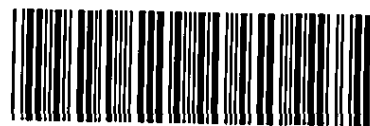


SHIBDEN DALE LIMITED

31 DECEMBER 2009

THURSDAY



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L31 30/09/2010 222
COMPANIES HOUSE

Member of Lloyds Banking Group

Registered Number 02132953

SHIBDEN DALE LIMITED

DIRECTORS

S B Allen
C G Dowsett
L J Kavanagh

SECRETARY

P Gittins

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Erskine House
68 – 73 Queen Street
Edinburgh
EH2 4NH

REGISTERED OFFICE

Level 7
Bishopsgate Exchange
155 Bishopsgate
London
EC2M 3YB

REGISTERED NUMBER

02132953

REPORT OF THE DIRECTORS

REVIEW OF BUSINESS

During the year, the principal activity of the company was managing its investments in limited partnerships and this is likely to continue for the foreseeable future. The directors consider the results for the year to be satisfactory.

The results of the company show a profit before taxation of £41,519,000 (2008 loss £1,905,000) for the year as set out in the income statement on page 5. The company has shareholder's equity of £159,286,000 (2008 £126,589,000).

The company is reliant on funding ultimately provided by Lloyds Banking Group plc. Owing to uncertainty in financial markets, Lloyds Banking Group plc participates in government sponsored measures to improve funding and liquidity. The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries including the company will continue to receive funding in the future and, accordingly, the financial statements have been prepared on a going concern basis.

DIVIDENDS

The directors did not authorise or pay any dividends during the year (2008 £nil).

DIRECTORS

The names of the directors of the company are shown on page 1. The following change in directors has taken place during the year and since the year ended

	Appointed	Resigned/ceased to be a director
C Richards	5 November 2007	23 April 2010
Y E Sharp	5 November 2007	30 June 2010
D L Shindler	5 November 2007	5 July 2010
S B Allen	5 July 2010	-
C G Dowsett	5 July 2010	-
L J Kavanagh	1 September 2008	-

RESPONSIBILITIES OF DIRECTORS

The directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state that the financial statements comply with IFRSs as adopted by the European Union, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and which 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.

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

Following the resignation of KPMG Audit Plc on 3 June 2009, PricewaterhouseCoopers LLP were appointed as auditors of the company with effect from the same date by resolution of the members dated 24 June 2009

Pursuant to section 487 of the Companies Act 2006, auditors duly appointed by the members of the company shall, subject to any resolution to the contrary, be deemed to be reappointed for the next financial year and PricewaterhouseCoopers LLP will therefore continue in office

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the directors' report is approved

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. For further details please refer to note '16 - Risk management of financial instruments' in these financial statements

KEY PERFORMANCE INDICATORS ('KPIs')

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company follows "The Better Payment Practice Code" published by the Department for Business Innovation and Skills (BIS), regarding the making of payments to suppliers. A copy of the code and information about it may be obtained from the BIS Publications Orderline 0845-0150010 (quoting ref URN 04/606)

The company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated. It is the policy of the company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract

As the company owed no amounts to trade creditors at 31 December 2009, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 2006, is nil

On behalf of the board



C G Dowsett
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIBDEN DALE LIMITED

We have audited the financial statements of Shibden Dale Limited for the year ended 31 December 2009 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

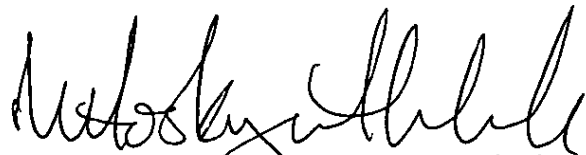
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report to you in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

29 September 2010

INCOME STATEMENT

For the year ended 31 December 2009

	Note	2009 £000	2008 £000 <i>Restated</i>
Income from partnerships	2	105	212
Other operating income	3	42,332	-
Finance income	4	11	86
Foreign exchange loss		(695)	(1,274)
		<hr/> 41,753	<hr/> (976)
Impairment charge	5	(44)	-
Administration expenses		(190)	(929)
		<hr/>	<hr/>
Profit/(loss) before taxation	6	41,519	(1,905)
Taxation (charge)/credit	7	(2,471)	323
		<hr/>	<hr/>
Profit/(loss) for the year		<hr/> 39,048	<hr/> (1,582)

The accompanying notes are an integral part of the Financial Statements

SHIBDEN DALE LIMITED

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
For the year ended 31 December 2009

