sites for new landmark stores. Our store development programme has led to an increase in new and purpose built space to 59% of our owned portfolio and will rise to 67% following development of our Current Pipeline<sup>8</sup>. Trading at our new stores has been reassuring and this underpins our confidence that our strong secured pipeline of eleven more landmark stores will add further momentum to sales and earnings growth. They will add 39.5% more trading space to our owned portfolio. The timing of these developments will become clearer as the situation with the pandemic evolves.

#### **Managed Stores**

Our growth strategy includes increasing the number of stores we manage for third party owners. This enables the Company to earn revenue without having to commit our capital, to amortise fixed central costs over a wider operating base and drive further traffic to our website which benefits our entire operation. We generated managed store income of £393,459 this period, up 2% from the previous period. Second half income will be stronger due to additional fees from store opening and planning success.

Managed store income is generated from our existing platform and central management, resulting in an effective margin from this activity of 100%. Our current pipeline includes an additional 3 managed stores which will take the total number of managed stores to 14.

#### **Committed People**

We rely on the dedication of our people to deliver these impressive results and even more so now in these difficult circumstances. During the Covid-19 pandemic the dedication of our colleagues has shone through more than ever, allowing us to support our customers during this unprecedented period.

We will continue to invest in training to develop and deepen their skills. We have reviewed our pay levels to ensure that all of our employees are paid fairly and we continue to promote equity ownership to our colleagues via our Share Investment Plan and the granting of options.

We do this because it makes business sense and directly contributes to our strategic and operational objectives which are to:

- Steadily increase cash available for distribution (CAD) per share enabling a predictable growth of the dividend from a strong asset base with conservative levels of debt
- Fill existing stores and improve pricing
- Acquire more sites to build new landmark stores
- Increase the number of stores we manage for third parties

#### **Coronavirus update - post period end**

After the period end on 11 March 2020 the World Health Organization declared a global pandemic which has radically altered the business landscape. The Board outlines below the likely effect on the Lok'nStore Group.

#### **Health and Safety of the Lok'nStore team and our Customers**

At Lok'nStore the health and safety of our customers and colleagues is our principal priority. To date the majority of our team members have remained well. Of the small number of colleagues who have self-isolated because either they or someone they live with have shown symptoms, all have recovered and are back at work. No colleagues have been hospitalised.

#### **Providing an important service to our Customers**

Many of our customers are providing critical services distributing medical and other essential supplies. We include the NHS, GP surgeries, care and home support services and government departments amongst our customers and we are proud to serve them at this difficult time.

Storage, logistics and transport are important parts of the distribution network and as such have not been selected for closure by the Government. Events are unfolding at a rapid pace but our objective is to keep our stores open so that our business customers in particular can continue to operate. All of our stores remain open at time of writing.

#### **Measures taken**

We have taken note of the Self-Storage Association guidelines. Existing customers are still able to access their storage during our temporarily reduced opening hours without any face to face contact with our team members. Customers can still communicate with our friendly teams by telephone, email or live chat. New customers can access our reception area one at a time to ensure strict social distancing guidelines are followed.

Most of our team members come to our stores by car, by bike or walking. For the small number of colleagues who rely on public transport we have worked with them to find alternative methods. We are continuing to pay our team members and directors as normal with minimal use of the government furlough scheme. To date only 8 out of 150 staff have been furloughed.

Self-Storage is a service business but our facilities are not used intensively. Customer footfall is always comparatively low and our stores have few people in them at any given time, even under normal circumstances.

We remain vigilant with our daily cleaning programme and our staff have intensified cleaning of the most commonly touched areas and of shared equipment such as trolleys.

We are in regular communication with our store colleagues, updating them on the latest advice from Public Health England and the Government. We have also put in place contingency plans around reduced staffing levels to cope with increased absences as a result of self isolation or illness.

#### **Recent trading**

We have seen some new business customers move in, but this has been modestly outweighed by some businesses directly affected by the closures choosing to move out. We do expect trading to soften as move-ins have tailed off but this will only impact our numbers in the fourth quarter of our financial year. Given the levels of distress in the economy and the uncertainty surrounding what is a fast-moving situation it is too early to make judgements about future trading until we have more visibility.

Where a customer has approached us with a short-term financial burden, we have worked with them to find a mutual solution. To further support our customers from the 20<sup>th</sup> March 2020 no new storage rate reviews will be issued to customers until further notice.

#### **Robust Capital structure, and cash flow**

At 31 January 2020 the Group had cash balances of £11.0 million, which has since increased to £14.0m at the date of this Report. The Group has a £75 million five year revolving credit facility which runs until April 2024. This provides sufficient liquidity for the Group's current needs. Undrawn committed facilities at the period-end amounted to £32.0 million. The Group is not obliged to make any repayments prior to its expiration in April 2024.

Cash inflow from operating activities before investing and financing activities was £6.2 million in the six months to 31 January 2020, and as of March 2020 we continue to trade cash positively. March self-storage turnover was up 8.5% y-y. Despite the challenges of the Covid-19 pandemic the Group has a resilient business model strong cash flows and a flexible and conservative debt structure and is able to continue to trade effectively through this period.

#### **Debt, IFRS 16 and bank covenants**

The average cost of bank debt on drawn facilities for the period was 2.2%. All of the Group's total drawn bank debt of £43.0 million is unhedged, which means we have benefited immediately from the recent reductions in base lending rate. Following these reductions, the Group's all-in cost of debt is running at 1.74% with effect from April 2020, an annualised cash saving of approximately £200,000.

The net effect is that proforma interest cover based on the current quarter is in excess of 7 times. The Group banking covenants are set at 2.5 times. At the period end our loan-to-value ratio based on net bank debt was 17.2% versus a covenant of 60% providing a large cushion against any potential falls in the valuation of the portfolio.

Both the Loan to Value and Senior Interest covenants continue to be tested excluding the effects of IFRS 16.

For this purpose, debt / LTV will continue to exclude Right of Use Assets and corresponding lease liabilities created by IFRS 16. Operating lease costs will continue to be a deduction in the calculation of EBITDA, in accordance with the accounting principles in force prior to 1 January 2019, when testing the Senior Interest covenant.

#### **Capital Expenditure**

Self-storage benefits from the short lead time between breaking ground and store opening of only around 12 months. Despite our expanding pipeline of new stores, we are only on site in two locations and we have high degree of flexibility regarding start dates for further building. The government is encouraging the construction industry to keep working so we are continuing to build at the two sites which are nearing completion in Leicester and Oldbury with a view to them being opened within the next few months. We recognise that this may change should we encounter supply issues with materials. The capital cost to complete these two stores is approximately £1.9 million.

We are also committed to the purchase and fit-out of the new store in Salford for an outlay of around £6.9 million. Subject to planning we will also purchase land in Warrington and Chester for £4.7 million. Our project in Cheshunt requires an additional net expenditure of £1m also subject to planning. Therefore, total anticipated capital expenditure amounts to a maximum of £14.5 million which compares favourably to cash and committed undrawn credit facilities of £43.5 million.

All further capital expenditure is entirely discretionary providing a high degree of optionality. We remain committed to the acquisition of our pipeline of new Landmark sites but will only proceed with future construction when the economic picture is much clearer.

#### **Dividend**

In the previous financial year CAD per share was 18.95 pence compared with a dividend level of 12 pence per share. In the interim reporting period the cash available for distribution (CAD) amounted to £2.92 million versus the cash cost of the interim dividend of £1.2 million so there is a comfortable cushion of headroom. In addition to which we have ample liquid resources with which to meet the distribution.

In the light of the Coronavirus pandemic we have undertaken a rigorous and thorough analysis of the business incorporating stress testing based on the current trading performance since the lock down began as well as the Group's experience during the financial crisis of 2008. Even in scenarios where the Company takes no mitigating measures, the output of this process shows the business to be able to continue operating with more than sufficient liquidity and covenant compliance for the foreseeable future.

Whilst acknowledging that the after-effects of the Covid-19 pandemic may prove to be very different to those experienced after the global financial crisis, the Board is confident in the strength of the business and capacity of the management team to trade effectively through this period, and accordingly has felt it appropriate to continue to pursue the Group's progressive dividend policy. Accordingly, we will be paying the interim dividend of 4 pence, an increase of 9% over last year's interim.

#### **Positive Outlook for Growth over medium to long term**

Our results for the first half of the financial year are robust. Despite the current deeply unsettled circumstances Lok'nStore has a resilient business model and a flexible and conservative debt structure. We expect the Company to continue to thrive and grow in the medium and long term once the pandemic has passed.

## Business and Financial Review

### The Performance of our Stores

- Self-storage revenue £8.58 million up 6.1% (31.1.2019: £8.08 million)
- Adjusted Store EBITDA £4.8 million up 5.5% LFL (31.1.2019: £4.66 million)
- Unit occupancy increased 7.9 % year on year LFL
- Occupied units pricing level

With operating costs under control, steady revenue growth translates into healthy profit growth. Total adjusted store EBITDA in the self-storage business, a key performance indicator of profitability and cash flow of the business, increased 2.8% to £4.8 million, and by 5.5% LFL (31.01.2019: £4.66 million). Over the course of the year unit occupancy rose by a healthy 7.9% and unit pricing was level. The overall adjusted EBITDA margin across all stores was 55.8% rising to 57.9% on a like for like basis.

The table below shows that as the business develops the balance of the stores continues to shift towards landmark freehold stores and managed stores which have a higher than average adjusted store EBITDA margin (61.3% and 100% respectively versus 55.8% across all stores). The impact of this will be to continue to increase the average store EBITDA margin of the Group overall, and this effect is accentuated by operating more stores from a relatively fixed central cost base. In this context the new stores in the pipeline will make a larger than average contribution to Group profits as they become established trading units.

As we build out the Current Pipeline we will be operating from 55.1% freehold space, leasehold space will decline to 18.0% of space and managed stores will increase to 26.9% of total space operated.

At the end of January 2020, 33.4% of Lok'nStore's self-storage revenue was from business customers (31.1.2019: 33.8%) with the remainder from household customers. By number of customers 18% of our customers were business customers (31.1.2019: 18.5%) with the remainder from household customers.

### Portfolio Analysis and Performance Breakdown

Portfolio Analysis and Performance Breakdown	Number of stores	% Property Valuation	% Adjusted of Store EBITDA	Adjusted Store EBITDA Margin (%)	When Fully Developed		
					% lettable space Lok Owned	Number of stores	Total % lettable space
<b>As at 31 January 2020</b>							
Freehold Stores	15	89.9	76.1	61.3	65.6	23	55.1
Operating Leaseholds stores	8	10.1	23.9	43.5	34.4	8	18.0
Managed Stores	11			100		14	26.9
<b>Total stores trading</b>	<b>34</b>					<b>45</b>	
<b>Pipeline stores</b>							
Owned	8						
Managed	3						
<b>Total Self Storage</b>	<b>45</b>	<b>100</b>	<b>100</b>	<b>55.8</b>	<b>100</b>	<b>45</b>	<b>100</b>

### Operating Performance at a glance (Lok'nStore freehold and leasehold stores only) \*

Weeks Old	Contracted Pipeline	Under 100	100 to 250	over 250	Total
<b>Six months ended 31 January 2020</b>					
Sales £'000		322	842	7,413	8,577
Stores Adjusted EBITDA £'000		(9)	541	4,257	4,789
<b>Adjusted EBITDA Margin (%)</b>		<b>(2.9%)</b>	<b>64.3%</b>	<b>57.4%</b>	<b>55.8%</b>
Stores Adjusted EBITDAR £'000		322	541	4,978	5,509
<b>Adjusted EBITDAR Margin (%)</b>		<b>(2.9%)</b>	<b>64.3%</b>	<b>67.1%</b>	<b>64.2%</b>
As at 31 July 2019 ('000 sq. ft.)					
<b>Maximum Net Area</b>	<b>469</b>	<b>132</b>	<b>110</b>	<b>945</b>	<b>1,656</b>
Freehold ('000 sq. ft.)	469	132	110	537	1,248
Short Leasehold ('000 sq. ft.)	-	-	-	408	408
<b>Number Stores</b>					
Freehold	8	3	2	10	23
Short Leasehold	-	-	-	8	8
<b>Total Stores</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>18</b>	<b>31</b>

\*Table excludes Managed Stores.

In respect of the Farnborough Store (over 250 weeks) the total store revenue includes a £50,000 contribution receivable from Group Head Office.

### Ancillary Sales

Ancillary sales consisting of boxes, packaging materials, insurance and other sales increased to £957,222 an increase of 8.4% year on year (31.01.19: £883,241) accounting for 11.2% of self-storage revenues.

### Store properties and Net Asset Value

- Adjusted total assets £213.9 million up 6.4% (31.1.2019: £201.1 million)
- Net Assets £116.7 million (31.1.2019: £105.5 million)

- Adjusted net asset value £5.32 per share up 10.1% (31.1.2019: £4.83)
- Investment in new stores £4.7 million (31.1.2019: £8.8 million)

At the period-end Lok'nStore had 34 freehold, leasehold and managed stores trading. Of these, 23 stores are owned with 15 freehold, 8 leasehold and 11 further sites operate under management contracts.

The average unexpired term of the Group's operating leaseholds is approximately 10 years and 6 months as at 31 January 2020 (10 years and 7 months: 31 January 2019). All of our leasehold stores are inside the Landlord and Tenant Act providing us with a strong degree of security of tenure.

#### **Growth from new stores and more new landmark stores to come**

Lok'nStore's strong operating cash flow, solid asset base, and tactical approach to its store property portfolio provide the Group with opportunities to improve the terms of its property usage in all stages of the economic cycle. Our focus on the trading business gives us many opportunities and our property decisions are always driven by the requirements of the trading business.

- 5 new store opportunities identified and are progressing with lawyers
- Current Pipeline of 11 contracted stores adds 36.4% of extra trading space to the overall portfolio, 39.5% to our owned portfolio and 28.5% to the managed portfolio

#### **Development of new stores**

##### **Bedford**

The planning process for a 55,000 sq. ft. purpose built store is progressing. The site is in a prominent location next to a retail park on the south east side of Bedford.

##### **Bournemouth**

An 80,000 sq. ft. purpose built store has been designed for this site in Castle Lane. The site is in a highly prominent location adjacent to a major food retailer and Bournemouth Hospital. Subject to planning, we aim to open what will be our largest store yet in the late summer of 2021.

##### **Cheshunt**

In Cheshunt, Hertfordshire, the Company acquired a 2.2-acre development site in a prominent location facing the busy A10 and in the vicinity of a major retail park. A 60,000 sq. ft. landmark store is scheduled for submission to planning shortly with a target opening date of end of 2021. On 16 December 2019 we signed an agreement to share this site with a discount food retailer mitigating our development costs and generating footfall for the site.

##### **Leicester**

On 17 August 2018, planning permission for a 60,000 sq. ft. store was granted. The Store is in a highly prominent location opposite a major food retailer in the heart of Leicester's busy retail district. Store development is at advanced stage with fit-out commenced. The store is expected to open in summer 2020.

