LOK'n STORE

Self Storage

Lok'nStore Group Plc

INTERIM REPORT

for the six months to
31 January 2019

"Lok'nStore's **trading is strong and our outlook remains confident**. With low gearing helped by capital recycling, we will continue to build more landmark stores in a structurally under-supplied market. In the first half of this year we opened a new store, acquired an existing operation and added two more sites to our pipeline. We have opened two more sites since the period-end and two more sites are currently with lawyers.

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

Andrew Jacobs, CEO

To find out more visit:
www.loknstore.com/investors

Highlights

"Growing cash flows and recycling of capital deliver increased dividends and an exciting pipeline of new landmark stores"

STRONG TRADING

- Group Revenue (continued operations[1]) £8.51 million up 11.5% (31.1.2018: £7.64 million)
- Group EBITDA[3] £3.80 million up 8.6% (31.1.2018: £3.49 million)
- Net profit £2.08 million up 22.7% (31.1.2018: £1.70 million)

CASH FLOW GROWTH SUPPORTS 10.2% INTERIM DIVIDEND INCREASE

- Cash available for Distribution (CAD)[4] £2.78 million up 4.5% (31.1.2018: £2.67 million)
- Interim dividend 3.67 pence per share up 10.2% (31.1.2018: 3.33 pence per share)

STEADY INCREASE IN ASSET VALUE

- Adjusted Net Asset Value (NAV) per share[5] up 16.1% to £4.85 (31.1.2018: £4.18)
- Total assets[6] £188.1 million up 21.7% (31.1.2018: £154.5 million)

HEALTHY PIPELINE OF NEW LANDMARK STORES[8]

- New stores opened in Dover, Cardiff (post period-end), Exeter (post period-end)
- Acquisition of an existing trading store in Hedge End, Southampton
- 2 new sites acquired in Stevenage and Wolverhampton
- Current Pipeline[10] of 8 contracted stores will add 27% of extra trading space to the overall portfolio, 32% to our owned portfolio and 10% to the managed portfolio
- 2 more sites are progressing with lawyers

SECURE BALANCE SHEET, CAPITAL RECYCLING

- Net debt £31.19 million (31.1.2018: £23.45 million) (31.7.2018: £32.3 million)
- Loan to value[7] ratio 17.9% (31.1.2018: 16.8%) (31.7.2018: 19.7%)
- Average cost of debt 2.13% (31.1.2018: 1.72%) (31.7.2018: 1.85%)
- Capital expenditure £8.8 million (31.1.2018: £10.9 million) (31.7.2018: £21.7 million)
- Disposal of document storage business for £7.6 million cash
- Post period-end:
  - Sale and manage back of Crayford site for £7.52 million cash resulting in:
    - Net debt reducing further to £23.66 million (31.1.2018: £23.45 million) (31.7.2018: £32.3 million)
    - Loan to value[6] ratio down to 14.2% (31.1.2018: 16.8%) (31.7.2018: 19.7%)
  - Bank facility increased by £25 million to £75 million with accordion to £100 million

CONSISTENT PERFORMANCE OF SELF-STORAGE BUSINESS – BOTH OCCUPANCY AND PRICING UP

- Adjusted Store EBITDA[8] £4.66 million up 8.6% (31.1.2018: £4.29 million)
- Unit Occupancy up 8.0%
- Occupied units pricing up 1.4%

For the definitions of the terms used in the highlights above, refer to our Glossary section on pages 33 and 34

Chairman's Statement

"**Healthy growth,** increased dividend and recycling capital into landmark store opening programme"

Simon G. Thomas
Chairman

I am pleased to present to shareholders another strong set of results. Lok'nStore continues its healthy growth with new landmark store openings, new sites added to our development pipeline and substantial recycling of capital.

Positive trading

For the half year period to January 2019 trading has been good with revenue, profits, pricing and occupancy all increasing.

An increase in Group revenue (continuing operations) of 11.5% to £8.51 million (31.1.2018: £7.64 million) resulted mainly from occupancy growth of 8% with prices up 1.4%. Our ninth managed store opened in Dover in the period. Trading has started well and fees from the management and performance of this store will follow the development fees already received. Shortly after the period end we opened a freehold store in Cardiff where trading has also started well. Both stores fit our landmark store profile being in prominent locations with our eye-catching bright orange Lok'nStore livery.

We also acquired a trading, single store self-storage operation in Hedge End, Southampton for a total investment of £1.4m including an allowance for refurbishment and rebranding costs. We expect future revenues and profit at this store to benefit from the store's rebranding and implementation of our management processes once complete.

Progressive Dividend

Lok'nStore's dividend payments to shareholders will reflect the growth in the underlying cash generated by the operating business as reflected in the cash available for distribution (CAD) which is up 4.5% period to period.

At interim stage we will pay one third of the previous year's total annual dividend which equates to 3.67 pence per share, up 10.2% on the 3.33 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 14 June 2019 to shareholders on the register on 10 May 2019. The ex-dividend date will be 9 May 2019. The final deadline for Dividend Reinvestment Election by investors is 24 May 2019. The final dividend will be declared when the Group's full year results are announced in October 2019.

Capital recycling

The strategic disposal of our document storage business generated £7.64 million in cash (gross) while the sale and manage back of our Crayford store, completed after the period close, generated a further £7.52 million in cash. These proceeds will now be reinvested back into new faster growth landmark stores.

While we invested £8.8 million in store development in this period, as a result of this recycling of capital we are able to report a post period end loan-to-value (LTV) ratio of only 14.2% (31.1.2018: 16.8%) and net debt of only £23.66 million (31.1.2018: £23.5 million).

The Group continues to source high quality sites for new landmark stores. Our rapid store development programme has led to an increase in new and purpose built space to 62% of our owned portfolio and will rise to 69% following development of our Current Pipeline[10]. Trading at our new stores has been excellent and this underpins our confidence that our strong pipeline of nine more landmark stores will add further momentum to sales and earnings growth. They will add 35% more trading space to our portfolio.

Lok'nStore increases its existing £50 million Banking Facility to £75 million (Post Balance sheet event)

In April 2019, after the period-end the Group increased its bank facility by £25 million to £75 million, with a further £25 million accordion option taking the facility to £100 million. The increased facility will provide funding for new landmark site acquisitions and working capital to support the Group's ambitious growth plans.

The facility is a combined agreement with Lloyds Bank and The Royal Bank of Scotland plc and runs until 2024 with an option for a further two one year extensions and is closely aligned to the terms of the Group's previous facility. 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 cost of our debt on £42.4 million drawn (gross) averaged 2.13% in the period.

Operating Costs

As stated in last year's interim statement, costs associated with the development of new stores will increase the overall operating costs of the business. On a like for like basis excluding the new stores in the period costs increased by only 2.7% and this is explained more fully in the Business Review. We are not seeing significant cost pressures outside of pro rata increases from new store openings and we will remain disciplined in our approach to cost control.

Positive Outlook for Growth

Lok'nStore is a dynamic business designed to deliver significant growth with an established record of consistent profit and cash generation. Our main objective is to steadily increase the cash available for distribution (CAD) per share enabling a predictable growth of the dividend from a strong asset base with conservative levels of debt.

