Lok'nStore Group Plc

Interim Report

for the six months to 31 January 2017

Stock Code: LOK
www.loknstore.com

In This Report

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

"With strong trading Lok'nStore's profits continue to grow, as interest costs and taxation also come down. We are investing in the future growth of the business building more new landmark stores. Our low debt allows this rapid development programme to be financed from cash flow and existing bank facilities, while progressively increasing the dividend.

"Our new store development programme continues to change the balance of our stores with new and purpose built stores accounting for 64% of the portfolio. The three new stores we opened in 2016 are all trading well and the 4 sites acquired last year for new stores will open in 2017 increasing space by a further 18% and adding impetus to sales and earnings growth.

"Our objective is to open more landmark self-storage centres while remaining conservatively leveraged to deliver robust, predictable growing cash flow and dividends from an expanding asset base."

Highlights

Lok'nStore Group Plc, the fast growing self-storage company announces interim results for the six months to 31 January 2017

"Strong balance sheet funds growth strategy and pipeline of 8 new landmark stores"

Strong trading and cash flow

- Revenue £8.34 million up 4.5% (31.1.2016: £7.99 million)
- Group Adjusted EBITDA[1] £3.31 million up 0.5% (31.1.2016: £3.30 million)
- Adjusted pre-tax profit[2] £2.1 million up 13.5%
- Adjusted net profit[2] £1.9 million up 81.2%

Cash flow growth supports 12.4% dividend increase – progressive dividend policy

- Cash available for Distribution (CAD)[3] £2.62 million up 6.5% (31.1.2016: £2.46 million)
- Interim dividend 3 pence per share up 12.4% (31.1.2016: 2.67 pence per share)

Significant growth in asset value

- Adjusted Net Asset Value (NAV) per share[4] up 26.1% to £3.87 (31.1.2016: £3.07)
- Total assets up to £142.6[5] million (31.1.2016: £113.4 million)

Strong balance sheet, efficient use of capital, low debt

- Sale of 1.975 million Treasury shares raising circa £8 million at 400 pence per share (purchase cost 150.3 pence), a premium to NAV[4]
- Net debt £16.7 million down 35.3% (31.1.2016: £25.8 million)
- Loan to value ratio down to 14.4%[6] (31.1.2016: 26.2%)
- Extension of existing bank facility by 2 years until January 2023
- Effective cost of debt 1.65%
- Rolling 12 month EBITDA 16.2 times net interest

Consistent performance in the self-storage business

- Core self-storage revenue £7.0 million up 3.9% (31.1.2016: £6.74 million)
- Adjusted Store EBITDA £3.85[7] million up 0.1% (31.1.2016: £3.84 million)
- Occupied units pricing up 1.0% LFL[8]
- Unit Occupancy up 4.6% LFL[8]

Healthy pipeline of new landmark stores – 8 stores in pipeline

- 4 new stores to open in 2017 in Wellingborough, Gillingham, Hemel Hempstead and Broadstairs
- Plus 4 further new sites identified
- Current pipeline adds 30% of extra trading space to the overall portfolio, 18% to our owned portfolio and 70% to the managed portfolio
- Following successful completion of Managed Store pipeline will have 10 stores under management.

Confident Outlook

- The Group is well positioned for future growth

For an explanation of what we mean when we use a term above and why we use these key performance indicators please see page 31

Chairman's Review

"With a record of consistent profit growth and cash generation the Group is well positioned for the coming years."

Healthy growth, increased dividend and active store opening programme

Lok'nStore Group continues to build on the successful implementation of all of our strategy objectives. Our focus is opening more landmark self-storage centres while remaining conservatively leveraged to deliver robust, predictable growing cash flow and dividends. Our expanding pipeline of new stores substantially increases the proportion of our store space which is new or purpose-built and will add further momentum to the growth of sales and profits.

Trading positive

For the half year period to January 2017 trading has been steady with revenue, profits and assets all increasing. An increase in revenue of 4.5% to £8.34 million (31.1.2016: £7.99 million) resulted mainly from occupancy growth with prices holding steady.

Progressive Dividend

Dividend payments will reflect the growth in the underlying cash generated by the business as reflected in the cash available for distribution (CAD) which is up 6.5% in the period. As noted above this was balanced by an 8.5% increase in shares outstanding so CAD per share remained steady at an annualised 19 pence despite the significant reduction in risk as debt and LTV were brought down substantially.

At this interim stage we will pay one third of the previous year's total annual dividend which equates to 3.00 pence per share, up 12.4% on the 2.67 pence per share interim dividend last year. The ex-dividend date will be 11 May 2017; the record date 12 May 2017; with an intended payment date of 9 June 2017. The final dividend will be declared when the Group's full year results are announced.

Balance Sheet and financial platform strengthened to support Growth

Lok'nStore has worked to reduce debt, increase cash and increase the value of its trading assets. This shows through in our higher NAV and lower LTV metrics. Our Bank facilities have been extended and markedly lower interest costs are now feeding through into the Income Statement. Finance costs are 42.4% lower compared to the corresponding period last year. This is all reported in more detail in the remainder of the Statement.

Sale of Treasury Shares

In November 2016 Lok'nStore sold 1,975,000 ordinary shares of 1 pence each ("Ordinary Shares") held in treasury. This sale was undertaken to satisfy demand, and to improve liquidity in the Company's shares. The shares were sold to a range of institutional investors at a price of 400 pence per share. (The Company acquired the shares at an average price of 150.3 pence). We welcome the new shareholders to the register.

The sale of these shares from treasury will have no impact on earnings or taxable profits but has reduced debt, LTV and interest payable while increasing cash and current assets, so supporting the Company's growth strategy.

There remain 491,869 shares held in treasury. Following this transaction, the Company's total issued share capital was unchanged at 29,199,230 Ordinary Shares.

The growth of sales, profit and asset values combined with innovative asset management has allowed us to achieve a substantial reduction in the loan-to-value (LTV) ratio down to 14.4% (31.1.2016: 26.2%) and net debt down to £16.7 million (31.1.2016: £25.8 million) while we invested £2.8 million in store development in this period.

Rapid store development programme

Our rapid store development programme has led to an increase in new and purpose built space to 64% of our owned portfolio. Recently opened stores in Southampton, Bristol, Maidenhead, Reading, Aldershot and Chichester have plenty of capacity to continue contributing to growth during the coming years. We have 4 new landmark stores in Wellingborough, Gillingham, Hemel Hempstead and Broadstairs opening through 2017 which will increase space by a further 18% and we have identified 4 more sites taking our total pipeline to 8 stores. This strong pipeline will add further impetus to sales and earnings growth.

Our innovative approach to financing, our strong balance sheet and our growing cash flows means we are achieving all this while also reducing our gearing from its existing modest level and continually increasing dividends.

Operating Costs

We have a strong record of reducing our group operating costs each year however we cautioned at our 2016 year end results that although we maintain a disciplined approach to costs continuing to reduce them is increasingly challenging while delivering both strong revenue growth and an acceleration of our store opening programme. While overall costs have risen 7.6% and we provide a breakdown in the Business Review, the cost increases are driven by the expansion of the business in the areas of rates, staffing and advertising, and we are seeing little other cost pressures.

We will continue pushing Group margins up by building more landmark freehold stores and increasing the number of managed stores we operate from essentially an unchanged central cost platform.

Lok'nStore extends existing £40 million Banking Facility to six years

The Group has agreed a two year extension on its existing banking facility. The £40 million facility will now run until January 2023. Together with our £12.1 million of cash and £2.9 million cash generated from operations this will provide funding for more landmark site acquisitions and working capital.

