Company Registration Number 5578205

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

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COMPANY INFORMATION

The board of directors	Wilmington Trust SP Services (London) Limited Mr M H Filer Mr J Traynor
Company secretary	Wilmington Trust SP Services (London) Limited
Registered office	c/o Wilmington Trust SP Services (London) Limited Fifth Floor 6 Broad Street Place London EC2M 7JH
Auditors	Deloitte LLP London

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors have pleasure in presenting their report and the financial statements of the Group which comprise the results of the Company and its subsidiary, Deco 6 – UK Large Loan 2 Plc, for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES AND ENHANCED BUSINESS REVIEW
The Company's principal activity is to hold an investment in Deco 6 – UK Large Loan 2 Plc and hold the Post-Enforcement Call Option and other similar options granted in respect of securities granted by other issuers.

The Post-Enforcement Call Option will permit the Company to acquire from the noteholders all the notes then outstanding at a price of one penny per note when notice is received from the Issuer Security Trustee.

Deco 6 – UK Large Loan 2 Plc is a special purpose company established in order to issue floating rate loan notes due July 2017 ("the Notes") and to acquire the beneficial interest in a mortgage portfolio from Deutsche Bank AG, London Branch, ("the Mortgage Loan"). Deco 6 – UK Large Loan 2 Plc was also established in order to open accounts, to create security and receive interest in respect thereof, and to enter into certain related transactions as described in the Offering Circular dated 1 December 2005. On 6 December 2005, the subsidiary issued £555,119,911 floating rate loan notes in accordance with the Offering Circular.

The key performance indicator of the business is considered to be the net interest margin. During 2009, the Group achieved a net interest margin (net interest income divided by interest income) of 3.15% (2008: 2.36%). At the year end, the Group had net liabilities of £35,737,760 (2008: £146,828) due to the fair value movement of the derivatives.

RESULTS AND DIVIDENDS
The trading results for the year and the Group and Company's financial position at the end of the year are shown in the attached financial statements.
The loss of the Group after tax amounted to £35,884,588 (2008 loss: £8,221,422). The loss for the year was due to fair value movement on derivatives.

The directors have not recommended a dividend.

FUTURE DEVELOPMENTS
The directors will continue to closely monitor the Group's progress. There were no significant events affecting the Group after the year end. The directors do not expect any significant changes in the operating activities of the Group or Company after the year end.

CREDITOR PAYMENT POLICY
The Group's policy concerning 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 is repaid quarterly in accordance with the agreements in place. The Group does not follow any other code or standard on payment practice.

FINANCIAL INSTRUMENTS
The Group's financial instruments, other than derivatives, comprise mortgage loans, cash and cash equivalents, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to acquire a mortgage portfolio from Deutsche Bank AG, London Branch.

The Group also enters into derivative transactions (principally three interest rate swaps and three basis swaps). The purpose of such transactions is to manage the interest rate risk arising from the Group's operations and its sources of finance.

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

Furthermore, the directors acknowledge that the global macro-economic indicators and general business environment have improved in the period under review as opposed to the previous one which was subject to deterioration. Market liquidity constraints, limited availability of credit and difficult trading conditions continue to pose significant challenges to all underlying businesses and borrowers with whom the Company has exposure through the deemed loan. Conditions may deteriorate further due to the continued global financial and economic uncertainty.

The Board reviews and agrees policies for managing risks arising on the Group's financial instruments and they are summarised below.

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

FINANCIAL INSTRUMENTS (CONTINUED)

Currency risk
All of the Group'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 Group minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar; where this is not possible the Group uses interest rate swaps and basis swaps to mitigate any residual interest rate risk.

Credit risk
The principal credit risk to the Group is that the borrowers will not be able to meet their obligations as they fall due. The mortgage loans are secured on a number of UK commercial properties which are geographically diverse and include a diverse tenant portfolio.

The most significant concentration of credit risk is considered to be the mortgage loans. At 31 March 2009, the loan amount outstanding was £368,471,581 (2008: £368,994,469). The largest exposure to credit risk is to Mapeley totalling £170,907,800 (2008: £170,907,800). The mortgage loan portfolio consists of 3 loans secured over 22 properties (2008:3 loans secured over 22 properties).

Refinancing risk
The ability of a borrower to make timely payment of principal due on any Loan on the relevant Loan maturity date may be dependent upon that borrower's ability to refinance the Loan. In the event a borrower cannot refinance before or at the loan maturity date, repayment may delayed and in some circumstances the collateral which would be enforced and sold, or in the case that the charged property is sold at a value below the then outstanding principal of the Loan, repayment of the Loan may be made at below par. In such circumstances, the company would be unable to repay certain classes of Notes in full.

If in the event of the Loans not being able to be repaid, the Notes would be written down starting from the lowest class of Note, A1, to the highest class of Note, D.

Impairment
The company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

If there is objective evidence that an impairment loss on a financial asset classified as loans and receivable has been incurred, the company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are recognised in profit or loss and the carrying amount of the financial asset reduced by establishing an allowance for impairment losses. If, in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted on measuring impairment.