##### **Stevenage**

In December 2018 we exchanged contracts on the site in Gunnels Wood Road in Stevenage, Hertfordshire. The site is in a prominent location in an established commercial and retail area. The 60,000 sq. ft. store is currently proceeding through the planning process. Subject to planning we aim to be onsite in summer 2020 with a target opening date of late summer 2021.

##### **Wolverhampton**

Planning permission for a 50,000 sq. ft. store has been granted for a store in Wolverhampton. The site is opposite a busy retail park on the North East of Wolverhampton. We aim to be onsite in summer 2020 with a target opening date of late summer 2021.

##### **Salford - near Manchester**

The site sits strategically on the key arterial route of the Regent Road (A57) into the west of Manchester at the end of the M602. The site benefits from its location between the growing residential, business and media hub of Salford Docks and the ever-spreading West Manchester residential expansion.

The Lok'nStore building once developed will be highly prominent from the main road on this busy dual carriageway. Subject to a change of use permission we aim to be onsite in May/June 2020 with a target opening date of end of 2020.

##### **Chester**

In December 2019 we exchanged contracts subject to planning on a prominent site fronting the entrance to the main commercial and retail estate of Sealand Road in Chester. Design and planning for a 40,000 sq.ft. storage centre is at an advanced stage before submission and subject to planning we aim to be onsite in October 2020 with a target opening date of winter 2021.

##### **Warrington**

In June 2019 we exchanged contracts subject to planning on a landmark site at a key interchange junction on Winwick Road (A49), Warrington. The main route in and out of the town centre to the North and opposite an established supermarket and leisure facility. Planning has been submitted for a striking 55,000 sq. ft. storage centre and is at an advanced stage, subject to planning we aim to be onsite in August 2020 with a target opening date of late summer 2021.

#### **Managed Stores**

Our growth strategy includes increasing the number of stores we manage for third party owners. This enables the Company to earn revenue without having to commit our capital, to amortise fixed central costs over a wider operating base and drive further traffic to our website which benefits our entire operation.

We now have fourteen stores under management contracts with eleven of these open at 31 January 2020 and Gloucester having opened post period end in February 2020. Oldbury is currently under development. Chester is in the design stage.

For managed stores Lok'nStore receives a standard monthly management fee, a performance fee based on certain objectives and fees on a successful exit. We also charge acquisition, planning and branding fees. This allows Lok'nStore to earn revenue from our expertise and knowledge of the self-storage industry without committing our capital. We can amortise various fixed central costs over a wider operating base and drive more visits to our website moving it up the internet search rankings and benefitting all of the stores we both own and manage.

This strategy improves the risk adjusted return of the business by increasing the operating footprint, revenues and profits without committing capital.

We generated managed store income of £393,459 this period, up 2% from the previous period. We expect this to continue increasing steadily over the coming years as more managed stores are opened. Recurring fees increased rapidly by 85.7% over the same period last year. Second half income will be stronger due to additional fees from store opening and planning success. Managed store income is generated from our existing platform and central management, resulting in an effective margin from this activity of 100%.

Management fees	Percentage Increase	Six months ended	Six months ended	Year ended
		31 January 2020 Unaudited	31 January 2019 Unaudited	31 July 2019 Audited
	%	£	£	£
<b>Recurring fees</b>				
Base management fees		237,581	160,898	352,814
Administration and compliance fees		25,000	17,000	40,500
Enhanced Management fees		130,878	33,986	168,362
Sub-total	85.7%	393,459	211,884	561,676
Construction & Advisory fees		-	25,000	55,000
Supplementary fees		-	150,000	200,000
<b>Non-recurring fees</b>		-	175,000	255,000
<b>Total management fees</b>	<b>1.7%</b>	<b>393,459</b>	<b>386,884</b>	<b>816,676</b>

#### Stores being developed under management contracts

- Oldbury - Scheduled to open Summer 2020
- Gloucester - Opened 22 February 2020 (Post period-end)

#### Summary - Flexible approach to site acquisition

We continue our strategy of actively managing our portfolio to ensure we are maximising both trading potential and asset value. This includes strengthening our distinctive brand, increasing the size and number of our stores and replacing stores or sites where it will increase shareholder value. We prefer to own freeholds if possible, and where opportunities arise, we will seek to acquire the freehold of our leasehold stores. However, we are happy to take leases on appropriate terms and benefit from the advantages of a lower entry cost, with further options to create value later. Our most important consideration is always the trading potential of the store rather than the type of property tenure.

We have 11 new stores in our secured Current Pipeline<sup>8</sup>. All are in prominent locations with large catchment areas and little established competition and demonstrate the Company's ability to source high quality sites adding to future sales and earnings growth. These eye-catching buildings, with their distinctive orange Lok'nStore branded livery and prominent signage, create highly visible landmarks, which continue to be a big source of new customers.

#### Financial results

- Group Revenue (continued operations) £8.97 million up 5.3% (31.1.2019: £8.51 million)
- Group Adjusted EBITDA<sup>2</sup> £4.72 million up 6.4% (31.1.2019: £4.44 million)
- Loan to value 17.2% (31.1.2019: 17.9%) (31.7.2019: 16.1%)
- Cash available for Distribution (CAD)<sup>3</sup> £2.92 million up 4.8% (31.1.2019: £2.78 million)
- Interim dividend up 9% to 4.0 pence per share (31.1.2019: 3.67 pence per share)
- Cash balances £11.0 million (31.1.2019: £11.2 million) (31.7.2019: £13.6 million)

Lok'nStore is a robust business which generates an increasing cash flow from its strong asset base with a low LTV of 17.2% and a low average cost of debt of 2.21%. The value of the Group's property assets underpins a flexible business model with stable and rising cash flows and low credit risk giving the business a firm base for growth.

#### Management of interest rate risk

- Average cost of debt 2.21% (31.1.2019: 2.13%) (31.7.2019: 2.11%)

With £43.0 million of gross debt currently drawn against the £75 million bank facility the Group is not committed to enter into hedging instruments but will keep the matter under review. It is not the intention of the Group to enter into an interest rate hedging arrangement at this time given our low level of net debt, low loan to value ratio and high interest cover.

All of the Group's total drawn debt of £43.0 million is unhedged so the Group has quickly benefited from the recent reductions in base lending rate. Following these reductions, the Group's all-in cost of debt in April 2020 is 1.74%.

#### Taxation

The Group has made a current tax provision against earnings in this period of £0.40 million (31.1.2019: £0.47 million) based on a corporation tax rate of 19% (31.1.2019: 19%). The deferred tax provision which is calculated at forward corporation tax rates of 17% and is substantially a tax provision against the potential crystallisation (sales) of revalued properties and past 'rolled over' gains amounts to £22.49 million. (31.1.2019: £20.05 million) (31.7.2019: £22.39 million). (See Note 16).

#### Earnings per share

Basic earnings per share were 5.74 pence (31.1.2019: 14.30 pence per share - restated) and diluted earnings per share were 5.63 pence (31.1.2019: 14.03 pence per share - restated).

On a normalised basis stripping out the contribution from the Saracen business and the corresponding profit on disposal Basic earnings per share for the continuing operations were 5.74 pence (31.1.2019: 6.79 pence per share) and diluted earnings per share were 5.63 pence (31.1.2019: 6.68 pence per share - restated).

	Six months ended	Six months ended	Year ended
	31 January 2020 Unaudited	31 January 2019 Unaudited Restated	31 July 2019 Audited Restated
<b>Basic</b>			
Continuing operations	5.74p	6.79p	11.12p
Discontinued operations	-	7.51p	7.55p
<b>Total basic earnings per share</b>	<b>5.74p</b>	<b>14.30p</b>	<b>18.67p</b>
<b>Diluted</b>			
Continuing operations	5.63p	6.68p	10.93p
Discontinued operations	-	7.35p	7.42p
<b>Total diluted earnings per share</b>	<b>5.63p</b>	<b>14.03p</b>	<b>18.35p</b>

#### Costs - Continuing Operations

- Group operating costs amounted to £4.16 million for the period (31.1.2019: £3.98 million) up modestly by 1.8% LFL
- Cost ratio<sup>12</sup> reduced further to 46.4% (31.1.2019: 46.7%) (31.7.2019: 47.3%)

We have a strong record of disciplined control of our group operating costs. In the period operating costs (stripping out the IFRS 16 effect of the operating lease costs) were up 4.6% year on year as we opened new stores. On a like for like basis stripping out the costs of new stores, Group operating costs amounted to £4.05 million for the period, a 1.8% increase year on year (31.1.2019: £3.98 million) and we provide a breakdown below.

Future cost increases are likely to be driven by the expansion of the business in the areas of rates, staffing and marketing. Overall cost increases are mainly driven by the expansion of the business and we are seeing little other cost pressures.

Property costs which mainly constitute rent and rates have risen in recent years as we felt the effects of higher rates bills and as we opened our new landmark stores. On a LFL basis rents have remained broadly static decreasing by 0.7%.

Staff costs increased by 6.1% (1.6% LFL) as we staffed the new stores and paid performance bonuses to all our store colleagues. We also incurred additional national insurance costs arising on these performance bonuses and the exercise of employee share options. The principal decrease in overhead costs are due to a lower level of legal and professional costs related to work on rent reviews, corporate tax and compliance work and costs arising on aborted store acquisitions compared to the previous period.

Group- Continuing Operations	Increase (decrease) in costs %	Six months ended 31 Jan 2020 £'000	Six months ended 31 Jan 2019 £'000 Restated	Year ended 31 July 2019 £'000 Restated
Property costs	9.4%	2,157	1,971	4,022
IFRS 16 restatement - operating leases	11.5%	(720)	(646)	(1,356)
Restated property and premises costs	8.4%	1,437	1,325	2,666
Staff costs	6.1%	2,151	2,027	4,111
Overheads	(8.5%)	572	625	1,244
Total	4.6%	4,160	3,977	8,021

Group-Continuing Operations Like for Like	Increase (decrease) in costs %	Six months ended 31 Jan 2020 £'000 Restated	Six months ended 31 Jan 2019 £'000 Restated
Property costs	3.7%	2,045	1,971
IFRS 16 restatement - operating leases	(7.2%)	(599)	(646)
Restated property and premises costs	9.1%	1,446	1,325
Staff costs	1.6%	2,059	2,027
Overheads	(12.9%)	545	625
Total	1.8%	4,050	3,977

#### Cash flow and financing

At 31 January 2020 the Group had cash balances of £11.0 million (31.1.2019: £11.2 million) (31.7.2019: £13.6 million). Cash inflow from operating activities before investing and financing activities was £6.2 million (31.1.2019: £6.0 million).

As well as using cash generated from operations to fund some capital expenditure, the Group has a £75 million five year revolving credit facility which runs until April 2024. This provides sufficient liquidity for the Group's current needs. Undrawn committed facilities at the period-end amounted to £32.0 million (31.1.2019: £7.6 million) (31.7.2019: £32.0 million).

#### Cash available for Distribution (CAD) up 4.8% from Continuing Operations

Cash available for Distribution (CAD) provides a clear picture of ongoing cash flow available for dividends or debt repayment. The CAD was up 4.8% in the period compared to the corresponding period last year.

Cash available for Distribution (CAD) per share (annualised) was up 4.7% to 20.15 pence (31.1.2019: 19.24 pence).

To illustrate this fully the table below shows the calculation of CAD.

#### Analysis of Cash Available for Distribution (CAD) Based on Continued Operations

	Period ended 31 January 2020 £'000	Period ended 31 January 2019 Restated £'000	Year ended 31 July 2019 Restated £'000
Group Adjusted EBITDA (per Statement of Comprehensive Income)	4,723	4,441	8,749
IFRS 16 restatement - operating leases	(720)	(646)	(1,356)
Less: Net finance costs paid <sup>1</sup>	(560)	(439)	(903)
Capitalised maintenance expenses	(80)	(55)	(99)
New Works Team	(41)	(47)	(90)
Current tax (note 7)	(403)	(470)	(811)
Total deductions	(1,804)	(1,657)	(3,259)
<b>Cash Available for Distribution</b>	<b>2,919</b>	<b>2,784</b>	<b>5,490</b>
Increase in CAD over last year	4.8%	4.5%	9.2%
	Number	Number	Number
Closing shares in issue (less shares held in EBT)	28,970,001	28,927,707	28,960,574
CAD per share (annualised)	20.15p	19.24p	18.95p
Increase in CAD per share over last year	4.7%	3.8%	8.8%



<sup>1</sup> Net finance costs represent finance costs paid per the cash flow statement of £0.58 million less bank interest received to give the true cash flow effect.

#### Gearing<sup>10</sup> (excluding IFRS16 lease liabilities)

At 31 January 2020 the Group had £43.0 million of gross bank borrowings (31.1.2019: £42.4 million) representing gearing of 27.2% (31.1.2019: 29.5%) on net debt of £31.9 million (31.1.2019: £31.2 million). After adjusting for the uplift in value of short leaseholds which are stated at depreciated historic cost in the statement of financial position, gearing is 24.2% (31.1.2019: 25.9%). After adjusting for the deferred tax liability carried at period end of £22.5 million gearing drops to 20.7% (31.1.2019: 22.2%).

#### Gearing<sup>10</sup> (including IFRS16 lease liabilities)

At 31 January 2020 the Group had £43.0 million of gross bank borrowings (31.1.2019: £42.4 million) and £12.3 million of lease liabilities (31.1.2019: £13.4 million) representing gearing of 37.9% (31.1.2019: 42.3%) on net debt of £44.2 million (31.1.2019: £44.6 million). After adjusting for the uplift in value of short leaseholds which are stated at depreciated historic cost in the statement of financial position, gearing is 33.6% (31.1.2019: 50.3%). After adjusting for the deferred tax liability carried at period end of £22.5 million gearing drops to 28.7% (31.1.2019: 41.0%).

#### Capital expenditure

The Group has an active store development programme. The Group has grown through a combination of building new stores, existing store improvements and relocations. We have concentrated on extracting value from existing assets and developing through collaborative projects and management contracts.

Capital expenditure during the period totalled £4.9 million (31.1.2019: £8.8 million). This was primarily the purchase of the Stevenage site and deposits paid on the Salford (Manchester), Warrington and Chester sites, together with ongoing construction and fit out works at our sites in Leicester as well as planning and pre-development works at our Wolverhampton, Oldbury, Bedford, Bournemouth, and Cheshunt sites. The figure includes £0.22 million of capitalised interest.

Clearly, we will carefully evaluate the ongoing economic and trading position before making any further capital commitments.

#### Market Valuation of Freehold and Operating Leasehold Land and Buildings

On 31 July 2019 professional valuations were prepared by Jones Lang LaSalle (JLL) for fifteen freeholds and eight operating leasehold properties. This valuation has been adopted for the 31 January 2020 period-end after adjusting for additions and disposals since the 31 July 2019 year-end. The valuation was prepared in accordance with the RICS Valuation - Professional Standards, published by The Royal Institute of Chartered Surveyors (the "Red Book"). The valuation has been provided for accounts purposes and, as such, is a Regulated Purpose Valuation as defined in the Red Book.