The cost of our debt on £28.8 million drawn averaged 1.69% in the period.

Positive Outlook

Lok'nStore is a dynamic business with a robust platform for significant further growth. With a record of consistent profit growth and cash generation the Group is well positioned for the coming years. Recent strong trading will be reinforced by our programme of new landmark store openings.

With the high barriers to entry to the self-storage industry created by the strong demand for property in South-East England and the difficulties of the local planning process, we believe that Lok'nStore is creating a highly valuable asset in an attractive market.

Our main objective is to steadily increase the cash available for distribution (CAD) enabling a predictable growth of the dividend from a strong asset base and conservatively geared balance sheet.

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

1. Fill stores and improve pricing to increase cash flow from the existing stores

2. Acquire sites to build more landmark stores

3. Increase the number of stores we manage for third parties

4. Grow our document storage business

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 contribution they have made to the Group's success. With our experienced and dedicated staff we have built a firm base for the coming years and we are looking to the future with confidence.

Simon G Thomas
Chairman
24 April 2017

Business and Financial Review

The Performance of our Stores

- Self-storage revenue £7.0 million up 3.9% (31.1.2016: £6.74 million)
- Adjusted Store EBITDA £3.85 million up 0.1% (31.1.2016: £3.84 million)
- Unit occupancy increased 4.6% year on year on a like for like basis to 61.8% of current lettable area (CLA)
- Occupied units pricing up 1.0% LFL

During the period self-storage revenues rose at a steady rate of 3.9% (4.5% LFL) and Store EBITDA edged ahead by 0.1% (1.1% LFL). This was a result of unit occupancy increasing 4.6% LFL over the period as pricing edged up 1% LFL. Store EBITDA growth was subdued as we absorbed the increased costs of the new landmark stores in Southampton and Bristol, and higher costs of internet search marketing.

As you can see from the table below 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 (62.9% and 100% respectively versus 54.5% across all stores). The impact of this is 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 8 new stores in the pipeline will make a larger than average contribution to Group profits as they become established trading units.

At the end of January 2017 34.5% of Lok'nStore's self-storage revenue was from business customers (31.1.2016: 33.1%) with the remainder from household customers. By number of customers 19.7% of our customers were business customers (31.1.2016: 19.6%).

						When fully developed	
Portfolio Analysis and Performance Breakdown	**Number of stores**	**% of Valuation**	**% of Adjusted Store EBITDA**	**Adjusted Store EBITDA Margin (%)**	**% lettable space Lok Owned**	**Number of stores**	**Total % lettable space**
As at 31 January 2017							
Freehold and long leasehold stores	12	86.0	70.6	62.9	63.9	15	49.8
Operating Leaseholds stores	7	14.0	29.4	41.3	36.1	8	25.7
Managed Stores	6			100		10	24.5
Pipeline stores							
Owned	4						
Managed	4						
Total Self Storage	**33**	**100**	**100**	**54.5**	**100**	**33**	**100**
Document Storage	**2**	**–**	**–**	**–**	**–**	**2**	**–**

Total freeholds and long leasehold stores account for 86% of total property values (long leaseholds are those with over 50 years remaining term).

Ancillary Sales

Ancillary sales consisting of boxes and packaging materials, insurance and other sales increased 5.5% (31.1.2016: 3.5%) over the year accounting for 11.1% of self-storage revenues (31.1.2016: 10.9%). We continue to promote customer goods insurance to new customers with the result that 90% (31.1.2016: 91%) of our new customers purchased the product over the year. This has resulted in nearly 80% of our customers being insured through Lok'nStore.

Saracen – Document storage business

- Revenue £1.15 million up 8.8% (2015: £1.06 million)
- Adjusted EBITDA £0.25 million unchanged (2015: £0.25 million)
- Boxes stored up 8.0%. Tapes stored up 27% over the 12 months to end of January 2017

Revenue has increased in our document storage business as operating metrics improve in response to the Company's more customer facing marketing stance. This approach has resulted in excellent customer feedback and puts us in a good position to win new business, with boxes stored increasing 8.0% and tapes stored up 27%. Initially EBITDA growth has been dampened as the increased volume of incoming items pushes up distribution and handling costs, but later in the storage cycle the profitability of these items will increase as handling is reduced.

Last year we completed the final stage of our phased fit-out of new warehouse racking in our site in Olney and we now have the capacity to significantly increase the number of boxes stored within our existing premises.

Stores Property review

Lok'nStore has 25 freehold, leasehold and managed stores trading. Of these, 19 stores are owned with 12 freehold or long leasehold, 7 leasehold and 6 further sites operate under management contracts.

The average unexpired term of the Group's operating leaseholds is approximately 11 years and 2 months as at 31 January 2017 (12 years and 2 months: 31 January 2016). All of our current leasehold stores are inside the Landlord and Tenant Act providing us with a strong security of tenure.

Closure of Staines Store

Our leasehold store in Staines was on a short lease outside of the Landlord and Tenant Act (1954) and has now been closed.

Around 50% of the existing customers were moved to other Lok'nStore stores. Of the approximately 50% of customers that did move the majority are longer term so we expect revenue from these customers to show little downturn. All of Staines operating costs has been removed so EBITDA profit is at least neutral if not slightly enhanced by the impact of this move. There were no dilapidations payments made to the landlord.

Because the Staines store was outside of LTA (1954) act and on a short lease it has never been valued as an asset in our accounts. The carrying book value in the financial statements was therefore de minimis.

It should be noted that the headline revenue and occupancy figures for December 2016 onwards will be negatively impacted to some degree by the influence of the closure, but for the sake of transparency and simplicity we have chosen not to show like-for-like figures stripping out this effect, except where it makes a qualitative difference.

Managed Store Service

- **Management fees from Managed Stores £0.18 million (31.1.2016: £0.19 million)**

Over recent years we have been developing our management services to third party storage owners. We have eight stores under management with six of these open and trading and two in Hemel Hempstead and Broadstairs under development and scheduled to open in 2017.

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

In this period we earned £0.18 million (31.1.2016: £0.19 million) in management fees. We expect this to increase steadily over the coming years. The comparative 2016 figure was enhanced by accrued fees prior to the period which could not be booked until period ended January 2016 as follows:

Management fees	Six months ended 31 January 2017 Unaudited £	Six months ended 31 January 2016 Unaudited £
Management Fees	180,881	155,446
Prior period accrued fees	–	34,390
Total management fees	**180,881**	189,836

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.

- 2016 store openings in Bristol, Southampton and Chichester trading well
- 4 new sites under development adding 18% more space
- New and purpose built stores lettable space 64% of portfolio
- 4 further new store opportunities identified
- Current pipeline adds 18% of extra space to our owned portfolio, 70% to the managed portfolio and 30% to the overall portfolio.

Business and Financial Review

The Performance of our Stores

Development of two new landmark stores Wellingborough and Gillingham

In September 2016 we received planning permission and completed the purchases of the sites in Gillingham and Wellingborough. We are now on site in both locations.

The sites are in prominent retail locations with large catchment areas and little established competition. The total capital investment of approximately £10 million will be financed from cash flow and our bank facility. The stores are scheduled to be open at the end of 2017. When developed these stores will add around 110,000 sq. ft. to the trading portfolio increasing the company's capacity of owned stores by 10%. They will take the proportion of Lok'nStore's space which is new or purpose built to 64%.

Two new stores to be developed under management contracts

Two new management contracts were signed in July 2016 to develop and operate two new stores in prominent retail locations in Hemel Hempstead and Broadstairs. Opening is scheduled for 2017. When developed, these will add around 70,000 sq. ft. to the trading portfolio.