Liquidity risk
A facility provided by Calyon (London Branch) has been established which will be available, subject to certain criteria and circumstances, in the event of the Group being unable, on a temporary basis, to meet its financial commitments. The liquidity facility was renewed on 2 December 2008 to expire on 1 December 2009. The directors expect this facility to be renewed annually. Further discussion of the Group's approach to financial instruments is set out in note 1 (significant accounting policies) and in note 15.

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

DIRECTORS
The directors who served the Group during the year were as follows:

Wilmington Trust SP Services (London) Limited
(previously named SPV Management Limited)
Mr M H Filer
Mr J Traynor

AUDITORS
Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

In the case of each of the persons who are directors of the company at the date when this report was approved:
• so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware;
• each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information; and
• This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Signed by order of the directors

For and on behalf of
WILMINGTON TRUST SP SERVICES (LONDON) LIMITED
Company Secretary
Date: 30 October 2009

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2009

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. The directors are required by the IAS Regulation to prepare the group financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also elected to prepare the parent company financial statements in accordance with IFRSs as adopted by the European Union. The financial statements are also required by law to be properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and directors' remuneration report which comply with the requirements of the Companies Act 1985.

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties it faces.

Signed by order of the directors

For and on behalf of
WILMINGTON TRUST SP SERVICES (LONDON) LIMITED, Company Secretary

Date: 30 October 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

We have audited the group and parent company financial statements (the "financial statements") of DECO 6 – UK Large Loan 2 Holding Limited for the year ended 31 March 2009 which comprise the Group and Company income statements, the Group and Company balance sheets, the Group and Company statements of changes in equity, the Group and Company cash flow statements and the related notes 1 to 19. 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 section 235 of the Companies Act 1985. 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are 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 Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Directors' Report and considered the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. We consider the implications for our report if we become aware of any apparent misstatements or inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Directors' Report.

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 group's and 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 group and parent financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's and the parent company's affairs as at 31 March 2009 and of the group's loss and the parent company result for the year ended 31 March 2009;
- the group and parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP.

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
30 October 2009

Company Registration Number 5578205

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

Continuing operations	**Notes**	**2009 £**	2008 £
Interest income	**2**	**22,077,149**	24,926,281
Interest expense	**3**	**(21,380,670)**	(24,338,620)
Net interest income		**696,479**	587,661
Fair value loss on derivative financial instruments	**16**	**(35,882,273)**	(10,188,937)
Other operating expenses	**4**	**(672,203)**	(554,281)
Loss before tax for the year		**(35,857,997)**	(10,155,557)
Income tax credit	**5**	**(26,591)**	1,934,135
Loss after tax for the year attributable to equity holders	**11**	**(35,884,588)**	(8,221,422)

The notes on pages 13 to 28 form part of these financial statements.

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	2008 £
Non-current assets			
Mortgage loan	8	**368,471,581**	368,994,469
Current assets			
Deferred tax asset	6	**-**	21,077
Mortgage loan	8	**522,888**	522,888
Trade and other receivables	9	**3,850,407**	4,225,777
Cash and cash equivalents	10	**262,919**	325,158
		4,636,214	5,094,900
Total assets		**373,107,795**	374,089,369
Equity			
Share capital	11	**1**	1
Retained (loss)/earnings	11	**(35,737,761)**	146,827
Total deficit/ equity		**(35,737,760)**	146,828
Non-current liabilities			
Interest-bearing loan notes	12	**368,471,581**	368,994,469
Non interest-bearing loans	13	**12,501**	12,501
Total non-current liabilities		**368,484,082**	369,006,970
Current liabilities			
Interest-bearing loan notes	12	**522,888**	522,888
Accrued interest	12	**1,661,676**	3,910,690
Trade and other payables	14	**2,177,153**	385,270
Current tax liability		**12,100**	11,340
Derivative financial instruments	16	**35,987,656**	105,383
Total current liabilities		**40,361,473**	4,935,571
Total liabilities		**408,845,555**	373,942,541
Total equity and liabilities		**373,107,795**	374,089,369

These financial statements on pages 7 to 28 were approved by the directors, authorised for issue on 30 October 2009 and signed on their behalf by:

For and on behalf of
WILMINGTON TRUST SP SERVICES (LONDON) LIMITED
Director

The notes on pages 13 to 28 form part of these financial statements.

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	2008 £
Non-current assets			
Investment in subsidiary	7	12,501	12,501
Current assets			
Cash and cash equivalents	10	1	1
Total assets		12,502	12,502
Equity			
Share capital	11	1	1
Retained earnings	11	-	-
Total equity		1	1
Non-current liabilities			
Non interest-bearing loans	13	12,501	12,501
Total non-current liabilities		12,501	12,501
Total liabilities		12,501	12,501
Total equity and liabilities		12,502	12,502

These financial statements on pages 7 to 28 were approved by the directors, authorised for issue on 30 October 2009 and signed on their behalf by:

For and on behalf of
WILMINGTON TRUST SP SERVICES (LONDON) LIMITED
Director

The notes on pages 13 to 28form part of these financial statements.

