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Iron Mountain (UK) plc

Annual report and financial statements for the year ended 31 December 2021

Company No. 01478540



IRON MOUNTAIN (UK) PLC

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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IRON MOUNTAIN (UK) PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS

N Ford
P Shepley

COMPANY SECRETARY

J Virgo

REGISTERED OFFICE

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London
United Kingdom
SE1 2AU

REGISTERED NUMBER

01478540

INDEPENDENT AUDITOR

Deloitte LLP
Statutory auditor
Glasgow
United Kingdom
G1 3BX

BANKERS

HSBC Bank PLC
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London
E14 5HQ

SOLICITORS

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7th Floor
125 Colmore Row
Birmingham
B3 3SH

IRON MOUNTAIN (UK) PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

REVIEW OF THE BUSINESS

The principal activity of Iron Mountain (UK) plc ("the company") is information management and document storage.

The directors consider the performance of the business to be satisfactory.

Turnover for the year of £183.6 million has risen by 3.4% from £177.7 million in 2020. The gross profit margin was 69.2% of turnover (2020: 67.8%), this increase in gross profit margin is largely due to higher turnover from pallet storage and the return of special project revenue, along with lower utilities costs as a result of energy efficiency projects within the business. Earnings before interest, taxation, depreciation and amortisation was £51.8 million (2020: £45.3 million) due mainly higher gross profit margin and lower administration costs, a reconciliation between profit before tax and earnings before interest, taxation, depreciation and amortisation can be found in note 5. Administrative expenses decreased by 1.6% from £101.2 million in 2020 to £99.6 million in 2021. Profit before tax rose from £12.6 million in 2020 to £121.9 million in 2021, mainly due to the gain on sale of properties sold during the year of £90.7 million and net income in relation to the liquidation of subsidiaries of £8.4 million, being dividend income of £63.2 million offset by £54.8m of impairments in investment in subsidiaries, along with increased revenue and lower utilities costs as described above.

Finance expenses decreased to £4.9 million (2020: £7.3 million).

As at the balance sheet date the company had net current assets of £80.4 million (2020: liabilities of £63.1 million), including a net bank overdraft of £42.9 million (2020: £168.7 million). The decrease in the bank overdraft was mainly due to the receipt of £149.1m on the sale of 4 buildings and net loan repayments of £58.8m from subsidiary companies partly offset by additional investments in subsidiaries of £20.0m. Net assets rose to £245.9 million as at 31 December 2021 (2020: £146.1 million) due to the profit in the year.

KEY PERFORMANCE INDICATORS

The company is a member of the Iron Mountain Inc. group of companies. The Iron Mountain group is managed on a geographical basis across service offerings. For this reason, the directors believe that further analysis using key performance indicators other than those described in the review of business section above for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the entity. The development, performance and position of the geographical region, which includes the company, are disclosed in the group's annual report per note 23.

SECTION 172 STATEMENT

The Board of Directors, in line with their duties under s.172 of the Companies Act 2006, act in a way they consider to be in the collective best interests of the Company and its stakeholders. This is critical to the long-term success of our business and key to maintaining engaged and constructive relationships with employees, customers, shareholders, suppliers and the wider communities in which we operate.

The Company's core values which can be found on the group website (<https://www.ironmountain.com/about-us/values>) are acting with honesty and integrity, owning safety and security, build customer value, take ownership and promote inclusion and teamwork. These values mean we are open and honest and live our values every day, we protect ourselves and each other from harm, and secure our customers' assets as if they were our own, we constantly look for ways to better serve our customers and improve their business, we take personal responsibility for the success of our teams, our customers, and our company and we look for and value each other's unique ideas and perspectives to get better results. Without exception it is expected that all involved with the Company (in any capacity) act in accordance with these values. The commitment to these values, coupled with the consistent promotion of an open dialogue culture, enables the Directors to develop a close understanding of: (i) key stakeholders in relation to each decision; and (ii) the needs, concerns and aspirations of these stakeholders. In turn this enables the Board to make decisions in context by balancing competing interests and with due consideration to likely consequences in the short, medium and long-term.

IRON MOUNTAIN (UK) PLC**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****SECTION 172 STATEMENT (continued)**

Our reporting structures and frequent communication throughout our business, both formal and informal, along with our internal controls including Sarbanes Oxley controls and a group internal audit function, ensure that the Board has complete information and is aware of all strategic and material decisions providing confidence that the right decisions are being made at the right time in line with s.172. Our open dialogue culture also enables balanced consideration to be given to factors relating to our operations, the communities in which we operate and support, the natural environment and our social responsibilities.

To demonstrate the aforementioned behaviours, below is a list of our key stakeholders, the methods used to by the Board to engage with them (directly or indirectly) and a non-exhaustive, illustrative, list of some key decisions of the Company highlighting the Board of Director's compliance with the requirements of s.172 and the interplay between the different considerations involved.

Stakeholder	Method of Engagement
Employees	Information is shared with, and feedback sought from, employees on a frequent basis. This takes the form of weekly briefings, group calls and Q&As with the leadership team. In addition the Company has invested in technology and connective platforms to facilitate the real time sharing of information. Additionally the Board periodically visit our sites across the territory to engage directly with employees.
Customers	The Board and senior management routinely engage directly with customers. This is through meetings, feedback panels, surveys and briefings. Further our customer facing teams, including sales and account management personnel, are in touch with our customers daily to understand and service their current and future requirements.
Shareholders	Our ultimate shareholders are engaged through interactive earning calls, meetings and filings. The Board interact throughout the year with the Company's parent company and shareholder.
Suppliers	Our procurement team and employees engage with our suppliers on a frequent basis to ensure that the supply chain is effective, robust and appropriately managed.
Communities	The business encourages all employees to engage with local communities and act in a socially and environmentally responsible manner.

The aforementioned engagement and interactions inform the Board of stakeholder interests and concerns. These are then factored into decisions made about the actions which will best lead to the success of the Company having regard to the long-term.

Below are some key decisions of the Board (which were made following and considering stakeholder interests) and details of the impacted stakeholders.

COVID-19:

Like many organisations the Company continued to experience difficulties as a consequence of the pandemic and the impact of further lockdown restrictions. To ensure that the Company remained profitable the Company regularly reviewed staffing levels accordingly in line with the activity movements of the business. Activity levels improved towards the end of the first quarter and remained relatively stable throughout the remainder of 2021.

IRON MOUNTAIN (UK) PLC

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

SECTION 172 STATEMENT (continued)

REVENUE GROWTH:

Performance bounced back following COVID-19 related headwinds in 2019. Warehousing and Logistics (formerly known as Secure Business Storage) underpinned Revenue performance, with in year success providing further confidence in the growth strategy. EBITDA growth was significant, with ongoing real estate transformation initiatives driving cost efficiencies. In the interests of our Shareholders to ensure that the Company maximized its profitability, inventory was moved from low density facilities into more optimal solutions.