Flexible and tactical approach to site acquisition

We continue our strategy of actively managing our store operating 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.

With Wellingborough, Gillingham, Hemel Hempstead and Broadstairs set to open in 2017 this will increase the number of stores we operate to 29 and will capitalise on our efficient operating systems and growing internet marketing presence.

Store property assets and Net Asset Value

- Total assets now £142.6 million (31.1.2016: £113.4 million)
- Adjusted net asset value of £3.87 per share up 26.1% on last year

Financial results

- Group Revenue £8.34 million up 4.5% (31.1.2016: £7.99 million)
- Group Adjusted EBITDA £3.3 million up 0.5% (31.1.2016: £3.3 million)
- Forward cost of debt currently 1.65%
- LTV down to 14.4%
- Treasury share sale for £7.82m (net of costs)
- CAD up 6.5%
- Interim dividend up 12.4%
- Cash balances £12.1 million (31.1.2016: £3.0 million)

Lok'nStore is a robust business which generates an increasing cash flow from its strong asset base. With a low LTV of 14.4% and low interest margins of 1.4% on its extended 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

Of the £28.8 million of gross debt currently drawn against the £40 million revolving credit facility £20 million was at a fixed interest rate with £10 million fixed rate swap at a fixed 1 month sterling LIBOR rate of 1.2% and £10 million swap at a fixed 1 month sterling LIBOR rate of 1.15%. Both swaps expired 20 October 2016 and the Group's all-in floating rate dropped to (currently) 1.65% on its entire gross debt.

Under the current bank facility the Group is not committed to enter into hedging instruments going forwards but rather to keep such matters under review. Given our low level of indebtedness, low Loan to Value and high interest cover, combined with the wider uncertainties within the economy of Brexit likely to produce low rates for longer, it is not the intention of the Group to enter into an interest rate hedging arrangement at this time.

Taxation

The Group has made a current tax provision against earnings in this period of £0.42 million based on a corporation tax rate of 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 £14.45 million. (31.1.2016: £11.63 million) (see Note 16).

Earnings per share

Basic earnings per share were 6.91 pence (31.1.2016: 11.53 pence per share) and diluted earnings per share were 6.74 pence (31.1.2016: 11.26 pence per share). If 2016 figures are adjusted to eliminate the 2016 property sale gain of £1.94 million, the 2016 EPS is adjusted to 4.00 pence per share and the 2016 diluted EPS to 3.91 pence per share.

Earnings per share (EPS)	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Profit for the Period	1,870	2,972	4,282
Exceptional Gain on sale of Reading	–	(1,940)	(1,940)
Adjusted earnings	1,870	1,032	2,342

	No. of shares	No. of shares	No. of shares
Weighted average number of shares			
For basic earnings per share	27,071,818	25,775,767	25,791,821
Dilutive effect of share options	651,347	626,082	577,882
For diluted earnings per share	27,723,165	26,401,849	26,369,643
Basic EPS	6.91	4.00	9.08
Diluted EPS	6.74	3.91	8.88

Operating costs

We have a strong record of reducing our group operating costs each year however we cautioned at our 2016 year end results that although we maintain a disciplined approach to costs continuing to reduce them is increasingly challenging while delivering both strong revenue growth and an acceleration of our store opening programme.

Group operating costs amounted to £4.87 million for the period, a 7.6% increase year on year (31.1.2016: £4.52 million) which derived from higher rates bills as we opened landmark stores, extra staffing in document storage and higher internet marketing costs.

Property costs which mainly constitute rent and rates have risen by 10.5% as we felt the effects of higher rates bills as we opened our new landmark stores at Southampton and Bristol and on our development site at Wellingborough. Rents remained static and utility costs rose modestly. Excluding these three categories (rent, rates and utilities) other minor property costs rose by only 2.2%.

Overhead costs while up 12.5% year on year are running lower for the full year 2017 on an annualised basis. The only significant increase in this category is the cost of internet marketing which has risen 70% year to year as we improve our search rankings. Excluding this expenditure other overhead expenditures were down 3.5% year to year.

Staff costs increased by 4% as we increase staffing at our serviced document storage unit to cope with increased volumes of incoming items. Across the rest of the Group there was no increase in staff costs.

Overall the cost increases are mainly driven by the expansion of the business and we are seeing little other cost pressures.

Group	Increase in costs %	Six months ended 31 January 2017 £'000	Six months ended 31 January 2016 £'000	Year ended 31 July 2016 £'000
Property costs	10.5	2,087	1,889	3,913
Staff costs	4.0	2,156	2,074	4,232
Overheads	12.5	541	481	1,128
Distribution costs	6.3	83	78	170
Total	7.6	4,867	4,522	9,443

Business and Financial Review

The Performance of our Stores

Cash flow and financing

At 31 January 2017 the Group had cash balances of £12.1 million (31.1.2016: £3.0 million). Cash inflow from operating activities before investing and financing activities was £2.9 million (31.1.2016: £0.9 million), and the sale of the Treasury shares further added to our cash position. As well as using cash generated from operations to fund some capital expenditure, the Group has a six year revolving credit facility. This provides sufficient liquidity for the Group's current needs. Undrawn committed facilities at the period-end amounted to £11.2 million (31.1.2016: £11.2 million).

Gearing

At 31 January 2017 the Group had £28.8 million of gross borrowings (31.1.2016: £28.8 million) representing gearing of 20.7% (31.1.2016: 45.7%) on net debt of £16.7 million (31.1.2016: £25.8 million). After adjusting for the uplift in value of leaseholds which are stated at depreciated historic cost in the statement of financial position, gearing is 17.7% (31.1.2016: 38.0%). After adjusting for the deferred tax liability carried at period end of £14.4 million gearing drops to 15.3% (31.1.2016: 32.5%).

Cash available for Distribution (CAD) up 6.5%

Cash available for Distribution (CAD) provides a clear picture of ongoing cash flow available for dividends. The CAD was up 6.5% in the period although at a per share level this was balanced by the increase in the number of shares outstanding resulting from the sale of the Treasury shares.

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

Analysis of Cash Available for Distribution (CAD)

	Six months ended 31 January 2017 £'000	Six months ended 31 January 2016 £'000	Year ended 31 July 2016 £'000
Group Adjusted EBITDA	**3,313**	3,298	6,295
Less: Net finance costs (per Income Statement)	**(151)**	(415)	(735)
Capitalised maintenance expenses	**(55)**	(55)	(110)
New Works Team	**(66)**	(67)	(134)
Current tax	**(424)**	(303)	(606)
Total deductions	**(696)**	(840)	(1,585)
Cash Available for Distribution	**2,617**	2,458	4,710
Increase over last year	**6.5%**		

	Number	Number	Number
Number of shares in issue	**28,084,149**	25,873,896	26,019,241
CAD per share (annualised)	**19p**	19p	18p

Capital expenditure and capital commitments

The Group has grown through a combination of site acquisition, existing store improvements and relocations. It has concentrated on extracting value from its existing assets and developing through collaborative projects and management contracts. Capital expenditure during the period totalled £2.8 million (31.1.2016: £4.6 million). This was primarily the purchase and subsequent construction works at our development sites in Gillingham and Wellingborough as well as completing fitting-out works at our Bristol store.

The Company has no further capital commitments beyond the build and fit-outs of the Gillingham and Wellingborough Stores and the refurbishment of the Old Southampton store for cruise parking totalling £5.4 million.

Market Valuation of Freehold and Operating Leasehold Land and Buildings

On 31 July 2016 professional valuations were prepared by Jones Lang LaSalle (JLL) in respect of eleven freeholds one long leasehold and seven operating leasehold properties. This valuation has been adopted for the 31 January 2017 period-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.