	Note	2009 £000	2008 £000 <i>Restated</i>
Profit/(loss) for the year	13	39,048	(1,582)
		<hr/>	<hr/>
Total comprehensive income/(loss) for the year		39,048	(1,582)
		<hr/>	<hr/>
Total comprehensive income/(loss) attributable to equity shareholders		39,048	(1,582)
		<hr/>	<hr/>
Total comprehensive income/(loss) for the year		39,048	(1,582)
		<hr/>	<hr/>


The accompanying notes are an integral part of the Financial Statements

SHIBDEN DALE LIMITED

BALANCE SHEET
As at 31 December 2009

	Note	2009 £000	2008 £000 <i>Restated</i>	2007 £000 <i>Restated</i>
Assets				
Non-current assets				
Investment in partnerships	8	36,472	121,714	121,128
Deferred tax asset	9	-	3,255	1,759
Other assets		27	233	32
		<hr/>	<hr/>	<hr/>
		36,499	125,202	122,919
Current assets				
Amounts owed by group companies	10	122,605	2,151	3,672
Other assets		182	206	1,228
		<hr/>	<hr/>	<hr/>
Total assets		<hr/> 159,286	<hr/> 127,559	<hr/> 127,819
Liabilities				
Current liabilities				
Amounts owed to group companies	11	-	970	2,378
		<hr/>	<hr/>	<hr/>
Total liabilities		<hr/> -	<hr/> 970	<hr/> 2,378
Equity				
Share capital	12	131,176	131,176	131,176
Retained earnings	13	34,528	(4,520)	(2,938)
Foreign exchange reserve	14	(6,418)	(67)	(2,797)
		<hr/>	<hr/>	<hr/>
Total liabilities and equity		<hr/> 159,286	<hr/> 127,559	<hr/> 127,819

The directors approved the accounts on 29th September 2010


C G Dowsett
Director

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

		Share capital	Retained earnings	Foreign exchange reserve	Total
	Note	£000	£000	£000	£000
Balance at 1 January 2008 as restated	12,13,14	131,176	(2,938)	(2,797)	125,441
Total comprehensive income for the period					
Loss for the year	13	-	(1,582)	-	(1,582)
Movement due to translation of investments	14	-	-	2,730	2,730
		<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2008 and 1 January 2009 as restated	12,13,14	131,176	(4,520)	(67)	126,589
Total comprehensive income for the period					
Profit for the year	13	-	39,048	-	39,048
Movement due to translation of investments	14	-	-	(6,351)	(6,351)
		<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2009	12,13,14	131,176	34,528	(6,418)	159,286
		<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of the Financial Statements

CASH FLOW STATEMENT

For the year ended 31 December 2009

	Note	2009 £000	2008 £000 <i>Restated</i>
Net cash flow from operating activities	16	(712)	1,985
Financing activities			
Movement in bank deposits		(121,639)	3,602
Proceeds from disposal of investments		120,801	-
Additional capital contribution on investments		(77)	(551)
		<hr/>	<hr/>
Net cash flow from financing activities		(1,627)	5,036
Effect of exchange rate difference on cash and cash equivalents		(240)	(2,954)
		<hr/>	<hr/>
Net movement in cash and cash equivalents		(1,867)	2,082
Cash and cash equivalents at beginning of the year		2,023	(59)
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	10	156	2,023
		<hr/>	<hr/>

The accompanying notes are an integral part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. This includes a change in accounting policy for foreign currency translation (see note 1(h) below).

The financial information has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and all derivative contracts, on the basis of IFRS.

In preparing these financial statements the company has adopted IAS 1 (revised) Presentation of financial statements. The adoption of IAS 1 impacted the type and amount of disclosures made in these financial statements, but had no impact on the reported profits or financial position of the company. In accordance with the transitional requirements of the standards, the company has provided full comparative information.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the company's results and financial position, based upon materiality and significant judgements and estimates, are discussed below.

- Impairment

The company regularly reviews the portfolio of financial assets for impairment. In determining whether an impairment has occurred at the balance sheet date the company considers whether there is any observable data indicating that there has been a measurable decrease in the estimated future cash flows or their timings, such observable data includes whether there has been an adverse change in the payment status of borrowers or changes in economic conditions that correlate with defaults on repayments or values of underlying assets. Where this is the case, the impairment loss is measured in accordance with note 1(b) below.

(a) Investments in limited partnerships

Income from investments in limited partnerships is recognised in accordance with partnership agreement. Distributions in excess of partnership profits are treated as a reduction of partnership investment. The company's share of the partnerships' transactions with their investors are therefore included within the relevant items of these financial statements.