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
At start of year 1 April 2008		**146,828**	8,368,250
Loss for the year	11	**(35,884,588)**	(8,221,422)
Closing deficit/ equity at 31 March 2009		**(35,737,760)**	146,828

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
At start of year 1 April 2008		**1**	1
Profit for the year	11	**-**	-
Closing equity at 31 March 2009		**1**	1

The notes on pages 13 to 28 form part of these financial statements.

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009	2008
Cash flows from operating activities			
Loss before tax for the year		**(35,857,997)**	(10,155,557)
Adjustments for:			
Fair value movement on derivative financial instrument		**35,882,273**	10,188,937
Bank interest receivable	**2**	**(22,136)**	(32,551)
Interest on overdue tax	**3**	**43**	2,724
Increase/ (decrease) in trade and other receivables	**9**	**375,370**	(220,559)
Increase/(decrease) in trade and other payables	**12,14**	**(457,131)**	294,875
Net cash (used in)/from operating activities		**(79,578)**	77,869
Taxation paid		**(4,754)**	(64,520)
Investing activities			
Repayments during year	**8**	**522,888**	522,888
Bank interest received	**2**	**22,136**	32,551
Interest on overdue tax		**(43)**	(2,724)
Net cash from investing activities		**544,981**	552,715
Financing activities			
Redemption of loan notes during the year/period	**12**	**(522,888)**	(522,888)
Net cash used in financing activities		**(522,888)**	(522,888)
Net (decrease)/increase in cash and cash equivalents		**(62,239)**	43,176
Cash and cash equivalents at beginning of year		**325,158**	281,982
Cash and cash equivalents at 31 March	**10**	**262,919**	325,158

(As explained in the accounting policies note on page 15, the cash is not freely available to be used.)

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Cash flows from operating activities			
Profit before tax for the year		-	-
Net cash from operating activities		-	-
Cash and cash equivalents at beginning of year		1	1
Cash and cash equivalents at 31 March	10	1	1

1. SIGNIFICANT ACCOUNTING POLICIES

Deco 6 – UK Large Loan 2 Holding Limited is a Company incorporated in the UK under the Companies Act 1985 and domiciled in England. The address of the registered office is given on page 1.

Statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU as they apply to the financial statements of the Group for the year ended 31 March 2009.

The accounting policies set out below have been applied in respect of the financial year ended 31 March 2009.

Basis of preparation

The financial statements are presented in Pounds Sterling.

The financial statements have been prepared on the historical cost basis as modified for the revaluation of certain financial instruments under IAS 39 Financial Instruments: Recognition and Measurement.

Due to the fact that the nature of the business is to provide finance, the directors are of the opinion that it is more appropriate to use interest income and interest expense rather than turnover and cost of sales in preparing the income statement.

Basis of preparation – going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position and its principal uncertainties are set out in the Directors Report on pages 2 and 3. In addition, note 14 to the financial statements includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The loan notes issued by the Group are non-recourse and their terms us such that amounts due are only payable to the extent that there are sufficient receipts from the Group's assets. As a consequence, the directors believe that the Group 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 Group 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (the Subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

- Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to benefit from its activities.

- Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Business combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non Current Assets Held for Sale and Discontinued Operations,* which are recognised and measured at fair value less costs to sell.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates used in the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Financial instruments
The Group's financial instruments comprise a mortgage loan, cash and liquid resources, derivatives, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to acquire a beneficial interest in mortgage loans. These financial instruments are classified in accordance with the principles of IAS 39 Financial Instruments: Recognition and Measurement as described below.

Mortgage loans
The mortgage loans and interest receivable thereon are classified as loans and receivables and are initially measured at fair value with subsequent measurement being at amortised cost using the effective interest method.
Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Deferred consideration
Deferred purchase consideration represents further amounts payable on the acquisition of commercial mortgage loans from Deutsche Bank AG, London Branch. Provision is made for the deferred purchase consideration as amounts become payable as a result of the performance of the acquired commercial mortgage loans and is included in the income statement as an expense.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are classified as loans and receivables.

Derivative financial instruments and hedging activities
Derivative financial instruments are classified as fair value through profit and loss. The Group uses derivative financial instruments to hedge its exposure to interest rate risk arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as held for trading.

IAS 39 requires all financial assets and liabilities to be recognised initially at fair value on the balance sheet. Subsequent to initial recognition, any changes in fair value of the derivatives held are recognised in the profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

The fair value of interest rate swaps and basis swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.
Interest income receivable or interest expense on the interest rate swap is accounted for on an effective interest rate basis within interest income or interest expense in the income statement.

Interest-bearing loans
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings and interest payable thereon 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 IAS 39.

Interest income and expense
Interest income on financial assets that are classified as loans and receivables and interest expense on financial liabilities other than those at fair value through profit or loss is determined using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

Value added tax
Value added tax is not recoverable by the Group and is included with its related cost.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax expense
Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither the accounting nor taxable profit or loss; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Under special rules issued by the Inland Revenue for securitisation companies, the company's charge for taxation is based on its taxable profits calculated on a UK GAAP basis but is disclosed in accordance with IAS 12.

