

Company Registration Number: 5164884

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2009

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SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr J C Schroeder
Mr M H Filer
Wilmington Trust SP Services (London) Limited

Company secretary

Wilmington Trust SP Services (London) Limited

Registered office

c/o Wilmington Trust SP Services (London) Limited
Fifth Floor
6 Broad Street Place
London
EC2M 7JH

Auditors

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

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

REGISTERED NO. 5164884

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of Sherwood Castle Funding Series 2004-3 Plc, ("the company"), for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company, which remained unchanged during the year, 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 ultimate parent company is Capital One Holdings Limited.

On 17 August 2004 the company issued floating rate notes in order to purchase limited recourse loan notes issued by Tenby Castle Funding Group Limited at a nominal value of €298 million. The floating rate notes matured in September 2009.

The key performance indicator of the business is considered to be the net interest income margin. During the year, the Company achieved a net interest income margin (net interest income divided by interest income) of 0.10% (2008: 0.15%). At the year end, the Company had net assets of £59,959 (2008: £72,377).

GOING CONCERN

On the maturity date of limited recourse loan notes and loan notes issued, 15 September 2009, the Company collected all amounts due and settled all amounts payable under the terms of these notes. The Company is no longer considered to be a going concern, as it is the intention of the directors to recommend that the company be liquidated as soon as it is practicable. These financial statements have therefore been prepared on a break up basis and the amounts shown at their realisable value.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The loss on ordinary activities after taxation for the year was £12,418 (2008: profit of £15,139). The directors have not recommended a dividend (2008: £nil).

DIRECTORS

The directors who served the company during the year were as follows:

Mr M H Filer
Mr J C Schroeder
Wilmington Trust SP Services (London) Limited

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.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the company made no charitable or political contributions (2008: £nil).

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2009

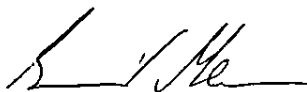
AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors for the ensuing year will be proposed at the annual general meeting

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that

- so far as the directors, at the date of approving this report, are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditors are unaware, and
- having made enquiries of fellow directors, and the company's auditor, each of the directors has taken all steps that they ought to have as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information



By order of the Board

**Sunil Masson for and on behalf of Wilmington Trust SP Services (London) Limited
Director**

Date 30 June 2010

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). 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 and 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 judgments and 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 proper 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 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 AUDITORS' REPORT TO THE MEMBERS OF SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

We have audited the financial statements of Sherwood Castle Funding Series 2004-3 Plc for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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.

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 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 the company's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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.



Peter Wallace (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 30 June 2010

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

		2009	2008
Discontinued activities	Note	£	£
Interest receivable	3	4,198,338	12,558,962
Interest payable	4	<u>(4,194,071)</u>	<u>(12,539,536)</u>
Net interest income		4,267	19,426
Other operating income		16,209	32,703
Administrative expenses		<u>(36,219)</u>	<u>(34,421)</u>
(Loss)/profit on ordinary activities before taxation	2	(15,743)	17,708
Tax credit/(charge) on (loss)/profit on ordinary activities	5	<u>3,325</u>	<u>(2,569)</u>
Retained (loss)/profit for the financial period	9	<u>(12,418)</u>	<u>15,139</u>

The company has no recognised gains or losses other than the results for the current and prior year as set out above

The notes on pages 8 to 11 form part of these financial statements

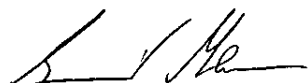
SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Note	2009 £	2008 £
Current assets			
Debtors falling due within one year	6	17,244	284,249,128
Cash at bank		<u>65,660</u>	<u>80,111</u>
		82,904	284,329,239
 Creditors amounts falling due within one year	7	<u>(22,945)</u>	<u>(284,256,862)</u>
		<u>59,959</u>	<u>72,377</u>
 Capital and reserves			
Called up equity share capital	8	12,502	12,502
Profit and loss account	9	<u>47,457</u>	<u>59,875</u>
Equity shareholders' funds	10	<u>59,959</u>	<u>72,377</u>

The financial statements on pages 6 to 11 were approved by the directors on 30 June 2010 and are signed on their behalf by



Sunil Masson for and on behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 8 to 11 form part of these financial statements

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of preparation

On the maturity date of limited recourse loan notes and loan notes issued, 15 September 2009, the Company collected all amounts due and settled all amounts payable under the terms of these notes. The Company is no longer considered to be a going concern, as it is the intention of the directors to recommend that the company be liquidated as soon as it is practicable. These financial statements have therefore been prepared on a break up basis and the amounts shown at their realisable value.

Limited recourse loan notes

The Limited recourse loan notes are classified as loans and receivables and are initially measured at fair value with subsequent measurement being at amortised cost using the effective interest method.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Loan notes

Loan notes are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between amortised cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. The loan notes issued by the Company are non-recourse and their terms are such that amounts due are only payable to the extent that there are sufficient receipts from the Company's assets (including derivatives).

