

Company Registration Number: 5532104

CUMBERNAULD FUNDING NO. 3 PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2011

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CUMBERNAULD FUNDING NO. 3 PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2011

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CUMBERNAULD FUNDING NO. 3 PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr M H Filer Mr J C Schroeder Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	5532104
Registered office	c/o Wilmington Trust SP Services (London) Limited 3 rd Floor 1 King's Arms Yard London EC2R 7AF
Auditors	Deloitte LLP London
Bankers	HSBC Bank Plc 8 Canada Square London E14 5HQ

CUMBERNAULD FUNDING NO. 3 PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2011

The directors present their report and the financial statements of Cumbernauld Funding No 3 Plc for the year ended 30 November 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

On 30 January 2006, the Company issued £600 million fixed rate notes ("Issued Class A Loan notes" or "Loan Notes") due for repayment in February 2013. The Company used the funds to invest in fixed rate loan notes issued by Cumbernauld Balance Growth Issuer Limited ("Class A Loan notes")

The principal activity of the Company is the collection of interest and principal on the Class A Loan notes ("Loans and receivable" or "Investment or Fixed Assets Investments") for use in servicing the Issued Class A Loan notes. No significant change in the Company's principal business activity is expected.

The key performance indicator of the business is considered to be the return before tax, achieved from the holdings of the Class A Loan notes. The Company achieved a return of 0.01% (2010: 0.01%) for the year ended 30 November 2011. At the year end, the Company had net assets of £209,620 (2010: £192,001).

RESULTS AND DIVIDENDS

The results for the year and the Company's financial position at the year end are shown in the attached financial statements. The profit on ordinary activities after taxation for the year was £17,619 (2010: £28,561). The directors have not recommended the payment of a dividend.

THE DIRECTORS OF THE COMPANY

The directors, who served the Company throughout the year, were as follows:

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

Wilmington Trust SP Services (London) Limited's share holding in the Company is as nominee for the ultimate parent Company, Cumbernauld Funding Holdings Limited.

The Company is a subsidiary of Cumbernauld Funding Holdings Limited, of which Wilmington Trust SP Services (London) Limited is a director.

Under a Corporate Services Agreement, Wilmington Trust SP Services (London) Limited was contracted to receive fees for the provision of corporate services as disclosed in note 11.

None of the other directors (2010: £nil) received any remuneration for their services to the Company.

DIRECTORS' INDEMNITIES

The directors have qualifying third party indemnity provisions which were made during the year and remain in force at the date of this report.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise the investments, cash, interest-bearing borrowings and various receivables and payables that arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments is undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing these and the other risks arising on the Company's financial instruments and they are disclosed in note 10.

CUMBERNAULD FUNDING NO. 3 PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2011

GOING CONCERN

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. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each of the directors have 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act of 2006.

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 are repaid on the due dates in accordance with the agreements in place.

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Mark Filer on behalf of Wilmington Trust SP Services (London) Limited
Director
Date: 25 December 2012

CUMBERNAULD FUNDING NO. 3 PLC

FOR THE YEAR ENDED 30 NOVEMBER 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the 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 they 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 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 CUMBERNAULD FUNDING NO. 3 PLC

We have audited the financial statements of Cumbernauld Funding No 3 Plc for the year ended 30 November 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 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.

Respective responsibilities of directors and auditor

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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 November 2011 and of the Company's profit for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements 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.



Simon Stephens, ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

25 May 2012

CUMBERNAULD FUNDING NO. 3 PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2011

	Notes	2011 £	2010 £
Continuing operations			
Interest receivable	1,2	11,019,818	18,200,072
Interest payable	3	<u>(11,020,246)</u>	<u>(18,199,995)</u>
Net interest income		(428)	77
Other operating income	1	57,037	72,711
Administrative expenses		<u>(32,878)</u>	<u>(33,120)</u>
Profit on ordinary activities before taxation		23,731	39,668
Tax charge on profit on ordinary activities	5	<u>(6,112)</u>	<u>(11,107)</u>
Profit after taxation and retained profit for the financial year	13	<u><u>17,619</u></u>	<u><u>28,561</u></u>

All operations were continuing in the current year

The Company has no recognised gains or losses other than the profit for the current year as set out above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 8 to 15 form an integral part of these financial statements