Standards issued but not adopted
The directors are considering the following standards which are currently in issue but are not yet effective and have not been adopted in the current financial period.

IFRS 1 (amended)/IAS 27 (amended) – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
IFRS 2 (amended) – Share based Payment – Vesting Conditions and Cancellations.
IFRS 3 (revised 2008) – Business Combinations.
IAS 23 (revised 2007) – Borrowing Costs.
IAS 27 (revised 2008) – Consolidated and Separate Financial Statements.
IAS 32 (amended)/IAS 1 (amended) – Puttable Financial Instruments and Obligations Arising on Liquidation.
IFRIC 12 – Service Concession Arrangements.
IFRIC 15 – Agreements for the Construction of Real Estate.
IFRIC 16 – Hedges of a Net Investment in a Foreign Operation.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

Segmental reporting
The principal asset of the Group is the beneficial interest in the mortgage portfolio originated in the United Kingdom which is funded by floating rate notes issued in the United Kingdom. The directors do not consider it necessary to provide a further analysis of the results of the Group from those already disclosed in these financial statements.

2. INTEREST INCOME

	2009 Group £	2008 Group £
Income from mortgage loans	**21,406,952**	21,512,771
Net swap interest receivable	**648,061**	3,380,959
Bank interest received	**22,136**	32,551
	22,077,149	24,926,281

3. INTEREST EXPENSE

	2009 Group £	2008 Group £
Interest on loan notes	**20,482,535**	23,317,580
Deferred consideration	**898,092**	1,018,316
Interest on overdue tax	**43**	2,724
	21,380,670	24,338,620

4. OTHER OPERATING EXPENSES

	2009 Group £	2008 Group £
Administration and cash management fees	**660,458**	522,457
Audit fees for the audit of the Group's accounts:		
Parent company	**3,500**	3,500
Subsidiaries	**18,503**	18,825
Corporate services fees	**9,742**	9,499
	672,203	554,281

The directors received no emoluments for their services as directors to the Group during the period, except for those disclosed in note 17. The directors had no material interest in any contract of significance in relation to the business of the Group. The Group did not have any employees in the current year or preceding period.

5. INCOME TAX EXPENSE

The Group, has elected to be taxed under the Taxation of Securitisation Companies 2006 (Regulations) i.e. the permanent regime. Corporation tax is therefore calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement.

The directors are satisfied that this Group meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

The Group is therefore taxed by reference to the profit required to be retained in accordance with the pre-enforcement priority of payments as defined in the terms and conditions of the loan notes.

Group	**2009**	2008
Current tax:	**£**	£
Corporation tax charge for the year at a rate of 21%/20%	**5,224**	6,876
Adjustment to prior year's charge	**290**	(4,058)
Deferred tax:		
Deferred tax credit at 21% (2008:20%)	**-**	(1,936,953)
Reversal of prior periods' deferred tax	**21,077**	-
Total income tax charge/(credit) in the income statement	**26,591**	(1,934,135)

5. INCOME TAX EXPENSE (continued)

Group	2009	2008
Reconciliation of total tax charge	**£**	£
The tax assessed for the period is at the standard rate of corporation tax in the UK of 21% (2008: 20%).		
Loss before tax	**(35,857,997)**	(10,155,557)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 21% (2008: 20%)	**(7,530,179)**	(2,031,111)
Change in tax rate in computing deferred tax charge	-	100,834
Permanent differences relating to application of Taxation of Securitisation Companies Regulations 2006	**7,535,403**	-
Reversal of prior year deferred tax	**21,077**	-
Adjustment in respect of the prior year	**290**	(4,058)
Total tax charge/(credit) reported in the income statement	**26,591**	(1,934,135)

Company	2009	2008
Current tax:	**£**	£
Corporation tax charge for the period at a rate of 21%/20%	-	-
Total income tax expense in income statement	-	-

	2009	2008
Reconciliation of total tax charge	**£**	£
The tax assessed for the period is at the small companies' rate of corporation tax in the UK of 21% (2008:20%).		
Profit before tax	-	-
Profit before tax multiplied by the small companies' rate of corporation tax in the UK of 21% (2008:20%)	-	-
Total income tax expense in income statement	-	-

6. DEFERRED TAX

Group	2009	2008
Deferred tax asset	**£**	£
At 1 April 2008	**21,077**	(1,915,876)
Credit to income for the year	**(21,077)**	1,936,953
Balance carried forward	-	21,077

Deferred taxes are provided in full on temporary differences under the liability method using a principal rate of tax of 21% (2008: 20%)

The deferred tax asset is attributable to temporary differences arising in respect of the following items:

	2009	2008
	£	£
Fair value movement of derivatives	-	10,188,937
Deferred tax asset	-	21,077

7. INVESTMENT IN SUBSIDIARY

	2009 Company £
At 1 April 2008 and 31 March 2009	**12,501**

The investment represents the ownership of 99.98% of the issued ordinary share capital of Deco 6 – UK Large Loan 2 Plc, a special purpose entity registered in England and Wales. Deco 6 – UK Large Loan 2 Plc is a special purpose company established in order to issue floating rate loan notes due July 2017 ("the Notes"), to acquire the beneficial interest in a mortgage portfolio from Deutsche Bank AG, London Branch, ("the Mortgage Loan"), to open accounts, to create security and receive interest in respect thereof, and to enter into certain related transactions as described in the Offering Circular dated 1 December 2005.
This transaction has been accounted for by the purchase method of accounting.