Although the Board did not commission an external valuation at this interim period-end it is mindful of the need to accord with the measurement principles of International Financial Reporting Standards as adopted by the European Union. Accordingly after consulting with our external valuers, whilst there has been continued market activity in the self-storage sector since July 2019, the Directors considered that there had not been such a material movement in market yields that warranted a modification to the position as at 31 January 2020 in respect of our properties externally valued at 31 July 2019. The Directors therefore consider that it is appropriate to maintain the portfolio's external valuation without modification pending a comprehensive external valuation at our 31 July 2020 year-end.

#### Novel Coronavirus (COVID-19)

Since the reporting date of 31 January 2020, the outbreak of the Novel Coronavirus (COVID-19) has been declared a "Global Pandemic" by the World Health Organisation on the 11 March 2020. This has impacted global financial markets.

Market activity is being affected in many sectors and Jones Lang LaSalle (JLL) in common with other external valuers have subsequently introduced material uncertainty provisions into their valuation reports for valuations conducted on or after 11 March 2020. For valuations after the 11 March 2020, JLL have confirmed that they are unable to provide an estimate of the financial effect that this event would have on the value of the properties for the time being.

#### Valuations

A deferred tax liability arises on the revaluation of the properties and on the rolled-over gain arising from the disposal of some properties. It is not envisaged that any tax will become payable in the foreseeable future on these disposals due to the availability of rollover relief.

It is not the intention of the Directors to make any significant disposals of trading stores, although individual disposals may be considered where it is clear that value can be added by recycling the capital into other opportunities. The Board will continue to commission independent valuations on its trading stores annually to coincide with its year-end reporting.

The valuations of our freehold property assets are included in the Statement of Financial Position at their fair value. The value of our leasehold stores in the valuation totals £18.7 million (31.1.2019: £18.2 million). We have reported by way of a note the underlying value of these leasehold stores in future revaluations and adjusted our Net Asset Value (NAV) calculation accordingly to include their value. This ensures comparable NAV calculations which now include the Right of Use Assets as a result of the implementation of IFRS16.

#### Analysis of Total Property Value

	No of stores /sites	31 Jan 2020 Valuation £'000	No of stores /sites	31 Jan 2019 Valuation £'000	No of stores /sites	31 July 2019 Valuation £'000
Freehold and long leasehold <sup>3</sup> valued by JLL	15	144,000	14	128,000	15	144,000
<sup>1</sup>						
Leasehold valued by JLL	8	18,725	7	18,200	8	18,725
<sup>2</sup>						
Freehold land and buildings at Director valuation	1	2,467	1	3,051	1	2,509
<sup>3</sup>						
Leasehold land and buildings at Director valuation	-	-	1	1,236	-	-
Subtotal	24	165,192	23	150,487	24	165,234
Sites in development at cost	10	22,846	9	23,830	30	18,442
<sup>4</sup>						
Total	34	188,038	32	174,317	30	183,676

<sup>1</sup> Includes related fixtures and fittings (refer note 10a)

<sup>2</sup> The eight leaseholds valued by JLL are all within the terms of the Landlord and Tenant Act (1954) giving a degree of security of tenure. The average length of the leases on the leasehold stores valued was 11 years and 0 months at the date of the 2019 valuation (2018 valuation: 11 years and 1 month).

<sup>3</sup> For more details refer note 10a - Directors valuation

<sup>4</sup> Includes £223,163 of capitalised interest during the period.

Total freehold properties account for 90.0% of all property values (31.1.2019: 88.9%).

#### Adjusted Net Asset Value per Share

Adjusted net assets per share is the net assets of the Group adjusted for the valuation of leasehold stores and deferred tax divided by the number of shares at the period-end. The shares currently held in the Group's employee benefits trust (own shares held) and in treasury are excluded from the number of shares.

At 31 January 2020 the adjusted net asset value per share increased to £5.32 from £4.83 year on year, up 10.1%. This increase is a result of higher property values on our existing stores as well as the maiden valuations at 31 July 2019 on our new stores in Cardiff, Ipswich and Hedge End as the strength of our landmark stores is recognised, combined with cash generated from operations, offset in part by dividend payments and an increase in the shares in issue due to the exercise of share options during the year.

<b>Analysis of net asset value (NAV)</b>	<b>31 Jan 2020 £'000 Unaudited</b>	31 Jan 2019 £'000 Unaudited Restated	31 July 2019 £'000 Audited Restated
Net assets	<b>116,746</b>	105,452	116,657
Adjustment to include operating/short leasehold stores at valuation			
Add: JLL leasehold valuation	<b>18,725</b>	18,200	18,725
Deduct: leasehold properties and their fixtures and fittings at NBV	<b>(3,851)</b>	(3,813)	(3,905)
	<b>131,620</b>	119,839	131,477
Deferred tax arising on revaluation of leasehold properties <sup>1</sup>	<b>(2,529)</b>	(2,446)	(2,519)
<b>Adjusted net assets</b>	<b>129,091</b>	117,393	128,958
Shares in issue	<b>Number '000</b>	Number '000	Number '000
Opening shares in issue	<b>29,584</b>	29,499	29,499
Shares issued for the exercise of options	<b>9</b>	52	85
Closing shares in issue	<b>29,593</b>	29,551	29,584
Shares held in EBT	<b>(623)</b>	(623)	(623)
Closing shares for NAV purposes	<b>28,970</b>	28,928	28,961
Adjusted net asset value per share after deferred tax provision	<b>£4.46</b>	£4.05	£4.45
<b>Adjusted net asset value per share before deferred tax provision</b>			
Adjusted net assets	<b>129,091</b>	117,393	128,958
Deferred tax liabilities and assets recognised by the Group	<b>22,487</b>	20,046	22,385
Deferred tax arising on revaluation of leasehold properties <sup>1</sup>	<b>2,529</b>	2,446	2,519
Adjusted net assets before deferred tax	<b>154,107</b>	139,885	153,862
Closing shares for NAV purposes	<b>28,970</b>	28,928	28,961
Adjusted net asset value per share before deferred tax provision	<b>£5.32</b>	£4.83	£5.31

<sup>1</sup> A deferred tax adjustment in respect of the uplift in the value of the leasehold properties has been included. Although this is a memorandum adjustment as leasehold properties are included in the Group's financial statements at cost and not at valuation, this deferred tax adjustment is included in the adjusted net asset value calculation in order to maintain a consistency of tax treatment between freehold and leasehold properties.

#### Corporate and Social Responsibilities

Lok'nStore conducts its business in a manner that reflects honesty, integrity and ethical conduct. We believe that the long-term success of the business is best served by respecting the interests of all our stakeholders. Management of social, environmental and ethical issues is of high importance to Lok'nStore. These issues are dealt with on a day-to-day basis by the Group's managers with principal accountability lying with the Board of Directors. We look for opportunities to address our responsibility to the environment, and we pay close attention to our energy use, carbon dioxide emissions, water use and waste production. At each year-end Lok'nStore commissions a full assessment of the Group's environmental impact.

#### Customers

We believe in clarity and transparency towards our customers. Brochures and literature are written in plain English, explaining clearly our terms of business without hiding anything. We are open and honest about our products and services and do not employ pressure selling techniques or attempt to take advantage of any vulnerable groups. If we make a mistake we acknowledge it, deal with the problem quickly, and learn from our error. We listen to our customers as we know that they can help us improve our service to them.

Covid-19 events continue to move at a fast pace but our objective is to continue to keep our stores open so that our business customers in particular can continue to operate. Many of them are providing critical services distributing medical and other essential supplies. We include the NHS, GP surgeries, care and home support services and government departments amongst our customers. All of our stores remain open.

**Andrew Jacobs**  
Chief Executive Officer

**Ray Davies**  
Finance Director

#### Consolidated Statement of Comprehensive Income For the six months ended 31 January 2020

Notes	<b>Six months ended 31 January 2020 Unaudited £'000</b>	Six months ended 31 January 2019 Unaudited (Restated**) £'000	Year ended 31 July 2019 Audited (Restated**) £'000
2	<b>8,966</b>	8,512	16,950
<b>Revenue</b>			

<b>Total property, staff, distribution and general costs</b>	3a			(8,201)
		<b>(4,243)</b>	(4,071)	
<b>Adjusted EBITDA<sup>1</sup></b>		<b>4,723</b>	4,441	8,749
Amortisation of intangible assets		-	(83)	(83)
Depreciation	6	<b>(1,829)</b>	(1,677)	(3,424)
Equity settled share based payments		<b>(41)</b>	(11)	(46)
		<b>(1,870)</b>	(1,771)	(3,553)
Profit on sale of land at store	3(c)	-	296	295
Costs of sale & manage-back of Crayford store	3(c)	-	-	(54)
Deferred financing on bank loan written off	3(c)	-	-	(133)
		-	296	108
		<b>(1,870)</b>	(1,475)	(3,445)
<b>Operating profit</b>		<b>2,853</b>	2,966	5,304
Finance income	4	<b>16</b>	10	31
Finance cost	5	<b>(563)</b>	(408)	(909)
<b>Profit before taxation</b>		<b>2,306</b>	2,568	4,426
Income tax expense	7	<b>(642)</b>	(602)	(1,211)
Profit for the period from continuing operations		<b>1,664</b>	1,966	3,215
Profit for the period from discontinued operations	11	-	2,169	2,182
<b>Profit for the period</b>		<b>1,664</b>	4,135	5,397
<b>Profit attributable to:</b>				
Owners of the parent	20	<b>1,664</b>	4,135	5,397
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit and loss				
Increase in property valuation		<b>631</b>	655	13,765
Deferred tax relating to change in property valuation		<b>(107)</b>	(122)	(2,327)
		<b>524</b>	533	11,438
Items that may be subsequently reclassified to profit and loss				
<b>Other comprehensive income</b>		<b>524</b>	533	11,438
<b>Total comprehensive income for the period</b>		<b>2,188</b>	4,668	16,835
Attributable to:				
Owners of the parent		<b>2,188</b>	4,668	16,835

\*\* details of the restatements following the adoption of IFRS 16 are made in note 1 to the financial statements.

## Consolidated Statement of Comprehensive Income For the six months ended 31 January 2020

<b>Earnings per share attributable to owners of the Parent</b>				
<b>Basic</b>	9			
Continuing operations		<b>5.74p</b>	6.79p	11.12p
Discontinued operations		-	7.51p	7.55p
<b>Total basic earnings per share</b>		<b>5.74p</b>	14.30p	18.67p
<b>Diluted</b>	9			
Continuing operations		<b>5.63p</b>	6.68p	10.93p
Discontinued operations		-	7.35p	7.42p
<b>Total diluted earnings per share</b>		<b>5.63p</b>	14.03p	18.35p

<sup>1</sup> Adjusted EBITDA is defined in the accounting policies section of the notes to the interim report.

## Consolidated Statement of Changes in Equity For the six months ended 31 January 2020

	Attributable to owners of the Parent					Total equity £'000 Restated
	Share capital £'000	Share premium £'000	Other reserves £'000	Revaluation reserve £'000	Retained earnings £'000 Restated	
<b>1 August 2018 - Audited</b>	295	10,350	8,363	64,899	19,344	103,251
Effect of new accounting standard - IFRS 16	-	-	-	-	(336)	(336)
<b>As at 1 August 2018 - Audited restated</b>	295	10,350	8,363	64,899	19,008	<b>102,915</b>

Profit for the period (restated)	-	-	-	-	4,135	4,135
Other comprehensive income:						
Increase in property valuation net of deferred tax	-	-	-	533	-	533
<b>Total comprehensive income for the year</b>	-	-	-	533	4,135	4,668
<b>Transactions with Owners</b>						
Dividend paid	-	-	-	-	(2,217)	(2,217)
Share based payments	-	-	11	-	-	11
Transfers in relation to share based payments	-	-	(27)	-	27	-
Deferred tax credit relating to share options	-	-	(15)	-	-	(15)
Exercise of share options	1	89	-	-	-	90
<b>Total transactions with owners</b>	1	89	(31)	-	(2,190)	(2,131)
Reserve transfer on disposal of assets	-	-	-	(500)	500	-
Transfer additional dep'n on revaluation net of deferred tax	-	-	-	(151)	151	-
<b>31 January 2019 - Unaudited (restated)</b>	<b>296</b>	<b>10,439</b>	<b>8,332</b>	<b>64,781</b>	<b>21,604</b>	<b>105,452</b>
Profit for the period (restated)	-	-	-	-	1,262	1,262
Other comprehensive income						
Increase in property valuation net of deferred tax	-	-	-	10,905	-	10,905
<b>Total comprehensive income for the year</b>	-	-	-	10,905	1,262	12,167
<b>Transactions with Owners</b>						
Dividend paid	-	-	-	-	(1,062)	(1,062)
Share based payments	-	-	35	-	-	35
Transfers in relation to share based payments	-	-	(24)	-	24	-
Deferred tax credit relating to share options	-	-	14	-	-	14
Exercise of share options	-	51	-	-	-	51
<b>Total transactions with owners</b>	-	51	25	-	(1,038)	(962)
Reserve transfer on disposal of assets	-	-	-	(4,427)	4,427	-
Transfer additional dep'n on revaluation net of deferred tax	-	-	-	(153)	153	-
<b>31 July 2019 - Audited (restated)</b>	<b>296</b>	<b>10,490</b>	<b>8,357</b>	<b>71,106</b>	<b>26,408</b>	<b>116,657</b>
Profit for the period	-	-	-	-	1,664	1,664
Other comprehensive income						
Increase in property valuation net of deferred tax	-	-	-	524	-	524
<b>Total comprehensive income for the year</b>	-	-	-	524	1,664	2,188
<b>Transactions with Owners</b>						
Dividend paid	-	-	-	-	(2,413)	(2,413)
Share based payments	-	-	41	-	-	41
Transfers in relation to share based payments	-	-	(5)	-	5	-
Deferred tax credit relating to share options	-	-	245	-	-	245
Exercise of share options	-	28	-	-	-	28
<b>Total transactions with owners</b>	-	28	281	-	(2,408)	(2,099)
Transfer additional dep'n on revaluation net of deferred tax	-	-	-	(154)	154	-
<b>31 January 2020 - Unaudited (restated)</b>	<b>296</b>	<b>10,518</b>	<b>8,638</b>	<b>71,476</b>	<b>25,818</b>	<b>116,746</b>

## Consolidated Statement of Financial Position 31 January 2020

	Notes	31 January 2020 Unaudited £'000	31 January 2019 Unaudited (Restated**) £'000	31 July 2019 Audited (Restated**) £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10a	173,245	158,774	168,938
Financial assets		361	361	361
Right of use assets	10b	11,750	12,968	12,359
		<b>185,356</b>	172,103	181,658
<b>Current assets</b>				
Inventories	12	363	275	298
Trade and other receivables	13	2,301	3,074	3,707
Cash and cash equivalents		11,023	11,236	13,662
<b>Total current assets</b>		<b>13,687</b>	14,585	17,667
<b>Total assets</b>		<b>199,043</b>	186,688	199,325
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	14	(4,728)	(5,066)	(4,753)
Lease liabilities		(1,257)	(1,138)	(1,161)
Taxation		(402)	(503)	(339)
		<b>(6,387)</b>	(6,707)	(6,253)
<b>Non-current liabilities</b>				
Borrowings	16a	(42,398)	(42,200)	(42,331)
Lease liabilities	16b	(11,025)	(12,283)	(11,699)

Deferred tax	17	(22,487)	(20,046)	(22,385)
		(75,910)	(74,529)	(76,415)
<b>Total liabilities</b>		<b>(82,297)</b>	(81,236)	(82,668)
<b>Net assets</b>		<b>116,746</b>	105,452	116,657
<b>Equity</b>				
<b>Equity attributable to owners of the parent</b>				
Called up share capital	18	296	296	296
Share premium		10,518	10,439	10,490
Other reserves	19	8,638	8,332	8,357
Retained earnings	20	25,818	21,604	26,408
Revaluation reserve		71,476	64,781	71,106
<b>Total equity</b>		<b>116,746</b>	105,452	116,657

\*\* details of the restatements following the adoption of IFRS 16 are made in note 1 to the financial statements.