In order to achieve this our focus will be on three key areas:

1. Fill stores and improve pricing to increase cash flow from the existing stores
2. Acquire sites to build more new landmark stores
3. Increase the number of stores we manage for third parties

Our Current Pipeline of 8 new stores will contribute to the achievement of these objectives.

Finally, I should like to thank all of our employees for the huge contribution they have made to the Group's success. Managing growth is a key challenge to organisations and our team are meeting the challenge with expertise, dedication and enthusiasm.

Simon G. Thomas
Chairman
26 April 2019

Business and Financial Review

"Steady **revenue growth** translates into healthy **profit growth.**"

Ray Davies
Finance Director

The Performance of our Stores – Self-storage business growing

- Self-storage revenue £8.08 million up 10.4% (31.1.2018: £7. 33 million) LFL up 4.7%
- Adjusted Store EBITDA £4.66 million up 8.6% (31.1.2018: £4.29 million) LFL up 3.8 %
- Unit occupancy increased 8% year on year LFL up 2.4%
- Occupied units pricing up 1.4% LFL 1.3%

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 8.6% to £4.66 million (31.01.2018: £4.29 million). Over the course of the year unit occupancy rose by a healthy 8% (2.4% LFL) and unit pricing was up 1.4% (LFL 1.3%). The overall adjusted EBITDA margin across all stores was 58.1% rising to 58.8% on a like for like basis (31.1.2018: 58.6%).

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 store EBITDA margin (64.3% and 100% respectively versus 57.7% 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 58.8% freehold space, leasehold space will decline to 20.2% of space and managed stores will increase to 21% of total space operated.

At the end of January 2019, 33.8% of Lok'nStore's self-storage revenue was from business customers (31.1.2018: 34.8%) with the remainder from household customers. By number of customers 18.5% of our customers were business customers (31.1.2018: 18.8%).

Portfolio Analysis and Performance Breakdown

						When Fully Developed	
Portfolio Analysis and Performance Breakdown	Number of stores	% of Property Valuation	% of Adjusted Store EBITDA	Adjusted Store EBITDA Margin (%)	% lettable space Lok Owned	Number of stores	Total % lettable space
As at 31 January 2019							
Freehold and long leasehold stores	14	88.7	75.7	64.3	64.8	22	58.8
Operating Leaseholds stores	8	11.3	24.3	43.6	35.2	8	20.2
Managed Stores	9	–	–	100	–	11	21.0
Total stores trading	31	–	–		–	41	–
Pipeline stores							
Owned	8	–	–	–	–	–	–
Managed	2	–	–	–	–	–	–
Total Self Storage	41	100	100	57.7	100	41	100

Ancillary Sales

Ancillary sales consisting of boxes and packaging materials, insurance and other sales increased to £883,241 an increase of 12.3% year on year (31.01.18: £786,737) accounting for 11.0% of self-storage revenues.

Saracen – Document storage business sold at period end

- Saracen sold for £7.64 million cash

On 31 January 2019, our document storage business, Saracen, was sold for £7.64 million in cash. Saracen made a good profit every year of Lok'nStore's ownership and contributed £1.12 million to the Group's revenue and £0.25 million to its EBITDA in the six months to 31 January 2019.

For accounting purposes the disposal of the Saracen business 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 transaction on the ongoing operations of our business. Accordingly Saracen's operating numbers and cash flow are excluded from the headline figures. Discontinued operations are shown separately as a single line on the Statement of Comprehensive Income as a profit on disposal (after tax) which combines Saracen's 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.

In the short term, the disposal proceeds will be used to reduce overall Group borrowing and will improve all key banking ratios. In the medium term the disposal proceeds will be used to fund the ongoing investment into our highly accretive development pipeline of new self-storage centres, fulfilling the Company's objective of growing asset value by recycling capital from lower growth assets into high growth landmark stores.

Store properties and Net Asset Value

- Total assets £188.1 million up 21.7% (31.1.2018: £154.5 million)
- Adjusted net asset value £4.85 per share up 16.1% (31.1.2018: £4.18)
- Investment in new stores £8.8 million (31.1.2018: £10.9 million)

Lok'nStore has 31 freehold, leasehold and managed stores trading. Of these, 22 stores are owned with 14 freehold or long leasehold, 8 leasehold and 9 further sites operate under management contracts. Post period-end The Exeter and Cardiff stores increased this to 33 stores currently trading.

The average unexpired term of the Group's operating leaseholds is approximately 10 years and 7 months as at 31 January 2019 (10 years and 2 months: 31 January 2018). 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.

- Early trading at recently opened stores has been excellent
- 2 further new store opportunities identified and are progressing with lawyers
- Current Pipeline of 8 contracted stores adds 27% of extra trading space to the overall portfolio, 32% to our owned portfolio and 10% 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. We aim to open what will be our largest store yet in the summer of 2020.

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 currently being designed.

Development of new stores continued

Ipswich

Our 40,000 sq. ft. landmark store in Ipswich is located on Futura Park a relatively new but established retail destination to the South East of Ipswich town centre. The store sits between a supermarket and car dealership. The internal fit out is currently underway and the store will open summer 2019.

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. The frame has been built and the store will open towards the end of 2019.

Gloucester

On 5 September 2018, planning permission was granted for a 40,000 sq. ft. store and contractors begin on site next month. The store will be a Lok'nStore branded store and Lok'nStore will receive management and performance fees for managing the store on behalf of its new owners.

Stevenage

On Friday 21 December 2018 we exchanged contracts on the site in Gunnels Wood Road in Stevenage, Kent. The site is in a prominent location in an established commercial and retail area. The 60,000 sq. ft. store is currently being designed.

Wolverhampton

Designs for a 40,000 sq. ft. store are currently underway for a store in Wolverhampton. The site is opposite a busy retail park on the North East of Wolverhampton.

Acquisition of The Box Room (Self Storage) Ltd (Hedge End Store)

The Box Room was acquired for £1.17 million. It operates from a leasehold unit in the thriving commercial area of Hedge End, Hampshire. The acquisition secures a profitable business with further opportunities to increase sales. The rebranding project will be complete summer 2019. The new 15 year lease is inside the Landlord & Tenant Act 1954 and has been secured on attractive terms with 12 months' rent free.

Sale of land at rear of Southampton store

Following the development and opening of the new Southampton store there remained land to the rear of the building. On 25 October 2018, this land was sold for £0.8 million. The Directors had placed a value in the financial statements to 31 July 2018 on this land of £0.5 million.

Post Balance Sheet events:

Cardiff store Opened

The new store in Cardiff opened in February 2019 and is trading well. The store is 45,000 sq. ft. and located in a busy retail area to the South East of the City.

Exeter store Opened

The new Managed store in Exeter opened on 13 April 2019 shortly before the date of this Statement.

Maidenhead – Acquisition of Freehold interest:

On 29 March 2019, we acquired the freehold interest in our existing long leasehold from the Royal Borough of Windsor and Maidenhead to secure the freehold position of the store.

Sale and Manage back of Crayford store

On 28 February 2019, we announced the sale and manage back of our Crayford store for £7.52 million in cash.