CUMBERNAULD FUNDING NO. 3 PLC**BALANCE SHEET****AS AT 30 NOVEMBER 2011**

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Investments	6		<u>200,000,000</u>		<u>400,000,000</u>
Current assets					
Trade and other receivables	7	415,018		783,209	
Cash at bank and in hand		<u>214,275</u>		<u>309,449</u>	
Total current assets			629,293		1,092,658
Creditors: amounts falling due within one year	8		<u>(419,673)</u>		<u>(200,900,657)</u>
Net current (liabilities)/assets			<u>209,620</u>		<u>(199,807,999)</u>
Total assets less current liabilities			200,209,620		200,192,001
Creditors: amounts falling due after more than one year	9		<u>(200,000,000)</u>		<u>(200,000,000)</u>
Net assets			<u>209,620</u>		<u>192,001</u>
Capital and reserves					
Called up share capital	12		12,502		12,502
Profit and loss account	13		<u>197,118</u>		<u>179,499</u>
Shareholders' funds	14		<u>209,620</u>		<u>192,001</u>

The financial statements were approved and authorised for issue by the directors on 25 May 2012 and are signed on their behalf by



Mark Frier on behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 8 to 15 form an integral part of these financial statements

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom Company law and accounting standards

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Principal Activities and Business Review on page 2. The financial position of the Company, liquidity position and borrowing facilities are described in the notes to the accounts. In addition, note 10 to the financial statements includes the Company's objectives, policies and processes for managing its financial risk management objectives, details of its financial instruments, and its exposures to credit risk and liquidity risk.

The Company has adequate financial resources together with minimal credit and liquidity risks. 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. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Other operating income

Other operating income represents income for reimbursement of expenses of the Company and other fees receivable from the Originator of the Class A Loan notes. Other operating income is calculated on an accruals basis.

Interest receivable and payable

Interest receivable and payable are accounted for under the effective interest method. The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income or expense on the instrument in proportion to the amount outstanding such that the yield earned or incurred is constant over the period to maturity or repayment.

Investments

Fixed asset investments, classified as Loans and Receivables under FRS 26, are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate. Fixed asset investments are represented by loan notes acquired by the Company.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax 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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

1. ACCOUNTING POLICIES (continued)

Interest-bearing loans

Interest-bearing loans ("notes") are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Embedded derivatives

Certain derivatives are embedded within other non-derivative host financial instruments to create a hybrid instrument. Where the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host instrument, and where the hybrid instrument is not measured at fair value, the embedded derivative is separated from the host instrument with changes in fair value of the embedded derivative recognised in the income statement. Depending on the classification of the host instrument, the host is then measured in accordance with FRS 26 'Financial Instruments Measurement'. The embedded derivatives within a Class A note and Issued Class A Loan notes are closely related and therefore do not require separation and separate valuation.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes a cash flow statement.

Functional currency

As the Company's functional currency and reporting currency are primarily Pound Sterling, the financial statements have been prepared using Sterling.

Segmental reporting

The principal asset of the Company is the investment in Class A Loan notes originated in the United Kingdom. The directors do not consider it necessary to provide a further analysis of the results of the Company from those already disclosed in these financial statements.

Offsetting financial assets and financial liabilities

Where there is a legal enforceable right to set off the recognised amounts and an intention to settle on a net basis or to realise the asset/liability simultaneously, financial assets and financial liabilities are offset and the net amount is presented on the balance sheet.

2. INTEREST RECEIVABLE

	2011	2010
	£	£
Interest on Class A Loan notes	11,019,726	18,199,995
Bank interest received	92	77
	<u>11,019,818</u>	<u>18,200,072</u>

3. INTEREST PAYABLE

	2011	2010
	£	£
Interest on Issued Class A Loan notes	11,019,726	18,199,995
Interest on overdue tax	520	-
	<u>11,020,246</u>	<u>18,199,995</u>

Interest payable and similar charges represent amounts payable by the Company in connection with financing the Loan Notes issued by the Company, including interest costs.

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

4. OPERATING PROFIT

	2011 £	2010 £
Operating profit is stated after charging		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	<u>16,800</u> <u>16,800</u>	<u>16,800</u> <u>16,800</u>
The Company has no employees (2010: none) and the directors received no remuneration (2010: £nil) during the year for their services to the Company except as set out in note 11. There have been no non-audit fees during the current year and prior year.		

5. TAXATION

(a) Analysis of charge for the year

	2011 £	2010 £
Current tax		
UK Corporation tax	6,289	11,107
Prior years' adjustment	<u>(177)</u>	<u>-</u>
Total current tax	<u>6,112</u>	<u>11,107</u>

(b) Factors affecting current tax charge

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>23,731</u>	<u>39,668</u>
Profit on ordinary activities at standard rate of corporation tax of 26.5% (2010: 28.0%)	6,289	11,107
Prior years' adjustment	<u>(177)</u>	<u>-</u>
Total current tax (note 5(a))	<u>6,112</u>	<u>11,107</u>

6. FIXED ASSET INVESTMENTS

	Unlisted investments 2011 £	Unlisted investments 2010 £
Cost		
At 1 December	400,000,000	400,000,000
Matured	<u>(200,000,000)</u>	<u>-</u>
Amortised cost at 30 November	<u>200,000,000</u>	<u>400,000,000</u>
Net book value at 30 November	<u>200,000,000</u>	<u>400,000,000</u>

Fixed asset investments consist of fixed rate loan notes issued by the Cumbernauld Balance Growth Issuer Limited. The loan notes are collateralised by credit card receivables held by HSBC Trustee (CI) Limited, as security trustee under the terms of a Security Trust Deed.