(b) Impairment

At each balance sheet date the company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired.

The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal and/or interest,
- Indications that the borrower or group of borrowers is experiencing significant financial difficulty,
- Restructuring of debt to reduce the burden on the borrower,
- Breach of loan covenants or conditions, and
- Initiation of bankruptcy or individual voluntary arrangement proceedings.

If there is objective evidence that an impairment loss has been incurred, a provision is established which is calculated as the difference between the balance sheet carrying value of the asset and the present value of the estimated future cash flows discounted at the asset's implicit rate in the lease.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as an improvement in the borrower's credit rating, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as a credit to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies (continued)

(c) Taxation

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Income tax payable on profits is recognised as an expense in the period in which those profits arise. The tax effects of losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

(d) Dividends

Dividends are recognised in equity only when the company has the obligation to pay the ordinary shareholder.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and non-mandatory balances with central banks and amounts due from banks with a maturity of less than three months.

(f) Fair value

The fair value of finance lease receivables is derived from a present value cash flow model of expected cash flows from the lease using current market interest rates and margin for the risks inherent in the lease.

(g) Deferred fees

Fees that can be attributed to residual value guarantees are capitalised in the balance sheet and subsequently amortised to the income statement over the guarantee term.

(h) Foreign currency translation

Following the acquisition of HBOS plc on 16th January by Lloyds Banking Group plc (formerly Lloyds TSB Group plc), Shibden Dale Leasing Limited is applying accounting policies consistent with those applied by its ultimate parent Lloyds Banking Group plc (LBG).

Items included in the financial statements of Shibden Dale Limited are measured using the currency of the primary economic environment in which Shibden Dale Limited operates. Consistent with the foreign currency translation accounting policy applied by LBG, which reflects LBG's interpretation of IAS20, the financial statements of Shibden Dale Limited are presented in sterling which is considered the company's functional currency. This reflects a change in the previous accounting policy applied by Shibden Dale Limited which reported the company with a USD functional currency.

The sterling functional currency will be applied retrospectively with the opening balance sheet for the prior period reported translated to sterling at the GBP/USD exchange rate applicable on that opening balance sheet date for monetary assets and liabilities. Non-monetary assets and liabilities will be translated using the date the item was acquired or last valued, whichever is more recent. Subsequent to the opening balance sheet date for the prior period presented, foreign currency transactions are recognised in line with LBG's reporting policy described below.

Foreign currency transactions are translated into sterling using the rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in a foreign currency are translated at year end exchange rates with translation movements recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies (continued)**(h) Foreign currency translation (continued)**

The impact of this change in accounting policy is as follows

- (i) All items are now presented in GBP having previously been reported in USD
- (ii) The income statements now include a line item "Foreign exchange gain/(loss)" which amounted to a loss of £695,000 in the year ended 31 December 2009 and a loss of £1,274,000 in 31 December 2008. The taxation impact of these foreign exchange gains/(losses) is £1,152,000 gain and £151,000 loss respectively
- (iii) The impact from foreign exchange gains and losses on retained earnings at 31 December 2009 and 2008 is £306,000 gain and £1,152,000 gain respectively

2 Income from partnerships	2009 £000	2008 £000 <i>Restated</i>
Rental income	105	212
	<hr/>	<hr/>
	105	212
	<hr/>	<hr/>

Income from partnerships represents rentals earned in respect to two aircraft lease agreements held within the Zamrid 0365 and Zamrid 0372 limited partnerships (Note 8)

3 Other operating income	2009 £000	2008 £000 <i>Restated</i>
Gain on redemption of partnership investment	42,332	-
	<hr/>	<hr/>
	42,332	-
	<hr/>	<hr/>

During the year the investments in six of the partnerships (Note 8) were significantly reduced. This was due to the operating leases within these partnerships being terminated, resulting in a repayment of the capital invested by Shibden Dale Limited and a gain on redemption. This income relates to The Destiny Limited Partnership, The Melody Limited Partnership, The Symphony Limited Partnership, The Offaly Limited Partnership, The Portmanock Limited Partnership, and The Roscommann Limited Partnership.