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 added value can be created 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 £16.6 million (31.1.2016: £14.8 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 January 2017 Valuation £'000**	No of stores/sites	31 January 2016 Valuation £'000	No of stores/sites	31 July 2016 Valuation £'000
Freehold and long leasehold valued by JLL[1] (Jan 2016 C & W)	**12**	**96,125**	11	70,610	12	96,125
Leasehold valued by JLL[2] (Jan 2016 C & W)	**7**	**16,575**	7	14,760	7[1]	16,575
Freehold land and buildings at Director valuation[3]	**1**	**3,000**	–	–	1	3,000
Subtotal	**20**	**115,700**	18	85,370	20	115,700
Sites in development at cost	**2**	**2,792**	3	13,150	2	457
Total	**22**	**118,492**	21	98,520	22	116,157

1. Includes related fixtures and fittings (refer note 10b)
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 11 years and 8 months at the date of the 2016 valuation (2015 valuation: 12 years and 8 months).
3. For more details (refer note 10b - Directors valuation)

Total freeholds account for 86.0% of property values (31.1.2016: 85.0%).

Adjusted Net Asset Value per Share

Adjusted net assets per share is the net assets of the Group business 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 2017 the adjusted net asset value per share increased to £3.87 from £3.07 year on year, up 26.1%. This substantial increase is a result of higher property values as our new valuers recognised the strength of our landmark stores, cash generated from operations, offset in part by an increase in the shares in issue due to the exercise of share options by management and staff during the period.

Business and Financial Review

The Performance of our Stores

Adjusted Net Asset Value per Share (NAV)	31 January 2017 £'000	31 January 2016 £'000	31 July 2016 £'000
Net assets	80,733	56,409	71,475
Adjustment to include operating/short leasehold stores at valuation			
Add: JLL leasehold valuation	16,575	14,760	16,575
Deduct: leasehold properties and their fixtures and fittings at NBV	(3,006)	(3,296)	(3,065)
	94,302	67,873	84,985
Deferred tax arising on revaluation of leasehold properties[1]	(2,307)	(2,063)	(2,432)
Adjusted net assets	91,995	65,810	82,553

Shares in issue	Number	Number	Number
Opening shares in issue	29,109	28,447	28,447
Shares issued for the exercise of options	90	517	662
Closing shares in issue	29,199	28,964	29,109
Shares held in treasury	(492)	(2,467)	(2,467)
Shares held in EBT	(623)	(623)	(623)
Closing shares for NAV purposes	28,084	25,874	26,019
Adjusted net asset value per share after deferred tax provision	£3.28	£2.54	£3.17
Adjusted net asset value per share before deferred tax provision			
Adjusted net assets	91,995	65,810	82,553
Deferred tax liabilities and assets recognised by the Group	14,446	11,634	15,361
Deferred tax arising on revaluation of leasehold properties[1]	2,307	2,063	2,432
Adjusted net assets before deferred tax	108,748	79,507	100,346
Closing shares for NAV purposes	28,084	25,874	26,019
Adjusted net asset value per share before deferred tax provision	£3.87	£3.07	£3.86

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 2017

	Notes	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Revenue	1	8,343	7,986	16,056
Total property, staff, distribution and general costs	2a	(5,030)	(4,689)	(9,761)
Adjusted EBITDA[1]		3,313	3,297	6,295
Amortisation of intangible assets		(83)	(84)	(165)
Depreciation		(897)	(735)	(1,537)
Equity settled share based payments	18	(48)	(93)	(182)
		(1,028)	(912)	(1,884)
Store relocation costs		(21)	–	–
Net settlement proceeds	2c	–	1,940	1,940
Property disposal costs		(14)	(122)	(123)
		(1,063)	906	(67)
Operating profit		2,250	4,203	6,228
Finance income	3	174	150	313
Finance cost	4	(325)	(564)	(1,048)
Profit before taxation	5	2,099	3,789	5,493
Income tax expense	6	(229)	(817)	(1,211)
Profit for the period		1,870	2,972	4,282
Profit attributable to:				
Owners of the parent	19	1,870	2,972	4,282
Other Comprehensive Income				
Items that will not be reclassified to profit and loss				
Increase in property valuation		391	379	17,651
Deferred tax relating to change in property valuation		499	734	(2,387)
		890	1,102	15,264
Items that may be subsequently reclassified to profit and loss				
Increase in fair value of cash flow hedges		37	21	83
Deferred tax relating to cash flow hedges		–	(10)	(21)
		37	11	62
Other comprehensive income		927	1,113	15,326
Total comprehensive income for the period		2,797	4,085	19,608
Attributable to:				
Owners of the parent		2,797	4,085	19,608
Earnings per share attributable to owners of the Parent				
Basic	8	6.91p	11.53p	16.60p
Diluted	8	6.74p	11.26p	16.24p

1. Adjusted EBITDA and operating profit are defined in the accounting policies section of the notes to the interim report.

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Other reserves £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
1 August 2015 – Audited	**285**	**2,614**	**8,685**	**32,239**	**9,146**	**52,969**
Profit for the period	–	–	–	–	2,972	2,972
Other comprehensive income:						
Increase in property valuation net of deferred tax	–	–	–	1,102	–	1,102
Decrease in fair value of cash flow hedges net of deferred tax	–	–	11	–	–	11
Total comprehensive income	–	–	11	1,102	2,972	4,085
Transactions with owners:						
Dividend paid	–	–	–	–	(1,456)	(1,456)
Share based payments	–	–	93	–	–	93
Transfers in relation to share based payments	–	–	(303)	–	303	–
Deferred tax credit relating to share options	–	–	(6)	–	–	(6)
Exercise of share options	5	719	–	–	–	724
Total transactions with owners						
Transfer realised gain on asset disposal	–	–	–	(1,668)	1,668	–
Transfer additional dep'n on revaluation net of deferred tax	–	–	–	(128)	128	–
31 January 2016 – Unaudited	**290**	**3,333**	**8,480**	**31,545**	**12,761**	**56,409**
Profit for the period	–	–	–	–	1,310	1,310
Other comprehensive income:						
Increase in property valuation net of deferred tax	–	–	–	14,162	–	14,162
Decrease in fair value of cash flow hedges net of deferred tax	–	–	51	–	–	51
Total comprehensive income	–	–	51	14,162	1,310	15,523
Transactions with owners:						
Dividend paid	–	–	–	–	(691)	(691)
Share based payments	–	–	89	–	–	89
Transfers in relation to share based payments	–	–	(98)	–	98	–
Deferred tax credit relating to share options	–	–	(90)	–	–	(90)
Exercise of share options	1	234	–	–	–	235
Total transactions with owners	1	234	(99)	–	(593)	(457)
Transfer realised gain on asset disposal	–	–	–	29	(29)	–
Transfer additional dep'n on revaluation net of deferred tax	–	–	–	(134)	134	–

	Share capital £'000	Share premium £'000	Other reserves £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
31 July 2016 – Audited	**291**	**3,567**	**8,432**	**45,602**	**13,583**	**71,475**
Profit for the period	–	–	–	–	1,870	1,870
Other comprehensive income:						
Increase in property valuation net of deferred tax	–	–	–	890	–	890
Decrease in fair value of cash flow hedges net of deferred tax	–	–	37	–	–	37
Total comprehensive income	–	–	37	890	1,870	2,797
Transactions with owners:						
Dividend paid	–	–	–	–	(1,778)	(1,778)
Share based payments	–	–	48	–	–	48
Transfers in relation to share based payments	–	–	(66)	–	66	–
Deferred tax credit relating to share options	–	–	221	–	–	221
Sale of shares from treasury (net of costs)	–	4,704	–	–	3,117	7,821
Exercise of share options	1	148	–	–	–	149
Total transactions with owners	1	148	203	–	6,109	6,461
Transfer additional dep'n on revaluation net of deferred tax	–	–	–	(115)	115	–
31 January 2017 – Unaudited	**292**	**8,419**	**8,672**	**46,377**	**16,973**	**80,733**