WAREHOUSING AND LOGISTICS

In recognition of changes in our customers' requirements, the Company has continued to invest significantly in its capability to provide physical storage of items other than hardcopy records. This includes pallet storage, art storage and artefact storage. The decision to further invest in these areas was taken to continue to solve challenges faced by our customers and to future proof our business for the benefit of our employees and shareholders. Investment was made on three facilities, providing 60,000 pallet spaces. All available space was pre sold on multi-year contracts. Commitment was then made on three new developments towards the end of 2021 for facilities that were under construction and due to complete early 2022. These facilities provide a combined 150,000 pallet spaces.

CARBON FOOTPRINT REDUCTIONS:

In 2021 the Company continued to undertake a significant project to replace existing lighting systems with low energy lightbulbs in two further sites (Antrim and White Hart Triangle). The investment and short-term disruption to our operations during the installation process, demonstrates a firm and consistent commitment to reducing our carbon footprint and operating in an environmentally sustainable and responsible manner. Further, the ongoing benefit of prior year investment in LED lighting upgrades has mitigated cost pressures from energy increases. Decisions such as these, which go beyond our regulatory requirements, will be to benefit of the Company, the environment and our wider communities and demonstrate Company's aspirations to lead the way in environmentally operational practices.

REAL ESTATE:

The real estate strategy has been focused on the exit of smaller facilities less optimal facilities and the Company exited a further four units in 2021 (two units in Fishponds, Northampton and Cody 3). The real estate strategy was refreshed to combine growth aspirations in Warehousing & Logistics with the desire to ramp up optimisation efforts; due to the changing nature of the Company's business it was deemed that this was the most prudent course of action for business' long-term interests and the interests of its stakeholders. A decision was made to find a developer to build a Campus that would combine these requirements. A developer was selected following internal approval, with the aim to finalise an agreement for lease in early 2022.

INCREASE IN WAGES & CHARITY DAYS:

In 2021 the company increased the base salary of its logistics and transport staff by an average of 2.9%. This was done not only to ensure compliance with regulation and best practices but in part in response to employee feedback and to improve the engagement and likelihood of long tenure within the workforce.

Further the Board of Directors approved all employees being given the opportunity to take paid volunteer days for causes of their choice within their communities. This, among other initiatives detailed at: <https://www.ironmountain.com/about-us/corporate-social-responsibility/our-communities> has helped to develop community relationship and benefited charitable causes.

IRON MOUNTAIN (UK) PLC

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES

SECURITY OF CUSTOMER DATA

The wider group has experienced incidents in which customers' backup tapes or other records have been lost, and it has been informed by customers in some incidents that the lost media or records contained personal information. Although there have been no significant cyber breaches there is also the risk of cyber-attack on the company's systems, which could lead to the loss of personal customer information. Although a potential risk, this is not considered to be a material matter of concern for Iron Mountain (UK) plc.

The increased focus on data security may lead to governmental action and/or changes in customer demand as a result of which the company may be required to modify its operations with the goal of further improving data security or accept increased liabilities or obligations if breaches of data security occur with respect to data in its custody. However, the company may be unable to increase its prices sufficiently to counter the increased costs associated with such modifications to operating practices or such acceptance of increased liabilities and obligations. In addition, any compromise of security, accidental loss or theft of customer data in the company's possession could damage its reputation and expose it to risk of liability, which could harm its business and adversely impact its financial results.

EFFECTS OF ALTERNATIVE TECHNOLOGIES

The company derives most of its revenues from the storage of paper documents and storage related services. This storage requires significant physical space. Alternative storage technologies exist, many of which require significantly less space than paper documents. These technologies include computer media, optical disk and cloud based storage. The company's customers may choose to store most of their records in alternative formats. A significant shift by the company's customers to storage of data through non-paper based technologies, whether now existing or developed in the future, could adversely affect its business.

POTENTIAL LIABILITIES AND COST ASSOCIATED WITH THE REAL ESTATE REQUIRED FOR THE BUSINESS

Due to the company's business being heavily dependent on real estate, it faces risks attributable to the real estate that it owns or leases. Such risks include:

- variable occupancy costs and difficulty locating suitable sites due to fluctuations in the real estate market;
- uninsured losses or damage to our storage facilities due to an inability to obtain full coverage on a cost-effective basis for some casualties, such as natural disasters, or any coverage for certain losses, such as losses from riots or terrorist activities;
- loss of our investment in, and anticipated profits and cash flow from, damaged property that is uninsured;
- liability under environmental laws for the costs of investigation and cleanup of contaminated real estate owned or leased by the company, whether or not the company knows of, or is responsible for, the contamination, or the contamination occurred while it owned or leased the property; and
- costs for reinstatement of leased buildings to their original state and dilapidation costs on lease termination.

IRON MOUNTAIN (UK) PLC

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

COVID-19

In March 2020 the spread of the Covid-19 pandemic, resulted in the UK entering a period of lockdown, resulting in a significant reduction in short term economic activity which reduced demand for the company's services, however the majority of the company's revenue (Note 3) is derived from storage which was largely unaffected. There are also uncertainties that are considered to have increased the credit risk on collectability of receivables. In response we have sought to reduce costs where possible, including taking up the option of furloughing staff where appropriate, during the year the company made £8,000 of furlough claims. While we currently anticipate activity levels will improve through 2022, the timing and extent of any improvement is uncertain and the circumstances have increased the general economic uncertainties. We continue to monitor the situation closely and review the risks to the business.

FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its activities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the financial risks the directors consider relevant are credit risk, liquidity risk and cash flow risk. The company manages these risks by regularly monitoring debtors and ensuring compliance with continuing banking agreements.

Credit risk

The company's principal financial assets are bank balances, balances due from fellow group companies and trade debtors.

Credit risk associated with trade debtors is managed through regular review of customer risk ratings and collection rates. The credit risk on intra group receivables is not considered to be significant. Further the credit risk on liquid funds is considered limited with the counterparty having a recognised credit rating.

Liquidity risk

The company uses cash generated from operations to fund its activities and also has access to a group cash pooling arrangement. The cash requirements to service and repay external debt facilities are monitored closely to appropriately ensure liquidity is available.


Cash flow risk

The nature of activities expose the company to the risk of changes in foreign currency exchange rates and interest rates, which is managed by the group treasury team.

FUTURE DEVELOPMENTS

The directors expect the company to continue its current activities for the foreseeable future. The directors will continue to pursue opportunities to grow the business and achieve operational efficiencies.

Approved by the board of directors and signed on behalf of the Board by:

DocuSigned by:

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N Ford
Director
29 June 2022

IRON MOUNTAIN (UK) PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2021.

RESULTS

The results for the year ended 31 December 2021 are presented in the profit and loss account on page 23 and the financial position is presented in the balance sheet on page 24. The results are discussed in the strategic report on pages 2 to 6.

As discussed in the strategic report the trading results for the year were satisfactory. Turnover for the year was £183.6 million (2020: £177.7 million) and pre-tax profit was £121.9 million (2020: £12.6 million).

No dividends were proposed or paid in respect of the year ended 31 December 2021 or the prior year. No dividends have been declared or proposed up to the date of signing these accounts.