Approved by the Board of Directors and authorised for issue on 24 April 2020 and signed on its behalf by:

**Andrew Jacobs**  
Chief Executive Officer

**Ray Davies**  
Finance Director

### Consolidated Statement of Cash Flows For the six months ended 31 January 2020

	Notes	Six months ended 31 January 2020 Unaudited £'000	Six months ended 31 January 2019 Unaudited (Restated**) £'000	Year ended 31 July 2019 Audited (Restated**) £'000
<b>Operating activities</b>				
Cash generated from operations	22a	6,172	6,000	9,545
Income tax paid		(475)	(450)	(955)
<b>Net cash from operating activities</b>		<b>5,697</b>	5,550	8,590
<b>Investing activities</b>				
Proceeds from disposal of discontinued operation (net of disposal costs and cash included in sale)		-	6,866	6,849
Proceeds of sale of land (net of disposal costs)		-	796	796
Proceeds of sale of store		-	-	7,418
Purchase of property, plant and equipment	10a	(4,671)	(7,526)	(14,029)
Acquisition of subsidiary (net of cash acquired)		-	(1,136)	(1,069)
Interest received		16	10	31
<b>Net cash used in investing activities</b>		<b>(4,655)</b>	(990)	(4)
<b>Financing activities</b>				
Proceeds from drawdown of new bank facility		-	-	42,971
Repayment of bank borrowings on retiring bank facility		-	-	(42,395)
Proceeds of bank borrowings utilised for store development		-	5,030	5,653
Finance costs paid on bank refinancing		(576)	-	(593)
Finance costs paid		-	(449)	(934)
Lease liabilities paid		(720)	(768)	(1,478)
Equity dividends paid		(2,413)	(2,217)	(3,279)
Proceeds from issuance of ordinary shares (net)		28	90	141
<b>Net cash (used in) / from financing activities</b>		<b>(3,681)</b>	1,686	86
<b>Net (decrease) / increase in cash and cash equivalents in the period</b>		<b>(2,639)</b>	6,246	8,672
<b>Cash and cash equivalents at beginning of the period</b>		<b>13,662</b>	4,990	4,990
<b>Cash and cash equivalents at end of the period</b>		<b>11,023</b>	11,236	13,662

\*\* details of the restatements following the adoption of IFRS 16 are made in note 1 to the financial statements.

## Accounting Policies

### General Information

Lok'nStore Group plc is an AIM listed company incorporated and domiciled in England and Wales. As required, further information is available in the investor section of the Company's website at <http://www.loknstore.co.uk>. The address of the registered office is One Fleet Place, London, EC4M 7WS, UK. Copies of this Interim Report and Accounts may be obtained from the Company's head office at 112 Hawley Lane, Farnborough, Hants, GU14 8JE or from the investor section of the Company's website at <http://www.loknstore.co.uk>.

### Basis of preparation

The interim results for the six months ended 31 January 2020 have been prepared on the basis of the accounting policies expected to be used in the 2020 Lok'nStore Group Plc Annual Report and Accounts and in accordance with the recognition and measurement principles of International Financial Reporting Standards ('IFRS') and the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Union ('EU').

The 2020 Lok'nStore Group Plc Annual Report and Accounts will cover the implementation of IFRS 16. IFRS 16 represents a significant change to the way that the Group prepares its financial statements. The effective date of adoption is for accounting periods commencing after 1 January 2019. IFRS 16 will therefore apply to Lok'nStore's financial statements for the year ended 31 July 2020 and accordingly IFRS 16 has been applied in these interim condensed set of financial statements.

The interim financial statements present the effects of IFRS 16 on the Statement of Comprehensive Income, Statement of Financial Position, financial performance and cash flows of the Group as a significant lessee in respect of our leased stores. IFRS 16 primarily affects the accounting by lessees and results in the recognition of all leases on the balance sheet. The standard removes the previous distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. Unless otherwise stated, the prior period financial comparatives contained within these statements have been restated to reflect the first-time adoption of IFRS 16 using the full retrospective method. The implementation and the resulting effects on the financial statements are discussed in detail in note 1 of the financial statements below.

Subject to the implementation of IFRS 16 in these interim financial statements, the same accounting policies, presentation and methods of computation are followed in these interim condensed set of financial statements as have been applied in the Group's latest annual audited financial statements.

The interim results, which were approved by the Directors on 24 April 2020, are unaudited. The interim results do not constitute statutory financial statements within the meaning of section 434A of the Companies Act 2006.

Comparative figures for the year ended 31 July 2019, prior to the restatements for the adoption of IFRS16, have been extracted from the statutory accounts for the Group for that period, which carried an unqualified audit report, did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter, did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (and its subsidiaries). Control is achieved where the Company has power over the investee, exposure or rights to variable returns from the investee and the ability to use its power to vary those returns.

Intra-group transactions, balances, and unrealised gains and losses on transactions between Group companies are eliminated on consolidation, except to the extent that intra-group losses indicate an impairment.

### Going concern

The Directors can report that, based on the Group's budgets and financial projections, they have satisfied themselves that the business is a going concern. The Board has a reasonable expectation that the Company and the Group have adequate resources and facilities to continue in operational existence for the foreseeable future based on Group cash balances and cash equivalents of £11.0 million (31.07.2019: £13.7 million), undrawn committed bank facilities at 31 January 2020 of £32.0 million (31.07.2019: £32.0 million), and cash generated from operations in the period to 31 January 2020 of £6.2 million (31.01.2019: £6.0 million) (31.07.2019: 9.5 million).

The Group currently operates a £75 million five year revolving credit facility with Royal Bank of Scotland plc and Lloyds Bank plc with a further £25 million accordion option taking the facility to £100 million and will provide funding for new landmark site acquisitions and working capital to support the Group's ambitious growth plans.

The Group is fully compliant with all bank covenants and undertakings and is not obliged to make any repayments prior to expiration. The facility expires in April 2024.

The robust capital structure, cash flow and financing and its effect on trading are reported in the Chairman's Statement and provide a great deal of resilience against the impact of COVID-19. The interim financial statements are therefore prepared on a going concern basis.

### Adjusted EBITDA

Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) is defined as profits from operations before all depreciation and amortisation charges, share-based payments and other non-recurring costs, finance income, finance costs and taxation.

### Discontinued operations

The results of discontinued operations are presented in a single line in the Consolidated Statement of Comprehensive Income and the comparative information has been re-stated accordingly.

## Notes to the Financial Statements

### For the six months ended 31 January 2020

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#### 1 Implementation of IFRS 16 - Leases

IFRS 16 represents a significant change to the way that the Group prepares its financial statements. The effective date of adoption is for accounting periods commencing after 1 January 2019 and the standard will therefore apply to Lok'nStore's financial statements for the year ended 31 July 2020 and has been applied in these interim financial statements using the full retrospective approach.

IFRS 16 primarily affects the accounting by lessees and results in the recognition of the value of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals.

The application of IFRS 16 relates to the Groups property leases. The Group has no leases on any other types of assets.

**The Statement of Financial Position:** The Group's operating leases on its leased stores are recognised as a 'right of use asset' and as a corresponding liability at the year-end. Each lease payment is allocated between the liability element and the finance cost element. The finance costs are charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining liability for the period. The right-of-use asset is depreciated on a weighted depreciation charge based on the individual lease term of the separate operating leases. Assets and liabilities arising from a lease will initially be measured on a present value basis which will include the fixed rental payments less any lease incentives receivable. If the interest rate implicit in the lease cannot be readily determined the lease payments will be discounted by the Group's incremental borrowing rate (cost of debt) to obtain an asset of similar value over a similar term with similar security. Right of use assets will be measured at cost comprising the initial measurement of the lease liability plus any initial direct costs (if any). The Groups current operating lease commitments are reported in Note 23.

**The Statement of Profit or Loss:** This is affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally the rent operating expense that would usually be reported in these financial statements at £0.72 million (31.01.2019: £0.72 million) is replaced with interest and depreciation as a consequence of the 'capitalisation effect' of the leases, so the Group's key metric of Adjusted EBITDA increases significantly by the removal of the rent expense from the operating profit and loss. Other performance measures including Operating Profit also increase although reported interest and depreciation will be higher. Accordingly, the key metrics and Alternative Performance Measures (APM's) have been updated for IFRS16 in the KPI's section above.

**The Consolidated Statement of Cash Flows:** While overall underlying cash flow is unaffected by the changes the presentation within the Consolidated Statement of Cash Flows will change. Reported operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities.

The effect on financial ratios such as gearing or leverage causes them to rise as the lease liability now forms part of net debt.

To give a broad overview of the numerical effect on the implementation of IFRS 16 as it would apply to the current period and comparative numbers we have:

	Group 31 January 2020 £'000	Group 31 January 2019 £'000	Group 31 July 2019 £'000
<b>Continuing operations</b>	<b>720</b>	646	1,356
Rents payable under operating leases			
<b>Discontinued operations</b>	<b>-</b>	122	122
Rents payable under operating leases			
<b>Total rents payable under operating leases</b>	<b>720</b>	768	1,478

To ensure consistency and effective comparison with prior periods, the Group has elected to apply the full retrospective implementation approach with reinstatement of the comparative information. The transition date of initial application is therefore 1 August 2018. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the leases. Where this cannot be readily determined the Present Value of all future operating lease payments is calculated using 2.2% as an effective cost of debt as the discount rate. This calculates an opening Right of Use Asset (ROU) as at 1 August 2018 of £14.87 million. Correspondingly this is also the opening value of the lease liability following the capitalisation of the leases.

After the application of a weighted depreciation charge based on the individual lease term of the separate operating leases and the imputation of an interest charge at 2.2% as part of the amortisation of the lease liability a reconciliation of the total operating leases to the IFRS lease liability is shown below:

<b>Continuing Operations Statement of Financial Position (extract)</b>	<b>Group 31 January 2020 £'000 IFRS 16 Restated</b>	Group 31 January 2019 £'000 IFRS 16 Restated	Group 31 July 2019 £'000 IFRS 16 Restated	Group 31 July 2018 £'000 IFRS 16 Restated transition
Right of Use Asset (ROU)	11,750	12,968	12,359	13,577
Equity - accumulated effect of restatement	532	453	501	336
	<b>12,282</b>	<b>13,421</b>	<b>12,860</b>	<b>13,913</b>
<b>Current Lease Liability</b>				
Amounts due within one year	1,257	1,138	1,161	1,052
<b>Non-current Lease Liability</b>				
Amounts due in one to two years	1,285	1,257	1,257	1,161
Amounts due in three to five years	2,749	3,224	3,224	3,584
Amounts due in more than five years	6,991	7,802	7,218	8,116
<b>Non-current Lease Liability</b>	<b>11,025</b>	<b>12,283</b>	<b>11,699</b>	<b>12,861</b>
<b>Total lease liability</b>	<b>12,282</b>	<b>13,421</b>	<b>12,860</b>	<b>13,913</b>
<b>Statement of Comprehensive Income (extract)</b>				
	<b>Group 31 January 2020 £'000 IFRS 16 Restated</b>	Group 31 January 2019 £'000 IFRS 16 Restated	Group 31 July 2019 £'000 IFRS 16 Restated	Group 31 July 2018 £'000 IFRS 16 Restated transition
Operating lease expense	720	646	1,356	1,191
Depreciation of Right of Use Asset (ROU)	(609)	(608)	(1,217)	(1,218)
Interest charged on lease liability	(143)	(155)	(304)	(309)
<b>Impact on Comprehensive Income</b>	<b>(32)</b>	<b>(117)</b>	<b>(165)</b>	<b>(336)</b>
<b>Analysis of the effect within the Statement of Comprehensive Income</b>				
	<b>Group 31 January 2020 £'000 IFRS 16 Restated</b>	Group 31 January 2019 £'000 IFRS 16 Restated	Group 31 July 2019 £'000 IFRS 16 Restated	Group 31 July 2018 £'000 IFRS 16 Restated transition
Increase in EBITDA	720	646	1,356	1,191
Increase / (decrease) in operating profit	111	38	139	(27)
<b>Increase / (decrease) in PBT</b>	<b>(32)</b>	<b>(117)</b>	<b>(165)</b>	<b>(336)</b>

The Group has applied a single discount rate equivalent to its effective cost of debt. For more detailed information on the Groups Commitments under operating leases refer to note 23 (Commitments under operating leases).

**Reconciliation of the impact of IFRS16 on the previously reported Consolidated Statement of Comprehensive Income For the six months ended 31 January 2019**

Notes	Six months ended 31 January 2019 Unaudited	Impact of IFRS 16	Six months ended 31 January 2019 Unaudited

		£'000	£'000	(Restated**) £'000
<b>Revenue</b>	2	8,512	-	<b>8,512</b>
<b>Total property, staff, distribution and general costs</b>	3a	(4,717)	646	<b>(4,071)</b>
<b>Adjusted EBITDA<sup>1</sup></b>		3,795	646	<b>4,441</b>
Amortisation of intangible assets		(83)	-	<b>(83)</b>
Depreciation		(1,069)	(608)	<b>(1,677)</b>
Equity settled share based payments		(11)	-	<b>(11)</b>
		(1,163)	(608)	<b>(1,771)</b>
Profit on sale of land at store	3(c)	296	-	<b>296</b>
Costs of sale & manage-back of Crayford store	3(c)	-	-	-
Deferred financing on bank loan written off	3(c)	-	-	-
		296	-	<b>296</b>
		(867)	(608)	<b>(1,475)</b>
<b>Operating profit</b>		2,928	38	<b>2,966</b>
Finance income	4	10	-	<b>10</b>
Finance cost - bank borrowings	5	(253)	-	<b>(253)</b>
Finance cost - lease liabilities	5	-	(155)	<b>(155)</b>
<b>Profit before taxation</b>		2,685	(117)	<b>2,568</b>
Income tax expense	7	(602)	-	<b>(602)</b>
Profit for the period from continuing operations		2,083	(117)	<b>1,966</b>
Profit for the period from discontinued operations	11	2,169	-	<b>2,169</b>
<b>Profit for the period</b>		4,252	(117)	<b>4,135</b>
<b>Profit attributable to:</b>				
Owners of the parent	20	4,252	(117)	<b>4,135</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit and loss				
Increase in property valuation		655	-	<b>655</b>
Deferred tax relating to change in property valuation		(122)	-	<b>(122)</b>
		533	-	<b>533</b>
Items that may be subsequently reclassified to profit and loss				
<b>Other comprehensive income</b>		533	-	<b>533</b>
<b>Total comprehensive income for the period</b>		4,785	-	<b>4,668</b>
Attributable to:				
Owners of the parent		4,785	(117)	<b>4,668</b>

**Reconciliation of the impact of IFRS16 on the previously reported Consolidated Statement of Comprehensive Income**  
For the six months ended 31 January 2019

		Six months ended 31 January 2019 Unaudited £'000	Impact of IFRS 16 £'000	Six months ended 31 January 2019 Unaudited (Restated**) £'000
<b>Earnings per share attributable to owners of the Parent</b>				
<b>Basic</b>	9			
Continuing operations		7.21p	(0.42p)	<b>6.79p</b>
Discontinued operations		7.51p	-	<b>7.51p</b>
Total basic earnings per share		14.72p	(0.42p)	<b>14.30p</b>
<b>Diluted</b>	9			
Continuing operations		7.05p	(0.37p)	<b>6.68p</b>
Discontinued operations		7.35p	-	<b>7.35p</b>
Total diluted earnings per share		14.40p	(0.37p)	<b>14.03p</b>

<sup>1</sup> Adjusted EBITDA is defined in the accounting policies section of the notes to the interim report.