7. TRADE AND OTHER RECEIVABLES

	2011 £	2010 £
Amounts falling due within one year		
Interest receivable	373,973	747,945
Prepayments and accrued income	<u>41,045</u>	<u>35,264</u>
	<u>415,018</u>	<u>783,209</u>

The directors consider that the carrying value of trade and other receivables approximate their fair value.

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

8 CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Fixed rate notes	-	200,000,000
Interest payable	373,973	747,945
Corporation tax	6,289	24,115
Accruals and deferred income	39,411	128,597
	<u>419,673</u>	<u>200,900,657</u>

9 CREDITORS. Amounts falling due after more than one year

The following sterling notes are collateralised on the assets of the Company

	2011	2010
	£	£
Fixed rate notes as at 1 December	200,000,000	400,000,000
Movement to amount due to within one year	-	(200,000,000)
Fixed rate notes as at 30 November	<u>200,000,000</u>	<u>200,000,000</u>

Interest is payable at a fixed rate of 4.55% on the Issued Class A loan notes, which is equal to the weighted average interest of the corresponding fixed asset investment, as described in note 6. The Issued Class A Loan notes will fully mature by February 2013 but will be subject to earlier mandatory or optional redemption under certain specified circumstances.

Loan maturity analysis

	2011	2010
	£	£
Due within one year	-	200,000,000
Due between one to two year	200,000,000	-
Due between two to five year	-	200,000,000
	<u>200,000,000</u>	<u>400,000,000</u>

The Issued Class A Loan notes are denominated in the following currencies

	2011	2010
	£	£
Sterling	<u>200,000,000</u>	<u>400,000,000</u>
	<u>200,000,000</u>	<u>400,000,000</u>

10. FINANCIAL RISK MANAGEMENT

The Company's financial instruments comprise borrowings, cash balances and debtors and creditors that arise directly from its operations. The Company has entered into transactions which consist principally of loan notes.

The risks arising from the Company's activities are credit risk, liquidity risk, and interest rate risk. The Board reviews and agrees policies for managing each of these risks which are noted below.

Currency risk

All of the Company's assets and liabilities are denominated in Pound Sterling and therefore there is no foreign currency risk.

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. There is no significant interest rate risk and therefore there is no sensitivity analysis needed.

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

10. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk arises where the borrower will not be able to meet their obligations as they fall due. To mitigate this risk the Class A Loan notes are collateralised by credit card receivables held by HSBC Trustee (CI) Limited, as security trustee under the terms of a Security Trust Deed. The most significant concentration of credit risk is considered to be the Class A Loan notes. At 30 November 2011, the principal amount outstanding was £200,000,000 (2010 £400,000,000). The maximum exposure to credit risk is represented by the carrying amount of the investment.

Liquidity risk

The Company's policy is to maintain a strong liquidity position and to manage the liquidity profile of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

The Company has matched the value of the notes issued with the fixed rate loan notes invested in. At the year end the entire portfolio of fixed rate notes issued was covered by assets whose maturity date did not exceed that of the notes issued.

Fair value of financial instruments

The following table provides a comparison of book values and fair values of the Company's financial assets and liabilities at 30 November. 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. Loans and receivables and Issued Class A Loan notes are fair valued using observable market prices as they are traded.

	Carrying Value 2011 £	Fair Value 2011 £	Carrying Value 2010 £	Fair Value 2010 £
Loans and Receivables	200,373,973	202,976,000	400,747,945	402,384,000
Cash	<u>214,275</u>	<u>214,276</u>	<u>309,449</u>	<u>309,449</u>
	<u>200,588,248</u>	<u>203,190,276</u>	<u>401,057,394</u>	<u>402,693,449</u>
Issued Class A Loan notes	<u>200,373,973</u>	<u>202,976,000</u>	<u>400,747,945</u>	<u>402,384,000</u>
	<u>200,373,973</u>	<u>202,976,000</u>	<u>400,747,945</u>	<u>402,384,000</u>

Effective interest rates and contracted maturity

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at 30 November 2011 and the periods in which they mature.