4 Finance income	2009 £000	2008 £000 <i>Restated</i>
Interest receivable from other group companies	11	86
	<hr/>	<hr/>
	11	86
	<hr/>	<hr/>

5 Impairment charge	2009 £000	2008 £000 <i>Restated</i>
Impairment of investments	44	-
	<hr/>	<hr/>
	44	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

5 Impairment charge (continued)

Following the ongoing review of the recoverability of the investment in partnerships, a provision of £44,000 was charged to the income statement relating to the value of the partnership investments (Note 8)

6 Profit/(loss) before taxation

Audit fees for the company are borne by the immediate parent company, the audit fee attributed to this company for the year was £6,500 (2008 £3,800) The company has no employees and the directors received no remuneration in respect of their services to the company

7 Taxation (charge)/credit

	2009 £000	2008 £000 <i>Restated</i>
The (charge)/credit for the year comprises		
Group relief receivable/(payable) on current taxation profit for the year	682	(942)
Adjustment in respect of prior year	102	423
	<hr/>	<hr/>
Total group relief receivable/(payable) for year	784	(519)
Deferred taxation (Note 9)	(2,999)	842
Adjustment in respect of prior year (Note 9)	(256)	-
	<hr/>	<hr/>
Total taxation (charge)/credit for the year	(2,471)	323

Taxation on the company's profit for the year differed from the taxation (charge)/credit that would arise using the standard rate of corporation tax of 28% (2008 28.5%) The differences are explained below

	2009 £000	2008 £000 <i>Restated</i>
Profit/(loss) before taxation	41,519	(1,905)
	<hr/>	<hr/>
Taxation (charge)/credit at the standard rate of corporation tax	(11,625)	543
Prior year adjustment in respect of corporation tax	102	423
Prior year adjustment in respect of deferred tax	(256)	-
Non-tax deductible expenses	(65)	(290)
Non-taxable foreign exchange differences	807	(340)
Non taxable partnership income repatriation	8,566	-
Adjustment in respect of change in tax rate	-	(13)
	<hr/>	<hr/>
Total taxation (charge)/credit for the year	(2,471)	323

NOTES TO THE FINANCIAL STATEMENTS

8 Investment in partnerships

The investment in partnerships represents the company's investment, at cost, of the following partnerships: The Destiny Limited Partnership (100%), The Melody Limited Partnership (100%), The Symphony Limited Partnership (100%), The Zamrid 0365 Limited Partnership (28%), The Zamrid 0372 Limited Partnership (28%), The Offaly Limited Partnership (100%), The Portmanock Limited Partnership (100%), and The Roscomman Limited Partnership (100%). All partnerships are domiciled in Grand Cayman, Cayman Islands. The results of the partnerships are consolidated in the group accounts of Lloyds Banking Group plc (formerly Lloyds TSB Group plc), which has a financial year ended 31 December 2009. During the year, the investment in six of the partnerships was significantly reduced (Note 3).

	2009 £000	2008 £000 <i>Restated</i>
At beginning of the year	121,714	121,128
Capital additions during the year	77	551
Redemption of partnership capital	(79,849)	-
Impairment	(44)	-
Foreign exchange difference	(5,426)	35
	<hr/>	<hr/>
At end of the year	36,472	121,714
	<hr/>	<hr/>

9 Deferred taxation

	2009 £000	2008 £000 <i>Restated</i>
At beginning of the year	3,255	1,759
Deferred taxation (charge)/credit for the year	(2,999)	842
Adjustment in respect of prior year	(256)	-
Foreign exchange movement	-	654
	<hr/>	<hr/>
At end of the year	-	3,255
	<hr/>	<hr/>

The deferred tax asset in 2008 related to temporary differences arising from the cash held offshore in relation to the investee Partnerships

The deferred taxation credit in the income statement comprises the following differences

	2009 £000	2008 £000 <i>Restated</i>
Cash held offshore in relation to the investee partnership	(2,999)	842
	<hr/>	<hr/>
Total deferred taxation (charge)/credit	(2,999)	842
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

9 Deferred taxation (continued)

Deferred taxation assets and liabilities are comprised as follows

	2009 £000	2008 £000 <i>Restated</i>
Deferred taxation assets		
Cash held offshore in relation to the investee partnership	-	3,255

10 Amounts owed by group companies

	2009 £000	2008 £000 <i>Restated</i>
Cash at bank	156	2,023
Amounts due from parent undertakings	119	128
Amounts due from subsidiary undertakings	121,648	-
Group relief receivable	682	-
	<u>122,605</u>	<u>2,151</u>

For further details please refer to note 17

11 Amounts owed to group companies

	2009 £000	2008 £000 <i>Restated</i>
Group relief payable	-	970
	<u>-</u>	<u>970</u>