The store has been sold on a sale and manage back basis as part of the Company's strategic objective to recycle capital from older, lower growth assets to new, high growth landmark stores. Lok'nStore will continue to manage the store maintaining the operational footprint of the business, and will receive management and performance fees. The sale price represents the independent external valuation of the store and also the store's net book value (fair value) as at July 31 2018 so there will be no impact on net asset value.

More Managed Stores

Over recent years we have been developing our management services to third party self-storage owners. We have twelve stores under management contracts with nine of these open and trading and those in Exeter, and Gloucester under development. Post period end our existing Crayford store was sold on a sale and manage back contract and so became a managed store taking total managed stores to 12.

Rather than receiving the operating income of the managed stores, Lok'nStore receives a standard monthly management fee, a performance fee based on certain objectives and fees on any successful exits. 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 rankings and benefitting all 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.

In this period we earned £0.39 million (31.1.2018: £0.31 million) in management fees. We expect this to continue increasing steadily over the coming years as more managed stores are opened.

Management fees	Six months ended 31 January 2019 Unaudited £	Six months ended 31 January 2018 Unaudited £
Total management fees	386,884	311,524

Two stores being developed under management contracts

- Exeter – opened April 2019
- Gloucester – scheduled to open Spring 2020

Summary – Flexible approach to site acquisition

We continue our strategy of actively managing our portfolio as demonstrated by the disposal of Saracen, the sale and manage back of the Crayford store and the disposal of land at our Southampton store, 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 8 new stores in our secured Current Pipeline[10]. 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) £8.51 million up 11.5% (31.1.2018: £7.64 million) LFL up 4.9%
- Group Adjusted EBITDA2 £3.80 million up 8.6% (31.1.2018: £3.49 million)
- Loan to value still only 17.9% (31.1.2018: 16.8%) (Post sale and manage back of Crayford 14.2%)
- Cash available for Distribution (CAD)[3] £2.78 million up 4.5% (31.1.2018: £2.67 million)
- Interim dividend up 10.2% to 3.67 pence per share (31.1.2018: 3.33 pence per share)
- Cash balances £11.2 million (31.1.2018: £5.4 million) (31.7.2018: £5.0 million)

Post Balance Sheet event: New £75 million Banking Facility

In April 2019 the Group agreed a new joint banking facility with Lloyds Bank and Royal Bank of Scotland plc. The new £75 million five year revolving credit facility replaces the existing £50 facility and will provide funding for site acquisitions and their development to support the Group's growth plans. The facility also provides for a £25 million accordion uplift to £100 million and runs to 2024 with an extension option for a further two one-year extensions.

The facility is closely aligned to the terms of the Group's previous facility. 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.

Lok'nStore is a robust business which generates an increasing cash flow from its strong asset base with a low LTV of 17.9% and a low average cost of debt of 2.13%. With its new banking facility the business has a firm base for growth. The value of the Group's property assets underpins a flexible business model with stable and rising cash flows and low credit risk.

Management of interest rate risk

- Average cost of debt currently 2.13% (31.1.2018: 1.72%) (31.7.2018: 1.85%)

With £42.4 million of gross debt currently drawn against the £50 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.

Taxation

The Group has made a current tax provision against earnings in this period of £0.47 million (31.1.2018: £0.49 million) based on a corporation tax rate of 19% (31.1.2018: 20%). 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 £20.05 million. (31.1.2018: £16.63 million) (See Note 16).

Earnings per share

Basic earnings per share were 14.72 pence (31.1.2018: 6.70 pence per share) and diluted earnings per share were 14.40 pence (31.1.2018: 6.58 pence per share).

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 7.21 pence (31.1.2018: 5.90 pence per share) and diluted earnings per share were 7.05 pence (31.1.2018: 5.80 pence per share).

	Six months ended 31 January 2019 Unaudited	Six months ended 31 January 2018 Unaudited	Year ended 31 July 2018 Audited
Basic			
Continuing operations	7.21p	5.90p	11.48p
Discontinued operations	7.51p	0.80p	1.57p
Total basic earnings per share	14.72p	6.70p	13.05p
Diluted			
Continuing operations	7.05p	5.80p	11.28p
Discontinued operations	7.35p	0.78p	1.55p
Total diluted earnings per share	14.40p	6.58p	12.83p

Costs – Continuing Operations

Group operating costs amounted to £4.62 million for the period (31.1.2018: £4.06 million).

We have a strong record of reducing our group operating costs each year however we cautioned at our 2018 year end results that although we maintain a disciplined approach to costs we will not be able to continue to reduce them while also delivering an acceleration of our store opening programme. In the period operating costs were up 13.8% year on year as we opened the new stores. On a like for like basis stripping out the costs of new stores, Group operating costs amounted to £4.17 million for the period, a 2.7% increase year on year (31.1.2018: £4.06 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. Rents have remained broadly static.

Staff costs increased by 12.5% (6.0% LFL) as we staffed the new stores and paid performance bonuses to all our store staff. We also incurred additional national insurance costs arising on these performance bonuses and the exercise of employee share options.

The principal increase in overhead costs have been driven by a higher level of legal and professional costs due to work on rent reviews, corporate tax and compliance work and costs arising on aborted store acquisitions.

Group-Continuing Operations

	Increase (decrease) in costs %	Six months ended 31 January 2019 £'000	Six months ended 31 January 2018 £'000	Year ended 31 July 2018 £'000
Property costs	11.0%	1,971	1,777	3,647
Staff costs	12.5%	2,027	1,802	3,832
Overheads	29.3%	625	484	1,079
Total	13.8%	4,623	4,063	8,558

Group-Continuing Operations Like for Like

	Increase (decrease) in costs %	Six months ended 31 January 2019 £'000	Six months ended 31 January 2018 £'000	Year ended 31 July 2018 £'000
Property costs	5.7%	1,677	1,777	3,647
Staff costs	6.0%	1,908	1,802	3,832
Overheads	21.7%	588	484	1,079
Total	2.7%	4,173	4,063	8,558

Cash flow and financing

At 31 January 2019 the Group had cash balances of £11.2 million (31.1.2018: £5.4 million) (31.7.2018: £5.0 million). Cash inflow from operating activities before investing and financing activities was £5.33 million (31.1.2018: £3.76 million). As well as using cash generated from operations to fund some capital expenditure, the Group has a five year revolving credit facility which runs until January 2023. This provides sufficient liquidity for the Group's current needs. Undrawn committed facilities at the period-end amounted to £7.6 million (31.1.2018: £11.2 million). See the commentary in the Business Review and also Note 22 (i) (Events after the Reporting Date) which references the Group's new £75 million revolving credit facility.

Gearing

At 31 January 2019 the Group had £42.4 million of gross borrowings (31.1.2018: £28.8 million) representing gearing of 29.5% (31.1.2018: 26.1%) on net debt of £31.2 million (31.1.2018: £23.5 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 25.9% (31.1.2018: 22.6%). After adjusting for the deferred tax liability carried at period end of £20.0 million gearing drops to 22.2% (31.1.2018: 19.5%).

