

Company Registration No. 05718481

Gresham Receivables (No. 11) UK Limited

Report and Financial Statements

For the year ended 31 December 2011

FRIDAY



A1C2Y4YW

A42

29/06/2012

#350

COMPANIES HOUSE

Gresham Receivables (No. 11) UK Limited

Report and financial statements 2011

Contents	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Reconciliation of movements in shareholders' funds	8
Cash flow statement	9
Notes to the accounts	10

Gresham Receivables (No. 11) UK Limited

Report and financial statements 2011

Officers and professional advisers

Directors

Mark Filer
Daniel Fisher
Wilmington Trust SP Services (London) Limited

Secretary

Wilmington Trust SP Services (London) Limited

Bankers

The Bank of New York Mellon
One Canada Square
London
E14 5AL

Registered Office

C/O Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

Auditor

Deloitte LLP
Chartered Accountants
London

Gresham Receivables (No. 11) UK Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

Principal activities and review of the business

Gresham Receivables (No. 11) UK Limited ("the Company"), a limited liability company, was formed on 22 February 2006. The Company is a special purpose vehicle sponsored by Lloyds TSB Bank plc which purchases investments backed by eligible receivables. These are funded through borrowings from Cancara Asset Securitisation Limited. The borrowings are collateralised by the purchased assets.

Shortly after formation, the Company entered into several agreements including an Administration Agreement and a Commissioning Agreement. Pursuant to the original agreements and subsequent amendments, the Company engaged Lloyds TSB Bank plc to provide administration, structuring, documenting, monitoring and surveillance services. Lloyds TSB Bank plc are compensated as Administration Agent. Wilmington Trust SP Services (London) Limited provides corporate administration services to the Company pursuant to a corporate services agreement, for which it receives compensation.

The Company's financial instruments comprise principally of amounts due from investments. Cash, accrued interest income, accrued interest payable and other items arise directly from the Company's operations. Further detail on financial instruments and their associated risks has been included in Note 16.

In October 2010 Bank of Scotland entered into a liquidity facility commitment with the Company. Lloyds TSB Bank plc continues to be a Liquidity Provider.

In March 2012, the Programme's rating was reaffirmed as A-1/P-1 by Standard & Poor's and Moody's respectively. Additionally, Fitch assigned an F1 rating to the Programme.

In June 2012, the Programme's rating was reaffirmed as P-1 by Moody's.

Future prospects

The Administration Agent has actively continued to identify new customers and new products in the asset backed securities market.

Since August 2007 volatility in the credit markets has created periods when the liquidity environment in the money markets has been challenging. Despite this the Company has continued to obtain funding from Cancara Asset Securitisation Limited, which itself has continued to fund through the issue of Commercial Paper.

Results, dividends and transfers to reserves

The profit for the year was \$1,545 (2010 profit of \$1,553). The directors propose the payment of a final dividend of \$1,545 (2010 \$1,553).

Directors and their interests

The following directors held office throughout the year and subsequently:

Mark Filer

Daniel Fisher (Appointed 15 May 2012)

Jean-Christophe Schroeder (Resigned 15 May 2012)

Wilmington Trust SP Services (London) Limited

Gresham Receivables (No. 11) UK Limited

Directors' report

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 2006

The Company has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP will be the auditor of the Company for the forthcoming financial year under the provisions of section 386(2) of the Companies Act 2006

Approved by the Board of Directors and signed on behalf of the Board



Mark Filer

Wilmington Trust SP Services (London) Limited
Company Secretary

28 June 2012

Gresham Receivables (No. 11) UK Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 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 accounting 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.

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 Gresham Receivables (No. 11) UK Limited

We have audited the financial statements of Gresham Receivables (No. 11) UK Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, the cash flow statement, and the related notes 1 to 19. 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 Directors' responsibilities statement, 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 31 December 2011 and of its profit 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.

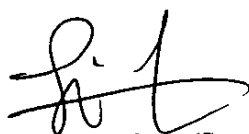
Opinion on other matter prescribed by the Companies Act 2006

- 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, 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.



Simon Stephens (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

28 June 2012

Gresham Receivables (No. 11) UK Limited

Profit and loss account Year ended 31 December 2011

	Notes	2011 \$	2010 \$
Turnover			
Interest receivable		2,140,618	1,516,583
Other income		5,261,547	6,668,008
		<u>7,402,165</u>	<u>8,184,591</u>
Operating costs			
Interest Expense		(2,183,830)	(1,564,822)
Administration expenses		(5,169,486)	(6,620,473)
		<u>(7,353,316)</u>	<u>(8,185,295)</u>
Operating profit/(loss)	4	48,849	(704)
Other interest receivable and similar income	5	1	-
Foreign exchange (loss)/gain		(47,305)	2,257
		<u>(47,304)</u>	<u>2,257</u>
Profit on ordinary activities before taxation		1,545	1,553
Tax on profit on ordinary activities	15	-	-
		<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation and profit for the financial year	14	<u>1,545</u>	<u>1,553</u>

All of the amounts above are in respect of continuing operations. There are no recognised gains or losses for the current year or prior year other than as stated above, therefore a statement of recognised gains and losses has not been presented.