8. MORTGAGE LOAN

Group	2009 £	2008 £
At 1 April	**369,517,357**	370,040,245
Redemptions in year	**(522,888)**	(522,888)
At 31 March	**368,994,469**	369,517,357
The balance can be analysed as follows:		
Current assets	**522,888**	522,888
Non-current assets	**368,471,581**	368,994,469
	368,994,469	369,517,357

The mortgage loans are due for repayment by July 2015. At 31 March 2009, £368,994,469 (2008: £369,517,357) was outstanding. At 31 March 2009, interest on £95,000,000 (2008: £95,000,000) of the outstanding principal was at a fixed rate of 5.53%, interest on £103,086,669 (2008: £103,609,557) was at a fixed rate of 6.24% and interest on the remaining £170,907,800 (2007: £170,907,800) was at a fixed rate of 5.70%. The loans are secured over commercial properties held by Deutsche Bank AG, London Branch in its capacity of Borrower Security Trustee on behalf of the Group.

The Servicer is responsible for monitoring compliance with the loan to value and coverage covenants in accordance with the servicing agreement dated 4 October 2005. At its sole discretion it has the ability to call for a revaluation of the mortgage property. The Servicer has confirmed that as at the report date the coverage and loan to value covenants have not been breached

9. TRADE AND OTHER RECEIVABLES

	2009 Group £	2009 Company £	2008 Group £	2008 Company £
Other debtors	**38,260**	**-**	36,297	-
Prepayments and accrued income	**3,812,147**	**-**	4,189,480	-
	3,850,407	**-**	4,225,777	-

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

10. CASH AND CASH EQUIVALENTS

	2009 Group £	2009 Company £	2008 Group £	2008 Company £
Cash and cash equivalents	262,919	1	325,158	1

The Group has deposits in bank accounts held in the Group's name which meet the definition of cash and cash equivalents but their use is restricted by a detailed priority of payments set out in the securitisation transaction agreements. As the cash can only be used to meet certain specific liabilities and is not available to be used with discretion, it is viewed as restricted cash.

11. TOTAL EQUITY

Group	Issued capital £	Retained profit/ (loss) £	Total £
At 1 April	1	146,827	146,828
Loss for the year	-	(28,327,180)	(28,327,180)
Balance at 31 March	1	(28,180,353)	(28,180,352)

Company	Issued capital £	Retained profit £	Total £
At 1 April	1	-	1
Profit for the year	-	-	-
Balance at 31 March	1	-	1

There are 100 authorised ordinary shares of £1 each. The issued share capital comprises one £1 share called up and fully paid. Wilmington Trust SP Services (London) Limited holds the entire share capital in the Company under a declaration of trust for charitable purposes.

12. INTEREST-BEARING LOANS

This note provides information about the contractual terms of the Group's interest-bearing loans. For more information about the Group's exposure to interest rate risk, see note 15.

Group	2009 £	2008 £
At 1 April 2008	369,517,357	370,040,245
Redemptions in year	(522,888)	(522,888)
At 31 March 2009	368,994,469	369,517,357
Non-current liabilities		
Loan notes	368,471,581	368,994,469
	368,471,581	368,994,469
Current liabilities		
Loan notes	522,888	522,888
Interest payable on loan notes	1,661,676	3,910,690
	2,184,564	4,433,578

Current liabilities due within one year are paid when cash is available after other commitments have been fulfilled in order of priority in accordance with the Offering Circular.

12. INTEREST-BEARING LOANS (Continued)

On 6 December 2005 an agreement was entered into with Calyon (London Branch) for the provision of a liquidity facility for the Group. The facility is in place to allow the Group to meet its obligations should there be a shortfall in the revenue or principal received from the mortgage loan. At the balance sheet date, the limit on this facility was £28,000,000 (2008:£39,000,000). A fee is charged on the undrawn balance, currently set out at 0.15% per annum. This fee would increase on any drawn balance. No amounts have been drawn under the facility since inception. The liquidity facility is secured by way of fixed and floating charges over the Group's assets including the mortgage loan.