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 on loan notes 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 are calculated using the effective interest rate method.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The Company transacts mainly in Euros ("€"), therefore, the Euro is the functional currency and Pound Sterling is its presentational currency.

Other operating income

Other operating income relates to the reimbursement of accountancy, administration, audit and tax fees included within administrative expenses. The other operating income is reimbursed by the Investor Beneficiary, Capital One Bank (Europe) Plc, as defined by the original transaction documentation.

Administrative expenses

Administrative expenses include accountancy, administration, audit and tax fees plus sundry expenses incurred in the day to day running of the company.

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging (crediting)

	2009	2008
	£	£
Auditors' remuneration - audit services	10,379	11,277
Auditors' remuneration - tax services	4,945	4,271
Net (gain)/loss on foreign currency translation	<u>(575)</u>	<u>1,394</u>

The company has no employees (2008 nil) other than the fees paid to Wilmington Trust SP Services (London) Limited as set out in note 11, the directors received no remuneration during the period

3. INTEREST RECEIVABLE

	2009	2008
	£	£
Income from loan notes	4,194,071	12,539,536
Issuer profits receivable	4,267	19,425
Bank interest receivable	-	1
	<u>4,198,338</u>	<u>12,558,962</u>

As a result of arrangements with Tenby Castle Funding Limited, issuer profits over the course of the securitisation deal based on 0.01% of the Loan Note balance less any fees deducted by Tenby Castle Funding Limited are distributed to Sherwood Castle Charitable Trust

4. INTEREST PAYABLE

	2009	2008
	£	£
Interest on floating rate notes	<u>4,194,071</u>	<u>12,539,536</u>

5. TAXATION

(a) Analysis of charge in the period

	2009	2008
	£	£
Current tax		
UK Corporation tax	(3,282)	3,719
Over provision in prior years	(43)	(1,150)
Total current tax	<u>(3,325)</u>	<u>2,569</u>

(b) Factors affecting current tax charge

Tax at standard rate on profits

	2009	2008
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(15,743)</u>	<u>17,708</u>

(Loss)/profit on ordinary activities at standard rate of corporation tax

of 21% (2008 21%)	(3,306)	3,719
Other adjustments	24	-
Overprovision in prior year	(43)	(1,150)
Total current tax (note 5(a))	<u>(3,325)</u>	<u>2,569</u>

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

6. DEBTORS

	2009	2008
	£	£
Amounts falling due within one year		
Prepayments and accrued income	13,910	498,795
Corporation tax recoverable	3,282	-
Other debtors	<u>52</u>	<u>283,750,333</u>
	<u>17,244</u>	<u>284,249,128</u>

7. CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Floating rate notes issued, net of discount	-	283,750,281
Bank overdraft	124	6,206
Corporation tax	-	3,719
Accrued interest payable	-	475,462
Accruals and deferred income	<u>22,821</u>	<u>21,194</u>
	<u>22,945</u>	<u>284,256,862</u>

8. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted and called up:

	2009	2008
	£	£
2 ordinary shares - £1 each	2	2
49,998 ordinary shares £0.25 each	<u>12,500</u>	<u>12,500</u>
	<u>12,502</u>	<u>12,502</u>

9. PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
At the start of the year	59,875	44,736
Retained (loss)/profit for the financial year	<u>(12,418)</u>	<u>15,139</u>
At the end of the year	<u>47,457</u>	<u>59,875</u>

SHERWOOD CASTLE FUNDING SERIES 2004-3 PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Retained (loss)/profit for the financial year	<u>(12,418)</u>	<u>15,139</u>
Net (deduction)/addition to equity shareholders' funds	<u>(12,418)</u>	<u>15,139</u>
Opening equity shareholders' funds	<u>72,377</u>	<u>57,238</u>
Closing equity shareholders' funds	<u>59,959</u>	<u>72,377</u>

11. 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, Capital One Holdings Limited, in which these results are included, are publicly available

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"

During the period administration and accounting services were provided by Wilmington Trust SP Services (London) Limited amounting to £17,171 (2008 £17,155) to the company. The directors of the company are also directors of Wilmington Trust SP Services (London) Limited and Sherwood Castle Holdings Limited

12. ULTIMATE PARENT COMPANY

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

The shares in Sherwood Castle Holdings Limited are held by Wilmington Trust SP Services (London) Limited under a Declaration of Trust for the Sherwood Castle Charitable Trust for charitable purposes

The directors regard Capital One Holdings Limited as the ultimate parent undertaking. Copies of the consolidated financial statements of Capital One Holdings Limited can be obtained by writing to the Company Secretary, Capital One Holdings Limited, 350 Euston Road, London NW1 3JJ