The accompanying notes on pages 10 to 17 form an integral part of this profit and loss account.

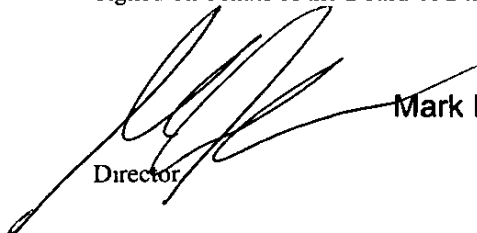
Gresham Receivables (No. 11) UK Limited

Balance sheet As at 31 December 2011

	Notes	2011 \$	2010 \$
Fixed assets			
Investments	6	192,463,780	390,234,707
Current assets			
Debtors	7	139,966	309,504
Cash at bank and in hand		588,180	378,037
		<u>728,146</u>	<u>687,541</u>
Creditors: amounts falling due within one year			
Borrowings	8	(192,987,701)	(390,513,452)
Other creditors	9	(202,678)	(407,241)
		<u>(193,190,379)</u>	<u>(390,920,693)</u>
Net current assets		<u>(192,462,233)</u>	<u>(390,233,152)</u>
Total assets less current liabilities		<u>1,547</u>	<u>1,555</u>
Net assets		<u>1,547</u>	<u>1,555</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account	14	1,545	1,553
Shareholders' funds: equity interests		<u>1,547</u>	<u>1,555</u>

These financial statements of Gresham Receivables (No 11) UK Limited, registration number 05718481, were approved and authorised for issue by the Board of Directors on 28 June 2012

Signed on behalf of the Board of Directors


Director **Mark Filer**

The accompanying notes on pages 10 to 17 form an integral part of this balance sheet

Gresham Receivables (No. 11) UK Limited

Reconciliation of movements in shareholders' funds Year ended 31 December 2011

	2011	2010
	\$	\$
As at 1 January	1,555	2
Profit for the year	1,545	1,553
Dividends	(1,553)	-
As at 31 December	<u>1,547</u>	<u>1,555</u>

Gresham Receivables (No. 11) UK Limited

Cash flow statement

Year ended 31 December 2011

	Note	2011 \$	2010 \$
Net cash (outflow)/inflow from operating activities	10	(33,481)	65,504
Returns on investments and servicing of finance	11	1	-
Capital expenditure and financial investment	11	197,770,927	(390,234,707)
Dividends paid		(1,553)	-
Cash inflow before financing		<u>197,735,894</u>	<u>(390,169,203)</u>
Financing			
Decrease in short-term borrowing	11	(197,525,751)	390,513,452
Increase in cash in the year		<u>210,143</u>	<u>344,249</u>
Net cash at the start of the year		<u>378,037</u>	<u>33,788</u>
Net cash at the end of the year		<u><u>588,180</u></u>	<u><u>378,037</u></u>

The accompanying notes on pages 10 to 17 form an integral part of these financial statements

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2011

1. Accounting policies

Basis of preparation

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

Specific accounting policies adopted by the Company are set out below, and they have been consistently adopted in the current and prior year

The financial statements are presented in US Dollars being the Company's functional currency

Going concern basis

The financial statements have been prepared on a going concern basis. The Company is funded through short-term loans from Cancara Asset Securitisation Limited, which is in turn funded by the commercial paper market. However, the Company has a committed limited recourse liquidity facility with Lloyds TSB Bank plc and Bank of Scotland plc which can be drawn down in the event that Cancara Asset Securitisation Limited is unable to issue commercial paper and therefore provide funding for the Company.

Whilst the liquidity facility is a 364-day facility, in the event that liquidity providers did not renew its commitment, the available facility amount could be drawn in full by the Company to ensure it remains in a position to meet its obligations under the transaction. Under the terms of the liquidity facility agreement, the Company is only obliged to repay the drawn down amount from the facility to liquidity provider to the extent that it has funds available for such purpose.

As a result, 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 in preparing the annual report and accounts.

Presentation of profit and loss account

Due to the fact that the nature of the business is to purchase eligible receivables, the directors are of the opinion that it is more appropriate to classify interest receivable within turnover in presenting the profit and loss account.