Cash available for Distribution (CAD) up 4.5% 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 4.5% in the period. Cash available for Distribution (CAD) per share (annualised) was up 4.0% to 19.2 pence (31.1.2018: 18.5 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 2019 £'000	Period ended 31 January 2018 £'000	Year ended 31 July 2018 £'000
Group Adjusted EBITDA (per Statement of Comprehensive Income)	3,795	3,494	6,633
Less: Net finance costs[1]	(439)	(296)	(537)
Capitalised maintenance expenses	(55)	(45)	(80)
New Works Team	(47)	(69)	(149)
Current tax (note 7)	(470)	(418)	(837)
Total deductions	(1,011)	(828)	(1,603)
Cash Available for Distribution	2,784	2,666	5,030
Increase in CAD over last year	4.5%		
	Number	Number	Number
Closing shares in issue (less shares held in EBT)	28,927,707	28,806,711	28,875,403
CAD per share (annualised)	19.2p	18.5p	17.4p

Capital expenditure and capital commitments

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 was £8.8 million (31.1.2018: £10.9 million). This was primarily the purchase of the Leicester and Wolverhampton sites, and exchange of contracts on our Stevenage site, together with construction and fit out works at our sites in Cardiff and Ipswich as well as planning and pre-development works at our Bedford, Bournemouth, and Cheshunt sites.

During the period land at the rear of our Southampton store valued at £500,000 was sold for £800,000. These proceeds will be recycled into the store development programme. There are £4.4 million of capital commitments on contracted works on stores currently under development.

Market Valuation of Freehold and Operating Leasehold Land and Buildings

On 31 July 2018 professional valuations were prepared by Jones Lang LaSalle (JLL) for eleven freeholds, one long leasehold and seven operating leasehold properties. This valuation has been adopted for the 31 January 2019 period-end after adjusting for additions and disposals since the 31 July 2018 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 2018, 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 2019 in respect of our properties externally valued at 31 July 2018. 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.

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 other 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, but under applicable accounting standards no value is included in respect of our leasehold stores to the extent that they are classified as operating leases. The value of our operating leases in the valuation totals £18.2 million (31.1.2018: £16.7 million). Instead 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.

Analysis of Total Property Value

	No of stores/ sites	31 Jan 2019 Valuation £'000	No of stores/ sites	31 Jan 2018 Valuation £'000	No of stores/ sites	31 July 2018 Valuation £'000
Freehold and long leasehold[3] valued by JLL[1]	14	128,000	12	102,900	14	128,000
Leasehold valued by JLL[2]	7	18,200	7	16,725	7	18,200
Freehold land and buildings at Director valuation	1	3,051	1	4,148	1	3,603
Leasehold land and buildings at Director valuation	1	1,236	–	–	–	–
Subtotal	23	150,487	20	123,773	22	149,803
Sites in development at cost	9	23,830	5	15,880	7	16,568
Total	32	174,317	25	139,653	29	166,371

1 Includes related fixtures and fittings (refer Note 9).

2 The seven 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 9 years and 8 months at the date of the 2018 valuation (2017 valuation: 10 years and 8 months).

3 The freehold interest in the long leasehold was acquired post period-end on 29 March 2019.

Total freeholds and long leasehold account for 88.9% of property values (31.1.2018: 88.1%).

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 January 2019 the adjusted net asset value per share increased to £4.85 from £4.18 year on year, up 16.1%. This is a result of cash generated from operations offset in part by an increase in the shares in issue due to the exercise of share options during the period. The sales of the Saracen serviced document business also contributed to the uplift.

Analysis of net asset value (NAV)	31 January 2019 £'000 Unaudited	31 January 2018 £'000 Unaudited	31 July 2018 £'000 Audited
Net assets	105,905	89,775	103,251
Add: JLL leasehold valuation	18,200	16,725	18,200
Deduct: leasehold properties and their fixtures and fittings at NBV	(3,813)	(2,777)	(2,691)
	120,292	103,723	118,760
Deferred tax arising on revaluation of leasehold properties[1]	(2,446)	(2,371)	(2,636)
Adjusted net assets	117,846	101,350	116,124
Shares in issue	**Number '000**	**Number '000**	**Number '000**
Opening shares in issue	29,499	29,303	29,303
Shares issued for the exercise of options	52	127	196
Closing shares in issue	29,551	29,430	29,499
Shares held in EBT	(623)	(623)	(623)
Closing shares for NAV purposes	28,928	28,807	28,876
Adjusted net asset value per share after deferred tax provision	£4.07	£3.52	£4.02
Adjusted net asset value per share before deferred tax provision			
Adjusted net assets	117,846	101,350	116,124
Deferred tax liabilities and assets recognised by the Group	20,046	16,633	19,735
Deferred tax arising on revaluation of leasehold properties[1]	2,446	2,371	2,636
Adjusted net assets before deferred tax	140,338	120,354	138,495
Closing shares for NAV purposes	28,928	28,807	28,876
Adjusted net asset value per share before deferred tax provision	£4.85	£4.18	£4.80

1 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.

Andrew Jacobs
Chief Executive Officer

Ray Davies
Finance Director

Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2019

	Notes	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Revenue	1	8,512	7,638	15,372
Total property, staff, distribution and general costs	2a	(4,717)	(4,144)	(8,739)
Adjusted EBITDA[1]		3,795	3,494	6,633
Amortisation of intangible assets		(83)	(83)	(165)
Depreciation		(1,069)	(912)	(1,880)
Equity settled share based payments		(11)	(17)	(33)
Carried Interest – fees receivable		–	–	361
Receivables from warranty claims		–	–	230
Profit on sale of land at store	2c	296	–	–
		(867)	(1,012)	(1,487)
Operating profit		2,928	2,482	5,146
Finance income	3	10	71	80
Finance cost	4	(253)	(314)	(463)
Profit before taxation		2,685	2,239	4,763
Income tax expense	6	(602)	(542)	(1,459)
Profit for the period from continuing operations		2,083	1,697	3,304
Profit for the period from discontinued operations	11	2,169	229	453
Profit for the period		4,252	1,926	3,757
Profit attributable to:				
Owners of the parent	20	4,252	1,926	3,757
Other Comprehensive Income				
Items that will not be reclassified to profit and loss				
Increase in property valuation		655	629	15,723
Deferred tax relating to change in property valuation		(122)	(119)	(2,698)
Items that may be subsequently reclassified to profit and loss		533	510	13,025
Other comprehensive income		633	510	13,025
Total comprehensive income for the period		4,785	2,436	16,782
Attributable to owners of the parent		4,785	2,436	16,782
Earnings per share attributable to owners of the Parent				
Basic	8			
Continuing operations		7.21p	5.90p	11.48p
Discontinued operations		7.51p	0.80p	1.57p
Total basic earnings per share		14.72p	6.70p	13.05p
Diluted	8			
Continuing operations		7.05p	5.80p	11.28p
Discontinued operations		7.35p	0.78p	1.55p
Total diluted earnings per share		14.40p	6.58p	12.83p

