

Co No. FC026672

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SHERWOOD FUNDING ISSUER LIMITED

Report and financial statements
for the period from 7 March 2006 to 31 December 2006



SHERWOOD FUNDING ISSUER LIMITED

COMPANY INFORMATION

Administrators

Bedell Trust Company Limited
26 New Street
St Helier
Jersey
JE2 3RA

Secretary

Bedell Secretaries Limited
26 New Street
St Helier
Jersey
JE2 3RA

Assistant Secretary

Wilmington Trust SP Services (London) Limited
Tower 42
International Financial Centre
25 Old Broad Street
London
EC2N 1HQ

Auditors

Ernst & Young LLP
Unity Chambers
28 Halkett Place
St Helier
Jersey
JE1 1EY

Registered Office

26 New Street
St Helier
Jersey
JE2 3RA

SHERWOOD FUNDING ISSUER LIMITED

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SHERWOOD FUNDING ISSUER LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of Sherwood Funding Issuer Limited (the "Company") for the period from incorporation to 31 December 2006

Incorporation details

The Company was incorporated in Jersey on 7 March 2006 as a public company with limited liability, registered number 92702

The company is also registered as an overseas company and a branch under the laws of England and Wales with company number FC026672 and branch number BR008717

Activities

On 8 August 2001, a receivables trust (the "Receivables Trust") was formed pursuant to a receivables trust deed and servicing agreement made among, *inter alios*, Capital One Bank (Europe) plc ("COBE") as transferor beneficiary and servicer, Castle Receivables Trust Limited in its capacity as the receivables trustee (the "Receivables Trustee") and Tenby Castle Funding Group Limited, Carlisle Castle Funding Group Limited and Dover Castle Funding Group Limited in their capacities as investor beneficiaries (the "Investor Beneficiaries") The assets of the Receivables Trust comprise of, *inter alia*, receivables arising under designated credit card accounts of customers of COBE which have been assigned to the Receivables Trustee

The Company was incorporated as a special purpose vehicle to participate in the Sherwood Funding Medium Term Loan Note Programme (the "Programme") The sole purpose of the Company is to issue asset-backed medium term loan notes to enable it to purchase loan notes issued by Dover Castle Funding Group Limited

The Company's principal activities will be conducted through its London branch As at the date of this report, the Company has not commenced activities

Directors

The directors who held office during the period and subsequently are as follows

Mark Howard Filer (Appointed 21 March 2006)

Robin Baker (Appointed 21 March 2006)

None of the directors has any beneficial interest in the share capital of the Company

Results

The Company has not entered into any transactions during the period which have given rise to any gains or losses or any cash flows As such, neither a profit and loss account nor a cash flow statement have been prepared

Auditors

The auditors, Ernst & Young LLP, were appointed on 30 March 2007 and have expressed their willingness to continue in office A resolution that Ernst & Young LLP be re-appointed as the Company's auditors will be put to the forthcoming Annual General Meeting of the Company

Signed by order of the Board

 Robin Baker

Wilmington Trust SP Services (London) Limited
Assistant Secretary
30 March 2007

SHERWOOD FUNDING ISSUER LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and generally accepted accounting principles

Jersey company law requires the directors to prepare financial statements for each financial year which 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 should

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 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 (Jersey) Law 1991. 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 SHERWOOD FUNDING ISSUER LIMITED**

We have audited the company's financial statements for the period ended 31 December 2006 which comprise the Balance Sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. 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

The directors are responsible for the preparation of the financial statements in accordance with applicable Jersey law as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

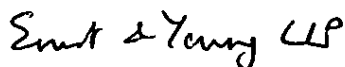
Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Accounting Standards, of the state of the company's affairs as at 31 December 2006 and have been properly prepared in accordance with the Companies (Jersey) Law 1991.



Ernst & Young LLP
Jersey, Channel Islands
Date 17 April 2007

SHERWOOD FUNDING ISSUER LIMITED

BALANCE SHEET As at 31 December 2006

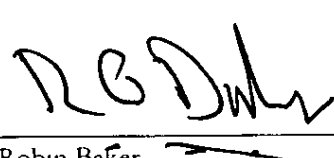
	<i>Notes</i>	31 December 2006 £
Investments		
Current assets		
Wilmington SP Services (London) Limited Client account		2
Net assets		<u>2</u>
Capital and Reserves		
Equity share capital	4	2
Profit and loss account		-
Equity shareholder's funds	5	<u>2</u>

The accompanying notes on pages 7 to 9 form an integral part of these financial statements

Approved by the Board on 30 March 2007



Mark Filer
Director



Robin Baker
Director

SHERWOOD FUNDING ISSUER LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the period 7 March 2006 to 31 December 2006

1 Accounting Policies

A summary of the principal accounting policies, all of which have been consistently applied throughout the period, is set out below

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with accounting principles generally accepted in the Island of Jersey, incorporating United Kingdom accounting standards. The financial statements are prepared in Sterling.

The company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Income and expenditure

All items of income and expenditure are accounted for on an accruals basis. However, whilst the Company remains essentially dormant, all of the fees, costs and expenses in relation to the administration of the Company including the annual filing fee and exempt company charge are paid by the Carlisle Castle Funding Group Limited and Tenby Castle Funding Group Limited out of Loan Note Issuer Costs. Amounts which those companies receive from the Receivables Trustee.

2 Taxation

Under Article 123A of the Income Tax (Jersey) law 1961, as amended, the Company has obtained Jersey exempt company status for the year and is therefore exempt from Jersey income tax on non Jersey source income and bank interest (by concession). A £600 annual exempt company fee is payable by the company.

3 Audit fees

The audit fees in respect of the Company for the period are £2,500 plus disbursements and shall be paid by Carlisle Castle Funding Group Limited and Tenby Castle Funding Group Limited out of Loan Note Issuer Costs amounts which those companies receive from the Receivables Trustee.

4 Equity share capital

	2006
	£
Authorised	
2 shares of £1.00 par value each	2
Issued and fully paid	
2 shares of £1.00 par value each	2

SHERWOOD FUNDING ISSUER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period 7 March 2006 to 31 December 2006

5. Statement of movements in equity shareholder's funds

	2006 £
Issue of share capital	2
Result for the period	-
Net addition to shareholder's funds	2
Opening shareholder's funds	-
Closing shareholder's funds	2

6. Parent party and related party transactions

The issued share capital of the company is held under a declaration of trust by Wilmington trust SP Services (London) Limited as trustee of the Sherwood Funding Issuer Charitable Trust, for certain charitable purposes

Certain Corporate administration services are provided by Wilmington SP Services (London) Limited, including the provision of the directors and an assistant secretary

Mark Filer is also a director of Wilmington Trust SP Services (London) Limited and Robin Baker is employed by Wilmington Trust SP Services (London) Limited

Corporate administration services are provided to the Company by Bedell Trust Company Limited, including the provision of the secretary

7. Ultimate controlling party

The ultimate controlling party is Wilmington trust SP Services (London) Limited as trustee of the Sherwood Funding Issuer Charitable Trust

Under the principles of Financial Reporting Standard No 5 "reporting the substance of transactions" the Company is deemed to be a quasi-subsiidiary of COBE

The ultimate controlling party of COBE is Capital One Bank, a banking corporation organised under the laws of the Commonwealth of Virginia in the United States