**Reconciliation of the impact of IFRS16 on the previously reported Consolidated Statement of Comprehensive Income**  
For the year ended 31 July 2019



		Year ended 31 July 2019 Unaudited £'000	IFRS 16 £'000	31 July 2019 Unaudited (Restated**) £'000
<b>Revenue</b>	2	16,950	-	16,950
<b>Total property, staff, distribution and general costs</b>	3a	(9,557)	1,356	(8,201)
<b>Adjusted EBITDA<sup>1</sup></b>		7,393	1,356	8,749
Amortisation of intangible assets		(83)	-	(83)
Depreciation		(2,207)	(1,217)	(3,424)
Equity settled share based payments		(46)	-	(46)
		(2,336)	(1,217)	(3,553)
Profit on sale of land at store	3(c)	295	-	295
Costs of sale & manage-back of Crayford store	3(c)	(54)	-	(54)
Deferred financing on bank loan written off	3(c)	(133)	-	(133)
		108	-	108
		(2,228)	(1,217)	(3,445)
<b>Operating profit</b>		5,165	139	5,304
Finance income	4	31	-	31
Finance cost - bank borrowings	5	(605)	-	(605)
Finance cost - lease liabilities	5	-	(304)	(304)
		574	(304)	878
<b>Profit before taxation</b>		4,591	(165)	4,426
Income tax expense	7	(1,211)	-	(1,211)
Profit for the period from continuing operations		3,380	(165)	3,215
Profit for the period from discontinued operations	11	2,182	-	2,182
<b>Profit for the period</b>		5,562	(165)	5,397
<b>Profit attributable to:</b>		5,562	(165)	5,397
Owners of the parent	20			
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit and loss				
Increase in property valuation		13,765	-	13,765
Deferred tax relating to change in property valuation		(2,327)	-	(2,327)
		11,438	-	11,438
Items that may be subsequently reclassified to profit and loss				
<b>Other comprehensive income</b>		11,438	-	11,438
<b>Total comprehensive income for the period</b>		17,000	(165)	16,835
Attributable to:				
Owners of the parent		17,000	(165)	16,835

**Reconciliation of the impact of IFRS16 on the previously reported Consolidated Statement of Comprehensive Income For the six months ended 31 July 2019**

		Year ended 31 July 2019 Unaudited £'000	Impact of IFRS 16 £'000	Year ended 31 July 2019 Unaudited (Restated**) £'000
<b>Earnings per share attributable to owners of the Parent</b>				
<b>Basic</b>	9			
Continuing operations		11.69p	(0.57p)	11.12p
Discontinued operations		7.55p	-	7.55p
<b>Total basic earnings per share</b>		19.24p	(0.57p)	18.67p
<b>Diluted</b>	9			
Continuing operations		11.50p	(0.57p)	10.93p
Discontinued operations		7.42p	-	7.42p
<b>Total diluted earnings per share</b>		18.92p	(0.57p)	18.35p

<sup>1</sup> Adjusted EBITDA is defined in the accounting policies section of the notes to the interim report.

**Reconciliation of the impact of IFRS16 on the previously reported  
Consolidated Statement of Financial Position  
31 January 2019**

	Notes	31 January 2019 Unaudited £'000	Impact of IFRS 16 £'000	31 January 2019 Unaudited (Restated**) £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10a	158,774	-	<b>158,774</b>
Financial assets		361	-	<b>361</b>
Right of use assets		-	12,968	<b>12,968</b>
		159,135	12,968	<b>172,103</b>
<b>Current assets</b>				
Inventories	12	275	-	<b>275</b>
Trade and other receivables	13	3,074	-	<b>3,074</b>
Cash and cash equivalents		11,236	-	<b>11,236</b>
		14,585	-	<b>14,585</b>
<b>Total current assets</b>		14,585	-	<b>14,585</b>
<b>Total assets</b>		173,720	12,968	<b>186,688</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	14	(5,066)	-	<b>(5,066)</b>
Lease liabilities		-	(1,138)	<b>(1,138)</b>
Taxation		(503)	-	<b>(503)</b>
		(5,569)	(1,138)	<b>(6,707)</b>
<b>Non-current liabilities</b>				
Borrowings	16a	(42,200)	-	<b>(42,200)</b>
Lease liabilities	16b	-	(12,283)	<b>(12,283)</b>
Deferred tax	17	(20,046)	-	<b>(20,046)</b>
		(62,246)	(12,283)	<b>(74,529)</b>
<b>Total liabilities</b>		(67,815)	(13,421)	<b>(81,236)</b>
<b>Net assets</b>		105,905	(453)	<b>105,452</b>
<b>Equity</b>				
<b>Equity attributable to owners of the parent</b>				
Called up share capital	18	296	-	<b>296</b>
Share premium		10,439	-	<b>10,439</b>
Other reserves	19	8,332	-	<b>8,332</b>
Retained earnings	20	22,057	(453)	<b>21,604</b>
Revaluation reserve		64,781	-	<b>64,781</b>
<b>Total equity</b>		105,905	(453)	<b>105,452</b>

**Reconciliation of the impact of IFRS16 on the previously reported  
Consolidated Statement of Financial Position  
31 July 2019**

	Notes	31 July 2019 Audited £'000	Impact of IFRS 16 £'000	31 July 2019 Audited (Restated**) £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10a	168,938	-	<b>168,938</b>
Financial assets		361	-	<b>361</b>
Right of use assets		-	12,359	<b>12,359</b>
		169,299	12,359	<b>181,658</b>
<b>Current assets</b>				
Inventories	12	298	-	<b>298</b>
Trade and other receivables	13	3,707	-	<b>3,707</b>
Cash and cash equivalents		13,662	-	<b>13,662</b>
<b>Total current assets</b>		17,667	-	<b>17,667</b>

<b>Total assets</b>		186,966	12,359	<b>199,325</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	14	(4,753)	-	<b>(4,753)</b>
Lease liabilities		-	(1,161)	<b>(1,161)</b>
Taxation		(339)	-	<b>(339)</b>
		(5,092)	(1,161)	<b>(6,253)</b>
<b>Non-current liabilities</b>				
Borrowings	16a	(42,331)	-	<b>(42,331)</b>
Lease liabilities	16b	-	(11,699)	<b>(11,699)</b>
Deferred tax	17	(22,385)	-	<b>(22,385)</b>
		(64,716)	(11,699)	<b>(76,415)</b>
<b>Total liabilities</b>		(69,808)	(12,860)	<b>(82,668)</b>
<b>Net assets</b>		117,158	(501)	<b>116,657</b>
<b>Equity</b>				
<b>Equity attributable to owners of the parent</b>				
Called up share capital	18	296	-	<b>296</b>
Share premium		10,490	-	<b>10,490</b>
Other reserves	19	8,357	-	<b>8,357</b>
Retained earnings	20	26,909	(501)	<b>26,408</b>
Revaluation reserve		71,106	-	<b>71,106</b>
<b>Total equity</b>		117,158	(501)	<b>116,657</b>

**Reconciliation of the impact of IFRS16 on the previously reported Consolidated Statement of Cash Flows**  
For the six months ended 31 January 2019

	Notes	Six months ended 31 January 2019 Unaudited £'000	Impact of IFRS 16 £'000	Six months ended 31 January 2019 Unaudited (Restated**) £'000
<b>Cash flows from operating activities</b>				
Profit before tax - continuing operations		2,685	(117)	<b>2,568</b>
Profit before tax - discontinued operations		209	(2)	<b>207</b>
Total profit before tax		2,894	(119)	<b>2,775</b>
Depreciation		1,118	710	<b>1,828</b>
Amortisation of intangible assets		83	-	<b>83</b>
Equity settled share based payments		11	-	<b>11</b>
Profit on sale of land at store		(296)	-	<b>(296)</b>
Interest receivable		(10)	-	<b>(10)</b>
Interest payable - bank borrowings		250	-	<b>250</b>
Interest payable - lease liabilities		-	177	<b>177</b>
(Increase) in inventories		(18)	-	<b>(18)</b>
Decrease in receivables		1,402	-	<b>1,402</b>
Decrease in payables		(202)	-	<b>(202)</b>
<b>Cash generated from operations</b>		5,232	768	<b>6,000</b>
Income tax paid		(450)	-	<b>(450)</b>
<b>Net cash from operating activities</b>		4,782	768	<b>5,550</b>
<b>Investing activities</b>				
Proceeds from disposal of discontinued operation (net of disposal costs and cash included in sale)		6,866	-	<b>6,866</b>
Proceeds of sale of land (net of disposal costs)		796	-	<b>796</b>
Purchase of property, plant and equipment	10a	(7,526)	-	<b>(7,526)</b>
Acquisition of subsidiary (net of cash acquired)		(1,136)	-	<b>(1,136)</b>
Interest received		10	-	<b>10</b>
<b>Net cash used in investing activities</b>		(990)	-	<b>(990)</b>
<b>Financing activities</b>				
Proceeds of bank borrowings utilised for store development		5,030	-	<b>5,030</b>
Finance costs paid		(449)	-	<b>(449)</b>
Lease liabilities paid		-	(768)	<b>(768)</b>
Equity dividends paid		(2,217)	-	<b>(2,217)</b>
Proceeds from issuance of ordinary shares (net)		90	-	<b>90</b>

<b>Net cash from financing activities</b>	2,454	(768)	<b>1,686</b>
<b>Net (decrease) / increase in cash and cash equivalents in the period</b>	6,246	-	<b>6,246</b>
<b>Cash and cash equivalents at beginning of the period</b>	4,990	-	<b>4,990</b>
<b>Cash and cash equivalents at end of the period</b>	11,236	-	<b>11,236</b>

**Reconciliation of the impact of IFRS16 on the previously reported Consolidated Statement of Cash Flows  
For the six months ended 31 July 2019**

	Notes	Year ended 31 July 2019 Audited £'000	Impact of IFRS 16 £'000	Year ended 31 July 2019 Audited (Restated**) £'000
<b>Cash flows from operating activities</b>				
Profit before tax - continuing operations		4,590	(165)	<b>4,426</b>
Profit before tax - discontinued operations		2,175	(2)	<b>2,173</b>
Total profit before tax		6,765	(167)	<b>6,598</b>
Depreciation		2,256	1,319	<b>3,575</b>
Amortisation of intangible assets		83	-	<b>83</b>
Equity settled share based payments		46	-	<b>46</b>
Profit on sale of land at store		(296)	-	<b>(296)</b>
Profit on disposal of Saracen business		(1,967)	-	<b>(1,967)</b>
Costs of sale and manage-back - Crayford store		54	-	<b>54</b>
Deferred financing on bank loan written off		133	-	<b>133</b>
Interest receivable		(31)	-	<b>(31)</b>
Interest payable - bank borrowings		605	-	<b>605</b>
Interest payable - lease liabilities		-	326	<b>326</b>
(Increase) in inventories		(41)	-	<b>(41)</b>
Decrease in receivables		768	-	<b>768</b>
Decrease in payables		(313)	-	<b>(313)</b>
<b>Cash generated from operations</b>		<b>8,067</b>	<b>1,478</b>	<b>9,545</b>
Income tax paid		(955)	-	<b>(955)</b>
<b>Net cash from operating activities</b>		<b>7,112</b>	<b>1,478</b>	<b>8,590</b>
<b>Investing activities</b>				
Proceeds from disposal of discontinued operation (net of disposal costs and cash included in sale)		6,849	-	<b>6,849</b>
Proceeds of sale of land (net of disposal costs)		796	-	<b>796</b>
Proceeds of sale of store		7,418	-	<b>7,418</b>
Purchase of property, plant and equipment	10a	(14,029)	-	<b>(14,029)</b>
Acquisition of subsidiary (net of cash acquired)		(1,069)	-	<b>(1,069)</b>
Interest received		31	-	<b>31</b>
<b>Net cash used in investing activities</b>		<b>(4)</b>	<b>-</b>	<b>(4)</b>
<b>Financing activities</b>				
Proceeds from drawdown of new bank facility		42,971	-	<b>42,971</b>
Repayment of bank borrowings on retiring bank facility		(42,395)	-	<b>(42,395)</b>
Proceeds of bank borrowings utilised for store development		5,653	-	<b>5,653</b>
Finance costs paid on bank refinancing		(593)	-	<b>(593)</b>
Finance costs paid		(934)	-	<b>(934)</b>
Lease liabilities paid		-	(1,478)	<b>(1,478)</b>
Equity dividends paid		(3,279)	-	<b>(3,279)</b>
Proceeds from issuance of ordinary shares (net)		141	-	<b>141</b>
<b>Net cash (used in) / from financing activities</b>		<b>1,564</b>	<b>(1,478)</b>	<b>86</b>
<b>Net (decrease) / increase in cash and cash equivalents in the period</b>		<b>8,672</b>	<b>-</b>	<b>8,672</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>4,990</b>	<b>-</b>	<b>4,990</b>
<b>Cash and cash equivalents at end of the period</b>		<b>13,662</b>	<b>-</b>	<b>13,662</b>

**2 Revenue**

Analysis of the Group's revenue from continuing operations is shown below:

	Six months ended 31 January 2020 Unaudited £'000	Six months ended 31 January 2019 Unaudited £'000	Year ended 31 July 2019 Audited £'000
<b>Stores trading</b>			
Self-storage revenue	7,571	7,146	14,235
Insurance revenue	844	763	1,533

Retail sales	112	118	241
Sub-total - self-storage revenue - owned stores	8,527	8,027	16,009
Ancillary store rental revenue	-	-	44
Management fees - managed stores	393	386	817
Sub-total	8,920	8,413	16,870
Non-storage income	46	99	80
<b>Total revenue per statement of comprehensive income</b>	<b>8,966</b>	<b>8,512</b>	<b>16,950</b>

<b>3a Property, staff, distribution, general costs and retail cost of sales</b>	<b>Six months ended 31 January 2020</b>	Six months ended 31 January 2019	Year ended 31 July 2019
	<b>Unaudited £'000</b>	Unaudited £'000	Audited £'000
		Restated	Restated
Property and premises costs	2,157	1,971	4,022
IFRS 16 restatement - operating leases	(720)	(646)	(1,356)
Restated property and premises costs	1,437	1,325	2,666
Staff costs	2,151	2,027	4,111
General overheads	572	625	1,244
Sub total - operating costs	4,160	3,977	8,021
Retail products cost of sales	83	94	180
<b>Total property, staff, distribution, general costs and retail cost of sales</b>	<b>4,243</b>	<b>4,071</b>	<b>8,201</b>

### 3b Cost of sales of retail products

Cost of sales represents the direct costs associated with the sale of retail products such as boxes and packaging and, the ancillary sales of insurance cover for customer goods, all of which fall within the Group's ordinary activities.

