

Company Registration No. 05718481

Gresham Receivables (No. 11) UK Limited

Report and Financial Statements

For the year ended 31 December 2009



Gresham Receivables (No. 11) UK Limited

Report and financial statements 2009

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Gresham Receivables (No. 11) UK Limited

Report and financial statements 2009

Officers and professional advisers

Directors

Mark Filer
Jean Christophe Schroeder
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
Fifth Floor
6 Broad Street Place
London
EC2M 7JH

Auditors

Deloitte LLP
Chartered Accountants
London

Gresham Receivables (No. 11) UK Limited

Directors' report

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2009

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 14.

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.

In 2007 the receivable transaction previously funded by the Company was fully repaid. The Company did not hold any investments at year-end 31 December 2009. However, the Company entered into a new investment on 21 January 2010. Further detail on the going concern basis has been included in Note 1.

Results, dividends and transfers to reserves

Since the Company did not hold any investments during the year, no income was received to cover the Company's expenses. Therefore the loss for the year was \$2,006 (2008: \$nil) and was transferred to reserves. The directors propose the payment of a final dividend of \$nil (2008: \$nil).

Directors and their interests

The following directors held office throughout the year and subsequently:

Mark Filer

Jean Christophe Schroeder

Wilmington Trust SP Services (London) Limited

Gresham Receivables (No. 11) UK Limited

Directors' report

Auditors

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 auditors are 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 auditors are 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 auditors annually and, accordingly, Deloitte LLP will be the auditors 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

29 September 2010

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 judgments and accounting 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 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 auditors' 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 2009 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 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 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 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 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 (APB'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 its 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.

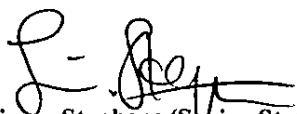
Opinion on other matter prescribed by the Companies Act 2006

- 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, 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

29 September 2010

Gresham Receivables (No. 11) UK Limited

Profit and loss account

Year ended 31 December 2009

	Notes	2009 \$	2008 \$
Turnover			
Other income		-	263
		<u>-</u>	<u>263</u>
Operating costs			
Administration expenses		(1,667)	(5,151)
		<u>(1,667)</u>	<u>(5,151)</u>
Operating loss	4	(1,667)	(4,888)
Other interest receivable and similar income	5	47	1,849
Foreign exchange (loss)/gain		(386)	3,039
		<u>(339)</u>	<u>4,888</u>
Loss on ordinary activities before taxation		(2,006)	-
Tax on loss on ordinary activities	13	-	-
		<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation and loss for the financial year	12	<u>(2,006)</u>	<u>-</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 15 form an integral part of this profit and loss account.

Gresham Receivables (No. 11) UK Limited

Balance sheet

As at 31 December 2009

	Notes	2009 \$	2008 \$
Current assets			
Debtors	6	190,939	196,848
Cash at bank and in hand		33,788	44,790
		<u>224,727</u>	<u>241,638</u>
Creditors: amounts falling due within one year			
Other creditors	7	(224,725)	(239,630)
		<u>(224,725)</u>	<u>(239,630)</u>
Total assets less current liabilities		<u>2</u>	<u>2,008</u>
Net assets		<u>2</u>	<u>2,008</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	-	2,006
		<u>2</u>	<u>2,008</u>
Shareholders' funds: equity interests		<u>2</u>	<u>2,008</u>

These financial statements of Gresham Receivables (No 11) UK Limited, registration number 5718481, were approved and authorised for issue by the Board of Directors on 29 September 2010

Signed on behalf of the Board of Directors


Director **Mark Filer**


Director **Christophe Schroeder**

The accompanying notes on pages 10 to 15 form an integral part of this balance sheet

Gresham Receivables (No. 11) UK Limited

Reconciliation of movements in shareholders' funds Year ended 31 December 2009

	2009	2008
	\$	\$
As at 1 January	2,008	3,967
Dividends	-	(1,959)
Loss for the financial year	(2,006)	-
As at 31 December	<u>2</u>	<u>2,008</u>

