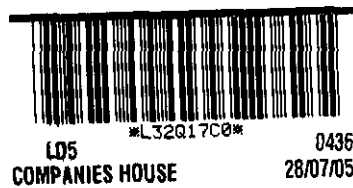


Company Registration Number: 5087749

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

FINANCIAL STATEMENTS

31 DECEMBER 2004



SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2004

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SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr. J. P. J. Fairrie
Mr. M. McDermott
SPV Management Limited

Company secretary

SPV Management Limited

Registered office

Tower 42 (Level 11),
International Financial Centre,
25 Old Broad Street,
London
EC2N 1HQ

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

THE DIRECTORS' REPORT

PERIOD ENDED 31 DECEMBER 2004

The directors present their report and the financial statements of the company for the period from incorporation on 30 March 2004 to 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was that of a special purpose vehicle, which raises or borrows money and grants security over its assets for such purposes, to lend money, to invest in and acquire loan notes issued by Tenby Castle Funding Group.

The company was incorporated on 30 March 2004 as Swissway plc and changed its name to Sherwood Castle Funding Series 2004-2 plc on 29 April 2004. On 3 June 2004 the company issued floating rate notes in order to purchase limited recourse loan notes issued by Tenby Castle Funding Group Limited at a book value of £250 million. The floating rate notes are due to mature in June 2014.

RESULTS AND DIVIDENDS

The results for the period and the company's financial position at the end of the period are shown in the attached financial statements. The profit on ordinary activities after taxation for the period was £12,586. The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the parent company were as follows:

Mr M McDermott	(Appointed 28 April 2004)
Mr R G Baker	(Appointed 28 April 2004)
SPV Management Limited	(Appointed 28 April 2004)
Mr D J Pudge	(Appointed 30 March 2004, resigned 28 April 2004)
Mr M R Layton	(Appointed 30 March 2004, resigned 28 April 2004)

On 28 April 2004, Mrs S J Over was appointed as an alternate director for Mr M McDermott.

Ordinary shares of £1 in the company

SPV Management Limited

**No. of shares
31 Dec 2004**

1

The shares held by SPV Management Limited in the company are held under a Declaration of Trust for charitable purposes.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the period and of the profit or loss for the period then ended. 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 whether applicable 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.

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

THE DIRECTORS' REPORT (continued)

PERIOD ENDED 31 DECEMBER 2004

CREDITOR PAYMENT POLICY

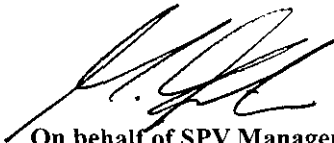
The Company's policy concerning the payment of its trade creditors is to pay in accordance with its contractual and other legal obligations.

Due to the nature of the business, the main creditors are the noteholders. Principal and interest is repaid quarterly in accordance with the agreements in place.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

By order of the Board



On behalf of SPV Management Limited
Director

Date: 5 JULY 2005

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

PERIOD ENDED 31 DECEMBER 2004

We have audited the company's financial statements for the period ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of the profit of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

5 July 2005

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

PROFIT AND LOSS ACCOUNT

PERIOD ENDED 31 DECEMBER 2004

	Note	30 March to 31 Dec 2004 £
Continuing activities		
Interest receivable	1	7,368,652
Interest payable	1	<u>(7,353,003)</u>
Gross profit		15,649
Other operating income		27,134
Administrative expenses		<u>(27,418)</u>
Operating profit	2	15,365
Bank interest receivable		175
Bank interest payable	3	<u>(1)</u>
Profit on ordinary activities before taxation		15,539
Tax on profit on ordinary activities	4	<u>(2,953)</u>
Retained profit for the financial period	10	<u><u>12,586</u></u>

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 7 to 11 form part of these financial statements.