STRATEGIC REPORT

The information that fulfils the Companies Act requirements of the business review is included within the strategic report. This includes a review of the development of the business, financial risk management and likely future developments within the business.

EVENTS AFTER THE BALANCE SHEET DATE

No material post balance sheet date events have been identified.

GOING CONCERN

The financial statements are prepared on a going concern basis. The company had net current assets of £80.4 million as at 31 December 2021 (2020: liabilities of £63.1 million) which included a net bank overdraft of £42.9 million (2020: £168.7 million) and continues to have access to a group cash pool to fund day to day operations. The directors have received confirmation from the ultimate parent company, Iron Mountain Inc. of its continuing support for a period of at least 18 months from the date of approval of these financial statements. At 31 March 2022 Iron Mountain Inc. had facilities of \$1,596.9 million (2020: \$1,686.8 million) available and not drawn down.

The directors having assessed the financial position and prospects for the company including the current cash balances of the company compared to the likely demands on these cash balances as per forecast cashflows, are satisfied that the company has adequate resources to continue to operate as a going concern throughout the twelve months following the date of approval of these financial statements. Covid 19 is no longer considered to be a significant risk to the business.

DIRECTORS

The directors of the company, who served in the year and to the date of this report are as follows:

P Keddy	(Resigned 08 January 2021)
N Ford	(Appointed 08 January 2021)
P Shepley	(Appointed 08 January 2021)
G Mackie	(Resigned 08 January 2021)

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

IRON MOUNTAIN (UK) PLC**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****SECTION 172 STATEMENT**

Details of the steps taken by the company to comply with section 172 are discussed in the strategic report.

EMISSIONS AND ENERGY CONSUMPTION FOR IRON MOUNTAIN OPERATIONS IN THE UK**Our Philosophy**

We embrace our responsibility to contribute to the fight for a net-zero future for our planet. We seek opportunities to improve environmental performance within our operations. We enable our customers to manage information while meeting their environmental goals. And we partner with our suppliers to unlock opportunities to protect our planet, together.

We invite you to view our annual response to CDP (Carbon Disclosure Project) and visit our corporate responsibility webpage for more information about Iron Mountain's commitment to environmental sustainability. Resources available on the corporate responsibility webpage include our annual Corporate Responsibility Report, UK Carbon Reduction Plan, Task Force for Climate-Related Disclosure (TCFD) report, and Global Environmental Policy. We may also make our UK Environmental Policy available upon request.

Energy and Greenhouse Gas Emissions

It is critical that we increase our energy efficiency in order to reduce our carbon footprint. In 2021, building on the success of our previous HVAC optimization and LED lighting programs, we developed and implemented a programmable thermostat program at more than 40 sites and retrofitted 3,511 fixtures with LED. In the UK, specifically, we have upgraded over 50,000 lights to LED across 30 sites in just the past three years.

The tables below show the breakdown of greenhouse gas emissions for Iron Mountain's operations in the UK including other statutory entities. Please note that these figures are pending our final data assurance statement which will be made available as part of our annual Corporate Responsibility Report.

Scope	2021 (CO2-e)	2020 (CO2-e)	Sources
Scope 1	3,007	3,117	Fleet, Generators, Natural Gas
Scope 2 Market Based	462	252	Electric power, Green Electric Power, RECs
Scope 3	871	968	Electric Power - Downstream Leased Assets, Electric Power - Upstream T&D Loss, Green Power, Rental Vehicle, Business Travel
Total	4,341	4,337	

Scope	2021 (CO2-e)	2020 (CO2-e)	Sources
Electricity (incl. line loss)	1,017	902	Electric Power, Electric Power - Downstream Leased Assets, Green Electric Power, RECs, Green
Heating	783	883	Natural Gas
Vehicles (incl. third-party fuel)	2,274	2,368	Fleet - Diesel, Rental Vehicle
Business travel	146	148	Business Travel (Air)
Other sources (diesel backup generators, refrigerants)	122	36	Generators
Total	4,341	4,337	

The increase in emissions despite the steps taken to increase energy efficiency are largely due to the increase in activity and more employees returning to the office following the Covid 19 pandemic.

IRON MOUNTAIN (UK) PLC**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****Renewable Energy**

As a top 30 purchaser of green power in the US, Iron Mountain has built strong renewable energy capabilities and continues to emphasize the importance of renewables on our path to net zero emissions. In 2021, our global operations were 80% powered by renewable energy and we purchased the equivalent of 100% renewable energy for our data center usage for the fifth straight year.

We continue to help green the electric grid through a portfolio of contracting solutions, including on-site generation, direct energy contracting, and Power Purchase Agreements for wind and solar power. This includes the 33 facilities with onsite solar arrays in our global real estate portfolio, representing a cumulative system size of more than 16.5 MW.

Over 97% of our UK operations are supplied by a renewable energy purchase contract including our data center facilities in Slough. To date, we have completed 8 on-site solar systems in the UK for a total 1.65 MW of generation capacity. We are continuing to evaluate additional sites to increase these numbers.

The tables below show the breakdown of energy consumption and amount of renewables for Iron Mountain's operations in the UK. Please note that these figures are pending our final data assurance statement which will be made available as part of our annual Corporate Responsibility Report.

Electricity	Volume (MWh)		Sources
	2021	2020	
Electricity	53,431	52,943	Electric Power
Renewable Energy	51,968	52,224	Green Electric Power, RECs, Green Power
Percent Renewable	97.3%	98.6%	

Additional Energy	2021 (MWh)	2020 (MWh)	Sources
Heating	4,319	4,820	Natural Gas
Back-up Generators	485	193	Diesel
Fleet Vehicles	8,370	8,751	Diesel, Petrol
Total Other Energy Consumption	13,173	13,764	

Total Energy	2021 (MWh)	2020 (MWh)
Total Energy Consumption	66,604	66,707

The percentage of electricity that is renewable fell from 98.6% in 2020 to 97.3% in 2021, largely due to the return to the office following the Covid 19 pandemic and a higher proportion of the total electricity demand coming from sites that are yet to transition to renewable energy.

IRON MOUNTAIN (UK) PLC

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

The Future of Our Fleet

Transportation is a significant component of our greenhouse gas emissions footprint. Reducing the emissions associated with our vehicles is critical for our net zero ambitions. We cemented our commitment to an electrified fleet by joining EV100, a global initiative for companies that are working to transition their fleet to EVs. As part of our EV100 commitment, we intend to transition 10% of our total fleet to electric by 2025 and expect to exceed 2,000 vehicles by 2030. The EV100 commitment accounts for 100% of our cars and 50% of our vans. An essential component to a successful EV program and meeting our goals is selecting a charging infrastructure partner. We chose a global partner in 2021 to help establish our charging capabilities and ensure our EV fleet is charged and ready to meet the needs of our customers.

Our EV program now includes 54 EVs, 32 of which were added in 2021. We added EVs in the UK, North America, Germany, the Netherlands, and several other locations in Europe. We intend to add EVs in France, Poland, Hungary, Singapore, and Brazil in 2022 as well as continue to explore other countries for EV conversion possibilities. As the EV program matures, our next steps will focus on the transition of our truck fleet.