For further details please refer to note 17

12 Share capital

	2009	2008
Authorised		
Ordinary shares of \$1 each	\$300,000,000	\$300,000,000
Ordinary shares of £1 each	£100	£100
	<u></u>	<u></u>
Allotted, issued and fully paid		
197,420,508 ordinary shares of \$1 each	£131,176,000	£131,176,000
Ordinary shares of £1 each	£2	£2
	<u></u>	<u></u>

The company's immediate parent company is Bank of Scotland Structured Asset Finance Limited. The company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc (formerly Lloyds TSB Group plc), a limited liability company incorporated and domiciled in Scotland, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Bank of Scotland plc is the parent company of the smallest such group of undertakings. Copies of the group accounts of both may be obtained from the company secretary's office, Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN.

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholder through pricing products and services commensurately with the level of risk and, indirectly, to support the group's regulatory capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

12 Share capital (continued)

The company's parent manages the company's capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company's parent may adjust the amount of dividends to be paid to the shareholder, return capital to the shareholder, issue new shares, or enter into debt financing.

The company's capital comprises all components of equity, movements in which appear in the statement of changes in equity and bank borrowings.

13 Retained earnings

	2009 £000	2008 £000 <i>Restated</i>
At beginning of the year	(4,520)	(2,938)
Profit/(loss) for the year	39,048	(1,582)
	<hr/>	<hr/>
At end of the year	34,528	(4,520)
	<hr/>	<hr/>

14 Foreign exchange reserve

	2009 £000	2008 £000 <i>Restated</i>
At beginning of the year	(67)	(2,797)
Movement due to translation of investments	(6,351)	2,730
	<hr/>	<hr/>
At end of the year	(6,418)	(67)
	<hr/>	<hr/>

15 Risk management of financial instruments

The primary financial risks affecting the company are credit risk and liquidity risk and market risk (which include interest rate risk and foreign currency risk). Information on the management of these financial risks and further disclosures is given below.

In accordance with IAS39 "Financial instruments: Recognition and measurement", finance lease receivables are designated as loans and receivables and all other financial assets are designated as held at amortised cost. The accounting policies in note 1 describe how different classes of financial instruments are measured, and how income and expenses are recognised.

Credit risk management:

The maximum credit risk exposure of the group in the event of other parties failing to perform their obligations is detailed below. The maximum exposure to loss is considered to be the balance sheet carrying amount at 31 December 2009.

	2009 £000	2008 £000 <i>Restated</i>
Financial assets which are neither past due nor impaired		
Amounts owed by group undertakings	121,923	2,151
Other assets	209	439
	<hr/>	<hr/>
Total credit risk exposure	122,132	2,590
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

15 Risk management of financial instruments (continued)

Credit risk management is performed by various committees established by its ultimate parent, Lloyds Banking Group plc (formerly Lloyds TSB Group plc). Each financial asset is assessed for credit risk prior to approval and assigned a credit rating based on the credit risk rating methodology and management policy of the Lloyds Banking Group. Credit ratings of the lease counterparties are monitored, where necessary revised, over the life of the lease.

Financial assets by credit rating

	AAA	AA	A	BBB	rated BB or lower	Not rated	Total
	£000	£000	£000	£000	£000	£000	£000
At 31 December 2009							
Amounts owed by group undertakings	-	121,923	-	-	-	-	121,923
Other assets	-	-	-	-	-	209	209
Total	-	121,923	-	-	-	209	122,132
	AAA	AA	A	BBB	rated BB or lower	Not rated	Total
	£000	£000	£000	£000	£000	£000	£000
At 31 December 2008 <i>as restated</i>							
Amounts owed by group undertakings	2,151	-	-	-	-	-	2,151
Other assets	-	-	-	-	-	439	439
Total	2,151	-	-	-	-	439	2,590

At the balance sheet date the company assesses if there is objective evidence that the financial assets have become impaired. Evidence of impairment may include indications that the counterparty is experiencing financial difficulty, default or delinquency in lease rentals or debt restructurings to reduce the financial burden on the lessee.

At 31 December 2009 and 2008 there were no impairments relating to credit risk against any financial assets. The company's credit risk exposure under short-term debtors, deposits and other financial assets are represented by the book values in the above table.