1 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 2019

	Attributable to owners of the Parent					
	Share capital £'000	Share premium £'000	Other reserves £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
1 August 2017 – Audited	293	10,028	8,469	52,165	18,164	89,119
Profit for the period	–	–	–	–	1,926	1,926
Other comprehensive income:						
Increase in property valuation net of deferred tax	–	–	–	510	–	510
Decrease in fair value of cash flow hedges net of deferred tax	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	510	1,926	2,436
Transactions with Owners						
Dividend paid	–	–	–	–	(2,016)	(2,016)
Share based payments	–	–	17	–	–	17
Transfers in relation to share based payments	–	–	(80)	–	80	–
Deferred tax credit relating to share options	–	–	(16)	–	–	(16)
Sale of shares from treasury (net of costs)	–	–	–	–	–	–
Exercise of share options	1	234	–	–	–	235
Total transactions with owners	1	234	(79)	–	(1,936)	(1,780)
Transfer additional depreciation on revaluation net of deferred tax	–	–	–	(148)	148	–
31 January 2018 – Unaudited	294	10,262	8,390	52,527	18,302	89,775
Profit for the period	–	–	–	–	1,831	1,831
Other comprehensive income:						
Increase in property valuation net of deferred tax	–	–	–	12,515	–	12,515
Total comprehensive income for the year	–	–	–	12,515	1,831	14,346
Transactions with Owners						
Dividend paid	–	–	–	–	(961)	(961)
Share based payments	–	–	16	–	–	16
Transfers in relation to share based payments	–	–	(29)	–	29	–
Deferred tax credit relating to share options	–	–	(14)	–	–	(14)
Sale of shares from treasury (net of costs)	–	–	–	–	–	–
Exercise of share options	1	88	–	–	–	89
Total transactions with owners	1	88	(27)	–	(932)	(870)
Transfer additional depreciation on revaluation net of deferred tax	–	–	–	(143)	143	–
31 July 2018 – Audited	295	10,350	8,363	64,899	19,344	103,251

Consolidated Statement of Changes in Equity continued

For the six months ended 31 January 2019

	Attributable to owners of the Parent					
	Share capital £'000	Share premium £'000	Other reserves £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
Profit for the period	–	–	–	–	4,252	4,252
Other comprehensive income:						
Increase in property valuation net of deferred tax	–	–	–	533	–	533
Total comprehensive income for the year	–	–	–	533	4,252	4,785
Transactions with Owners						
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)
Asset disposal	–	–	–	(500)	500	–
Exercise of share options	1	89	–	–	–	90
Total transactions with owners	1	89	(31)	(500)	(1,690)	(2,131)
Transfer additional depreciation on revaluation net of deferred tax	–	–	–	(151)	151	–
31 January 2019 – Unaudited	296	10,439	8,332	64,781	22,057	105,905

Consolidated Statement of Financial Position

31 January 2019

	Notes	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
Assets				
Non-current assets				
Intangible assets		–	3,343	3,263
Property, plant and equipment	9	158,774	127,447	152,580
Development loan capital		–	–	3,463
Financial assets		361	–	361
		159,135	130,790	156,204
Current assets				
Inventories	12	275	236	257
Trade and other receivables	13	3,074	4,192	4,476
Cash and cash equivalents		11,236	5,359	4,990
Total current assets		14,585	9,787	9,723
Total assets		173,720	140,577	165,927
Liabilities				
Current liabilities				
Trade and other payables	14	(5,066)	(4,912)	(5,159)
Taxation		(503)	(573)	(612)
		(5,569)	(5,485)	(5,771)
Non-current liabilities				
Borrowings	16	(42,200)	(28,684)	(37,170)
Deferred tax	17	(20,046)	(16,633)	(19,735)
		(62,246)	(45,317)	(56,905)
Total liabilities		(67,815)	(50,802)	(62,676)
Net assets		105,905	89,775	103,251
Equity				
Equity attributable to owners of the parent				
Called up share capital	18	296	294	295
Share premium		10,439	10,262	10,350
Other reserves	19	8,332	8,390	8,363
Retained earnings	20	22,057	18,302	19,344
Revaluation reserve		64,781	52,527	64,899
Total equity		105,905	89,775	103,251

Approved by the Board of Directors and authorised for issue on 26 April 2019 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 2019

	Notes	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Operating activities				
Cash generated from operations	22a	5,232	3,756	6,982
Income tax paid		(450)	(375)	(775)
Net cash from operating activities		4,782	3,381	6,207
Investing activities				
Proceeds from disposal of discontinued operation (net of disposal costs and cash included in sale)		6,866	–	–
Proceeds of sale of land (net of disposal costs)		796	–	–
Development loan capital repaid /(invested)		–	3,463	3,463
Purchase of property, plant and equipment	9	(7,526)	(10,879)	(21,935)
Acquisition of subsidiary (net of cash)	10	(1,136)	–	–
Proceeds from warranty claims		–	–	342
Interest received		10	68	80
Net cash used in investing activities		(990)	(7,348)	(18,050)
Financing activities				
Proceeds from new bank borrowings		5,030	–	8,519
Finance costs paid		(449)	(280)	(419)
Equity dividends paid		(2,217)	(2,016)	(2,977)
Proceeds from issuance of ordinary shares (net)		90	236	324
Net cash from / (used in) financing activities		2,454	(2,060)	5,447
Net increase / (decrease) in cash and cash equivalents in the period		6,246	(6,027)	(6,396)
Cash and cash equivalents at beginning of the period		4,990	11,386	11,386
Cash and cash equivalents at end of the period		11,236	5,359	4,990

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.

Basis of preparation

The interim results for the six months ended 31 January 2019 have been prepared on the basis of the accounting policies expected to be used in the 2019 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 2019 Lok'nStore Group Plc Annual Report and Accounts will cover the implementation of IFRS 9 and IFRS 15 that were not applicable at the 31 July 2018 year-end but will be applicable for the year-ended 31 July 2019.

Although not relevant for the year under review (or the next) when applied IFRS 16 will represent a significant change to the way that the Group will prepare its financial statements. The effective date of adoption is for accounting periods commencing after 1 January 2019 and will therefore apply to Lok'nStore's financial statements for the year ended 31 July 2020.

Nevertheless the 2019 financial statements will provide a sufficient overview of the effects of IFRS 16 on the profit and loss, balance sheet, financial performance and cash flows of the Group as a significant lessee in respect of our leased stores. IFRS 16 will primarily affect the accounting by lessees and will result in the recognition 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 for virtually all lease contracts.

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 26 April 2019, 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 2018 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.

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 £11.2 million (31.07.2018: £5.0 million), undrawn committed bank facilities at 31 January 2019 of £7.6 million (31.01.2018: £11.2 million), and cash generated from operations in the period to 31 January 2019 of £5.33 million (31.01.2018: £3.76 million) (31.07.2018: £6.98 million). The Group now operates a £75 million five year revolving credit facility with Royal Bank of Scotland plc and Lloyds Bank plc which provides funding for site acquisitions and working capital. 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 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.

Store adjusted EBITDA

Store adjusted EBITDA is defined as adjusted EBITDA (see above) but before central and head office costs.

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 2019

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

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Stores trading			
Self-storage revenue	7,144	6,484	13,094
Other storage related revenue	883	787	1,585
Ancillary store rental revenue	–	–	159
Sub-total – self-storage revenue – owned stores	8,027	7,271	14,838
Management fees – managed stores	386	312	534
Sub-total	8,413	7,583	15,372
Stores under development			
Non-storage income	99	55	–
Total revenue per statement of comprehensive income	8,512	7,638	15,372

The Group's serviced archive and record management segment was sold in the period and is presented as a discontinued operation (see note 11). Following the disposal, the Group has one operating segment, being self-storage in the UK.