Interest receivable

Interest receivable is comprised of finance charges on the eligible receivables purchased by the Company, discount amortisation on eligible receivables and fees due from originators. Interest receivable is accounted for on an accruals basis.

Interest payable

Interest payable relates to interest payable on short term borrowings received from Cancara Asset Securitisation Limited. Interest payable is accounted for on an accruals basis.

Taxation

Current tax, including UK corporation tax and foreign 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.

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2011

1. Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not realised 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 periods different from those in which they are recognised in the financial statements.

Foreign currency translation

The functional currency of the Company is the US dollar. Transactions denominated in foreign currencies are translated into US dollars at the exchange rates ruling on the date of the transactions. Monetary and hedged assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rates of exchange ruling at that date or contracted rates where appropriate and movements are taken to the profit and loss account. Non-monetary items are held at historical cost translated into US Dollars at the exchange rate ruling on the date of the transaction.

Investments

Eligible receivables purchased by the Company are recorded in the balance sheet at cost, less provision for any impairment.

Short-term borrowings

Debt is initially stated at the amount of proceeds. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

2. Directors' emoluments

None of the directors had any material interest in any contract of significance in relation to the business of the Company and none of the directors received any direct emoluments for their services in the current or prior year (see Note 18 for details of the corporate administration services fees charged).

3. Employees

During the current and prior year the Company had no employees. The Company has outsourced the purchase, administration and disposal of receivables and the operations connected with the funding of those interests to a third party, on an arm's length basis.

4. Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2011 \$	2010 \$
Amounts paid to auditor:		
- audit of the Company's accounts	9,824	8,445

5. Other interest receivable and similar income

	2011 \$	2010 \$
Bank interest receivable	1	-

Gresham Receivables (No. 11) UK Limited

Notes to the accounts Year ended 31 December 2011

6. Investments

	2011 \$	2010 \$
Cost and net book value		
Investments in eligible receivables	192,463,780	390,234,707

The investments purchased by the Company have been pledged as security for the Company's borrowings from Cancara Asset Securitisation Limited

7. Debtors

	2011 \$	2010 \$
Interest receivable	37,071	88,761
Other debtors	102,895	220,743
	<u>139,966</u>	<u>309,504</u>

8. Borrowings

	2011 \$	2010 \$
Short-term borrowings	192,987,701	390,513,452

Short-term borrowings consisted of advances from Cancara Asset Securitisation Limited which funds itself by commercial paper issued in the US and Euro markets. Cancara Asset Securitisation Limited has limited recourse to the assets which the Company has purchased.

9. Other creditors

	2011 \$	2010 \$
Accrued expenses	187,842	394,120
Other creditors	14,836	13,121
	<u>202,678</u>	<u>407,241</u>

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2011

10. Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities

	2011 \$	2010 \$
Operating profit/(loss)	48,849	(704)
Decrease/(increase) in debtors	169,538	(118,565)
(Decrease)/increase in creditors	(204,563)	182,516
Foreign exchange (loss)/gain	(47,305)	2,257
Net cash (outflow)/inflow from operating activities	(33,481)	65,504

11. Analysis of cash flows

	2011 \$	2010 \$
Returns on investments and servicing of finance		
Interest received	1	-
Net cash inflow	1	-
 Capital expenditure		
Sale of investments/(acquisition of investments)	197,770,927	(390,234,707)
Net cash inflow/(outflow)	197,770,927	(390,234,707)
 Financing		
(Decrease)/increase in short-term borrowing	(197,525,751)	390,513,452
Net cash (outflow)/inflow	(197,525,751)	390,513,452

12. Analysis of change in net debt and reconciliation of net cash flow to movements in net debt

	31 December 2010 \$	Cash flow \$	31 December 2011 \$
Cash in hand and at bank	378,037	210,143	588,180
Debt due within one year	(390,513,452)	197,525,751	(192,987,701)
Net debt	(390,135,415)	197,735,894	(192,399,521)

Gresham Receivables (No. 11) UK Limited

Notes to the accounts Year ended 31 December 2011

13. Called up share capital

	2011 \$	2010 \$
Authorised		
1 ordinary share of £1	2	2
Allotted, called-up and fully paid		
1 ordinary share of £1	2	2

14. Profit and loss account

	2011 \$	2010 \$
As at 1 January	1,553	-
Dividends	(1,553)	-
Profit for the financial year	1,545	1,553
As at 31 December	1,545	1,553

15. Tax on profit on ordinary activities

The tax charge comprises

	2011 \$	2010 \$
Current tax		
UK corporation tax	-	-

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2011 \$	2010 \$
Profit before tax	1,545	1,553
Tax at the UK corporation tax rate of 21%	(324)	(326)
Tax losses utilised	324	326
Current tax charge for year ended 31 December 2011	-	-

16. Financial instruments

Cash, accrued interest income, accrued interest payable and other items arise directly from the Company's operations.