Liquidity risk management**At 31 December 2009**

	Other liabilities £000	Total liabilities £000
On demand	-	-
Up to 1 month	-	-
1 – 3 months	-	-
3 – 12 months	-	-
1 – 5 years	-	-
Over 5 years	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS

15 Risk management of financial instruments (continued)

At 31 December 2008

	Other liabilities £000	Total liabilities £000
On demand	970	970
Up to 1 month	-	-
1 – 3 months	-	-
3 – 12 months	-	-
1 – 5 years	-	-
Over 5 years	-	-
	<hr/>	<hr/>
Total	970	970
	<hr/>	<hr/>

Bank borrowings and the associated interest payable upon them are borrowed short term and all borrowings are advanced by a fellow subsidiary undertaking. Other liabilities are repayable on demand.

Interest rate risk management

The company has no exposure to variable rate financial assets or liabilities.

Interest rate risk is the risk that the future cash flows and fair values of a financial instrument may fluctuate because of changes in market interest rates.

The company takes into account the exposure on fluctuations in the prevailing levels of market interest rates on its cash flows when structuring its operations by ensuring the interest terms of its finance income is matched to the variable interest terms of the borrowing used to finance the leasing portfolio. As such the company has no material exposure to financial risk arising from changes in market interest rates.

Based on the balance sheet carrying values a +/- 25 basis point change in interest rates will increase/reduce finance income by £398,000 and finance costs by £nil.

Currency risk

The financial statements are presented in sterling which is considered the company's functional currency. This reflects a change in the previous accounting policy applied by Shibden Dale Limited which previously reported the company with a USD functional currency.

Below are the assets and liabilities of the company disclosed in US dollars

	2009 \$'000	2008 \$'000
Investment in partnership	54,438	178,052
Deferred tax asset	-	4,758
Amounts owed by group companies	198,559	3,144
Other assets	338	642
	<hr/>	<hr/>
	253,335	186,596
	<hr/>	<hr/>
Amounts owed to group companies	-	1,418
	<hr/>	<hr/>
	-	1,418
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

16 Notes to the cash flow statement

	2009 £000	2008 £000 <i>Restated</i>
Profit/(loss) from operations	41,519	(1,905)
Foreign exchange loss	695	1,274
Impairment charge	44	-
Gain on redemption of partnership income	(42,332)	-
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(74)	(631)
Movement in receivables	230	823
	<hr/>	<hr/>
Cash generated by operations	156	192
Group relief (paid)/received	(868)	1,793
	<hr/>	<hr/>
Net cash flow from operating activities	(712)	1,985
	<hr/>	<hr/>

17 Related parties

The company's related parties include other companies in the Lloyds Banking Group and the company's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, which is determined to be the company's directors.

In respect of related party transactions, the outstanding balances receivable/(payable) at 31 December 2009 were as follows:

Nature of transaction	Related party	2009 £000	2008 £000
Cash at bank	Fellow subsidiary undertaking	156	2,023
Amounts due by group companies	Immediate parent undertaking	119	128
Amounts due by group companies	Fellow subsidiary undertaking	121,648	
Group relief	Immediate parent undertaking	682	(970)

The company paid group relief of £868,000 (2008: £1,793,000 received) during the year to Bank of Scotland Structured Asset Finance Limited.

The company received interest of £11,000 (2008: £86,000) during the year from group undertakings.

18 Post balance sheet events

During March 2010, six of the partnerships in which Shibden Dale Limited had investments were liquidated. These partnerships were The Destiny Limited Partnership, The Melody Limited Partnership, The Symphony Limited Partnership, The Offaly Limited Partnership, The Portmanock Limited Partnership, and The Roscommam Limited Partnership.

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

19 Future developments

The following accounting standard changes will impact the company in the next financial period

Pronouncement	Nature of change	IASB effective date
Improvements to IFRSs ¹ (issued April 2009)	Sets out minor amendments to IFRS standards as part of annual improvements process	Dealt with on a standard by standard basis but not earlier than annual periods beginning on or after 1 January 2010
IFRS 9 <i>Financial Instruments Classification and Measurement</i> ¹	Simplifies the way entities will classify financial assets and reduces the number of classification categories to two, fair value and amortised cost. The existing available-for-sale and held-to-maturity categories have been eliminated. Classification will be made on the basis of the objectives of entity's business model for managing the assets and the characteristics of the contractual cash flows	Annual periods beginning on or after 1 January 2013
IAS24 <i>Related Party Disclosures</i> ¹	Simplifies the definition of a related party and provides a partial exemption from the disclosure requirements for government related entities	Annual periods beginning on or after 1 January 2011

¹ At the date of this report, these pronouncements are awaiting EU endorsement

With the exception of IFRS 9, the initial view is that none of these pronouncements are expected to cause any material adjustments to reported numbers in the financial statements