Gresham Receivables (No. 11) UK Limited

Cash flow statement

Year ended 31 December 2009

	Notes	2009 \$	2008 \$
Net cash outflow from operating activities	8	(11,049)	(16,074)
Returns on investments and servicing of finance	9	47	1,849
Cash outflow before financing		<u>(11,002)</u>	<u>(14,225)</u>
Financing			
Dividends paid		<u>-</u>	<u>(1,959)</u>
Decrease in cash in the year	10	(11,002)	(16,184)
Net cash at the start of the year		<u>44,790</u>	<u>60,974</u>
Net cash at the end of the year		<u><u>33,788</u></u>	<u><u>44,790</u></u>

The accompanying notes on pages 10 to 15 form an integral part of this cash flow statement

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2009

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 years

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. Since year-end, the Company is now 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 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 Lloyds TSB Bank plc 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 Lloyds TSB Bank plc to the extent that it has funds available for such purpose. In addition the Company has a loan agreement in place with Lloyds TSB Bank plc.

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 use interest receivable rather than 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. All interest income originates from Ireland.

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 been enacted by the balance sheet date.

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.

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2009

1. Accounting policies (continued)

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 historic 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 16 for details of the corporate administration services fees charged).

3. Employees

During the current and prior years 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 loss

Operating loss is stated after charging

	2009	2008
	\$	\$
Amounts paid to auditors		
- audit of the Company's accounts	11,136	13,027

5. Other interest receivable and similar income

	2009	2008
	\$	\$
Bank interest receivable	47	1,849

Gresham Receivables (No. 11) UK Limited

Notes to the accounts Year ended 31 December 2009

6. Debtors

	2009 \$	2008 \$
Other debtors	190,939	196,848

7. Other creditors

	2009 \$	2008 \$
Other creditors	224,725	239,630

8. Reconciliation of operating loss to net cash outflow from operating activities

	2009 \$	2008 \$
Operating loss	(1,667)	(4,888)
Decrease in debtors	5,909	21,751
Decrease in creditors	(14,905)	(35,976)
Foreign exchange (loss)/gain	(386)	3,039
Net cash outflow from operating activities	(11,049)	(16,074)

9. Analysis of cash flows

	2009 \$	2008 \$
Returns on investments and servicing of finance		
Interest received	47	1,849
Net cash inflow	47	1,849

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

	31 December 2008 \$	Cash flow \$	31 December 2009 \$
Cash in hand and at bank	44,790	(11,002)	33,788
Net cash	44,790	(11,002)	33,788

Gresham Receivables (No. 11) UK Limited

Notes to the accounts Year ended 31 December 2009

11 Called up share capital

	2009 \$	2008 \$
Authorised		
1 ordinary share of £1	2	2
Allotted, called-up and fully paid		
1 ordinary share of £1	2	2

12. Profit and loss account

	2009 \$	2008 \$
As at 1 January	2,006	3,965
Dividends	-	(1,959)
Loss for the financial year	(2,006)	-
As at 31 December	-	2,006

13. Tax on loss on ordinary activities

The tax charge comprises

	2009 \$	2008 \$
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

	2009 \$	2008 \$
Loss before tax	(2,006)	-
Tax at the UK corporation tax rate of 21%	421	-
Tax losses carried forward	(421)	-
Current tax charge for year ended 31 December 2009	-	-

14. 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

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2009

14. Financial instruments (continued)

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.

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 manages its interest rate risk by matching the interest rate profiles of its assets and liabilities.

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 2009, after taking into account the effects of offsetting foreign exchange transactions and balances, the Company has no significant currency exposures.

15. 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.

16. 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 \$5,691 (2008 \$10,497).

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 2009:

	2009	2008
	\$	\$
Liquidity and administration expense	(17,239)	(18,777)

Gresham Receivables (No. 11) UK Limited

Notes to the accounts

Year ended 31 December 2009

16. Related party transactions (continued)

The Company had following transactions outstanding with Lloyds TSB Bank plc at the year-end 2009

	As at 31 December 2009 \$	As at 31 December 2008 \$
Accounts payable	<u>221,485</u>	<u>238,724</u>

The Company had the following debtors outstanding with Cancara Asset Securitisation Limited at the year-end 2009

	As at 31 December 2009 \$	As at 31 December 2008 \$
Accrual	<u>190,939</u>	<u>196,848</u>