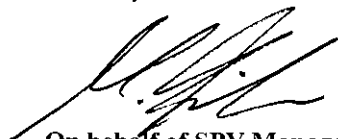
SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

BALANCE SHEET

AS AT 31 DECEMBER 2004

	Note	2004 £
Current assets		
Debtors falling due within one year	5	595,937
Debtors falling due after more than one year	5	250,000,000
Cash at bank		<u>13,036</u>
		250,608,973
 Creditors: amounts falling due within one year	6	<u>(583,885)</u>
		250,025,088
Total assets less current liabilities		
 Creditors: amounts falling due after more than one year	7	<u>(250,000,000)</u>
		<u>25,088</u>
 Capital and reserves		
Called up equity share capital	9	12,502
Profit and loss account	10	<u>12,586</u>
Equity shareholders' funds	11	<u>25,088</u>

The financial statements on pages 5 to 11 were approved by the directors on 5 July 2005 and are signed on their behalf by:



On behalf of SPV Management Limited
Director

The notes on pages 7 to 11 form part of these financial statements.

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Interest receivable and interest payable

Interest receivable represents interest received from securitised credit card receivables and is derived from the company's principal activity which is carried out in the United Kingdom. Interest payable represents interest payable on the loan notes issued by the company. Interest receivable and interest payable is accounted for on an accruals basis.

Deferred taxation

Deferred taxation is recognised in respect of timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely that not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are the differences between the company's taxable profits and its result as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

2. OPERATING PROFIT

Operating profit is stated after charging:

	30 March to 31 Dec 2004
	£
Auditors' remuneration - as auditors	7,442
Auditors' remuneration - for other services	<u>3,838</u>

The company has no employees and, other than the fees paid to SPV Management Limited as set out in note 8, the directors received no remuneration during the period.

3. BANK INTEREST PAYABLE

	30 March to 31 Dec 2004
	£
Interest payable on bank borrowing	<u>1</u>

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2004

4. TAXATION

(a) Analysis of charge in the period

	30 March to 31 Dec 2004 £
Current tax:	
UK Corporation tax	<u>2,953</u>
Total current tax	<u>2,953</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30%.

	30 March to 31 Dec 2004 £
Profit on ordinary activities before taxation	<u>15,539</u>
Profit on ordinary activities at standard rate of corporation tax of 30%	4,662
Differences in tax rates	<u>(1,709)</u>
Total current tax (note 4(a))	<u>2,953</u>

5. DEBTORS

	2004 £
Amounts falling due within one year	
Prepayments and accrued income	583,262
Other debtors	<u>12,675</u>
	<u>595,937</u>
Amounts falling due after more than one year	
Other debtors	<u>250,000,000</u>
Total	<u>250,595,937</u>

Other debtors due after more than one year consist of limited recourse loan notes issued by Tenby Castle Funding Group to the company in order to purchase beneficial interests in the receivables trust, Castle Receivables Trust Limited.

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2004

6. CREDITORS: Amounts falling due within one year

	2004 £
Corporation tax	2,953
Accrued interest payable	562,142
Amounts owed to group undertakings	1,736
Accruals and deferred income	<u>17,054</u>
	<u>583,885</u>

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

	2004 £
Floating rate loan notes issued	<u>250,000,000</u>

The repayment of the loan notes are dependent on the receipt in full of the payments from the securities purchased.

Interest on the floating rate loan notes is payable on a quarterly basis at the three month LIBOR plus the following margins: 0.18% per annum for the Class A notes; 0.48% per annum for the Class B notes; 0.90% per annum for the Class C notes.

All of the floating rate loan notes are due to mature in June 2014 and are secured by means of a fixed and floating charge over the company's assets.

Creditors include finance capital, which is due for repayment as follows:

	2004 £
Between two and five years	<u>250,000,000</u>

Interest rate risk

The company has an exposure to interest rate risk as the loan notes from which the company's activities are funded are floating rate. The interest rate risk is effectively managed by Tenby Castle Funding Group Limited as the company has purchased its limited recourse loan notes. Tenby Castle Funding Group Limited passes sufficient net income to the company in order for it to meet the obligations of the floating rate notes.

Foreign currency risk

All of the company's assets and liabilities are denominated in Sterling and therefore there is no foreign currency risk. Consequently no currency risk profile disclosure has been presented.

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2004

6. CREDITORS: Amounts falling due within one year

	2004 £
Corporation tax	2,953
Accrued interest payable	562,142
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All of the floating rate loan notes are due to mature in June 2014 and are secured by means of a fixed and floating charge over the company's assets.