Our UK fleet operations have a long history with EV operations with testbed vans in service for over 6 years. Currently we operate approximately 16 fully EV vans and we are testing next generation vehicles for wider deployment late this year.

Green Buildings

Over the years, we have made significant investments across our large real estate footprint in order to make our facilities more energy efficient. In addition, we recognize that the majority of a building's lifelong environmental footprint is decided during its design and construction. Because of this, we have been working with green building standards and certification programs for several years.

UK operations were among our first to be certified to ISO14001 over 11 years ago. Our new construction addition to our Slough data center campus is currently slated to meet BREEAM Green Building standards when it comes on line this year. This will be our second BREEAM certified building in the UK.

EMPLOYEES

The board pursues policies designed to encourage employees to identify with the company and use their knowledge and skills actively towards its success. Management is encouraged to make employees aware of the financial and economic factors affecting the company's performance.

Full consideration is given to employment applications from disabled persons who have the necessary aptitudes and abilities. Where an employee becomes disabled while employed, arrangements are made wherever practicable to maintain employment. The company seeks to develop the skills of disabled persons by providing appropriate training, taking into account their particular needs.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed in matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, the group magazine and a special edition of the annual financial statements for employees. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Where there are major changes in the company policy or culture employee steering groups are established to gauge the views of employees.

IRON MOUNTAIN (UK) PLC

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

AUDITOR


Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant information of which the company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP has indicated its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors and signed on behalf of the Board by:

DocuSigned by:

3B358EAB142D4E7
N Ford
Director
29 June 2022

IRON MOUNTAIN (UK) PLC

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRON MOUNTAIN UK PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Iron Mountain UK plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	<p>The key audit matter that we identified in the current year was:</p> <ul style="list-style-type: none"> • <i>Risk of impairment in the carrying value of investments in subsidiaries</i> <p>Within this report, key audit matters are identified as follows:</p> <p>⊕ Similar level of risk</p>
Materiality	The materiality that we used in the current year was £2.6m which was determined on the basis of Revenue.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	We no longer consider the risk of impairment in the carrying value of goodwill to be a key audit matter as we have not identified any indicators of impairment; following a review of revenue generated in 2021 from the customers acquired in the business combinations which resulted in the goodwill.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- assessing the financial position and prospects of the company;
- reviewing management's cash flow projections, challenging the key assumptions and performing an analysis based on our knowledge of the business and general market conditions including the uncertainties arising from the Covid-19 pandemic;
- testing the mathematical integrity of the cash flow projections and the accuracy and completeness of the underlying data; and
- evaluating the appropriateness of disclosure made in the financial statements in respect of the company's ability to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Risk of impairment in the carrying value of investments in subsidiaries

Key audit matter description The company holds investments in subsidiaries with a total carrying value of £105.2m as at 31 December 2021 (2020: £140.0m), representing 10.8% (2020: 13.1%) of total assets, see note 13 to the financial statements.

Judgement is required by the directors in assessing the recoverability of the carrying value of investments. As disclosed at note 2 to the financial statements, the assessment involves consideration of the financial position and prospects for the individual investments making up the book value as at 31 December 2021.

Where the net assets of individual subsidiaries are lower than the book value of the investment held, further assessment of the recoverable value of the investment is performed by considering any indicators of impairment and if applicable the estimated discounted future cash flows. The application of inappropriate valuation methodologies, use of inappropriate key assumptions or inappropriate consideration of reasonable sensitivities could have a material impact on the resultant assessment.

Impairments of £54.8m (2020: £0.3m) was recognised in the year in relation to investments held in Recall Limited, Haworth Group Holdings (UK) Limited, Saracen Datastore Limited, Bonded Services Limited and F.T.S (Freight Forwarders) Limited. The impairment was due to the investment value exceeding the net assets of these non-trading entities following liquidation procedures in the year.

How the scope of our audit responded to the key audit matter We obtained the 31 December 2021 financial information for the underlying investments to assess if they supported the carrying value.

Where relevant we challenged the existence of any indicators that an investment is impaired as at 31 December 2021. Our challenge included consideration of the economic circumstances and prospects, including risks such as Brexit and COVID-19. We also considered recent and historic performance of the investments. The level of headroom and risk of reasonable downside sensitivities on available headroom was considered.

Key observations Based on the work performed, we conclude that the carrying value of the investments in subsidiaries is supportable.

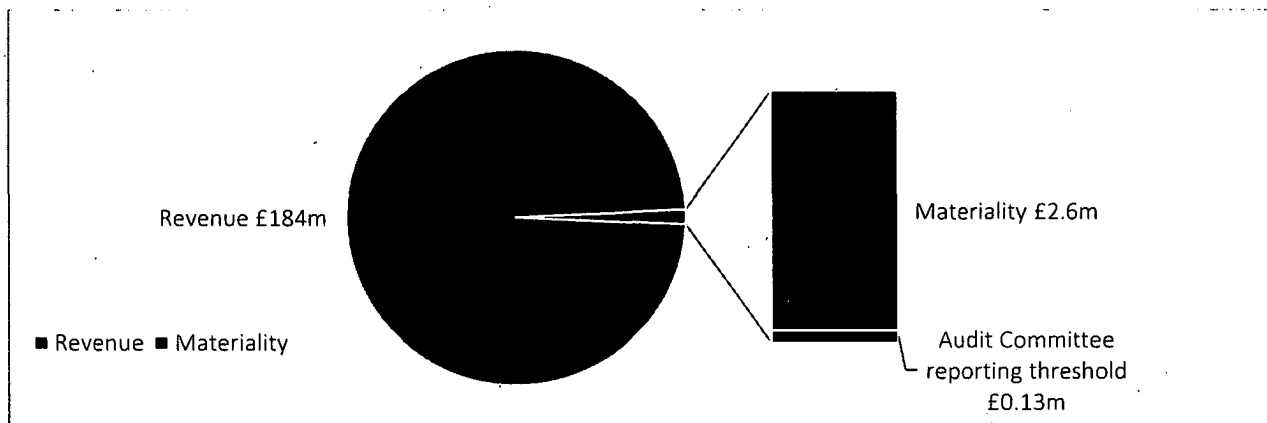
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£2.6m (2020: £2.7m)
Basis for determining materiality	1.5% of revenue (2020: 1.5% of revenue)
Rationale for the benchmark applied	Revenue is considered a key metric when assessing business performance and we weighted our assessment of materiality to this measure as opposed to profit measures which are more volatile.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2021 audit (2020: 70%). In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the entity's overall control environment, and that we consider it appropriate to rely on certain controls over the revenue business process.
- Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the directors that we would report to the Committee all audit differences in excess of £130k (2020: £133k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

We performed walkthroughs and obtained an understanding of controls in each business cycle, we also tested and placed reliance on controls relating to revenue.