2a Property, staff, distribution, general costs and retail cost of sales

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Property and premises costs	1,971	1,777	3,647
Staff costs	2,027	1,802	3,832
General overheads	625	484	1,079
Sub total – operating costs	4,623	4,063	8,558
Retail products cost of sales	94	81	181
	4,717	4,144	8,739

2b 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.

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Retail	62	56	116
Insurance	15	20	45
Other	17	5	20
	94	81	181

2c Other Income and costs

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Carried interest – fees receivable	–	–	(361)
Receipts from warranty claims	–	–	(230)
Property on sale of land at store	(296)	–	–
	(296)	–	(591)

3 Finance income

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Bank interest	7	5	7
Other interest	3	66	73
	10	71	80

4 Finance costs

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Bank interest	206	269	342
Non-utilisation fees and amortisation of bank loan arrangement fees	47	45	116
Other interest	–	–	5
	253	314	463

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

5 Profit before taxation

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £ '000
Profit before taxation is stated after charging:			
Depreciation of plant, property and equipment			
– owned assets	1,069	962	1,980
Amortisation of intangible assets	83	83	165
Operating lease rentals – land and buildings	646	719	1,436

6 Taxation

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Current tax:			
UK corporation tax	470	418	837
Deferred tax:			
Origination and reversal of temporary differences	132	124	292
Adjustments in respect of prior periods	–	–	330
Total deferred tax charge	132	124	622
Income tax expense for the period/year	602	542	1,459

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

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Profit before tax	2,685	2,239	4,763
Tax on ordinary activities at the standard effective rate of corporation tax in the UK of 19% (31.1.2018: 20.0%)	454	448	884
Expenses not deductible for tax purposes	–	2	–
Depreciation of non-qualifying assets	195	142	314
Share based payment charges in excess of corresponding tax deduction	2	3	6
Adjustments in respect of prior periods – deferred tax	–	–	330
Impact of change in tax rate on timing differences	(28)	–	–
Impact of group relief	–	(18)	–
Other timing differences	22	(35)	(45)
Small companies Relief	(43)	–	(30)
Income tax expense for the period/year	602	542	1,459
Effective tax rate	22.5%	24.2%	30.7%

In addition to the amount charged to profit or loss for the period, deferred tax relating to the revaluation of the Group's properties of £122,876 (31.1.2018: £118,872) has been recognised directly in other comprehensive income (see note 16 on deferred tax).

7 Dividends

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Amounts recognised as distributions to equity holders in the year:			
Final dividend for the year ended 31 July 2017 (7.00 pence per share)	–	2,016	2,016
Interim dividend for the six months to 31 January 2018 (3.33 pence per share)	–	–	961
Final dividend for the year ended 31 July 2018 (7.67 pence per share)	2,217	–	–
	2,217	2,016	2,977

In respect of the current period the Directors propose that an interim dividend of 3.67 pence per share will be paid to the shareholders. The total estimated dividend to be paid is £1.085 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 2019 Annual General Meeting and has not been included as a liability in these financial statements. The ex-dividend date will be 9 May 2019; the record date 10 May 2019; with an intended payment date of 14 June 2019. The final deadline for Dividend Reinvestment Election is 24 May 2019.

8 Earnings per share

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

	Six months ended 31 January 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Profit for the financial period	4,252	1,926	3,757
	No. of shares	No. of shares	No. of shares
Weighted average number of shares			
For basic earnings per share	28,894,795	28,746,236	28,792,029
Dilutive effect of share options	621,082	526,509	490,064
For diluted earnings per share	29,515,877	29,272,745	29,282,093

623,212 shares (31.01.2018: 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 ended 31 January 2019 Unaudited	Six months ended 31 January 2018 Unaudited	Year ended 31 July 2018 Audited
Earnings per share			
Basic			
Continuing operations	7.21p	5.90p	11.48p
Discontinued operations	7.51p	0.80p	1.57p
Total basic earnings per share	14.72p	6.70p	13.05p
Earnings per share			
Diluted			
Continuing operations	7.05p	5.80p	11.28p
Discontinued operations	7.35p	0.78p	1.55p
Total diluted earnings per share	14.40p	6.58p	12.83p

9 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 2017 – Audited	5,124	87,548	10,293	2,599	23,984	17	129,565
Net book value at 31 January 2018 – Unaudited	15,880	87,798	10,342	688	12,735	4	127,447
Net book value at 31 July 2018 – Audited	16,570	108,486	11,438	669	15,414	3	152,580
Cost or valuation							
1 August 2018	16,570	108,486	11,438	2,648	27,186	17	166,345
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
31 January 2019 Unaudited	23,830	108,262	11,475	3,802	24,591	30	171,990
Depreciation							
1 August 2018	–	–	–	1,979	11,772	14	13,765
Depreciation	–	425	63	60	519	2	1,069
Disposals – discontinued operations	–	–	–	(56)	(1,067)	(7)	(1,130)
Revaluations	–	(425)	(63)	–	–	–	(488)
31 January 2019 Unaudited	–	–	–	1,983	11,224	9	13,216
Net book value at 31 January 2019 – Unaudited	23,830	108,262	11,475	1,819	13,367	21	158,774

Capital expenditure during the period totalled £8.8 million (31.1.2018: £10.9 million). This was primarily the purchase of the Leicester and Wolverhampton sites, and exchange of contracts on our Stevenage site, the acquisition of the property plant and equipment of the Box Room (self storage) Limited (Refer Note 10 below), together with construction and fit out works at our sites in Cardiff and Ipswich as well as planning and pre-development works at our Bedford, Bournemouth, and Cheshunt sites. During the period land at the rear of our Southampton store with a fair value of £500,000 was sold for £800,000.

Property, plant and equipment (non-current assets) with a carrying value of £158.8 million (31.1.2018: £127.4 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 2018 by JLL, the freehold and leasehold properties have not been externally valued at 31 January 2019, although in accordance with the Group's established policy it is the intention to do so at the next year end at 31 July 2019.

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 2018, 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 2019 in respect of our properties externally valued at 31 July 2018. 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.

10 Acquisition of Hedge End

On 30 November 2018, Lok'nStore purchased the entire share capital of The Box Room (Self Storage) Limited for a consideration of £1.17 million in cash, comprising an existing single store operation of 42,000 sq. ft. in Hedge End, Southampton.

Net assets acquired

	Book Value £'000	Provisional Fair Value Adjustments £'000	30 November 2018 £'000
Assets			
Property, plant and equipment	88	1,150	1,238
Trade and other receivables	35	–	35
Prepayments and other debtors	27	–	27
Cash and cash equivalents	34	–	34
Total assets	184	1,150	1,334
Liabilities			
Trade and other payables	(62)	–	(62)
Accruals	(6)	–	(6)
Current tax liabilities	(13)	–	(13)
Deferred tax liabilities	(24)	–	(24)
Finance leases	(59)	–	(59)
Total liabilities	(164)	–	(164)
Fair value of identifiable assets and liabilities	20	1,150	1,170
Non-controlling interest	–	–	–
Goodwill	–	–	–
Total consideration	20	1,150	1,170

The store operation will be rebranded and refurbished. Further disclosures around acquisition costs, post-acquisition profit and revenue contribution will be made at the financial year-end following this work.