It is, and has been throughout the current period, the Company's policy that no trading in derivative financial instruments shall be undertaken

The main risks arising from the Company's financial instruments are credit risk, interest rate risk, currency risk and liquidity risk. The board reviews and agrees policies for managing each of those risks and these are summarised below. These policies have remained unchanged since the Company commenced operations.

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2011

16. Financial instruments (continued)

a) Credit risk

The credit risk faced by the Company is that the receivables acquired by the Company will default, thereby impairing the Company's ability to meet its obligations under short term borrowings. The default risk is reduced through a combination of over-collateralisation measures and the imposition of transaction triggers.

b) Interest rate risk

The Company finances its operations through the borrowings from Cancara Asset Securitisation Limited which, in turn, funds itself by the issue of commercial paper. At the year end, all of the Company's borrowings and assets were at floating rates. The financial instruments earn interest based on the funding cost, either Libor or Euribor.

c) Currency risk

The functional currency of the Company is the US Dollar. The Company provides asset securitisation financing to companies operating in Organisation for Economic Co-operation and Development (OECD) countries. These eligible receivables are denominated in the currencies of the customers involved.

The Company's policy is to minimise all currency exposures on transactions. This is achieved through matching assets and liabilities denominated in currencies other than the US Dollar in order to reduce the net exposure to movements in foreign exchange rates. As at 31 December 2011, after taking into account the effects of offsetting foreign exchange transactions and balances, the Company has no significant currency exposures.

d) Liquidity risk

Funding was obtained through advances from Cancara Asset Securitisation Limited. Repayments on the advances to Cancara Asset Securitisation Limited were dependent on cash receipts from the assets. The Company also has a liquidity facility which can be drawn upon should there be any timing gaps on the availability of funding.

e) Maturity of financial assets and liabilities

The maturity profile of the Company's financial assets was as follows

	2011 \$	2010 \$
In one year or less, or on demand	<u>193,191,926</u>	<u>390,234,707</u>

The maturity profile of the Company's financial liabilities was as follows

	2011 \$	2010 \$
In one year or less, or on demand, dependent on cash receipts from the assets	<u>193,190,379</u>	<u>390,920,693</u>

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2011

17. Ultimate controlling party

The shares in the Company are held by Wilmington Trust SP Services (London) Limited under a declaration of trust for charitable purposes. The Company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc (formerly Lloyds TSB Group plc) which is the parent undertaking of the largest group of undertakings for which group accounts are drawn and of which the Company is a member. Lloyds TSB Bank plc is the parent undertaking 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.

18. Related party transactions

Corporate administration services are provided to the Company by Wilmington Trust SP Services (London) Limited. The directors' fees are included in the corporate administration services fee of \$17,655 (2010 \$14,706).

Also, Lloyds TSB Bank plc acts in various capacities under a conduit programme including as the overdraft provider, the letter of credit issuer, a liquidity provider and a hedge counterparty. The Company had the following transactions with Lloyds TSB Bank plc in 2011.

	2011 \$	2010 \$
Liquidity and administration expense	<u>5,000,024</u>	<u>6,213,779</u>

Also, Bank of Scotland plc acted as a liquidity provider to the Company during the financial year. The Company had the following transactions with Bank of Scotland in 2011.

	2011 \$	2010 \$
Liquidity and administration expense	<u>126,615</u>	<u>-</u>

The Company had following transactions outstanding with Lloyds TSB Bank plc at the year-end 2011.

	2011 \$	2010 \$
Accounts payable	<u>158,622</u>	<u>221,485</u>

The Company had following transactions outstanding with Bank of Scotland at the year-end 2011.

	2011 \$	2010 \$
Accounts payable	<u>29,219</u>	<u>-</u>

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2011

18. Related party transactions (continued)

In addition, the Company had short-term borrowings from Cancara Asset Securitisation Limited, who is a fellow member of the group headed by Lloyds Banking Group plc, and had the following interest expense on those borrowings in 2011

	2011 \$	2010 \$
Interest expense	<u>2,183,767</u>	<u>1,562,743</u>

The Company had the following transactions outstanding with Cancara Asset Securitisation Limited at the year-end 2011

	2011 \$	2010 \$
Borrowings	<u>192,987,701</u>	<u>390,513,452</u>

19. Dividends

The proposed final dividend for the period ended 31 December 2011 in the sum of \$1,545 is subject to shareholders' approval at the annual general meeting and has not been included as a liability in the financial statements in accordance with FRS 21