We involved IT specialists in our assessment of the general IT environment and key controls over the Oracle ERP system.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and internal audit about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue recognition, specifically regarding invoices which are created manually. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, pensions and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through revenue recognition, obtaining an understanding of, and testing, relevant controls and performed focused detailed substantive testing on the manually created invoices and credit notes; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

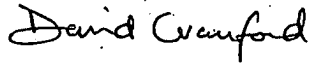
13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Crawford CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Glasgow, UK

29 June 2022

IRON MOUNTAIN (UK) PLC**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £'000	2020 £'000
Turnover	3	183,636	177,673
Cost of sales		<u>(56,612)</u>	<u>(57,200)</u>
GROSS PROFIT		127,024	120,473
Administrative expenses		<u>(99,584)</u>	<u>(101,212)</u>
OPERATING PROFIT		27,440	19,261
Gain/(loss) on sale of fixed asset	8	90,695	(57)
Other income	7	8,668	775
Net finance expense	6	<u>(4,880)</u>	<u>(7,341)</u>
PROFIT BEFORE TAXATION	5	121,923	12,638
Tax charge on profit	9	<u>(22,091)</u>	<u>(5,525)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>99,832</u>	<u>7,113</u>

All results are derived from continuing operations. There are no recognised gains and losses other than those presented above. Accordingly, no separate statement of comprehensive income is presented.

IRON MOUNTAIN (UK) PLC**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Goodwill	11	17,227	26,940
Tangible assets	12	105,897	130,347
Investments	13	607,642	623,895
		<u>730,766</u>	<u>781,182</u>
CURRENT ASSETS			
Debtors – amounts falling due within one year	14	245,601	288,391
Cash at bank and in hand		164	1,012
		<u>245,765</u>	<u>289,403</u>
CREDITORS			
Amounts falling due within one year	15	<u>(165,364)</u>	<u>(352,498)</u>
NET CURRENT ASSETS/(LIABILITY)			
		<u>80,401</u>	<u>(63,095)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		811,167	718,087
CREDITORS			
Amounts falling due after more than one year	16	(523,713)	(551,303)
PROVISIONS FOR LIABILITIES			
	18	(41,557)	(20,719)
NET ASSETS			
		<u>245,897</u>	<u>146,065</u>
CAPITAL AND RESERVES			
Called-up share capital	19	5,145	5,145
Capital reserve	20	(1,804)	(1,804)
Profit and loss account	20	242,556	142,724
SHAREHOLDERS FUNDS			
		<u>245,897</u>	<u>146,065</u>

The notes on pages 26 to 44 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 29 June 2022 and signed on its behalf by:

DocuSigned by:

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 N Ford
 Director

Registered number: 01478540

IRON MOUNTAIN (UK) PLC**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called- up share capital £'000	Capital reserve £'000	Profit and loss reserve £'000	Total £'000
At 1 January 2020	5,145	(1,804)	135,611	138,952
Total comprehensive income and profit for the financial year	-	-	7,113	7,113
At 31 December 2020	5,145	(1,804)	142,724	146,065
Total comprehensive income and profit for the financial year	-	-	99,832	99,832
At 31 December 2021	5,145	(1,804)	242,556	245,897

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current and prior year, unless otherwise stated.

GENERAL INFORMATION AND BASIS OF ACCOUNTING

Iron Mountain (UK) plc is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company has applied the following amendments to FRS 102 issued by the FRC for the first time during the year:

- The amendments issued by the FRC in December 2020. The amendments enable the Company to reflect the effects of transitioning from LIBOR to SONIA without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Company is exposed to LIBOR in its floating rate bank loans and its LIBOR linked interest rate swaps which are designated in a cash flow hedge and a fair value hedge respectively. Further information on the effects of interest rate benchmark reform can be found in note 24.

The functional and presentational currency of Iron Mountain (UK) plc is considered to be pounds sterling being the currency of the primary economic environment in which the company operates. All amounts in these financial statements have been rounded to the nearest £1,000.

Iron Mountain (UK) plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of preparing consolidated financial statements because it is a wholly owned subsidiary of a parent company which prepares consolidated financial statements. These consolidated financial statements are publicly available from the address shown in note 23. The ultimate parent company, Iron Mountain Inc., is incorporated in Delaware, United States of America.

The company has also taken advantage of the disclosure exemptions in respect of share-based payments, financial instruments, presentation of a cash flow statement, key management personnel compensation and disclosing related party transactions with entities that are part of the group headed by the ultimate parent company, for which group accounts are prepared. There are no other related party transactions.

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

GOING CONCERN

The financial statements are prepared on a going concern basis. The company had net current assets of £80.4 million as at 31 December 2021 (2020: liabilities of £63.1 million) which included a net bank overdraft of £42.9 million (2020: £168.7 million) and continues to have access to a group cash pool to fund day to day operations. The directors have received confirmation from the ultimate parent company, Iron Mountain Inc. of its continuing support for a period of at least 18 months from the date of approval of these financial statements. At 31 March 2022 Iron Mountain Inc. had facilities of \$1,596.9 million (2020: \$1,686.8 million) available and not drawn down.

The directors, having assessed the financial position and prospects for the company, including the current cash balances of the company compared to the likely demands on these cash balances as per forecast cashflows, are satisfied that the company has adequate resources to continue to operate as a going concern throughout the twelve months following the date of approval of these financial statements. Covid 19 is no longer considered to be a significant risk to the business.

CLASSIFICATION OF FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

They include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

Where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

BASIC FINANCIAL INSTRUMENTS

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****1. ACCOUNTING POLICIES (continued)****BASIC FINANCIAL INSTRUMENTS (continued)****Interest-bearing borrowings classified as basic financial instruments**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Freehold buildings	2.5% on cost
Leasehold property	over the lease term
Racking	5%-20% on cost
Fixtures and fittings	20% on cost
Computer equipment	33% on cost

Residual value is calculated at prices prevailing at the date of acquisition or valuation. The costs of assets under the course of construction are capitalised as incurred. Once complete, the assets are transferred to the appropriate asset category and depreciated from that date.

GOODWILL

Goodwill is calculated as the excess of the fair value of consideration over the fair values of the identifiable net assets and liabilities acquired. Goodwill is shown in the balance sheet as an intangible asset and amortised evenly over its estimated useful economic life, which will not exceed 20 years. In addition to annual amortisation any impairment in the book value of goodwill is recognised when identified. Any such write-down is charged against the operating result for the period.

INVESTMENTS

Fixed asset investments are shown at cost less provision for impairment. Impairment is recognised when identified.

EMPLOYEE BENEFITS**Defined contribution plans and other long-term employee benefits**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

PROVISIONS

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is possible that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

TURNOVER

Turnover relates to goods and services supplied to third parties in the normal course of business and intercompany management fees are stated net of trade discounts and VAT. Supplies of goods and services are recognised when the goods or services are rendered. The activities of the business are solely in the United Kingdom.

FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are included in the profit and loss account.