11 Disposal of Saracen Datastore Limited

On 31 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.

Key amounts relating to the discontinued operation are as follows:

	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Unaudited £'000
Revenue	1,156	1,181	2,382
Expenses	(902)	(824)	(1,720)
EBITDA	254	357	662
Depreciation	(48)	(50)	(100)
Finance income /costs	3	–	–
Profit before tax	209	307	562
Tax	(27)	(78)	(109)
Profit after tax	182	229	453
Profit on disposal of subsidiary	1,987	–	–
Tax on disposal profit	–	–	–
After tax disposal profit	1,987	–	–
Total profit on discontinued operations	2,169	229	453

Before disposal, Saracen contributed £1.12 million to the Group's revenue and £0.25 million to its EBITDA in the period to 31 January 2019. (31.01.18 £1.18 million and £0.35 million respectively).

The carrying value of Saracen Datastore's assets and liabilities that were sold on 31st January 2019 was as follows:

Assets	£'000
Non-current assets	
Intangible assets	3,178
Property, plant and equipment	1,657
	4,835
Current assets	
Inventories	5
Receivables	722
Cash	508
	1,235
Total assets	6,070
Current Liabilities	(604)
Non-current Liabilities	(79)
Total liabilities	(683)
Net assets disposed of	5,387
Cash proceeds (net of fees/costs of disposal)	7,374
Profit on disposal	1,987

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 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
Consumables and goods for resale	275	236	257

The amount of inventories recognised as an expense during the period was £62,045 (31.1.2018: £77,039).

13 Trade and other receivables

	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
Trade receivables	1,664	2,098	1,969
Other receivables	599	1,473	1,927
Prepayments and accrued income	811	621	580
	3,074	4,192	4,476

The Directors consider that the carrying amount of trade and other receivables and accrued income approximates their fair value. The credit model of the business ensures that credit loss (bad debts) is very low and therefore the impact of these on trade and other receivables is minimal.

14 Trade and other payables

	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
Trade payables	1,519	960	1,102
Taxation and social security costs	259	496	313
Other payables	1,278	1,221	1,340
Accruals and deferred income	2,010	2,235	2,404
	5,066	4,912	5,159

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:

	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
Gross debt	(42,424)	(28,816)	(37,335)
Cash and cash equivalents	11,236	5,359	4,990
Net debt	(31,188)	(23,457)	(32,345)
Total equity	105,905	89,775	103,251
Net debt to equity ratio	29.5%	26.1%	31.3%

16 Borrowings

	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
Non-current			
Bank loans repayable in more than two years but not more than five years			
Gross	42,424	28,816	37,335
Deferred financing costs	(224)	(132)	(165)
Net bank borrowings	42,200	28,684	37,710

The £50 million five year revolving credit facility runs until January 2023.

The £50 million five year revolving credit facility set the interest rate margin at the London Inter-Bank Offer Rate (LIBOR) plus 1.40%–1.65% based on a loan to value covenant test. The all in debt cost on £42.24 million drawn averaged 2.13% in the period.

The revolving credit facility is secured by legal charges and debentures over the freehold and leasehold properties and other assets of the business with a net book value of £158.8 million together with cross-company guarantees from Group companies. The Group is not obliged to make any repayments prior to expiration.

(Post Balance Sheet) In April 2019, the Group agreed a new joint banking facility with Lloyds Bank and Royal Bank of Scotland plc. The new £75 million five year revolving credit facility replaces the existing £50 million facility and will provide funding for site acquisitions and working capital. The facility provides an accordion £25 million which can take the facility to £100 million and runs to 2024 with an option of two one year extensions.

The facility is closely aligned to the terms of the Group's previous facility. 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.

17 Deferred tax

Deferred tax liability	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
Liability at start of period/year	19,735	16,363	16,363
Charge to income for the period/year – continued operations	132	124	622
Charge to income for the period/year – discontinued operations	18	11	22
Tax charged directly to other comprehensive income	122	119	2,698
Acquisition of subsidiary	24	–	–
Credit to share based payment reserve	15	16	30
Liability at end of period/year	20,046	16,633	19,735

18 Share capital

	31 January 2019 Unaudited £'000	31 January 2018 Unaudited £'000	31 July 2018 Audited £'000
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	29,498,615	29,302,923	29,302,923
Options exercised during period/year	52,304	127,000	195,692
Balance at end of period/year	29,550,919	29,429,923	29,498,615

Allotted, issued and fully paid ordinary shares	£	£	£
Balance at start of period/year	294,986	293,029	293,029
Options exercised during period/year	543	1,270	1,957
Balance at end of period/year	295,509	294,299	294,986

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
1 August 2017 – Audited	6,295	1,294	34	846	8,469
Equity share based payments	–	–	–	17	17
Transfer to retained earnings in relation to share based payments	–	–	–	(80)	(80)
Cash flow hedge reserve net of tax	–	–	–	–	37
Tax credit relating to share options	–	–	–	(16)	(16)
31 January 2018 – Unaudited	6,295	1,294	34	767	8,390
Equity share based payments	–	–	–	16	16
Transfer to retained earnings in relation to share based payments	–	–	–	(29)	(29)
Tax credit relating to share options				(14)	(14)
31 July 2018 – Audited	6,295	1,294	34	740	8,363
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)
31 January 2019 – Unaudited	6,295	1,294	34	709	8,332

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.

19 Other reserves continued

Share based payment reserve

Under IFRS2 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 £27,140 (31.1.2017: £79,666).

20 Retained earnings

Group	Retained earnings before deduction of own shares £'000	Own shares (note 20) £'000	Retained earnings Total £'000
1 August 2017 – Audited	18,664	(500)	18,164
Profit for the financial period	1,926	–	1,926
Transfer from revaluation reserve	148	–	148
Transfer from share based payment reserve (Note 19)	80	–	80
Dividend paid	(2,016)	–	(2,016)
31 January 2018 – Unaudited	18,802	(500)	18,302
Profit for the financial period	1,831	–	1,831
Transfer from revaluation reserve	143	–	143
Transfer from share based payment reserve (Note 19)	29	–	29
Dividend paid	(961)	–	(961)
31 July 2018 – Audited	19,844	(500)	19,344
Profit for the financial period	4,252	–	4,252
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)
31 January 2019 – Unaudited	22,557	(500)	22,057

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 shares Number	ESOP shares £	Treasury shares Number	Treasury shares £	Own shares total £
1 August 2017 – Audited	623,212	499,910	2,466,869	3,741,036	4,240,946
31 January 2018 – Unaudited	623,212	499,910	–	–	499,910
31 July 2018 – Audited	623,212	499,910	–	–	499,910
31 January 2019 – Unaudited	623,212	499,910	–	–	499,910