	<b>Six months ended 31 January 2020</b>	Six months ended 31 January 2019	Year ended 31 July 2019
	<b>Unaudited £'000</b>	Unaudited £'000	Audited £'000
Retail	54	62	121
Insurance	13	15	26
Other	16	17	33
<b>Total cost of sales of retail products</b>	<b>83</b>	<b>94</b>	<b>180</b>

### 3c Other Income and costs

	<b>Six months ended 31 January 2020</b>	Six months ended 31 January 2019	Year ended 31 July 2019
	<b>Unaudited £'000</b>	Unaudited £'000	Audited £'000
Profit on sale of land at store <sup>1</sup>	-	(295)	(295)
Costs of sale and manage-back - Crayford store <sup>2</sup>	-	-	54
Deferred financing on bank loan written off <sup>3</sup>	-	-	133
	-	(295)	(108)

#### 2019:

<sup>1</sup> Profit on sale of land at store: During the year land at the rear of our Southampton store with a fair value of £500,000 was sold for £800,000. There was £4,043 of associated costs of sale.

<sup>2</sup> Costs of sale & manage-back Crayford store: On 28th February 2019 the Crayford store was sold at its fair value to an investment fund for £7.52 million in cash. Lok'nStore will continue to manage the store maintaining the operational footprint of the business and will receive management and performance fees. Legal and professional costs associated with this transaction amounted to £54,483.

<sup>3</sup> Deferred financing on bank loan written off. In April 2019, the Group executed a new bank facility increasing facilities available by £25 million to £75 million, with a further £25 million accordion option taking the facility to £100 million. The deferred element of the original financing costs of £133,307 was accordingly written off.

### 4 Finance income

	<b>Six months ended 31 January 2020</b>	Six months ended 31 January 2019	Year ended 31 July 2019
	<b>Unaudited £'000</b>	Unaudited £'000	Audited £'000
Bank interest	16	7	24
Other interest	-	3	7
<b>Total finance income</b>	<b>16</b>	<b>10</b>	<b>31</b>

Interest receivable arises on cash and cash equivalents (see note ●).

### 5 Finance costs

	<b>Six months ended 31 January 2020</b>	Six months ended 31 January 2019	Year ended 31 July 2019
	<b>Unaudited £'000</b>	Unaudited £'000	Audited £'000
		Restated	Restated
Bank interest	255	206	452
Non-utilisation fees and amortisation of bank loan arrangement fees	165	47	153
Interest on lease liabilities	143	155	304
<b>Total finance cost</b>	<b>563</b>	<b>408</b>	<b>909</b>

Most interest payable arises on bank loans classified as financial liabilities measured at amortised cost.

### 6 Profit before taxation

	<b>Six months ended 31 January 2020 Unaudited £'000</b>	Six months ended 31 January 2019 Unaudited £'000 Restated	Year ended 31 July 2019 Audited £'000 Restated
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Profit before taxation is stated after charging:

Depreciation of plant, property and equipment - owned assets (Note 10)	1,220	1,069	2,207
Depreciation of right of use assets (IFRS 16) (Note 1)	609	608	1,217
	<b>1,829</b>	1,677	3,424
Amortisation of intangible assets	-	83	83
	<b>1,829</b>	1,760	3,507

## 7 Taxation

	<b>Six months ended 31 January 2020 Unaudited £'000</b>	Six months ended 31 January 2019 Unaudited £'000	Year ended 31 July 2019 Audited £'000
Current tax:			
UK corporation tax	403	470	811
Deferred tax:			
Origination and reversal of temporary differences	239	132	400
Total deferred tax charge	239	132	400
Income tax expense for the period/year	<b>642</b>	602	1,211

The charge for the period can be reconciled to the profit for the period as follows:

	<b>Six months ended 31 January 2020 Unaudited £'000</b>	Six months ended 31 January 2019 Unaudited £'000	Year ended 31 July 2019 Audited £'000
Profit before tax	2,338	2,685	4,591
Tax on ordinary activities at the standard effective rate of corporation tax in the UK of 19%	468	454	880
Expenses not deductible for tax purposes	-	-	18
Depreciation of non-qualifying assets	206	195	355
Share based payment charges in excess of corresponding tax deduction	8	2	2
Impact of change in tax rate on timing differences	(19)	(28)	(17)
Other timing differences	(21)	22	(27)
Small companies Relief	-	(43)	-
Income tax expense for the period/year	<b>642</b>	602	1,211
Effective tax rate	<b>27.5%</b>	22.5%	26 %

## 8 Dividends

	<b>Six months ended 31 January 2020 Unaudited £'000</b>	Six months ended 31 January 2019 Unaudited £'000	Year ended 31 July 2019 Audited £'000
<b>Amounts recognised as distributions to equity holders in the year:</b>			
Final dividend for the year ended 31 July 2018 (7.67 pence per share)	-	2,217	2,217
Interim dividend for the six months to 31 January 2019 (3.67 pence per share)	-	-	1,062
Final dividend for the year ended 31 July 2019 (8.33 pence per share)	<b>2,413</b>	-	-
	<b>2,413</b>	2,217	3,279

In respect of the current period the Directors propose that an interim dividend of 4.0 pence per share will be paid to the shareholders. The total estimated dividend to be paid is £1.16 million based on the number of shares currently in issue as adjusted for shares held in the Employee Benefits Trust. This interim dividend is an on-account payment of a final annual dividend and is ultimately subject to approval by shareholders at the 2020 Annual General Meeting and has not been included as a liability in these financial statements. The ex-dividend date will be 7 May 2020; the record date 11 May 2020 due to the Early May Bank Holiday; with an intended payment date of 12 June 2020. The final deadline for Dividend Reinvestment Election is 22 May 2020.

## 9 Earnings per share

The calculations of earnings per share are based on the following profits and numbers of shares.

	<b>Six months ended 31 January 2020 Unaudited £'000</b>	Six months ended 31 January 2019 Unaudited £'000 Restated	Year ended 31 July 2019 Audited £'000 Restated
Profit for the financial year attributable to continuing operations	1,664	1,966	3,215
Profit for the financial year attributable to discontinued operations	-	2,169	2,182
Total profit for the financial year attributable to owners of the parent	<b>1,664</b>	4,135	5,397
	<b>No. of shares</b>	No. of shares	No. of shares
Weighted average number of shares			
For basic earnings per share	<b>28,965,672</b>	28,894,795	28,921,229
Dilutive effect of share options	<b>565,846</b>	621,082	481,848
For diluted earnings per share	<b>29,531,518</b>	29,515,877	29,403,077

623,212 shares (31.01.2019: 623,212) are held in the Employee Benefit Trust and are excluded from the above calculation.

**Earnings per share attributable to owners of the Parent**      **Six months**      Six months      Year

	ended 31 January 2020 Unaudited	ended 31 January 2019 Unaudited Restated	ended 31 July 2019 Audited Restated
<b>Earnings per share</b>			
<b>Basic</b>			
Continuing operations	5.74p	6.79p	11.12p
Discontinued operations	-	7.51p	7.55p
Total basic earnings per share	5.74p	14.30p	18.67p
<b>Earnings per share</b>			
<b>Diluted</b>			
Continuing operations	5.63p	6.68p	10.93p
Discontinued operations	-	7.35p	7.42p
Total diluted earnings per share	5.63p	14.03p	18.35p

#### 10a) Property, plant and equipment

Group	Development property assets at cost £'000	Land and buildings at valuation £'000	Long leasehold land and buildings at valuation £'000	Short leasehold improvements at cost £'000	Fixtures, fittings and equipment at cost £'000	Motor vehicles at cost £'000	Total £'000
Net book value at 31 July 2018 - Audited	16,570	108,486	11,438	669	15,414	3	152,580
Net book value at 31 January 2019 - Unaudited	23,830	108,262	11,475	1,819	13,367	21	158,774
Net book value at 31 July 2019 - Audited	18,442	133,531	-	1,890	15,057	18	168,938
<b>Cost or valuation</b>							
<b>1 August 2018</b>	<b>16,570</b>	<b>108,486</b>	<b>11,438</b>	<b>2,648</b>	<b>27,186</b>	<b>17</b>	<b>166,345</b>
Additions	7,254	148	3	-	101	20	7,526
Additions - Acquisition of subsidiary	-	-	-	1,238	-	-	1,238
Disposals	-	(500)	-	-	-	-	(500)
Disposals - discontinued operations	-	-	-	(84)	(2,696)	(7)	(2,787)
Transfers	6	(6)	-	-	-	-	-
Revaluations	-	134	34	-	-	-	168
<b>31 January 2019 Unaudited</b>	<b>23,830</b>	<b>108,262</b>	<b>11,475</b>	<b>3,802</b>	<b>24,591</b>	<b>30</b>	<b>171,990</b>
<b>Depreciation</b>							
<b>1 August 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,979</b>	<b>11,772</b>	<b>14</b>	<b>13,765</b>
Depreciation	-	425	63	60	519	2	1,069
Disposals - discontinued operations	-	-	-	(56)	(1,067)	(7)	(1,130)
Revaluations	-	(425)	(63)	-	-	-	(488)
<b>31 January 2019 Unaudited</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,983</b>	<b>11,224</b>	<b>9</b>	<b>13,216</b>
<b>Net book value at 31 January 2019 - Unaudited</b>	<b>23,830</b>	<b>108,262</b>	<b>11,475</b>	<b>1,819</b>	<b>13,367</b>	<b>21</b>	<b>158,774</b>
<b>Cost or valuation</b>							
<b>1 February 2019</b>	<b>23,830</b>	<b>108,262</b>	<b>11,475</b>	<b>3,802</b>	<b>24,591</b>	<b>30</b>	<b>171,990</b>
Additions	-	2,656	1,490	162	2,643	-	6,951
Additions - Acquisition of subsidiary	-	-	-	4	-	-	4
Reclassification	(4,185)	17,116	(12,931)	-	-	-	-
Disposals	(1,203)	(7,558)	-	-	(1,109)	-	(9,870)
Disposals - discontinued operations	-	-	-	-	429	-	422
Revaluations	-	13,055	(34)	-	-	-	13,021
<b>31 July 2019 - Audited</b>	<b>18,442</b>	<b>133,531</b>	<b>-</b>	<b>3,968</b>	<b>26,554</b>	<b>30</b>	<b>182,525</b>
<b>Depreciation</b>							
<b>1 February 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,983</b>	<b>11,224</b>	<b>9</b>	<b>13,216</b>
Depreciation	-	579	-	95	572	3	1,249
Disposals	-	-	-	-	(726)	-	(726)
Disposals - discontinued operations	-	(428)	-	-	427	-	(1)
Revaluations	-	(151)	-	-	-	-	(151)
<b>31 July 2019 - Audited</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,078</b>	<b>11,497</b>	<b>12</b>	<b>13,587</b>
<b>Net book value at 31 July 2019 - Audited</b>	<b>18,442</b>	<b>133,531</b>	<b>-</b>	<b>1,890</b>	<b>15,057</b>	<b>18</b>	<b>168,938</b>
<b>Cost or valuation</b>							
<b>1 August 2019</b>	<b>18,442</b>	<b>133,531</b>	<b>-</b>	<b>3,968</b>	<b>26,554</b>	<b>30</b>	<b>182,525</b>
Additions	4,404	125	-	29	336	-	4,894
Revaluations	-	89	-	-	-	-	89
<b>31 January 2020 Unaudited</b>	<b>22,846</b>	<b>133,745</b>	<b>-</b>	<b>3,997</b>	<b>26,890</b>	<b>30</b>	<b>187,508</b>
<b>Depreciation</b>							
<b>1 August 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,078</b>	<b>11,497</b>	<b>12</b>	<b>13,587</b>

Depreciation	-	543	-	95	580	1	1,219
Revaluations	-	(543)	-	-	-	-	(543)
<b>31 January 2020</b>	-	-	-	2,173	12,077	13	<b>14,263</b>
<b>Unaudited</b>							
<b>Net book value at 31 January 2020 - Unaudited</b>	<b>22,846</b>	<b>133,745</b>	<b>-</b>	<b>1,824</b>	<b>14,813</b>	<b>17</b>	<b>173,245</b>

The Group has an active store development programme and in accordance with IAS 23 has material qualifying assets that take a substantial period of time to develop from acquisition to ultimate store opening. Accordingly borrowing costs of £223,163 (six months ended 31.1.2019: £217,970 : year ended 31.07.19 £430,321) have been capitalised in the current period that are directly attributable to the acquisition, construction and fit-out of these qualifying store assets. £223,163 of the total amount is carried in development property assets.

Capital expenditure during the period totalled £4.9 million (31.1.2019: £8.8 million). This was primarily the purchase of the Stevenage and exchange contract deposits paid on the Salford (Manchester), Warrington and Chester sites, together with ongoing construction and fit out works at our sites in Leicester as well as planning and pre-development works at our Wolverhampton, Oldbury, Bedford, Bournemouth, and Cheshunt sites.

Property, plant and equipment (non-current assets) with a carrying value of £173.2 million (31.1.2019: £158.8 million) are pledged as security for bank loans (see note 15a).

#### Market Valuation of Freehold and Operating Leasehold Land and Buildings

Following the comprehensive external valuation at 31 July 2019 by JLL, the freehold and leasehold properties have not been externally valued at 31 January 2020, although in accordance with the Group's established policy it is the intention to do so at the next year end at 31 July 2020.

Although the Board did not commission an external valuation at this interim period-end it is mindful of the need to accord with the measurement principles of International Financial Reporting Standards as adopted by the European Union. Accordingly after consulting with our external valuers, whilst there has been continued market activity in the self-storage sector since July 2019, the Directors considered that there had not been such a material movement in market yields that warranted a modification to the position as at 31 January 2020 in respect of our properties externally valued at 31 July 2019. The Directors therefore consider that it is appropriate to maintain the portfolio's external valuation without modification pending a comprehensive external valuation at our 31 July 2019 year-end.

#### Events after the reporting date - Novel Coronavirus (COVID-19)

Since the reporting date of 31 January 2020, the outbreak of the Novel Coronavirus (COVID-19) has been declared a "Global Pandemic" by the World Health Organisation on the 11th March 2020. This has impacted global financial markets and travel restrictions have been implemented by many countries.

Market activity is being affected in many sectors and JLL in common with other external valuers have subsequently introduced material uncertainty provisions into their valuation reports for valuations conducted on or after 11<sup>th</sup> March 2020. For valuations after the 11 March 2020, JLL have confirmed that they are unable to provide an estimate of the financial effect that this event would have on the value of the properties for the time being.