DIVIDEND AND INTEREST

Dividend income is recognised when the shareholder's right to receive payment is established, that is, on declaration of the dividend by the subsidiary. Interest is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

LEASED ASSETS

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

TAXATION (continued)

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty – impairment of investments in subsidiaries (note 12)

Determining whether investments in subsidiaries are impaired requires an estimation of their recoverable values, compared to the cost of the investment on an individual basis. This assessment requires consideration of the net assets of the subsidiary and, where necessary its value in use calculated using estimated discounted future cash flows. As well as estimating future cash flows a discount rate has to be applied to calculate the present value. The appropriate discount rates are developed with the assistance of a third party. An impairment in subsidiaries of £54.8 million was identified as at 31 December 2021 and is recognised in the result for the year.

Key sources of judgement and estimation uncertainty – carrying value of goodwill

In assessing the carrying value of goodwill the directors are required to consider the existence of indicators of impairment at the balance sheet date. Where such indicators are identified the carrying value of goodwill is further assessed by calculating the value in use using estimates of future cash flows and a suitable discount rate to calculate the present value. No impairment indicators were identified in the year ended 31 December 2021.

Key sources of estimation uncertainty – property provisions (note 17)

In determining the expected liability for property related provisions for dilapidations and asset retirement obligations estimates are developed through a combination of input from third party advisors and experience of similar transactions. The base assumptions for the calculations are reviewed annually and updated where needed.

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)****Key sources of estimation uncertainty – taxation**

Judgement is required in assessing the tax consequences of transactions and estimating the provision for income and corporate taxes. Where the final outcome is different from the amounts initially recorded, such differences will impact the current and deferred taxes assets and liabilities in the period in which such determination is made.

3. TURNOVER

An analysis of the company's revenue is as follows:

	2021 £'000	2020 £'000
Data protection	27,642	32,437
Entertainment storage services	9,667	5,105
Fine arts	1,946	1,436
Records management	143,111	138,154
Other services	1,270	541
	<u>183,636</u>	<u>177,673</u>
Total turnover	<u>183,636</u>	<u>177,673</u>

All turnover relates to goods sold and services provided by the company within the United Kingdom.

4. STAFF COSTS

	2021 £'000	2020 £'000
Staff Costs, including directors		
Wages and salaries	17,908	16,347
Social security costs	3,080	3,034
Other pension costs	76	83
	<u>21,064</u>	<u>19,464</u>

Certain key management and staff hold options over shares in Iron Mountain Inc., the ultimate parent company.

The number of directors who exercised share options in the year was 2 (2020: 2).

Details of the share option schemes can be found in the financial statements of Iron Mountain Inc.

The average monthly number of employees during the period was as follows:

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****4. STAFF COSTS (continued)**

	2021	2020
	Number	Number
Average monthly number of employees, including directors:		
Warehouse and distribution	53	57
Sales and service	220	229
	<u>273</u>	<u>286</u>
	£'000	£'000
Directors		
Directors' remuneration:		
Emoluments	444	1,009
Company contribution to pension schemes	23	9
	<u>467</u>	<u>1,018</u>

The above represents the total remuneration of the directors for Iron Mountain (UK) plc. The directors also serve as directors of certain other group companies. During the year no directors received payments for compensation for loss of office (2020: 0).

The number of directors who were members of pension schemes was as follows:

	2021	2020
	Number	Number
Money purchase schemes	2	1
	<u>£'000</u>	<u>£'000</u>
Highest paid director		
Emoluments	283	858
Company contributions to pension scheme	16	-
	<u>299</u>	<u>858</u>

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****5. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets - own assets	14,397	12,782
Loss/(Gain) on sale of fixed assets	(90,695)	57
Goodwill amortisation	9,713	12,190
Impairment of investment in subsidiaries	54,802	262
Foreign exchange transaction (gain)/loss	(232)	379
Operating lease rentals:		
Property	1,816	1,405
Hire of plant and machinery	8	222
	400	382
Auditor's remuneration		
Audit of company financial statements	400	382

The impairment of investment in subsidiaries relates to impairments in Recall Limited of £22.7 million, Haworth Group Holdings (UK) Limited of £8.4 million, Saracen Datastore Limited of £7.6 million and Bonded Services Acquisition Limited of £16.1 million.

The table below presents a reconciliation of profit before tax to earnings before interest, tax, depreciation and amortisation

	2021	2020
	£'000	£'000
Profit before tax	121,923	12,638
Net finance expense	4,880	7,341
Depreciation of tangible fixed assets - own assets	14,397	12,782
(Gain)/Loss on sale of fixed assets	(90,695)	57
Goodwill amortisation	9,713	12,190
Dividend Income	(63,208)	-
Impairment of investment in subsidiaries	54,802	263
Earnings before interest, tax, depreciation and amortisation	51,812	45,271

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****6. NET FINANCE EXPENSE**

	2021	2020
	£'000	£'000
Interest received from group companies	19,276	16,554
Bond interest (3.875% senior notes)	(15,500)	(15,789)
Loan interest (GBP SONIA +2.00%)	(4,116)	(3,101)
Other interest payable	(2,934)	(2,751)
Interest payable to group companies	(1,606)	(2,254)
	(4,880)	(7,341)

7. OTHER INCOME

	Note	2021	2020
		£'000	£'000
Sublease rental income		254	821
Furlough claims		8	217
Dividend Income		63,208	-
Impairment of investment in subsidiaries	5	(54,802)	(263)
		8,668	775

On 15 October 2021 the subsidiaries Haworth Group Holdings (UK) Limited, Recall Limited, Saracen Datastore Limited and Bonded Services Limited declared and paid dividends to the company of £9.1 million, £30.7 million, £7.7 million and £15.7 million respectively. As a result of the liquidation process impairments were recorded in the investments of Recall Limited of £22.7 million, Haworth Group Holdings (UK) Limited of £8.4 million, Saracen Datastore Limited of £7.6 million and Bonded Services Acquisition Limited of £16.1 million.

Sublease rental income is received from various properties rented by the company.

8. GAIN ON SALE

The gain on sale for the year relates to the sale and leaseback of 4 properties.

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****9. TAX ON PROFIT**

	2021	2020
	£'000	£'000
Current tax		
UK corporation tax	(2,365)	(2,072)
Adjustments in respect of prior periods	840	(345)
	<hr/>	<hr/>
Total current tax charge for the year	(1,525)	(2,417)
	<hr/>	<hr/>
Deferred Tax		
Origination and reversal of timing differences	(13,650)	(590)
Adjustments in respect of prior periods	(16)	(1,719)
Effect of changes in tax rates	(6,900)	(799)
	<hr/>	<hr/>
Total deferred tax charge	(20,566)	(3,108)
	<hr/>	<hr/>
Total tax charge on profit	(22,091)	(5,525)

The Finance (No. 2) Act 2015 reduced the standard rate of corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020, however, legislation in the Finance Act 2020, enacted in July 2020, repealed this reduction. The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. The Finance Act 2021 was enacted in June 2021 and accordingly, these rates are applicable to the measurements of deferred tax balances at 31 December 2021. Deferred tax has been measured at the rate it is expected to reverse.