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 2019, the Trust held 623,212 (31.01.2018: 623,212) ordinary shares of 1 pence each with a market value of £2,508,428 (31.01.2018: £2,461,687). No shares were transferred out of the scheme during the period (2018: 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 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Profit before tax – continuing operations	2,685	2,239	4,763
Profit before tax – discontinued operations	209	307	562
Depreciation	1,117	962	1,980
Amortisation of intangible assets	83	83	165
Equity settled share based payments	11	17	33
Profit on sale of land at store	(296)	–	–
Warranty claims	–	–	(230)
Carried interest – fees receivable	–	–	(361)
Interest receivable	(10)	(71)	(80)
Interest payable	250	314	463
(Increase) in inventories	(18)	(33)	(54)
Decrease/(increase) in receivables	1,402	74	(571)
(Decrease) / increase in payables	(201)	(136)	312
Cash generated from operations	5,232	3,756	6,982

22 Cash flows continued

(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 2019 Unaudited £'000	Six months ended 31 January 2018 Unaudited £'000	Year ended 31 July 2018 Audited £'000
Increase / (decrease) in cash in the period/year	6,246	(6,027)	(6,396)
Change in net debt resulting from cash flows	(5,089)	–	(8,519)
Movement in net debt in period	1,157	(6,027)	(14,915)
Net debt brought forward	(32,345)	(17,430)	(17,430)
Net debt carried forward	(31,188)	(23,457)	(32,345)

23 Events after the Reporting Date

i) New joint £75 million banking facility with Lloyds Bank and Royal Bank of Scotland plc

In April 2019, the Group agreed a new joint banking facility with Lloyds Bank and Royal Bank of Scotland plc. The new £75 million five year revolving credit facility replaces the existing £50 million facility and will provide funding for site acquisitions and working capital. The facility provides an accordion £25 million which can take the facility to £100 million and runs to 2024 with an option of two one year extensions.

ii) Portfolio Management:

As part of the continued strategy to focus on our core business and growth plans and to reallocate capital from lower growth assets into high growth landmark stores the Company executed the following;

a) Sale and manage-back – Crayford store:
On 28th February 2019, the Crayford site was sold 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.

b) Maidenhead – Acquisition of Freehold interest:
On 29 March 2019, we acquired the freehold interest in our existing long leasehold from the Royal Borough of Windsor and Maidenhead – to secure the freehold position of the store.

c) Gloucester – Grant of Planning permission:
Following the grant of planning permission on 28th February 2018 development is now underway at the new Gloucester store. Lok'nStore will receive management and performance fees for managing the store on behalf of its owners.

d) ParknCruise:
Cruise parking operations at the old Southampton site ceased in March 2019 allowing our management team to focus solely on self storage development. The site is being marketed to maximise the value.

iii) Store openings:

a) Cardiff:
The new store in Cardiff opened in February 2019 and trading has started well.

b) Exeter:
The new Managed store in Exeter opened on 13 April 2019.

Glossary

Abbreviation	
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
CAD	Cash available for Distribution
Capex	Capital Expenditure
CSOP	Company Share Option Plan
EBT	Employee Benefit Trust
EMI	Enterprise Management Incentive Scheme
ESOP	Employee Share Option Plan
EU	European Union
HMRC	Her Majesty's Revenue & Customs
IAS	International Accounting Standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
JLL	Jones Lang LaSalle
LIBOR	London Interbank Offered Rate
LFL	Like for like
LTV	Loan to Value Ratio
NAV	Net Asset Value
NBV	Net book value
Operating Profit	Earnings before interest and tax (EBIT)
RICS	Royal Institution of Chartered Surveyors
Sq. ft.	Square Feet
Store adjusted EBITDA	Adjusted EBITDA (see above) but before central and head office costs
VAT	Value Added Tax

Notes – What we mean when we say… (and why we use these key performance indicators (KPIs))

1 **Discontinued Operation** – The Saracen 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 transaction on the ongoing operations of our business. Discontinued operations are shown separately on the Statement of Comprehensive Income as a profit on disposal (after tax) which combines Saracen's 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 **LFL– Like for like** – This measures performance of the operating business ignoring the opening of new stores or closure of old stores therefore giving visibility of the true trading picture. Like-for-like (LFL) figures for the period strip out these effects in respect of the recently opened stores in Gillingham, Wellingborough and Hedge End.

3 **Adjusted Group EBITDA** – Earnings before interest, tax, depreciation and amortisation – the operating cash flow of the business before non-cash charges, finance charges and tax. Adjusted EBITDA is defined as earnings before all depreciation and amortisation charges, losses or profits on disposal, share-based payments, acquisition costs, exceptional costs finance income, finance costs and taxation.

4 **CAD – Cash available for Distribution** – is calculated as Adjusted EBITDA minus total net finance cost, less capitalised maintenance expenses, New Works Team costs and current taxation. This is the Board's preferred measure to show the capacity of the business to generate net operating cash that can be used to pay dividends to shareholders on a continuing basis or to reduce debt.

5 **NAV – Adjusted Net Asset Value per share** – Adjusted net asset value per share is the net assets of the business adjusted for the valuation of leasehold stores and deferred tax divided by the number of shares at the year-end. The shares held in the Group's employee benefits trust and any treasury shares are excluded from the number of shares.

6 **Total assets** – Total assets of £188.1 million is calculated by adding the independent valuation of the leasehold properties (£18.2 million) less their corresponding net book value (NBV) of £3.8 million to the total assets as shown in the balance sheet of £173.7 million.

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 of £31.2 million (31.1.2018: £23.5 million) as a percentage of the total properties independently valued by JLL and including development land assets totalling £174.3 million (31.1.2018: £139.7 million) as set out in the Business and Financial Review.

8 **Adjusted Store EBITDA** is Adjusted EBITDA (see 3 above) before the deduction of central and head office costs.

9 **Pipeline sites** – represents 10 sites which have been contracted and are not yet trading as at the 31 January 2019 period-end and includes the Cardiff and Exeter sites which opened post period-end.

10 **Current Pipeline sites** – represents 8 sites which have been contracted and are not yet trading as at 26 April 2019 the date of the approval of these financial statements.

Our Stores

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Our Stores continued

Owned Trading Stores continued

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19/21 Whitworth Way
Wellingborough
Northamptonshire
NN8 2EF

Tel 01634 366044
gillingham@loknstore.co.uk

Development locations – LNS Owned Stores

Bedford
69 Cardington Road
Bedford
NK42 0BQ

Bournemouth, Dorset
Land at Wessex Field
Deansleigh Road
Bournemouth
Dorset
BH7 7DU

Cheshunt, Hertfordshire
Land lying on the South
Side of Halfhide Lane
Turnford
Hertfordshire

Leicester
Part of land forming part of
Freemens Common Road Leicester
LE2 7SL

Stevenage, Hertfordshire
Part of Land at Plot 2000
Stevenage Business Park
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2BL

Wolverhampton, Staffordshire
Land at Pantheon Park
Wednesfield Way
Wolverhampton
Staffordshire
WV11 3DR

Ipswich, Suffolk
Part of Site 7
Futura Park
Ipswich
Suffolk
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Devon
EX2 8ED

Gloucester, Gloucestershire
Land at Triangle Park
Metz Way
Gloucester
GL4

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