Consolidated Statement of Financial Position

31 January 2017

	Notes	31 January 2017Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Assets				
Non-current assets				
Intangible assets		3,509	3,674	3,593
Property, plant and equipment	9	106,628	88,494	104,363
Development loan capital	10	3,319	2,905	3,159
		113,456	95,073	111,115
Current assets				
Inventories	11	168	139	165
Trade and other receivables	12	3,271	3,677	4,952
Cash and cash equivalents		12,140	3,010	5,335
Total current assets		15,579	6,826	10,452
Total assets		129,035	101,899	121,567
Liabilities				
Current liabilities				
Trade and other payables	13	(4,522)	(4,839)	(5,794)
Taxation		(597)	(294)	(173)
Derivative financial instruments	15b	–	(99)	(37)
		(5,119)	(5,232)	(6,004)
Non-current liabilities				
Borrowings	15a	(28,737)	(28,624)	(28,727)
Deferred tax	16	(14,446)	(11,634)	(15,361)
		(43,183)	(40,258)	(44,088)
Total liabilities		(48,302)	(45,490)	(50,092)
Net assets		80,733	56,409	71,475
Equity				
Equity attributable to owners of the parent				
Called up share capital	17	292	290	291
Share premium		8,419	3,333	3,567
Other reserves	18	8,672	8,480	8,432
Retained earnings	19	16,973	12,761	13,583
Revaluation reserve		46,377	31,545	45,602
Total equity		80,733	56,409	71,475

Approved by the Board of Directors and authorised for issue on 24 April 2017 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 2017

	Notes	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Operating activities				
Cash generated from operations	21a	2,897	1,826	3,774
Income tax paid		–	(961)	(961)
Net cash from operating activities		2,897	865	2,813
Investing activities				
Development loan capital		(160)	(126)	(380)
Purchase of property, plant and equipment	9	(2,770)	(4,589)	(6,988)
Net proceeds from disposal of property, plant and equipment		–	5,398	8,399
Interest received		18	135	14
Net cash (used in) / from investing activities		(2,912)	818	1,045
Financing activities				
Repayment of borrowings		–	(27,701)	(27,701)
Proceeds from new borrowings		–	28,816	28,816
Loans granted to projects under management contracts		–	(978)	–
Loans repaid from projects under management contracts		944	–	–
Finance costs paid		(315)	(513)	(885)
Equity dividends paid		(1,778)	(1,456)	(2,147)
Proceeds from issuance of ordinary shares (net)		148	724	959
Proceeds from sale of treasury shares (net)		7,821	–	–
Net cash used in financing activities		6,820	(1,108)	(958)
Net increase in cash and cash equivalents in the period		6,805	575	2,900
Cash and cash equivalents at beginning of the period		5,335	2,435	2,435
Cash and cash equivalents at end of the period		12,140	3,010	5,335

Accounting Policies

General Information

Lok'nStore Group plc is an AIM listed company incorporated and domiciled in England and Wales. The address of the registered office is One London Wall, London EC2Y 5AB, 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 2017 have been prepared on the basis of the accounting policies expected to be used in the 2017 Lok'nStore Group Plc Annual Report and Accounts and in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union ('EU') ('IFRS').

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 2017, are unaudited. The interim results do not constitute statutory financial statements within the meaning of section 435 of the Companies Act 2006.

Comparative figures for the year ended 31 July 2016 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 £12.1 million (31.01.2016: £3.0 million), undrawn committed bank facilities at 31 January 2017 of £11.2 million (31.01.2016: £11.4 million), and cash generated from operations in the period to 31 January 2017 of £2.9 million (31.01.2016: £0.8 million). The Group operates a £40 million five year revolving credit facility with Royal Bank of Scotland 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 Group has recently agreed a two year extension on its existing banking facility with Royal Bank of Scotland plc and the facility which was due to expire in January 2021, will now run until January 2023 The financial statements are therefore prepared on a going concern basis.

Adjusted EBITDA

Earnings before interest, tax, depreciation and amortisation (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.

Notes to the Financial Statements

For the six months ended 31 January 2017

1 Revenue

Analysis of the Group's revenue is shown below:

Stores trading	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Self-storage revenue	6,225	6,004	11,931
Other storage related revenue	778	738	1,510
Ancillary store rental revenue	–	4	3
Sub-total - Self-storage revenue – owned stores	7,003	6,746	13,444
Management fees – managed stores	181	190	439
Sub-total	7,184	6,936	13,883
Stores under development			
Non-storage income	8	(8)	–
Sub-total	7,192	6,928	13,883
Serviced archive and records management revenue	1,151	1,058	2,173
Total revenue per statement of comprehensive income	8,343	7,986	16,056

The segment information for the period ended 31 January 2017 and 2016 is as follows:

2016/2017 - Unaudited	Self-storage six months ended 31 January 2017 £'000	Serviced archive and records management six months ended 31 January 2017 £'000	Total six months ended 31 January 2017 £'000	Self-storage six months ended 31 January 2016 £'000	Serviced archive and records management six months ended 31 January 2016 £'000	Total six months ended 31 January 2016 £'000
Revenue from external customers	7,192	1,151	8,343	6,928	1,058	7,986
Segment adjusted EBITDA	3,064	249	3,313	3,045	252	3,297
Depreciation	(847)	(49)	(896)	(685)	(50)	(735)
Amortisation of intangible assets	–	(83)	(83)	–	(84)	(84)
Equity settled share based payments	(49)	–	(49)	(93)	–	(93)
Store relocation costs	(21)	–	(21)	–	–	–
Net settlement proceeds – Reading site	–	–	–	1,940	–	1,940
Costs of disposal	(14)	–	(14)	(122)	–	(122)
Segment profit/(loss)	2,133	117	2,250	4,085	118	4,203
Central costs not allocated to segments:						
Finance income			174			150
Finance costs			(325)			(564)
Profit before taxation			2,099			3,789
Income tax expense			(229)			(817)
Consolidated profit for the financial period			1,870			2,972

Notes to the Financial Statements

For the six months ended 31 January 2017

1 Revenue continued

2016 – Audited	Self-storage year ended 31 July 2016 £'000	Serviced archive & records management year ended 31 July 2016 £'000	Total year ended 31 July 2016 £'000
Revenue from external customers	13,883	2,173	16,056
Segment adjusted EBITDA	5,708	587	6,295
Management charges	72	(72)	–
Segment adjusted EBITDA	5,780	515	6,295
Depreciation	(1,436)	(101)	(1,537)
Amortisation of intangible assets	–	(165)	(165)
Equity settled share based payments	(182)	–	(182)
Net settlement proceeds – Reading site	1,940	–	1,940
Net disposal costs – Swindon stores	(123)	–	(123)
Segment profit/(loss)	5,979	249	6,228
Central costs not allocated to segments:			
Finance income			313
Finance costs			(1,048)
Profit before taxation			5,493
Income tax expense			(1,211)
Consolidated profit for the financial year			4,282