At November 2011	Effective interest rate (%)	Total £	Due between				Non interest -bearing £
			In less than 3 months £	3 to 12 Months £	Due between 1 to 2 years £	Due between 1 to 2 years £	
Assets		£	£	£	£	£	£
Investments	4.55	200,373,973	-	-	200,000,000	373,973	
Cash	-	<u>214,275</u>	<u>214,275</u>	-	-	-	-
		<u>200,588,248</u>	<u>214,275</u>	-	<u>200,000,000</u>	<u>373,973</u>	
Liabilities	Effective interest rate (%)	Total £	Due between				Non interest -bearing £
			In less than 3 months £	3 to 12 months £	Due between 1 to 2 years £	Due between 1 to 2 years £	
Issued Class A Loan notes	4.55	<u>200,373,973</u>	-	-	<u>200,000,000</u>	<u>373,973</u>	
		<u>200,373,973</u>	-	-	<u>200,000,000</u>	<u>373,973</u>	

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

10 FINANCIAL RISK MANAGEMENT (continued)

At November 2010	Effective interest rate (%)	Total £	In less than 3 months £	Due between 1 to 2 years £	Due between 2 to 5 years £	Non interest -bearing £
Assets						
Investments	4.55	400,747,945	-	200,000,000	200,000,000	747,945
Cash	-	309,449	309,449	-	-	-
		<u>401,057,394</u>	<u>309,449</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>747,945</u>

	Effective interest rate (%)	Total £	In less than 3 months £	Due between 1 to 2 years £	Due between 2 to 5 years £	Non interest -bearing £
Liabilities						
Issued Class A						
Loan notes	4.55	400,747,945	-	200,000,000	200,000,000	747,945
		<u>400,747,945</u>	<u>-</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>747,945</u>

Embedded derivatives

The Company has reviewed all investments contracts and loan note terms for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to the Issued Class A Loan notes the Company has the ability to redeem the Issued Class A Loan notes in full or part at their then principal amount outstanding, together with interest accrued to the date of redemption, on any interest payment date. The Company effectively has a call option on the Issued Class A Loan notes exercisable on certain dates. The option constitutes an embedded derivative, however, as this is closely related to the underlying host contract (the loan notes), the option does not require separation.

A similar hybrid instrument arises on the investment whereby the Company has effectively sold a put option on the Class A Loan notes exercisable on certain dates. As this option is considered to be closely related to the underlying host contract, it does not require separation.

11. RELATED PARTY TRANSACTIONS

During the year Wilmington Trust SP Services (London) Limited, a director of the Company, received £11,733 (2010 £12,120) for corporate services provided to the Company and £4,200 (2010 £4,200) in respect of accountancy services under the terms of a Corporate Services Agreement. No other director received any remuneration for their services to the Company. In respect of payments to Wilmington Trust SP Services (London) Limited at 30 November 2011, £4,200 (2010 £4,200) was outstanding and is disclosed under Creditors' amounts falling due within one year and £1,934 (2010 £2,065) was prepaid and is disclosed under Debtors' amounts falling due within one year.

The Company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Cumbernauld Funding Holdings Limited Group.

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

12. CALLED UP SHARE CAPITAL

Authorised share capital:	2011	2010
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and partly paid:	2011	2010
	£	£
At 1 December	<u>12,502</u>	<u>12,502</u>
At 30 November	<u>12,502</u>	<u>12,502</u>

13. RECONCILIATION OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
At the start of the year	179,499	150,938
Retained profit for the financial year	<u>17,619</u>	<u>28,561</u>
At the end of the year	<u>197,118</u>	<u>179,499</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Retained profit for the financial year	<u>17,619</u>	<u>28,561</u>
Net addition to shareholders' funds	17,619	28,561
Opening shareholders' funds	<u>192,001</u>	<u>163,440</u>
Closing shareholders' funds	<u>209,620</u>	<u>192,001</u>

15. EMPLOYEES

There were no employees during the year (2010 none), the Company having contracted for the provision of services under a Corporate Services Agreement

CUMBERNAULD FUNDING NO. 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2011

16. ULTIMATE PARENT COMPANY

The immediate parent Company is Cumbernauld Funding Holdings Limited, a Company which is incorporated in Great Britain and registered in England and Wales. The smallest group into which the Company is consolidated is that of Cumbernauld Funding Holdings Limited.

The shares in Cumbernauld Funding Holdings Limited are held by Wilmington Trust SP Services (London) Limited under a declaration of trust for charitable purposes.

The directors regard Barclays Bank Plc as the ultimate parent undertaking and the largest group into which the Company is consolidated. Copies of the consolidated financial statements of Barclays Bank Plc can be obtained by writing to the Company Secretary, Barclays Bank plc, 1 Churchill Place, Canary Wharf, London E14 5HP.