#### 10 b) Right of Use assets (ROU)

Continuing Operations Group property leases	Group 31 January 2020	Group 31 January 2019	Group 31 July 2019	Group 31 July 2018 transition
	£'000 IFRS 16 Restated	£'000 IFRS 16 Restated	£'000 IFRS 16 Restated	£'000 IFRS 16 Restated
Right of Use Asset (ROU) - IFRS 16 restatement on transition	-	-	-	14,795
Right of Use Asset (ROU) - opening balance	<b>12,359</b>	13,577	13,577	-
Depreciation of Right of Use Asset (ROU)	<b>(609)</b>	(609)	(1,218)	(1,218)
Right of Use Asset (ROU) - closing balance	<b>11,750</b>	12,968	12,359	13,577

The application of IFRS 16 relates to the Groups property leases. The Group has no leases on any other types of assets.

To ensure consistency and effective comparison with prior periods, the Group has elected to apply the full retrospective implementation approach with reinstatement of the comparative information. The transition date of initial application is therefore 1 August 2018. The Present Value of all future operating lease payments is calculated using 2.2% as an effective cost of debt as the single discount rate. This calculates an opening Right of Use Asset (ROU) as at 1 August 2018 of £14.79 million.

The right-of-use asset is depreciated on a weighted depreciation charge based on the individual lease term of the separate operating leases.

#### 11 Disposal of Saracen Datastore Limited

In the previous year, on 31<sup>st</sup> January 2019 Lok'nStore disposed of its document storage business Saracen Datastore Limited ("Saracen") for £7.64 million in cash against its Net Book Value as at 31 July 2018 of £5.4 million.

For comparative purposes only, key amounts relating to the discontinued operation are as follows:

	31 January 2020 Unaudited £'000	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
		(Restated**)	(Restated**)
Revenue	-	1,156	1,156
Expenses	-	(780)	(780)
EBITDA	-	376	376
Depreciation	-	(150)	(150)
Finance income /costs	-	(19)	(19)
Profit before tax	-	207	207
Tax	-	(27)	8
Profit after tax	-	180	215
Profit on disposal of subsidiary	-	2,009	1,967
After tax disposal profit	-	2,009	1,967
Total profit on discontinued operations	-	2,169	2,182

\*\* details of the restatements following the adoption of IFRS 16 are made in note 1 to the financial statements.

The profit on disposal is included in profit on discontinued operations in the consolidated statement of comprehensive income.

The Group believes that Substantial Shareholder Relief would be available on the gain made on the disposal of the shares. Proceeds from disposal of discontinued operation (net of disposal costs and cash included in sale) is presented as an investing activity in the consolidated statement of cash flow.

#### 12 Inventories

31 January      31 January      31 July



	2020 Unaudited £'000	2019 Unaudited £'000	2019 Audited £'000
Consumables and goods for resale	363	275	298

The amount of inventories recognised as an expense during the period was £54,472 (31.1.2018: £62,045).

### 13 Trade and other receivables

	31 January 2020 Unaudited £'000	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
Trade receivables	798	1,664	1,055
Other receivables	1,007	599	2,270
Prepayments and accrued income	496	811	382
	<b>2,301</b>	<b>3,074</b>	<b>3,707</b>

#### Trade receivables

In respect of its self-storage business the Group does not typically offer credit terms to its customers and hence the Group is not exposed to significant credit risk. All customers are required to pay in advance of the storage period. Late charges are applied to a customer's account if they are more than 10 days overdue in their payment.

The Group provides for receivables based upon sales levels and estimated recoverability. There is a right of lien over the customers' goods, so if they have not paid within a certain time frame the Company has the right to sell the items they store to cover the debt owed by the customer. Trade receivables that are overdue are provided for based on estimated irrecoverable amounts, determined by reference to expected credit losses.

For individual self-storage customers, the Group does not perform credit checks. However, this is mitigated by the fact that all customers are required to pay in advance, and also to pay a deposit of 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.

In respect of its document storage business, customers are invoiced typically monthly in advance for the storage of their boxes, tapes and files. The provision of additional services, such as document boxes or tape collection and retrieval from archive, typically are invoiced monthly in arrears.

There has not been a significant change in credit quality in the Group's trade receivables and the amounts are still considered recoverable. The Group holds a right of lien over its self-storage customers' goods if these debts are not paid.

### 14 Trade and other payables

	31 January 2020 Unaudited £'000	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
Trade payables	768	1,519	640
Taxation and social security costs	763	259	388
Other payables	887	1,278	1,115
Accruals and deferred income	2,310	2,010	2,610
	<b>4,728</b>	<b>5,066</b>	<b>4,753</b>

The Directors consider that the carrying amount of trade and other payables and accruals approximates fair value.

### 15 Capital management and gearing

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 gearing ratio at the period-end is as follows:

<b>Gearing - Bank Borrowings</b>	31 January 2020 Unaudited £'000	31 January 2019 Unaudited £'000 Restated	31 July 2019 Audited £'000 Restated
Gross debt	(42,972)	(42,424)	(42,972)
Cash and cash equivalents	11,023	11,236	13,662
Net debt	<b>(31,949)</b>	<b>(31,188)</b>	<b>(29,310)</b>
Total equity - balance sheet	116,746	105,452	116,657
IFRS restatement	536	453	501
Adjusted total equity	<b>117,282</b>	<b>105,905</b>	<b>117,158</b>
Net debt to equity ratio	<b>27.2%</b>	<b>29.4%</b>	<b>25.0%</b>
<b>Total Gearing - Bank Borrowings and lease liabilities</b>	31 January 2020 Unaudited £'000	31 January 2019 Unaudited £'000 Restated	31 July 2019 Audited £'000 Restated
Gross debt - bank borrowings	(42,972)	(42,424)	(42,972)
Gross debt - lease liabilities	(12,283)	(13,421)	(12,860)
Cash and cash equivalents	11,023	11,236	13,662
Net debt	<b>(44,232)</b>	<b>(44,609)</b>	<b>(42,170)</b>
Total equity - balance sheet	116,746	105,452	116,657
Net debt to equity ratio	<b>37.9%</b>	<b>42.3%</b>	<b>36.1%</b>

Cash balances held in current accounts attract no interest but surplus cash is transferred daily to a treasury deposit account which earns interest at the prevailing money market rates<sup>1</sup>. All amounts are denominated in Sterling. The balances at 31 January 2020 are as follows:

	31 January 2020 Unaudited £'000	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
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	<b>9,635</b>	10,256	12,232
Variable rate treasury deposits <sup>1</sup>			63
SIP trustee deposits	<b>63</b>	60	63
Cash in operating current accounts	<b>1,316</b>	910	1,357
Other cash and cash equivalents	<b>9</b>	10	10
<b>Total cash and cash equivalents</b>	<b>11,023</b>	11,236	13,662

<sup>1</sup> Money market rates for the Group's variable rate treasury deposit track Royal Bank of Scotland plc base rate. The rate attributable to the variable rate deposits at 31 July 2019 was 0.3%.

#### 16a) Borrowings

	<b>31 January 2020 Unaudited £'000</b>	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
<b>Bank borrowings</b>			
<b>Non-current</b>			
Bank loans repayable in more than two years but not more than five years			
Gross	<b>42,972</b>	42,424	42,972
Deferred financing costs	<b>(574)</b>	(224)	(641)
<b>Net bank borrowings</b>	<b>42,398</b>	42,200	42,331
<b>Non-current borrowings</b>	<b>42,398</b>	42,200	42,331

The Group has a joint £75 million five year revolving credit facility banking facility with Lloyds Bank and Royal Bank of Scotland plc. The facility provides an accordion £25 million which can take the facility to £100 million and runs to April 2024 with an option of two one year extensions.

The interest rate is set at the London Inter-Bank Offer Rate (LIBOR) plus a 1.50%-1.75% margin based on a loan to value covenant test. The all in debt cost on £43.0 million drawn averaged 2.21% in the period. The Group is not obliged to make any repayments prior to its expiration in April 2024.

The Group currently has £43.0 million drawn against its existing £75 million revolving credit facility which is secured with RBS and Lloyds jointly by legal charges and debentures over the freehold and leasehold properties and other tangible assets of the business with a net book value of £173.2 million (31.01.2019: £158.8 / 31.07.2019 £168.9 million) together with cross-company guarantees from Group companies.

#### 16b) Lease liabilities

<b>Lease liabilities attributable to Right of Use assets</b>	<b>31 January 2020 Unaudited £'000</b>	31 January 2019 Unaudited £'000 Restated	31 July 2019 Audited £'000 Restated
<b>Current lease liabilities</b>			
Amounts due within one year	<b>1,257</b>	1,138	1,161
<b>Non-current lease liabilities</b>			
Amounts due in one to two years	<b>1,285</b>	1,257	1,257
Amounts due in three to five years	<b>2,749</b>	3,224	3,224
Amounts due in more than five years	<b>6,991</b>	7,802	7,218
<b>Non-current lease liabilities</b>	<b>11,025</b>	12,283	11,699
<b>Total lease liabilities</b>	<b>12,282</b>	13,421	12,860

<b>Lease liabilities attributable to Right of Use assets</b>	<b>31 January 2020 Unaudited £'000</b>	31 January 2019 Unaudited £'000 Restated	31 July 2019 Audited £'000 Restated
<b>Balance B/Fwd</b>	<b>12,860</b>	13,912	13,912
Lease repayments	<b>(720)</b>	(646)	(1,356)
<b>Lease interest (non-cash)</b>	<b>142</b>	155	304
<b>Total lease liabilities</b>	<b>12,282</b>	13,421	12,860

#### 17 Deferred tax

	<b>31 January 2020 Unaudited £'000</b>	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
<b>Deferred tax liability</b>			
Liability at start of period/year	<b>22,385</b>	19,735	19,735
Charge to income for the period/year -continued operations	<b>239</b>	132	400
<b>Charge to income for the period/year - discontinued operations</b>	<b>-</b>	18	32
<b>Total charge to income for the year</b>	<b>239</b>	150	432
Tax charged directly to other comprehensive income	<b>(137)</b>	122	2,327
Tax credited - disposal of subsidiary	<b>-</b>	-	(134)
Initial recognition on acquisition of subsidiary	<b>-</b>	24	24
Credit to share based payment reserve	<b>-</b>	15	1
<b>Liability at end of period/year</b>	<b>22,487</b>	20,046	22,385

#### 18 Share capital

	<b>31 January 2020 Unaudited £'000</b>	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
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Authorised: 35,000,000 ordinary shares of 1 pence each	350	350	350
	Called up, allotted and fully paid Number	Called up, allotted and fully paid Number	Called up, allotted and fully paid Number
Number of shares at start of period/year	29,583,786	29,498,615	29,498,615
Options exercised during period/year	9,427	52,304	85,171
Balance at end of period/year	29,593,213	29,550,919	29,583,786
	£	£	£
Allotted, issued and fully paid ordinary shares			
Balance at start of period/year	295,838	294,986	294,986
Options exercised during period/year	94	543	852
Balance at end of period/year	295,932	295,509	295,838

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

#### 19 Other reserves

Group	Merger reserve £'000	Other reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Total £'000
<b>1 August 2018 - Audited</b>	<b>6,295</b>	<b>1,294</b>	<b>34</b>	<b>740</b>	<b>8,363</b>
Equity share based payments	-	-	-	11	11
Transfer to retained earnings in relation to share based payments	-	-	-	(27)	(27)
Tax credit relating to share options	-	-	-	(15)	(15)
<b>31 January 2019 - Unaudited</b>	<b>6,295</b>	<b>1,294</b>	<b>34</b>	<b>709</b>	<b>8,332</b>
Equity share based payments	-	-	-	35	35
Transfer to retained earnings in relation to share based payments	-	-	-	(24)	(24)
Tax credit relating to share options	-	-	-	14	14
<b>31 July 2019 - Audited</b>	<b>6,295</b>	<b>1,294</b>	<b>34</b>	<b>734</b>	<b>8,357</b>
Equity share based payments	-	-	-	41	41
Transfer to retained earnings in relation to share based payments	-	-	-	(5)	(5)
Tax credit relating to share options	-	-	-	245	245
<b>31 January 2020 - Unaudited</b>	<b>6,295</b>	<b>1,294</b>	<b>34</b>	<b>1,015</b>	<b>8,638</b>

The merger reserve represents the excess of the nominal value of the shares issued by Lok'nStore Group plc over the nominal value of the share capital and share premium of Lok'nStore Limited as at 31 July 2001. The other distributable reserve and the capital redemption reserve arose in the year ended 31 July 2004 from the purchase of the Company's own shares and a cancellation of share premium.

#### Share based payment reserve

Under IFRS 2 there is the option to make transfers from the share based payment reserve to retained earnings in respect of accumulated share option charges where the options have either been exercised or have lapsed post-vesting. The total amounts calculated and accordingly transferred to retained earnings in the period amounted to £5,191 (31.1.2019: £27,140).

Group	Retained earnings before deduction of own shares £'000	Own shares (note 20) £'000	Retained earnings Total £'000
	Restated		Restated
<b>1 August 2018 - Audited</b>	19,844	(500)	19,344
Effect of new accounting standard - IFRS 16	(336)	-	(336)
<b>As at 1 August 2018 - restated</b>	<b>19,508</b>	<b>(500)</b>	<b>19,008</b>
Profit for the financial period - restated	4,135	-	4,135
Transfer from revaluation reserve	151	-	151
Transfer from share based payment reserve (Note 19)	27	-	27
Asset disposal	500	-	500
Dividend paid	(2,217)	-	(2,217)
<b>31 January 2019 - Unaudited</b>	<b>21,104</b>	<b>(500)</b>	<b>21,604</b>
Profit for the financial period- restated	1,262	-	1,262
Transfer from revaluation reserve	153	-	153
Transfer from share based payment reserve (Note 19)	24	-	24
Reserve transfer on disposal of assets	4,427	-	4,427
Dividend paid	(1,062)	-	(1,062)
<b>1 August 2019 - Audited</b>	<b>25,908</b>	<b>(500)</b>	<b>26,408</b>
Profit for the financial period	1,664	-	1,664
Transfer from revaluation reserve	154	-	154
Transfer from share based payment reserve (Note 19)	5	-	5
Dividend paid	(2,413)	-	(2,413)
<b>31 January 2020 - Unaudited</b>	<b>25,318</b>	<b>(500)</b>	<b>25,818</b>

The transfer from revaluation reserve represents the additional depreciation charged on revalued assets net of deferred tax.

The Own Shares Reserve represents the cost of shares in Lok'nStore Group plc purchased in the market and held in the Employee Benefit Trust to satisfy awards made under the Group's share incentive plan.

