

19. BANK BORROWINGS

	31 March 2012 £000	31 March 2011 £000
Secured borrowings at amortised cost		
Bank borrowings	284,000	275,000
Unamortised loan arrangement costs	(1,040)	(1,770)
	282,960	273,230

The weighted average interest rate paid on the bank borrowings during the year was 3.7% (2011: 3.6%).

The Group has £41,000,000 in undrawn committed borrowing facilities at 31 March 2012 which expire between one and two years (2011: £50,000,000 expiring between two and three years).

On 26 April 2012, the Group announced the completion of a £100 million 15 year fixed rate loan with Aviva Commercial Finance Limited. The loan is secured over a portfolio of 15 freehold self storage centres which were valued at £242.1 million at 29 February 2012 for the purposes of the drawdown. The annual fixed interest rate on the loan is 4.9%.

The loan amortises to £60 million over the course of the 15 years, consistent with the Group's medium term debt reduction strategy. The debt service is payable monthly based on fixed annual amounts. The loan outstanding on the fifth anniversary will be £89.8 million; £76.7 million outstanding on the tenth anniversary, with £60 million remaining at expiry in April 2027.

The new 15 year term loan has been deployed to repay and cancel £100 million of the Group's core bank debt facility, reducing it to £225 million of which £190 million is drawn. This facility expires in September 2013 and is secured on the remainder of the Group's self storage centres. The repayment and cancellation has been disproportionately applied against HSH Nordbank's commitment which has been reduced from £150 million to £65 million. The remainder of the loan is held by Lloyds TBS Bank plc, HSBC Bank plc and Santander.

The Group was comfortably in compliance with its banking covenants at 31 March 2012, as illustrated in the table below.

	Covenant	At 31 March 2012
Minimum income cover on charged assets	1.5x	3.67x
Minimum net assets (excluding goodwill)	£250 million	£493.1m
Maximum gross loan to net assets gearing	1.3:1	0.58:1

The minimum net asset and gearing covenants on the Aviva loan are in line with the covenants on the existing loan. There is also a minimum income cover covenant of 1.5x on the charged assets and a minimum debt service cover of 1.2x, and a loan to value covenant of 65% based on the valuation of the 15 assets charged to Aviva.

Interest rate profile of financial liabilities	Total £000	Floating rate £000	Fixed rate £000	Weighted average interest rate	Period for which the rate is fixed	Weighted average period until maturity
At 31 March 2012						
Gross financial liabilities	284,000	94,000	190,000	3.7%	6.0 years	3.5 years
At 31 March 2011						
Gross financial liabilities	275,000	85,000	190,000	3.6%	6.0 years	4.7 years

The floating rate at 31 March 2012 was paying a margin of 1.125% above one month LIBOR, the fixed rate debt was paying a weighted average margin of 1.16%. All monetary liabilities, including short term receivables and payables are denominated in sterling. The weighted average interest rate includes the effect of the Group's interest rate derivatives.

Narrative disclosures on the Group's policy for financial instruments are included within the Report on Corporate Governance and in note 18.

20. DEFERRED TAX

Deferred tax assets in respect of share based payments (£0.1 million), interest rate swaps (£5.0 million), losses (£1.7 million), capital allowances in excess of depreciation (£0.3 million) and capital losses (£1.1 million) in respect of the non-REIT taxable business have not been recognised due to uncertainty over the projected tax liabilities arising in the short term within the non-REIT taxable business.