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****9. TAX ON PROFIT (continued)****Factors affecting current tax charge in the year**

The difference between the tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021	2020
	£'000	£'000
Profit before tax	121,923	12,638
Tax on profit at standard UK corporation tax rate of 19% (2020: 19%)	(23,165)	(2,401)
Effects of :-		
Expenses not deductible for tax purposes	(11,550)	(2,614)
Income not taxable in determining taxable profit	29,534	257
Group relief claimed for nil consideration	2,753	2,096
Impact of changes in tax rate	(6,899)	(799)
Taxable gain on sale	(13,587)	-
Adjustments to tax charge in respect of previous years	823	(2,064)
Total tax credit for the year	(22,091)	(5,525)

The standard rate of tax applied to reported profit is 19% (2020: 19%).

10. DIVIDENDS ON EQUITY SHARES

No Dividends were proposed or paid in the year or the previous year.

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

11. GOODWILL

	Total £'000
Cost	
At 1 January 2021	132,715
At 31 December 2021	<u>132,715</u>
Amortisation	
At 1 January 2021	105,775
Change in the year	9,713
At 31 December 2021	<u>115,488</u>
Net Book Value	
At 31 December 2021	<u>17,227</u>
At 31 December 2020	<u>26,940</u>

12. TANGIBLE ASSETS

	Freehold land and buildings £'000	Leasehold property £'000	Racking £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets in the course of £'000	Total £'000
Cost							
At 1 January 2021	101,944	67,513	93,072	2,562	9,101	13,565	287,757
Additions	7,727	3,245	1,775	1,220	3,154	9,454	26,575
Disposals	(47,481)	-	(1,047)	(340)	(1,006)	-	(49,874)
Reclassifications	(312)	687	-	2	75	(452)	-
At 31 December 2021	<u>61,878</u>	<u>71,445</u>	<u>93,800</u>	<u>3,444</u>	<u>11,324</u>	<u>22,567</u>	<u>264,458</u>
Depreciation							
At 1 January 2021	37,267	48,916	62,842	2,071	6,314	-	157,410
Charge for the period	2,439	4,222	4,835	425	2,476	-	14,397
Disposals	(10,419)	(517)	(996)	(310)	(1,004)	-	(13,246)
Reclassifications	(470)	470	-	-	-	-	-
At 31 December 2021	<u>28,817</u>	<u>53,091</u>	<u>66,681</u>	<u>2,186</u>	<u>7,786</u>	<u>-</u>	<u>158,561</u>
Net book value							
At 31 December 2021	<u>33,061</u>	<u>18,354</u>	<u>27,119</u>	<u>1,258</u>	<u>3,538</u>	<u>22,567</u>	<u>105,897</u>
At 31 December 2020	<u>64,677</u>	<u>18,597</u>	<u>30,230</u>	<u>491</u>	<u>2,787</u>	<u>13,565</u>	<u>130,347</u>

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****13. INVESTMENTS**

	2021 £'000	2020 £'000
Subsidiary undertakings	105,234	140,035
Loans to group undertakings	502,408	483,860
	<u>607,642</u>	<u>623,895</u>

The company's direct investments in subsidiaries at the balance sheet date are:

Company	Class of Share	Holding	Principal Activity	Country of Incorporation
Iron Mountain Poland Holdings Limited	Ordinary	100%	Records and information management	Cyprus
Saracen Datastore Limited	Ordinary	100%	In Liquidation	Great Britain
Crozier Fine Arts Ltd	Ordinary	100%	Artwork Storage	Great Britain
DBJ Limited	Ordinary	100%	Records and information management	Jersey
Haworth Group Holdings (UK) Limited	Ordinary	100%	In Liquidation	Great Britain
F.T.S. (Freight Forwarders) Limited	Ordinary	100%	Warehouse and storage facilities	Great Britain
Bonded Services Acquisition Limited	Ordinary	100%	Investment holding company	Great Britain
Iron Mountain MDM Limited	Ordinary	100%	Dormant	Great Britain
Recall Limited	Ordinary	100%	In Liquidation	Great Britain

Investments held indirectly by the company as a result of the investment in the above named companies are attached in note 24 to these financial statements.

Subsidiary undertakings

	Total £'000
Cost	
At 1 January 2021	155,812
Additions	20,000
Disposals	(62,222)
	<u>113,590</u>
At 31 December 2021	<u>113,590</u>
Provisions for impairment	
At 1 January 2021 - Note 23	15,777
Impairment in year	54,802
Disposals	(62,223)
	<u>8,356</u>
At 31 December 2021	<u>8,356</u>
Net Book value	
At 31 December 2021	<u>105,234</u>
At 31 December 2020	<u>140,035</u>

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****13. INVESTMENTS (continued)**

During the year the company increased its investment in Iron Mountain Poland Holdings Limited by £4.6 million by way of a capital contribution and acquired Crozier Fine Arts Limited for £15.4 million whilst liquidating its investments in Recall Limited, Haworth Group Holdings (UK) Limited, Saracen Datastore Limited, Bonded Services Limited and F.T.S (Freight Forwarders) Limited. Investments were assessed for impairment as at 31 December 2021. This involved comparing the value of investments to their net assets and, if lower, considering their estimated value in use, calculated by reference to discounted future cash flows. As a result of the liquidation process impairments were recorded in the investments of Recall Limited of £22.7 million, Haworth Group Holdings (UK) Limited of £8.4 million, Saracen Datastore Limited of £7.6 million and Bonded Services Acquisition Limited of £16.1 million.

Loans to group undertakings

Loans to group undertakings relate to amounts due from group undertakings, containing loans totaling £502.4m (2020: £483.9m), which are intended for use on a continuing basis in the Company's activities. These bear interest at rates of between 2.75% and 3.5%. Per the terms of each loan there is no fixed term repayment date and they are repayable on demand.

14. DEBTORS: Amounts falling due within one year

	2021 £'000	2020 £'000
Trade debtors	45,741	36,346
Prepayments and accrued income	16,303	24,004
Amounts due from group undertakings	175,408	221,477
Corporation tax	3,320	1,430
Other debtors	4,829	5,134
	<u>245,601</u>	<u>288,391</u>

The amounts due from group undertakings bear interest at between 3.25% and 3.50% per annum payable quarterly. All amounts due from group undertakings are repayable on demand.