Interest-bearing loans and borrowings are repayable as follows:

Year ended 31 March 2009

Group	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
	£	**£**	**£**	**£**	**£**
Liabilities					
Floating rate notes due 2017	**368,994,469**	**522,888**	**522,888**	**197,040,893**	**170,907,800**
Interest payable	**1,661,676**	**1,661,676**	**-**	**-**	**-**
	370,656,145	**2,184,564**	**522,888**	**197,040,893**	**170,907,800**

Year ended 31 March 2008

Group	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	£	£	£	£	£
Liabilities					
Floating rate notes due 2017	369,517,357	522,888	522,888	197,563,781	170,907,800
Interest payable	3,910,690	3,910,690	-	-	-
	373,428,047	4,433,578	522,888	197,563,781	170,907,800

The loan notes are denominated in the following currencies:

Group	**2009**	2008
	£	£
Sterling	368,994,469	369,517,357

On 6 December 2005, the Group issued £173,000,000 Class A1 notes due July 2017, £259,900,000 Class A2 notes due July 2017, £43,000,000 Class B notes due July 2017, £49,100,000 Class C notes due July 2017 and £30,119,911 Class D notes due July 2019. Interest on the Class A1 notes is payable at a rate of 3 month LIBOR plus 0.20%. Interest on the Class A2 notes is payable at a rate of 3 month LIBOR plus 0.25%. Interest on the Class B notes is payable at a rate of 3 month LIBOR plus 0.44%. Interest on the Class C notes is payable at a rate of 3 month LIBOR plus 0.70%. Interest on the Class D notes is payable at a rate of 3 month LIBOR plus 1.05%.

At the balance sheet date £63,123,917 (2008: £63,646,805) in respect of the Class A1 notes was outstanding, £208,038,771 (2008: £208,038,771) in respect of Class A2 notes, £34,419,650 (2008: £34,419,650) in respect of Class B notes, £39,302,438 (2007: £39,302,438) in respect of Class C notes, and £24,109,693 (2008: £24,109,693) in respect of the Class D notes. The notes are secured by way of a fixed and floating charge over the assets of the Group. The proceeds of the notes were used by the Group to acquire the mortgage loans from Deutsche Bank AG in accordance with the terms of the securitisation documents.

13. NON INTEREST-BEARING LOANS

	2009 Group	**2009 Company**	2008 Group	2008 Company
Non-current liabilities	**£**	**£**	£	£
Other loans	**12,501**	**12,501**	12,501	12,501

Other loans relate to an amount received from Wilmington Trust SP Services (London) Limited, a related company.

Non interest-bearing loans and borrowings are repayable as follows:

	2009 Group	**2009 Company**	2008 Group	2008 Company
In more than five years	**£**	**£**	£	£
Other loans	**12,501**	**12,501**	12,501	12,501

Non interest-bearing loans are denominated in Sterling.

14. TRADE AND OTHER PAYABLES

	2009 Group	2008 Group
Current liabilities	**£**	£
Other creditors	**-**	67,576
Accruals and deferred income	**2,177,153**	317,694
	2,177,153	385,270

Current liabilities due within one year are paid when cash is available after other commitments have been fulfilled, in order of priority in accordance with the Offering Circular.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

15. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties are set out in the Directors' Report on page 3.

Interest rate risk
The Group is exposed to movements in interest rates and manages this exposure using interest rate swaps. More specifically, the Company is exposed to basis risk due to the timing difference in interest payment dates on the Notes and the deemed loan. This is hedged using an interest rate 'basis' swap that is taken out on inception of the securitisation.

After taking into consideration the Company's derivative instruments, the administered interest rate nature of the Group's mortgage loans, the regular re-pricing of the Group's floating rate notes, together with the nature of the Company's other assets and liabilities, the directors do not believe that the Group has any significant interest rate re-pricing exposure.

Interest rate sensitivity
The sensitivity of the Group to interest rate changes, and the resulting changes in net assets attributable to equity shareholders, is limited as the Group uses interest rate swaps to mitigate the risk and only retains 0.01% of available revenue receipts from the beneficial interest in the mortgage portfolio with the resulting fluctuations being taken up by the deferred purchase consideration due to Deutsche Bank AG.

Credit risk
Credit risk arises where the borrower will not be able to meet their obligations as they fall due. The mortgage loans are secured on a number of UK commercial properties which are geographically diverse and include a diverse tenant portfolio.

The most significant concentration of credit risk is considered to be the mortgage loans to Mapeley totalling £170,907,800 (2008: £170,907,800). At 31 March 2009, the total amount outstanding on all mortgage loans was £368,994,468 (2008: £369,517,357). The directors consider that the Group's beneficial interest in the commercial properties granted as security will be sufficient to recover the full amount of these loans.

The credit quality of the underlying mortgage loans is summarised as follows:

	31 March 2009	31 March 2008
	£	£
Neither past due nor impaired	368,994,469	369,517,357
	368,994,469	369,517,357

With regard to credit risk on derivatives, the directors monitor the credit rating of the swap provider and in case of any downgrade may require the swap provider to provide sufficient collateral or transfer its obligations to another bank of a higher credit rating.

Liquidity risk
A facility provided by Calyon (London Branch) has been established which will be available, subject to certain criteria and circumstances, in the event of the Group being unable, on a temporary basis, to meet its financial commitments.

At 31 March 2009 this facility was not required, and has not been used during the year. The liquidity facility was renewed on 2 December 2008 to expire on 1 December 2009. The directors expect this facility to be renewed annually.

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Liquidity risk (continued)
The tenor of the Floating rate notes is designed to match the term of the limited recourse notes and hence, there are deemed to be limited liquidity risks facing the Group.

The table below reflects the undiscounted contractual cash flows of financial liabilities at the balance sheet date of non-derivative financial instruments.