Creditors include finance capital, which is due for repayment as follows:

	2004 £
Between two and five years	<u>250,000,000</u>

Interest rate risk

The company has an exposure to interest rate risk as the loan notes from which the company's activities are funded are floating rate. The interest rate risk is effectively managed by Tenby Castle Funding Group Limited as the company has purchased its limited recourse loan notes. Tenby Castle Funding Group Limited passes sufficient net income to the company in order for it to meet the obligations of the floating rate notes.

Foreign currency risk

All of the company's assets and liabilities are denominated in Sterling and therefore there is no foreign currency risk. Consequently no currency risk profile disclosure has been presented.

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2004

7. CREDITORS: Amounts falling due after more than one year (Continued)

Interest rate risk profile of financial liabilities

All of the company's financial liabilities are floating rate and carry interest rates based on the three-month LIBOR rate. At the period-end, the three month LIBOR was 4.885%.

Fair value of financial assets and liabilities

The following table provides a comparison by category of the carrying amount and the fair values of the company's financial assets and liabilities at 31st December and excludes short term debtors and creditors. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine their values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates.

Primary financial instruments held or issued to finance the company's operations:

	Book Value 2004 £	Fair Value 2004 £
Class A Asset Backed Floating Rate Notes	210,000,000	209,030,327
Class B Asset Backed Floating Rate Notes	17,500,000	17,398,602
Class C Asset Backed Floating Rate Notes	<u>22,500,000</u>	<u>22,383,827</u>
	<u>250,000,000</u>	<u>248,812,756</u>

Other debtors falling due after more than one year as stated in note 5, which represent limited recourse loan notes issued by Tenby Castle Funding Group, are subject to the same interest rates as the loan notes issued by the company. The fair value of these receivables is therefore £248,812,756 being the same value as the floating rate loan notes stated above.

Financial instruments held for trading purposes

The company does not trade in financial instruments.

8. RELATED PARTY TRANSACTIONS

The company has identified the following transactions which are required to be disclosed under the terms of Financial Reporting Standard No.8, "Related Party Transactions". The company has taken advantage of the exemption provided within this standard from disclosing group related party transactions as the consolidated financial statements of the ultimate parent company, Sherwood Castle Holdings Limited, in which these results are included, are publicly available.

During the period administration and accounting services were provided by SPV Management Limited amounting to £15,854 to the company. The directors of the company are also directors of SPV Management Limited and Sherwood Castle Holdings Limited.

SHERWOOD CASTLE FUNDING SERIES 2004-2 PLC

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2004

9. SHARE CAPITAL

Authorised share capital:

	2004
	£
50,000 Ordinary shares of £1 each	<u>50,000</u>

Allotted and called up:

	2004
	£
2 ordinary shares - £1 each	2
49,998 ordinary shares £0.25 each	<u>12,500</u>
	<u>12,502</u>

2 ordinary shares were allotted and fully paid on incorporation. On 28 April 2004, 49,998 ordinary shares were allotted and were quarter paid up on 10 May 2004.

10. PROFIT AND LOSS ACCOUNT

	2004
	£
At the start of the period	-
Retained profit for the financial period	<u>12,586</u>
At the end of the period	<u>12,586</u>

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004
	£
Retained profit for the financial period	12,586
New equity share capital subscribed	<u>12,502</u>
Net addition to equity shareholders' funds	25,088
Opening equity shareholders' funds	-
Closing equity shareholders' funds	<u>25,088</u>

12. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Sherwood Castle Holdings Limited. The smallest and largest group into which the company is consolidated is that of Sherwood Castle Holdings Limited.

The shares in Sherwood Castle Holdings Limited are held by SPV Management Limited under a Declaration of Trust for the Sherwood Castle Charitable Trust for charitable purposes.

The directors regard Sherwood Castle Holdings Limited as the ultimate parent undertaking. Copies of the consolidated financial statements of Sherwood Castle Holdings Limited can be obtained by writing to the Company Secretary, c/o SPV Management Limited, Tower 42 (Level 11), 25 Old Broad Street, London, EC2N 1HQ.