15. CREDITORS: Amounts falling due within one year

	2021 £'000	2020 £'000
Bank overdrafts	42,884	168,730
Amounts due to group undertakings	61,071	109,101
Trade creditors	15,622	17,535
Other taxation and social security	9,505	10,073
Accruals and deferred income	19,231	27,776
Deferred lease liabilities	284	124
Third party bond (3.875% senior notes)	15,694	15,656
Third party loan (GBP SONIA +2.00%) (note 15)	1,073	3,503
	<u>165,364</u>	<u>352,498</u>

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

16. CREDITORS: Amounts falling due after more than one year

	2021 £'000	2020 £'000
Amounts due to group undertakings	-	30,572
Deferred lease liabilities	1,815	2,099
Third party – loan (GBP SONIA +2.00%)	138,676	136,161
Third party - bond (3.875% senior notes)	383,222	382,471
	<u>523,713</u>	<u>551,303</u>
Third party borrowings are repayable as follows:		
Between one and five years – Third party loan (GBP SONIA +2.00%)	138,676	136,161
Between one and five years – Third party bond (3.875% senior notes)	383,222	46,500
After five years – Third party bond (3.875% senior notes)	-	335,971
	<u>521,898</u>	<u>518,632</u>
Deferred lease liabilities		
	2021 £'000	2020 £'000
Between one and two years	257	284
Between two and five years	807	864
After five years	751	951
	<u>1,815</u>	<u>2,099</u>
On demand or due within one year	284	124
	<u>2,099</u>	<u>2,223</u>

The 3.875% senior notes were issued on 13 November 2017, with interest being payable bi-annually on 15 May and 15 November each year. The senior notes are unsecured and due for repayment on 15 November 2025.

During the financial year £66,000 of borrowing costs were capitalised, bringing the total value of borrowing costs capitalised to £7,632,000.

The third party loan is secured on certain owned sites with a book value of £50.4 million at the end of the financial year and bears interest at GBP SONIA + 2.00%. The loan matures on 23 September 2023 with an option, at the lender's discretion, to extend for an additional year.

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

17. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021		2020	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Within one year	23,725	97	16,677	5
Between one to five years	72,741	307	57,979	-
More than five years	74,178	-	62,681	-
	170,644	404	137,337	5

18. PROVISION FOR LIABILITIES

	Property provision £'000	Deferred tax £'000	Asset retirement obligation £'000	Total £'000
At 1 January 2021	10,219	8,183	2,317	20,719
Utilisation of provision	(1,977)	-	-	(1,977)
Additions in the year	2,034	20,565	-	22,599
Accretion expense	-	-	216	216
At 31 December 2021	10,276	28,748	2,533	41,557

The property provision relates to onerous lease provisions and property dilapidations. It is estimated that £1,591,808 (2020: £2,759,811) of this expenditure will be incurred in the next financial year and that all of the provision will crystallise within 20 years of the balance sheet date.

The Asset Retirement Obligation provision relates to the provision held for restoring various fixed assets to their original state after use by the company. It is expected that all of this expenditure will be incurred within 20 years of the balance sheet date, however no expectation can be provided as to how much of this expenditure will be incurred in the next financial year.

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****18. PROVISION FOR LIABILITIES (continued)****Deferred tax**

	2021	2020
	£'000	£'000
Accelerated capital allowances	1,529	233
Short-term timing differences	(1,931)	(617)
Rolled over gains	29,150	8,567
	28,748	8,183

The movement in the net deferred tax liability is as follows:

	£'000
Net liability at 1 January 2021	8,183
Amounts charged to profit and loss account	20,565
	28,748
Net liability at 31 December 2021	28,748

19. CALLED-UP SHARE CAPITAL

	2021	2020
	£'000	£'000
Allotted, called-up and fully paid		
5,140,001 ordinary shares of £1.00 each	5,140	5,140
5,000 preference shares of £1.00 each	5	5
	5,145	5,145

The preference shares carry the right, in priority to any payment of dividend on any other class of shares, to a fixed cumulative preferential dividend at the rate of 12% per annum. This is payable at the discretion of the directors. The directors decided no such payments were to be made in the current year or prior period.

On a liquidation or otherwise on a return of assets of the company, the surplus assets of the company remaining after payment of its liabilities will be applied first in repaying preference shareholders the amounts paid up on the shares together with a premium of £1 for each share and together also with a sum equal to any arrears or deficiency of the fixed dividend thereon, such arrears to be calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been declared or earned.

Each preference share ranks pari passu with each ordinary share in respect of the right to vote at general meetings of the company.

IRON MOUNTAIN (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

20. RESERVES

The capital reserve is the difference between the consideration paid by the company to File Express Limited for the assets transferred to the company on 1 February 2015 and the net book value of these assets. The balance reflects the consideration paid being more than the net book value of the assets received.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

21. PENSIONS

Defined benefit scheme

The company-operated defined benefit pension plan was closed in July 2017. The buy-in policy was converted to a buy-out policy and the scheme assets and liabilities were settled.

Defined contribution schemes

The company operates a number of defined contribution schemes for which the pension cost charge for the year amounted to £76,325 (2020: £82,980).

22. CAPITAL AND OTHER COMMITMENTS

Contracts placed for future capital expenditure not provided for in the financial statements amounted to £3,659,880 (2020: £1,098,050).

23. POST BALANCE SHEET EVENTS

No material post balance sheet date events have been identified.

24. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Iron Mountain Europe (Group) Limited, a company registered in England & Wales. The company's ultimate parent company and controlling party is Iron Mountain Inc., a company incorporated in Delaware, United States of America.

Iron Mountain Inc. is the largest and smallest group company for which group financial statements are drawn up. Copies of the group financial statements are available from the head office of Iron Mountain Inc. at One Federal Street, Boston, Mass. 02110 USA or online at <http://www.ironmountain.com>.

IRON MOUNTAIN (UK) PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****25. INDIRECT INVESTMENTS HELD**

The below is a list of investments held by Iron Mountain (UK) plc indirectly as a result of the investments in subsidiaries held directly as disclosed in note 13 on page 38.

Company	Class of Share	Holding	Principal Activity	Country of Incorporation
Iron Mountain Polska Sp z.o.o.	Ordinary	100%	Records and information management	Poland
Iron Mountain Polska Services Sp z.o.o.	Ordinary	100%	Records and information management	Poland
Hawthorn Group Limited	Ordinary	100%	Records and information management	Great Britain
Disaster Recovery Services Limited	Ordinary	100%	Records and information management	Great Britain
Bonded Services Limited	Ordinary	100%	In Liquidation	Great Britain
Global Logistics Worldwide Limited	Ordinary	100%	Warehouse and storage facilities	Great Britain
Bonded Services Group Limited	Ordinary	100%	Investment holding company	Great Britain
Novo Group Limited	Ordinary	100%	Investment holding company	Great Britain
Novo Holdings Limited	Ordinary	100%	Investment holding company - In liquidation	Great Britain
Novo Overseas Limited	Ordinary	100%	Warehouse and storage facilities - In liquidation	Great Britain
Film Media Services Limited	Ordinary	100%	Dormant - In liquidation	Great Britain
FTS Bonded Limited	Ordinary	100%	Dormant - In liquidation	Great Britain
F.T.S. (Great Britain) Limited	Ordinary	100%	Dormant - In liquidation	Great Britain
F.T.S. (Road Transport) Limited	Ordinary	100%	Dormant	Great Britain
Jigsaw Freight Limited	Ordinary	100%	Dormant - In liquidation	Great Britain
Jigsaw Pieces Limited	Ordinary	100%	Dormant - In liquidation	Great Britain
Bonded Services International BV	Ordinary	100%	Records and information management	Netherlands
Preferred Media Ltd	Ordinary	100%	Records and information management - In liquidation	Great Britain