As at 31 March 2009	Carrying value	Gross cash flows	After 1 month but within 3 months	After 3 months but within one year	After 1 year but within 5 years	After 5 years
	£	£	£	£	£	£
Notes	368,994,469	368,994,469	130,722	392,166	197,563,781	170,907,800
Interest payable on Notes	1,661,676	104,435,052	1,458,003	15,352,225	73,414,427	14,210,397
Total non-derivative financial instruments	370,656,145	473,429,521	1,588,725	15,744,391	270,978,208	185,118,197

As at 31 March 2008	Carrying value	Gross cash flows	After 1 month but within 3 months	After 3 months but within one year	After 1 year but within 5 years	After 5 years
	£	£	£	£	£	£
Notes	369,517,357	369,517,357	130,722	392,166	198,086,669	170,907,800
Interest payable on Notes	3,910,690	128,772,022	1,648,797	17,363,485	83,010,244	26,749,496
Total non-derivative financial instruments	373,428,047	498,289,379	1,779,519	17,755,651	281,096,913	197,657,296

The redemption of the notes is dependent on the receipt of payments on the loan notes. In accordance with the respective Prospectus for each of the Notes, Class A1 Notes will be redeemed in priority to redemption of the remaining classes of Notes followed by Class A2, B, C and D. Interest payable on floating rate notes was estimated based on the floating rate amounts as at 31 March 2009.

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

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 11, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 9 to 10.

The Group is not subject to any external capital requirements except for the minimum requirement under the Companies Act 1985. The Group has not breached the minimum requirement. The gearing ratios at 31 March 2009 and 31 March 2008 were 107.40% and 99.96% respectively.

Financial instruments
The Group's financial instruments, other than derivatives, comprise a portfolio of commercial mortgage loans, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The Group also enters into derivative transactions (principally interest rate swaps). The purpose of such transactions is to manage the interest rate risks arising from the Company's operations and its sources of finance.

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

DECO 6 – UK LARGE LOAN 2 HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Fair values
The fair values together with the carrying amounts shown in the balance sheet are as follows:

Financial assets Group	Notes	Carrying amount 2009 £	Fair value 2009 £	Carrying amount 2008 £	Fair value 2008 £
Deferred tax asset	6	-	-	21,077	21,077
Mortgage loans	8	368,994,469	258,020,404	369,517,357	349,346,112
Trade and other receivables	9	3,850,407	3,941,440	4,225,777	4,225,777
Cash and cash equivalents	10	262,919	262,919	325,158	325,158
Total assets		373,107,795	262,133,730	374,089,369	353,918,124
Financial liabilities					
Interest-bearing loans and borrowings	12	(368,994,469)	(222,032,748)	(369,517,357)	(332,688,367)
Non-interest bearing loans	13	(12,501)	(12,501)	(12,501)	(12,501)
Interest payable	12	(1,661,676)	(1,661,676)	(3,910,690)	(3,910,690)
Trade and other payables	14	(2,177,153)	(2,177,153)	(385,270)	(385,270)
Current tax liability		(12,100)	(12,100)	(11,340)	(11,340)
Derivative financial instruments	16	(35,987,656)	(35,987,656)	(105,383)	(105,383)
Total liabilities		(408,845,555)	(261,883,834)	(373,942,541)	(337,113,551)
		(35,737,760)	249,896	146,828	16,804,573

Company	Notes	Carrying amount 2008 £	Fair value 2008 £	Carrying amount 2007 £	Fair value 2007 £
Investment in subsidiary	7	12,501	12,501	12,501	12,501
Cash and cash equivalents	10	1	1	1	1
Non-interest bearing loans	13	(12,501)	(12,501)	(12,501)	(12,501)
		1	1	1	1

Interest rate risk profile of financial liabilities
All of the Group's financial liabilities are floating rate and carry interest rates based on the relevant three-month LIBOR rate.

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Effective interest rates and repricing analysis

The following table details the Group's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

Group At 31 March 2009	Weighted average effective interest rate %	1 to 3 months £	Non-interest bearing £	Total £
Assets				
Trade and other receivables	-	-	3,850,407	3,850,407
Mortgage loans	5.978%	368,994,469	-	368,994,469
Cash and cash equivalents	-	262,919	-	262,919
Total assets		369,257,388	3,850,407	373,107,795
Liabilities				
Accruals and tax liabilities	-	-	3,850,929	3,850,929
Derivative financial instruments	-	-	35,987,656	35,987,656
Non-interest bearing loans	-	-	12,501	12,501
Interest bearing loans	5.547%	368,994,469	-	369,517,357
Total liabilities		368,994,469	39,851,086	408,845,555

Group At 31 March 2008	Weighted average effective interest rate %	1 to 3 months £	Non interest bearing £	Total £
Assets				
Trade and other receivables	-	-	4,225,777	4,225,777
Mortgage loans	5.774%	369,517,357	-	369,517,357
Deferred tax asset	-	-	21,077	21,077
Cash and cash equivalents	-	325,158	-	325,158
Total assets		369,842,515	4,246,854	374,089,369
Liabilities				
Accruals and tax liabilities	-	-	4,307,300	4,307,300
Derivative financial instruments	-	-	105,383	105,383
Non-interest bearing loans	-	-	12,501	12,501
Interest bearing loans	6.264%	369,517,357	-	369,517,357
Total liabilities		369,517,357	4,425,184	373,942,541