## 21 Own shares

	ESOP	ESOP	Treasury	Treasury	Own shares
	shares	shares	shares	shares	total
	Number	£	Number	£	£
1 August 2018 - Audited	623,212	499,910	-	-	499,910
31 January 2019 - Unaudited	623,212	499,910	-	-	499,910
31 July 2019 - Audited	623,212	499,910	-	-	499,910
<b>31 January 2020 - Unaudited</b>	<b>623,212</b>	<b>499,910</b>	-	-	<b>499,910</b>

The Group operates an Employee Benefit Trust (EBT) under a settlement dated 8 July 1999 between Lok'nStore Limited and Lok'nStore Trustee Limited, constituting an employees' share scheme. Funds are placed in the trust by way of deduction from employees' salaries on a monthly basis as they so instruct for purchase of shares in the Company. Shares are allocated to employees at the prevailing market price when the salary deductions are made.

As at 31 January 2020, the Trust held 623,212 (31.01.2019: 623,212) ordinary shares of 1 pence each with a market value of £4,468,430 (31.01.2019: £2,508,428). No shares were transferred out of the scheme during the period (2019: Nil). No options have been granted under the EBT.

## 22 Cash flows

### (a) Reconciliation of profit before tax to cash generated from operations

	Six months ended 31 January 2020 Unaudited £'000	Six months ended 31 January 2019 Unaudited £'000 Restated	Year ended 31 July 2019 Audited £'000 Restated
Profit before tax - continuing operations	2,306	2,568	4,426
Profit before tax - discontinued operations	-	207	2,173
Total profit before tax	2,306	2,775	6,590
Depreciation	1,829	1,828	3,575
Amortisation of intangible assets	-	83	83
Equity settled share based payments	41	11	46
Profit on sale of land at store	-	(296)	(296)
Profit on disposal of Saracen business	-	-	(1,967)
Costs of sale and manage-back - Crayford store	-	-	54
Deferred financing on bank loan written off	-	-	133
Interest receivable	(16)	(10)	(31)
Interest payable - bank borrowings	420	250	605
Interest payable	143	177	326
(Increase) in inventories	(66)	(18)	(41)
Decrease in receivables	1,406	1,402	768
Increase / (decrease) in payables	109	(202)	(313)
Cash generated from operations	6,172	6,000	9,545

### (b) Reconciliation of net cash flow to movement in net debt

Net debt is defined as non-current and current borrowings, as detailed in note 16 less cash and cash equivalents.

	Six months ended 31 January 2020 Unaudited £'000	Six months ended 31 January 2019 Unaudited £'000	Year ended 31 July 2019 Audited £'000
Increase in cash in the period/year	2,639	6,246	8,672
Change in net debt resulting from cash flows	-	(5,089)	(5,637)
Movement in net debt in period	(2,639)	1,157	3,035
Net debt brought forward	(29,310)	(32,345)	(32,345)
Net debt carried forward	(31,949)	(31,188)	(29,310)

## 23 Commitments under operating leases

At 31 January 2020 the total future minimum lease payments as a lessee under non-cancellable operating leases were as follows:

	31 January 2020 Unaudited £'000	31 January 2019 Unaudited £'000	31 July 2019 Audited £'000
Land and buildings			
Amounts due:			
Within one year	1,517	1,247	1,517
Between two and five years	5,082	4,989	5,358
After five years	7,677	5,550	8,165
	14,276	11,786	15,040

Operating lease payments represent rentals payable by the Group for certain of its properties. Typically, leases are negotiated for a term of 20 years and rentals are fixed for an average of five years.

Under the first-time adoption of IFRS 16, the Group's operating leases on its leased stores are now recognised as a 'right of use asset' and as a corresponding liability at the year-end. This is fully explained in Note 1 of the financial statements.

## 24 Events after the Reporting Date

### Events after the reporting date - Novel Coronavirus (COVID-19)

Since the reporting date of 31 January 2020, the outbreak of the Novel Coronavirus (COVID-19) has been declared a "Global Pandemic" by the World Health Organisation on the 11th March 2020.

We have reported comprehensively on the up to date COVID 19 position and this is contained within the Chairman's Statement.

#### **Gloucester**

The new managed store in Gloucester opened on 22 February 2020. This prominent store opposite Morrisons is managed by Lok'nStore on behalf of a third party investor under a managed services agreement.

Lok'nStore will receive management and performance fees for managing the store on behalf of its new owners.

#### **Glossary Abbreviation**

APM	Alternative performance measures
Adjusted EBITDA	Earnings before all depreciation and amortisation charges, losses or profits on disposal, share-based payments, acquisition costs, and non-recurring professional costs, finance income, finance costs and taxation
Adjusted Store EBITDA	Adjusted EBITDA (see above) but before central and head office costs
AGM	Annual General Meeting
APD	Auditing Practices
Bps	Basis Points
CAC	Contributory asset charges
CAD	Cash available for Distribution
Capex	Capital Expenditure
CGU	Cash generating units
CO <sub>2</sub> e	Carbon Dioxide Equivalents
CSOP	Company Share Option Plan
EBT	Employee Benefit Trust
(eKPIs)	Environmental key performance indicators
EMI	Enterprise Management Incentive Scheme
ESOP	Employee Share Option Plan
EU	European Union
GHG	Greenhouse gas
HMRC	Her Majesty's Revenue & Customs
IAS	International Accounting Standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
JLL	Jones Lang LaSalle
LIBOR	London Interbank Offered Rate
LFL	Like for like
LTV	Loan to Value Ratio
MWh	Megawatt Hour
NAV	Net Asset Value
NBV	Net Book Value
Operating Profit	Earnings before interest and tax (EBIT)
PPP	Partnership Performance Plan
PV	Photovoltaic
QCA	Quoted Companies Alliance
RICS	Royal Institution of Chartered Surveyors
SIP	Share Incentive Plan
SME	Small and medium sized enterprises
Sq.ft.	Square Feet
tCO <sub>2</sub> e	Tonnes of carbon dioxide equivalent
TVR	Total voting rights
VAT	Value Added Tax

#### **Our Stores**

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Tel 01252 521010 www.loknstore.co.uk <a href="http://www.loknstore.co.uk">www.loknstore.co.uk</a>	
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## Owned Trading Stores

<b>Basingstoke, Hampshire</b> Crockford Lane Chineham Basingstoke Hampshire RG24 8NA Tel 01256 474700 <a href="mailto:basingstoke@loknstore.co.uk">basingstoke@loknstore.co.uk</a>	<b>Bristol, Gloucestershire</b> Longwell Green Trade Park Alder Moor Way Bristol Gloucestershire BS30 7ET Tel 0117 967 7055 <a href="mailto:Bristol@loknstore.co.uk">Bristol@loknstore.co.uk</a>	<b>Cardiff, Wales</b> 234, Penarth Road Cardiff Wales CF11 8LR Tel 0292 022 1901 <a href="mailto:Cardiff@loknstore.co.uk">Cardiff@loknstore.co.uk</a>	<b>Eastbourne, East Sussex</b> Unit 4, Hawthorn Road Eastbourne East Sussex BN23 6QA Tel 01323 749222 <a href="mailto:eastbourne@loknstore.co.uk">eastbourne@loknstore.co.uk</a>
<b>Fareham, Hampshire</b> 26 + 27 Standard Way Fareham Industrial Park Fareham Hampshire PO16 8XJ Tel 01329 283300 <a href="mailto:fareham@loknstore.co.uk">fareham@loknstore.co.uk</a>	<b>Farnborough, Hampshire</b> 112 Hawley Lane Farnborough Hampshire GU14 8JE Tel 01252 511112 <a href="mailto:farnborough@loknstore.co.uk">farnborough@loknstore.co.uk</a>	<b>Gillingham, Kent</b> Courtney Road Gillingham Kent ME8 0RT Tel 01634 366044 <a href="mailto:gillingham@loknstore.co.uk">gillingham@loknstore.co.uk</a>	<b>Harlow, Essex</b> Edinburgh Way Temple Fields Harlow Essex CM20 2GF Tel 01279 882366 <a href="mailto:harlow@loknstore.co.uk">harlow@loknstore.co.uk</a>
<b>Hedge End, Southampton</b> Units 2 & 3 Waterloo Industrial Estate Flanders Rd Hedge End Southampton SO30 2QT Tel 01489 787005 <a href="mailto:HedgeEnd@loknstore.co.uk">HedgeEnd@loknstore.co.uk</a>	<b>Horsham, West Sussex</b> Blatchford Road Redkiln Estate Horsham West Sussex RH13 5QR Tel 01403 272001 <a href="mailto:horsham@loknstore.co.uk">horsham@loknstore.co.uk</a>	<b>Ipswich</b> Part of Site 7 Futura Park Ipswich IP3 9QH Tel 01473 794940 <a href="mailto:exeter@loknstore.co.uk">exeter@loknstore.co.uk</a>	<b>Luton, Bedfordshire</b> 27 Brunswick Street Luton Bedfordshire LU2 0HG Tel 01582 721177 <a href="mailto:luton@loknstore.co.uk">luton@loknstore.co.uk</a>
<b>Maidenhead, Berkshire</b> Stafferton Way Maidenhead Berkshire SL6 1AY Tel 01628 878870 <a href="mailto:maidenhead@loknstore.co.uk">maidenhead@loknstore.co.uk</a>	<b>Milton Keynes, Buckinghamshire</b> Etheridge Avenue Brinklow Milton Keynes Buckinghamshire MK10 0BB Tel 01908 281900 <a href="mailto:miltonkeynes@loknstore.co.uk">miltonkeynes@loknstore.co.uk</a>	<b>Northampton Central</b> 16 Quorn Way Grafton Street Industrial Estate Northampton Northamptonshire NN1 2PN Tel 01604 629928 <a href="mailto:ncentral@loknstore.co.uk">ncentral@loknstore.co.uk</a>	<b>Northampton Riverside</b> Units 1-4, Carousal Way Northampton Northamptonshire NN3 9HG Tel 01604 785522 <a href="mailto:northampton@loknstore.co.uk">northampton@loknstore.co.uk</a>
<b>Poole, Dorset</b> 50 Willis Way Fleetsbridge Poole Dorset BH15 3SY Tel 01202 666160 <a href="mailto:poole@loknstore.co.uk">poole@loknstore.co.uk</a>	<b>Portsmouth, Hampshire</b> Rudmore Square Portsmouth Hampshire PO2 8RT Tel 02392 876783 <a href="mailto:portsmouth@loknstore.co.uk">portsmouth@loknstore.co.uk</a>	<b>Reading, Berkshire</b> 251 A33 Relief Road Reading Berkshire RG2 0RR Tel 01189 588999 <a href="mailto:reading@loknstore.co.uk">reading@loknstore.co.uk</a>	<b>Southampton, Hampshire</b> Third Avenue Southampton Hampshire SO15 0JX Tel 02380 783388 <a href="mailto:southampton@loknstore.co.uk">southampton@loknstore.co.uk</a>
<b>Sunbury, Middlesex</b> Unit C, The Sunbury Centre Hanworth Road Sunbury on Thames Middlesex TW16 5DA Tel 01932 761100 <a href="mailto:sunbury@loknstore.co.uk">sunbury@loknstore.co.uk</a>	<b>Tonbridge, Kent</b> Unit 6 Deacon Trading Estate Vale Road Tonbridge Kent TN9 1SW Tel 01732 771007 <a href="mailto:tonbridge@loknstore.co.uk">tonbridge@loknstore.co.uk</a>	<b>Wellingborough, Northamptonshire</b> 19/21 Whitworth Way Wellingborough Northamptonshire NN8 2EF Tel 01634 366044 <a href="mailto:gillingham@loknstore.co.uk">gillingham@loknstore.co.uk</a>	

## Development locations - LNS Owned Stores

<b>Bedford</b> 69 Cardington Road Bedford MK42 0BQ	<b>Bournemouth, Dorset</b> Land at Wessex Field Deansleigh Road Bournemouth Dorset BH7 7DU	<b>Cheshunt, Hertfordshire</b> Land lying on the South Side of Halfhide Lane Turnford Hertfordshire	<b>Leicester</b> Part of land forming part of Freemens Common Road Leicester LE2 7SL
<b>Stevenage, Hertfordshire</b> Part of Land at Plot 2000 Stevenage Business Park Gunnels Wood Road Stevenage Hertfordshire SG1 2BL	<b>Warrington, Cheshire</b> Land at Winwick Road, Warrington Cheshire WA2 7PF	<b>Wolverhampton, Staffordshire</b> Land at Pantheon Park Wednesfield Way Wolverhampton Staffordshire WV11 3DR	<b>Salford, nr. Manchester</b> A57 Regent Road, Salford, Manchester, M5 4EA

## Managed stores - Trading

<b>Aldershot, Hampshire</b> 251, Ash Road Aldershot Hampshire GU12 4DD Tel 0845 4856415 <a href="mailto:aldershot@loknstore.co.uk">aldershot@loknstore.co.uk</a>	<b>Ashford, Kent</b> Wotton Road Ashford Kent TN23 6LL Tel 01233 645500 <a href="mailto:ashford@loknstore.co.uk">ashford@loknstore.co.uk</a>	<b>Broadstairs, Kent</b> Unit 2, Pyramid Business Park, Poorhole Lane, Broadstairs, Kent CT10 2PT Tel 01843 863253 <a href="mailto:broadstairs@loknstore.co.uk">broadstairs@loknstore.co.uk</a>	<b>Chichester, West Sussex</b> 17, Terminus Road Chichester West Sussex PO19 8TX Tel 01243 771840 <a href="mailto:chichester@loknstore.co.uk">chichester@loknstore.co.uk</a>
<b>Crawley, West Sussex</b> Sussex Manor Business Park Gatwick Road Crawley West Sussex RH10 9NH Tel 01293 738530 <a href="mailto:crawley@loknstore.co.uk">crawley@loknstore.co.uk</a>	<b>Crayford, Kent</b> Block B Optima Park Thames Road Crayford Kent DA1 4QX Tel 01322 525292 <a href="mailto:crayford@loknstore.co.uk">crayford@loknstore.co.uk</a>	<b>Dover, Kent</b> Honeywood Parkway Whitfield Dover CT16 3FJ Tel 01304 827353 <a href="mailto:dover@loknstore.co.uk">dover@loknstore.co.uk</a>	<b>Exeter</b> 1 Matford Park Road Exeter Devon EX2 8ED Tel 01392 823989 <a href="mailto:exeter@loknstore.co.uk">exeter@loknstore.co.uk</a>
<b>Hemel Hempstead, Hertfordshire</b> Fortius Point,	<b>Swindon, Wiltshire</b> Kembrey Street	<b>Woking, Surrey</b> Marlborough Road	

47, Maylands Avenue Hemel Hempstead Hertfordshire HP2 7DE Tel 01442 240768 <a href="mailto:hemelhempstead@loknstore.co.uk">hemelhempstead@loknstore.co.uk</a>	Elgin Industrial Estate Swindon Wiltshire SN2 8UY Tel 01793 421234 <a href="mailto:swindoneast@loknstore.co.uk">swindoneast@loknstore.co.uk</a>	Woking Surrey GU21 5JG Tel 01483 378323 <a href="mailto:woking@loknstore.co.uk">woking@loknstore.co.uk</a>	
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### Managed stores - Under Development

<b>Gloucester</b> Land at Triangle Park Metz Way Gloucester GL4 (Opened February 2020)	<b>Oldbury</b> 6 Churchbridge, Oldbury, B69 2AP	<b>Chester</b> 58-64 Sealand Road, Chester CH1 4LD	
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