2017 Unaudited	Self-storage 31 January 2017 £'000	Serviced archive & records management 31 January 2017 £'000	Total 31 January 2017 £'000	Self-storage 31 January 2016 £'000	Serviced archive & records management 31 January 2016 £'000	Total 31 January 2016 £'000
Segment assets	122,935	6,100	129,035	95,913	5,986	101,899
Segment liabilities	(19,067)	(498)	(19,565)	(16,322)	(445)	(16,767)
Borrowings			(28,737)			(28,624)
Derivative financials			–			(99)
Total liabilities			(48,302)			(45,490)
Capital expenditure	2,768	2	2,770	4,449	140	4,589

2016 Audited	Self-storage 31 July 2016 £'000	Serviced archive & records management 31 July 2016 £'000	Total 31 July 2016 £'000
Segment assets	115,253	6,314	121,567
Segment liabilities	(20,727)	(601)	(21,238)
Borrowings			(28,727)
Derivative financials			(37)
Total liabilities			(50,092)
Capital expenditure	6,629	359	6,988

2a Property, staff, distribution and general costs

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Property and premises costs	**2,087**	1,889	3,913
Staff costs	**2,156**	2,074	4,232
General overheads	**542**	481	1,128
Distribution costs	**83**	78	170
Retail products cost of sales	**162**	167	318
	5,030	4,689	9,761

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 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Retail	**67**	55	118
Insurance	**20**	33	51
Van hire	**–**	1	1
Other	**2**	1	1
	89	90	171
Serviced archive consumables and direct costs	**73**	77	147
	162	167	318

2c Other Income and costs

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Net settlement proceeds	**–**	(1,940)	(1,940)
Property disposal costs	**14**	122	123
Store relocation costs	**21**	–	–
	35	(1,818)	(1,817)

In the year ended 31 July 2016, the Group received an additional £2 million from the purchaser of the original Reading store site in return for the relinquishment of all remaining rights over the site. This sum is in addition to the £2.9 million received from the purchaser on 31 October 2014, taking the total consideration to £4.9m.

Notes to the Financial Statements

For the six months ended 31 January 2017

3 Finance income

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Bank interest	18	9	14
Other interest	156	141	299
	174	150	313

4 Finance costs

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Bank interest	283	456	797
Non-utilisation fees and amortisation of bank loan arrangement fees	42	108	251
	325	564	1,048

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

5 Profit before taxation

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Profit before taxation is stated after charging:			
Depreciation and amounts written off property, plant and equipment:			
– owned assets	897	735	1,535
Amortisation of intangible assets	83	84	165
Operating lease rentals – land and buildings	764	762	1,529

6 Taxation

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Current tax:			
UK corporation tax	424	728	606
Deferred tax:			
Origination and reversal of temporary differences	71	468	976
Adjustments in respect of prior periods	–	(379)	75
Impact of change in tax rate on closing balance	(266)	–	(446)
Total deferred tax charge	(195)	89	605
Income tax expense for the period/year	229	817	1,211

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

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Profit before tax	**2,098**	3,789	5,493
Tax on ordinary activities at the standard effective rate of corporation tax in the UK of 20% (31.1.2016: 20.0%)	**420**	758	1,099
Expenses not deductible for tax purposes	**2**	1	3
Depreciation of non-qualifying assets	**50**	38	85
Share based payment charges in excess of corresponding tax deduction	**10**	19	36
Adjustments in respect of prior periods – deferred tax	**–**	(379)	75
Adjustments in respect of prior periods – corporation tax	**–**	3	–
Impact of change in tax rate on closing DT balance	**(266)**	–	(69)
Share option scheme	**12**	(12)	(22)
Deferred tax on rolled over gain	**–**	388	–
Other timing differences	**1**	1	4
Income tax expense for the period/year	**229**	817	1,211
Effective tax rate	**10.9%**	22.2%	22%

The UK's main rate of corporation tax reduced to 20% from 1 April 2015. The effective rate for this period is 10.9%. (31.01.2016: 22.2%). The effective rate is 23.6% after taking account of the effect of £266,091 arising from the reduction in forward deferred tax rates from 18% to 17%.

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 £84,445 (31.1.2016: £733,704) and the fair value of cash flow hedges of £nil (31.1.2016: £19,648) has been recognised directly in other comprehensive income (see note 16 on deferred tax).

7 Dividends

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Amounts recognised as distributions to equity holders in the year:			
Final dividend for the year ended 31 July 2015 (5.67 pence per share)	**–**	1,456	1,456
Interim dividend for the six months to 31 January 2016 (2.67 pence per share)	**–**	–	691
Final dividend for the year ended 31 July 2016 (6.33 pence per share)	**1,778**	–	–
	1,778	1,456	2,147

In respect of the current period the Directors propose that an interim dividend of 3.00 pence per share will be paid to the shareholders. The total estimated dividend to be paid is £842,524 based on the number of shares currently in issue as adjusted for shares held in the Employee Benefits Trust and for shares held on treasury. This interim dividend is an on-account payment of a final annual dividend and is ultimately subject to approval by shareholders at the 2017 Annual General Meeting and has not been included as a liability in these financial statements. The ex-dividend date will be 11 May 2017; the record date 12 May 2017; with an intended payment date of 9 June 2017.

Notes to the Financial Statements

For the six months ended 31 January 2017

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 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Profit for the financial period	**1,870**	2,972	4,282

	No. of shares	No. of shares	No. of shares
Weighted average number of shares			
For basic earnings per share	**27,071,818**	25,775,767	25,791,821
Dilutive effect of share options	**651,347**	626,082	577,822
For diluted earnings per share	**27,723,165**	26,401,849	26,369,643

623,212 (31.01.2016: 623,212) shares are held in the Employee Benefit Trust and 491,869 (31.01.2016: 2,466,869) shares are held in Treasury. Both are excluded from the above calculation.

	Six months ended 31 January 2017 Unaudited	Six months ended 31 January 2016 Unaudited	Year ended 31 July 2016 Audited
Earnings per share			
Basic	**6.91p**	11.53p	16.60p
Diluted	**6.74p**	11.26p	16.24p

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 2015 – Audited	8,888	61,035	6,425	873	10,572	19	87,802
Net book value at 31 January 2016 – Unaudited	13,150	57,935	6,478	827	10,096	8	88,494
Net book value at 31 July 2016 – Audited	458	80,953	90,263	782	12,902	5	104,363
Cost or valuation							
1 August 2016	**458**	**80,953**	**9,263**	**2,563**	**22,758**	**17**	**116,012**
Additions	2,334	(43)	–	36	443	–	2,770
Disposals	–	–	–	–	–	–	–
Reclassification	–	–	–	–	–	–	–
Revaluations	–	(45)	51	–	–	–	6
31 January 2016 – Unaudited	**2,792**	**80,865**	**9,314**	**2,599**	**23,201**	**17**	**118,788**
Depreciation							
1 August 2016	**–**	**–**	**–**	**1,781**	**9,856**	**12**	**11,649**
Depreciation	–	323	63	49	461	1	897
Disposals	–	–	–	–	–		–
Revaluations		(323)	(63)	–	–	–	(386)
31 January 2017 Unaudited	**–**	**–**	**–**	**1,830**	**10,317**	**13**	**12,160**
Net book value at 31 January 2017 – Unaudited	**2,792**	**80,865**	**9,314**	**769**	**12,884**	**4**	**106,628**

Capital expenditure during the period totalled £2.8 million (31.1.2016: £4.6 million). This was primarily the purchase and subsequent construction works at our development sites in Gillingham and Wellingborough as well as completing fitting-out works at our Bristol store.

Property, plant and equipment (non-current assets) with a carrying value of £106.6 million (31.1.2016: £88.5 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 2016 by JLL, the freehold and leasehold properties have not been externally valued at 31 January 2017, although in accordance with the Group's established policy it is the intention to do so at the next year end at 31 July 2017.

