

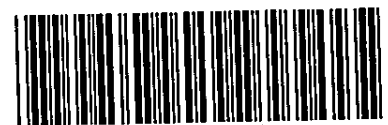
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SHERWOOD FUNDING ISSUER LIMITED

**Directors' report and audited financial statements
for the year ended 31 December 2009**

Bedell Trust Company Limited
PO Box 75, 26 New Street
St Helier, Jersey
Channel Islands, JE4 8PP

THURSDAY



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The directors present their report and the audited financial statements of Sherwood Funding Issuer Limited (the "Company") for the year ended 31 December 2009

Incorporation

The Company was incorporated in Jersey, Channel Islands on 7 March 2006 as a public company with limited liability. 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.

Principal 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 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 sole purpose of the Company is to issue asset-backed medium term loan notes to enable the Company to purchase loan notes issued by Dover Castle Funding Group Limited.

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

Directors

The directors of the Company, who served during the year and subsequently are

Mark Howard Filer
Jean Christophe-Schroeder

None of the directors has any beneficial interest in the shares of the Company.

Results and dividends

The Company has not entered into any transactions during the year which have given rise to any gains or losses or any cash flows. As such, a profit and loss account has not been prepared.

Secretary

The secretary of the Company during the year and subsequently is

Bedell Secretaries Limited

Assistant secretary

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

Auditors

The auditors of the 2009 financial statements, Ernst & Young LLP, have indicated their willingness to continue in office

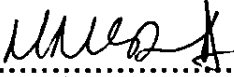
Statement of directors' responsibilities with regard to the financial statements

The directors are required by the Companies (Jersey) Law 1991, as amended, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss 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 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 accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991, as amended. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations

By order of the board


.....
Duly authorised
Wilmington Trust SP Services (London) Limited
Assistant secretary

24 JUNE 2010
.....
Date

Registered Office

26 New Street
St Helier
Jersey
JE2 3RA

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SHERWOOD FUNDING ISSUER LIMITED**

We have audited the company's financial statements for the year ended 31 December 2009 which comprise the Balance Sheet and the related notes 1 to 8. 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 113A 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 2009 and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

A handwritten signature in black ink, appearing to read 'Kirsty Mackay'.

Kirsty Mackay
For and on behalf of Ernst & Young LLP
Jersey, Channel Islands
Date 29 July 2010

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Sherwood Funding Issuer Limited
Balance sheet
31 December 2009

| | Notes | 31 December 2009 | | 31 December 2008 | |
|-----------------------------------|-------|---------------------|----------|---------------------|----------|
| | | £ | £ | £ | £ |
| Current assets | | | | | |
| Cash at bank | | <u>2</u> | | <u>2</u> | |
| Total net assets | | | <u>2</u> | | <u>2</u> |
| Capital and reserves | | | | | |
| Equity share capital | 5 | | <u>2</u> | | <u>2</u> |
| Equity shareholders' funds | 6 | | <u>2</u> | | <u>2</u> |

The financial statements on pages 5 to 7 were approved by the board of directors on **24 JUNE 2010** and signed on its behalf by:



.....
Director - Mark Howard Filer

The notes on pages 6 to 7 are an integral part of these financial statements

1 General Information

The Company is a public company incorporated in Jersey, Channel Islands. The principal activities of the Company are described in the directors' report.

2 Accounting policies

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 ("£") which reflects the economic structure of the underlying events and circumstances relevant to the 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 Carlisle Castle Funding Group Limited and Tenby Castle Funding Group Limited from loan note issuer costs amounts receivable from the Receivables Trustee.

Cash flow statement

The Company is exempt from producing a cash flow statement as required by Financial Reporting Standard 1 Cash Flow Statements (revised), on the grounds that it is a small entity.

3 Taxation

With effect from the 2009 year of assessment, Jersey abolished the exempt company regime for existing companies. Profits arising in the Company for the 2009 year of assessment and future periods will be subject to tax at the rate of 0%. In the prior year the Company was exempt from taxation under the provisions of Article 123A of the Income Tax (Jersey) Law 1961 as amended.

4 Audit fees

The audit fees in respect of the Company for the year are £2,830 plus disbursements (2008: £2,750) and shall be paid by Carlisle Castle Funding Group Limited and Tenby Castle Funding Group Limited from loan note issuer costs amounts receivable from the Receivables Trustee.

5 Equity share capital

| | 31 December 2009 £ | 31 December 2008 £ |
|---|--------------------------|--------------------------|
| Authorised | | |
| 2 ordinary shares of £1.00 par value each | 2 | 2 |
| Issued and fully paid | | |
| 2 ordinary shares of £1.00 par value each | 2 | 2 |

6 Reconciliation of movements in shareholders' funds

| | 31 December 2009 £ | 31 December 2008 £ |
|-------------------------------------|--------------------------|--------------------------|
| Net addition to shareholders' funds | - | - |
| Opening shareholders' funds | 2 | 2 |
| Closing shareholders' funds | 2 | 2 |

7 Ultimate controlling party

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

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

Under the principles of Financial Reporting Standard 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 Finance Corporation, a banking corporation organised under the laws of the Commonwealth of Virginia in the United States

8 Related party transactions

Certain corporate administration services are provided by Wilmington SP Services (London) Limited, including the provision of the directors and an assistant secretary. No administration fees will be paid to Wilmington SP Services (London) Limited whilst the Company is dormant.

Mark Filer and Jean-Christophe Schroeder are directors of 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. In the year administration fees amounting to £2,168 were paid to Bedell Trust Company Limited by a third party on behalf of the Company (2008 £3,144). As at the end of the year administration fees totalling £1,500 were payable to Bedell Trust Company Limited by a third party on behalf of the Company (2008 £nil).