Company At 31 March 2009	Weighted average effective interest rate %	1 to 3 months £	Non interest bearing £	Total £
Assets				
Investment in subsidiary	-	-	12,501	12,501
Cash and cash equivalents	-	1	-	1
Total assets		1	12,501	12,502
Liabilities				
Non-interest bearing loans	-	-	12,501	12,501
Total liabilities		-	12,500	12,501

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Company	Weighted average effective interest rate	1 to 3 months	Non interest bearing	Total
At 31 March 2008	**%**	**£**	**£**	**£**
Assets				
Investment in subsidiary	-	-	12,501	12,501
Cash and cash equivalents	-	1	-	1
Total assets		1	12,501	12,502
Liabilities				
Non-interest bearing loans	-	-	12,501	12,501
Total liabilities		-	12,500	12,501

16. DERIVATIVE FINANCIAL INSTRUMENTS

The net fair values of derivative financial instruments at the balance sheet date were:

	2009 Group	2009 Company	2008 Group	2008 Company
	£	£	£	£
Interest rate swaps	(35,987,656)	-	(105,383)	-

The notional principal amount of the outstanding interest rate swap contracts at 31 March 2009 was £368,995,198 (2008:£369,517,821). On £170,907,800 (2008:£170,907,800) of the notional principal, the fixed rate payable by the Company is 4.95% and the floating rate receivable is 3 month LIBOR. On £95,000,000 (2008:£95,000,000) of the notional principal, the fixed rate payable by the Group is 4.9315% and the floating rate receivable is 3 month LIBOR. On £103,087,398 (2008:£103,610,021) of the notional principal, the fixed rate payable by the Group is 5.1400% and the floating rate receivable is 3 month LIBOR.

In accordance with IAS 39 'Financial instruments: Recognition and measurement', the Group has reviewed all contracts 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 repayment of the floating rate notes, the Group has identified a hybrid instrument consisting of a debt contract and a credit derivative embedded in the debt contract. This arises because repayment of the floating rate notes is dependent on repayment of the mortgage loan, which in turn depends upon the lease payments and property sale proceeds arising from the property portfolio held by the chargors. However, the credit derivatives are regarded as closely related to the host contract and therefore do not require separation.

The Group has the ability to redeem the floating rate 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 Group effectively has a call option on the floating rate notes exercisable on certain dates. The option constitutes an embedded derivative; however, as this is closely related to the underlying host contract (the floating rate notes) as set out in IAS 39, the option does not require separation. A similar hybrid instrument arises on the mortgage loan whereby the Group has effectively sold a put option on the mortgage loan exercisable on certain dates. As this option is considered to be closely related to the underlying host contract, it does not require separation.

17. RELATED PARTY TRANSACTIONS

The Group is a special-purpose group controlled by its Board of directors, which comprises three directors; Wilmington Trust SP Services (London) Limited, Mr M H Filer and Mr J Traynor. Mr M H Filer and Mr J Traynor are employees of Wilmington Trust SP Services (London) Limited, and Mr M H Filer is also a director of Wilmington Trust SP Services (London) Limited. The Group pays a corporate service fee to Wilmington Trust SP Services (London) Limited in connection with corporate services received. The fees payable to these directors for their services for the year ended 31 March 2009 amounted to £9,742 (2008: £9,499). At the end of the year, an amount of £1,983 (2008: £1,679) was outstanding and included within current liabilities: trade and other payables.

During the year, accounting services amounting to £4,025 (2008:£4,113) were charged by Wilmington Trust SP Services (London) Limited. At 31 March 2009, an amount of £4,025 (2008:£4,113) was outstanding and disclosed within current liabilities: trade and other payables.

During the period ended 31 March 2006, Wilmington Trust SP Services (London) Limited granted an interest-free loan to the Company for £12,501. At 31 March 2009 £12,501 (2008: £12,501) was still outstanding and disclosed within 'Non interest-bearing loans: Other loans'.

18. ULTIMATE PARENT UNDERTAKING

Deco 6 – UK Large Loan 2 Holding Limited is a company registered in England and Wales.

Wilmington Trust SP Services (London) Limited holds the entire share capital in the Company under a declaration of trust for charitable purposes. The registered office of Wilmington Trust SP Services is given on page 1.

The Group is the smallest and largest group into which the Company is consolidated.

19. POST BALANCE SHEET EVENTS

At 30 September 2009, the fair value derivative liability was £31,810,232, a reduction in the liability of £4,177,424 since the year end.

This is a non-adjusting post balance sheet event.

Subsequent to the year end, the company elected into the permanent regime, the Taxation of Securitisation Companies 2006 (Regulations), and is taxed not on the basis of the accounts but on the basis of its "retained profit" (RP) as described in the Capital Market Arrangement, provided that the retained profit cash surplus target is met.

There were no further significant post balance sheet events to report.