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 2017, including the sale of the Big Box portfolio in October 2016 to US investors Storage Mart for in excess of £100m, as well as some sales of individual self storage assets, 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 2017 in respect of our properties externally valued at 31 July 2016. 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 2017 year-end.

Notes to the Financial Statements

For the six months ended 31 January 2017

10 Development loan capital

In May 2015 Lok'nStore opened a new store in Aldershot, Hampshire to which it provided development loan capital. The store is managed for outside investors under the Lok'nStore brand. Lok'nStore has managed the building and subsequent operation of the store and will generate a return on £2.5 million of the total development capital committed to the project, and a management fee for the construction, operation and branding of the store.

	31 January 2017 Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Development loan capital	**3,319**	2,905	3,159

11 Inventories

	31 January 2017 Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Consumables and goods for resale	**168**	139	165

The amount of inventories recognised as an expense during the period was £81,005 (31.1.2016: £74,320).

12 Trade and other receivables

	Six months ended 31 January 2017 Unaudited	Six months ended 31 January 2016 Unaudited	Year ended 31 July 2016 Audited
Trade receivables	**1,414**	1,344	2,027
Other receivables	**857**	1,511	1,910
Prepayments and accrued income	**1,000**	822	1,015
	3,271	3,677	4,952

The Directors consider that the carrying amount of trade and other receivables and accrued income approximates their fair value.

13 Trade and other payables

	31 January 2017 Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Trade payables	**593**	864	887
Taxation and social security costs	**666**	884	1,369
Other payables	**1,156**	1,095	1,197
Accruals and deferred income	**2,107**	1,996	2,341
	4,522	4,839	5,794

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

14 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:

Capital Management	31 January 2017 Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Gross debt	(28,816)	(28,816)	(28,816)
Cash and cash equivalents	12,140	3,010	5,335
Net debt	(16,676)	(25,806)	(23,481)
Total equity	80,733	56,409	71,475
Net debt to equity ratio	20.7%	45.7%	32.8%

15a Borrowings

	31 January 2017 Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Non-current			
Bank loans repayable in more than two years but not more than five years			
Gross	28,816	28,816	28,816
Deferred financing costs	(79)	(192)	(89)
Net bank borrowings	28,737	28,624	28,727

The Group has agreed a two year extension on its existing banking facility with Royal Bank of Scotland plc. The £40 million five year revolving credit facility which was executed last year included an extension option which has now been implemented. The facility which was due to expire in January 2021, will now run until January 2023 providing funding for more landmark site acquisitions and working capital.

The £40 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. This rate is 1.40% currently and the all in debt cost on £28.8 million drawn averaged 1.7% in the last five months. Bank covenants and margin are unaffected by this extension of term.

The £40 million 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 £125.5 million together with cross-company guarantees from Group companies. The Group is not obliged to make any repayments prior to expiration.

Notes to the Financial Statements

For the six months ended 31 January 2017

15b Derivative financial instruments

Of the £28.8 million of gross debt currently drawn against the revolving credit facility, £20 million was at a fixed interest rate with £10 million fixed rate swap at a fixed 1 month sterling LIBOR rate of 1.2% and £10 million swap at a fixed 1 month sterling LIBOR rate of 1.15%.

The £20 million fixed rate was treated as an effective cash flow hedge and its fair value on a mark-to-market basis has fluctuated historically. Under current facility arrangements the Group is not committed to enter into hedging instruments going forwards but rather to keep such matters under periodic review. The fixed interest swaps expired on 20 October 2016 and the Groups entire £28.8 million of gross debt reverted to variable rate and results in an overall weighted average rate over the financial period of 1.74%. At the balance sheet date the effective cost of debt is 1.65%.

				Fair Value		
	Currency	Principal £	Maturity date	**31 January 2017 Unaudited £'000**	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
3032816LS Interest rate swap	GBP	10,000,000	20/10/2016	–	(51)	(19)
3047549LS Interest rate swap	GBP	10,000,000	20/10/2016	–	(48)	(18)
		20,000,000		–	(99)	(37)

The movement in fair value of the interest rate swaps of £37,850 (31.1.2016: £20,529) has been recognised in other comprehensive income in the period.

16 Deferred tax

Deferred tax liability	**31 January 2017 Unaudited £'000**	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Liability at start of period/year	**15,361**	12,252	12,252
Charge to income for the period/year	**(195)**	89	605
Tax charged directly to other comprehensive income	**(499)**	(707)	2,408
Credit to share based payment reserve	**(221)**	–	96
Liability at end of period/year	**14,446**	11,634	15,361

The following are the major deferred tax liabilities and assets recognised by the Group and the movements during the year:

	Accelerated Capital Allowances £'000	Tax losses £'000	Intangible assets £'000	Other temporary differences £'000	Revaluation of properties £'000	Rolled over gain on disposal £'000	Share Options £'000	Total £'000
At 31 July 2015 - Audited	**1,708**	**–**	**530**	**(8)**	**8,586**	**1,787**	**(351)**	**12,252**
Charge/ (credit) to income for the period	(62)	–	(68)	34	–	162	23	89
Charge to other comprehensive income	–	–	–	10	(734)	11	6	(707)
At 31 January 2016 - Unaudited	**1,646**	**–**	**462**	**36**	**7,852**	**1,960**	**(322)**	**11,634**
Charge/ (credit) to income for the period	209	–	(15)	(23)	–	362	(17)	516
Charge to other comprehensive income	–	–	–	11	3,109	1	(6)	3,115
Charge to share based payment reserve		–	–	–	–	–	96	96
At 31 July 2016 - Audited	**1,855**	**–**	**447**	**24**	**10,961**	**2,323**	**(249)**	**15,361**
Charge/ (credit) to income for the period	(34)	–	(39)	(8)	–	(141)	27	(195)
Charge to other comprehensive income	–	–	–	–	(511)	12	–	(499)
Charge to share based payment reserve		–	–	–	–	–	221	(221)
At 31 January 2017 - Unaudited	**1,821**	**–**	**408**	**16**	**10,450**	**2,194**	**(443)**	**14,446**

17 Share capital

	31 January 2017 Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 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	29,109,322	28,446,749	28,446,749
Options exercised during period/year	89,908	517,328	662,573
Balance at end of period/year	29,199,230	28,964,077	29,109,322

Allotted, issued and fully paid ordinary shares	31 January 2017 Unaudited £'000	31 January 2016 Unaudited £'000	31 July 2016 Audited £'000
Balance at start of period/year	291,093	284,467	284,467
Options exercised during period/year	899	5,175	6,626
Balance at end of period/year	291,992	289,640	291,093

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

18 Other reserves

Group	Cash flow hedge reserve £'000	Merger reserve £'000	Other reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Total £'000
1 August 2015 - Audited	**(99)**	**6,295**	**1,294**	**34**	**1,161**	**8,685**
Equity share based payments	–	–	–	–	93	93
Transfer to retained earnings in relation to share based payments	–	–	–	–	(303)	(303)
Cash flow hedge reserve net of tax	11	–	–	–	–	11
Tax credit relating to share options					(6)	(6)
31 January 2016 - Unaudited	**(88)**	**6,295**	**1,294**	**34**	**945**	**8,480**
Equity share based payments	–	–	–	–	89	89
Transfer to retained earnings in relation to share based payments	–	–	–	–	(98)	(98)
Cash flow hedge reserve net of tax	51	–	–	–	–	51
Tax credit relating to share options					(90)	(90)
31 July 2016 - Audited	**(37)**	**6,295**	**1,294**	**34**	**846**	**8,432**
Equity share based payments	–	–	–	–	48	48
Transfer to retained earnings in relation to share based payments	–	–	–	–	(66)	(66)
Cash flow hedge reserve net of tax	37	–	–	–	–	37
Tax credit relating to share options	–	–	–	–	221	221
31 January 2017 - Unaudited	**–**	**6,295**	**1,294**	**34**	**1,049**	**8,672**

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 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 £65,570 (31.1.2016: £302,804).

Notes to the Financial Statements

For the six months ended 31 January 2017

19 Retained earnings

Group	Retained earnings before deduction of own shares £'000	Own shares (note 21) £'000	Retained earnings Total £'000
1 August 2015 - Audited	**13,387**	**(4,241)**	**9,146**
Profit for the financial period	2,972	–	2,972
Transfer from revaluation reserve	128	–	128
Transfer from share based payment reserve (Note 18)	303	–	303
Dividend paid	(1,456)	–	(1,456)
Transfer realised gain on asset disposal	1,668	–	1,668
31 January 2016 – Unaudited	**17,002**	**(4,241)**	**12,761**
Profit for the financial period	1,310	–	1,310
Transfer from revaluation reserve	134	–	134
Transfer from share based payment reserve (Note 18)	98	–	98
Dividend paid	(691)	–	(691)
Transfer realised gain on asset disposal	(29)	–	(29)
31 July 2016 - Audited	**17,824**	**(4,241)**	**13,583**
Profit for the financial period	1,870	–	1,870
Transfer from revaluation reserve	115	–	115
Transfer from share based payment reserve (Note 18)	66	–	66
Dividend paid	(1,778)	–	(1,778)
Sale of Treasury shares	–	3,117	3,117
31 January 2017 - Unaudited	**18,097**	**(1,124)**	**16,973**

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 and shares purchased separately by Lok'nStore Limited for Treasury Account. These treasury shares have not been cancelled and were purchased at an average price considerably lower than the Group's adjusted net asset value. These shares may in due course be released back into the market to assist liquidity of the Company's stock and to provide availability of a reasonable line of stock to satisfy investor demand as and when required.

20 Own shares

	ESOP shares Number	ESOP shares £	Treasury shares Number	Treasury shares £	Own shares total £
1 August 2015 – Audited	**623,212**	**499,910**	**2,466,869**	**3,741,036**	**4,240,946**
31 January 2016 – Unaudited	623,212	499,910	2,466,869	3,741,036	4,240,946
31 July 2016 – Audited	623,212	499,910	2,466,869	3,741,036	4,240,946
31 January 2017 – Unaudited	**623,212**	**499,910**	**491,869**	**624,247**	**1,124,157**

On 1 November 2016 the Group sold 1,975,000 ordinary shares of 1 pence each ("Ordinary Shares") held in treasury. This sale was undertaken to satisfy demand for the Company's shares, and to improve liquidity going forward. The Ordinary Shares were sold to a range of institutional investors at a price of 400 pence per share.

Lok'nStore Limited now holds a total of 491,869 (31.1.2016: 2,466,869) of Lok'nStore Group plc ordinary shares of 1p each for treasury with an aggregate nominal value of £4,919 purchased for an aggregate cost of £618,413 at an average price of £1.26 per share. These shares represent 1.68% of the Parent Company's called-up share capital. The maximum number of shares held by Lok'nStore Limited in the period was 2,466,869.

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 2017, the Trust held 623,212 (31.01.2016: 623,212) ordinary shares of 1 pence each with a market value of £2,835,615 (31.01.2016: £2,003,627). No shares were transferred out of the scheme during the period (2016: nil). No dividends were waived during the year. No options have been granted under the EBT.

21 Cash flows

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

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Profit before tax	**2,099**	1,849	5,493
Depreciation	**897**	735	1,535
Amortisation of intangible assets	**83**	83	165
Equity settled share based payments	**49**	93	182
Store relocation costs and site disposal costs	**35**	–	–
Net settlement proceeds – Reading site	**–**	–	(1,940)
Disposal costs	**–**	–	123
Interest receivable	**(174)**	(150)	(313)
Interest payable	**325**	564	1,048
(Increase)/decrease in inventories	**(3)**	2	(24)
Decrease/(increase) in receivables	**736**	(221)	(2,471)
Decrease in payables	**(1,150)**	(1,129)	(24)
Cash generated from operations	**2,897**	1,826	(3,774)

(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 15a less cash and cash equivalents.

	Six months ended 31 January 2017 Unaudited £'000	Six months ended 31 January 2016 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Increase in cash in the period/year	**6,805**	575	2,900
Change in net debt resulting from cash flows	**–**	(1,115)	(1,115)
Movement in net debt in period	**6,805**	(540)	1,785
Net debt brought forward	**(23,481)**	(25,266)	(25,266)
Net debt carried forward	**(16,676)**	(25,806)	(23,481)

22 Events after the reporting date

There were no reportable events after the reporting date.

23 Capital commitments and guarantees

The Group has capital expenditure contracted but not provided for in the financial statements of £5.4 million (31.01.2016: £2.2 million). These relate to the build and fit-outs of the Gillingham and Wellingborough Stores and the refurbishment of the Old Southampton store for cruise parking.

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
C&W	Cushman & Wakefield
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 Standards
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))

KPI	Description
1. GROUP ADJUSTED EBITDA	**Earnings before interest, tax, depreciation and amortisation –** The measure is designed to give clarity on the operating cash flow of the business stripping away non-cash charges, finance charges and tax. Adjusted EBITDA is defined as EBITDA before losses or profits on disposal, share-based payments, acquisition costs, and exceptional items.
2. ADJUSTMENT OF PRIOR PERIOD EXCEPTIONAL SALE	**Reading -** In 2016, the Group received an additional amount of sale proceeds (net of costs) of £1.94 million on the sale of its old Reading store. The increase in the adjusted profit before tax of £2.1 million (31.01.16: £1.85 million) and the increase in the adjusted net profit £1.87 million (31.01.16: £1.03 million) reported in the highlights above strip out the effect of this exceptional item.
3. 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 tax. This measure is designed to give clarity to the capacity of the business to generate net operating cash that can be used to pay dividends to shareholders.
4. NAV	**Net Asset Value per share –** Adjusted net asset value per share is the net assets 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 treasury shares are excluded from the number of shares.
5. TOTAL ASSETS	**Total assets** of £142.6 million is calculated by adding the independent valuation of the leasehold properties (£16.6 million) less their corresponding net book value (NBV) £3.0 million to the total assets in the balance sheet of £129.0 million.
6. 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 £16.7 million (31.1.2016: £25.8 million) as a percentage of the total properties independently valued by JLL and including development land assets totalling £115.5 million (31.1.2016: £98.5 million) as set out in the Business and Financial Review..
7. STORE ADJUSTED EBITDA	**Store Adjusted EBITDA** is (see 3 above) before the deduction of central and head office costs.
8. 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. During December 2016 and January 2017, Lok'nStore closed its store in Staines. Like-for-like (LFL) growth figures for the period strip out the effect of this closure.
9. EXCEPTIONAL ITEMS	**Exceptional items** arose during the period from a further £14,390 of additional costs from the disposal of the old Portsmouth development site and £20,898 of costs relating to the closure of the Staines store.
10. GEARING	**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.
11. CAPEX	**Capital expenditure**

Our Stores

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Lok'nStore plc
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Our Stores

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Tel 01932 761100
Fax 01932 781188
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Tonbridge, Kent
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Development locations (Owned Stores)

Wellingborough, Northamptonshire
19/21 Whitworth Way
Wellingborough NN8 2EF

Gillingham, Kent
Courtney Road
Gillingham
Kent ME8 0RT

Managed stores

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