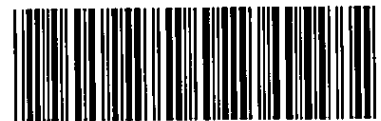


DECO 11 – UK CONDUIT 3 PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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DECO 11 – UK CONDUIT 3 PLC
FOR THE YEAR ENDED 31 DECEMBER 2008

CONTENTS	PAGES
Company information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Independent auditors' report	5
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 20

DECO 11 – UK CONDUIT 3 PLC

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
5th Floor
6 Broad Street Place
London
EC2M 7JH

Auditors

Deloitte LLP
London

DECO 11 – UK CONDUIT 3 PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2008 with comparative for the period from incorporation on 7 November 2006 to 31 December 2007.

PRINCIPAL ACTIVITIES

The Company is a special purpose company established in order to issue floating rate loan notes due January 2020 ("the loan notes"), to acquire the beneficial interest in a mortgage portfolio from Deutsche Bank AG, London Branch, ("the mortgage loans"), 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 19 December 2006. On 20 December 2006, the Company issued £444,387,935 floating rate loan notes in accordance with the Offering Circular.

BUSINESS REVIEW

The key performance indicator of the business is considered to be the net interest margin. During 2008, the Company achieved a net interest margin (net interest income divided by interest income) of 2.11% (2007: 1.80%). At the year end, the Company had net liabilities of £28,289,768 (2007: net assets of £9,262,150), as a result of the fair value liability on the derivative financial instruments totalling £32,202,481 (2007: fair value asset of £11,522,929).

RESULTS AND DIVIDENDS

The trading results for the year and the Company's financial position at the end of the period are shown in the attached financial statements.

The loss of the Company for the year after tax amounted to £37,551,918 due to the loss on the financial derivative instrument of £43,725,409 (2007: profit for the period after tax amounted to £9,249,648). The directors have not recommended a dividend.

CREDITOR PAYMENT POLICY

The Company'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 Company does not follow any other code or standard on payment practice.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

The Company's financial instruments, other than derivatives, comprise mortgage loans, cash and cash equivalents, interest-bearing loan notes and various receivables and payables that arise directly from its operations. The main purpose of the interest bearing borrowings is to finance a mortgage portfolio acquired from Deutsche Bank AG, London Branch.

The Company also enters into derivative transactions. The purpose of such transactions is to manage the interest rate risk arising from the Company's operations and its sources of finance.

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

Currency risk

All of the Company'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 Company 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 Company uses interest rate swaps to mitigate any residual interest rate risk.

DECO 11 – UK CONDUIT 3 PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

The principal credit risk to the Company 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 a mortgage loan to Mapeley Gamma totalling £231,269,250 (2007:£231,269,250). At 31 December 2008, the total amount outstanding on the mortgage loans was £423,973,373 (2007: £427,448,307). The mortgage loan portfolio consists of 17 loans secured over 56 properties (2007:17 loans secured over 56 properties).

Liquidity risk

A facility provided by Danske Bank A/S (London Branch) has been established which will be available, subject to certain criteria and circumstances, in the event of the Company being unable, on a temporary basis, to meet its financial commitments. The liquidity facility was renewed on 19 December 2008 to expire on 18 December 2009. On 9 February 2009, Danske Bank's short term rating, by Standard & Poor's Rating Services, was downgraded to A-1. The short term rating by Fitch remained at F-1. On 24 April 2009, the ratings were modified substituting the previous parameters for the ratings of A-1+ and F1+ to A-1 and F-1 respectively. The directors expect this facility to be renewed annually. Further discussion of the Company's approach to financial instruments is set out in note 1 (significant accounting policies) and in note 13.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the Company during the period, except as noted, together with their beneficial interests in the shares of the Company, were as follows:

Wilmington Trust SP Services (London) Limited
Mr M H Filer
Mr J Traynor

	At 31 December 2008	Ordinary share of £1 At 31 December 2007
Wilmington Trust SP Services (London) Limited	<u>1</u>	<u>1</u>

Wilmington Trust SP Services (London) Limited held one share in the Company under a declaration of trust for charitable purposes. Wilmington Trust SP Services (London) Limited holds 100% of the share capital in Deco 11 – UK Conduit 3 Holding Limited, the parent Company of Deco 11 – UK Conduit 3 PLC, under a declaration of trust for charitable purposes. No other director had any beneficial interest in the shares of the Company during the period.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- 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 (as defined) 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 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: 5 August 2009

DECO 11 – UK CONDUIT 3 PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2008

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

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;
- 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 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: 5 August 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DECO 11 – UK CONDUIT 3 PLC

We have audited the financial statements of Deco 11 – UK Conduit 3 Plc for the year ended 31 December 2008 which comprise the income statement, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes 1 to 16. 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 United Kingdom 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 Directors' Report and consider whether it is consistent with the audited financial statements. We also consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

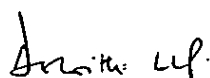
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 those IFRSs as adopted for use in the European Union, of the state of the company's affairs as at 31 December 2008 and of its loss for the year ended 31 December 2008;
- the 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

Chartered Accountants and Registered Auditors

London, United Kingdom

Date: 5 August 2009

DECO 11 – UK CONDUIT 3 PLC

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

		1 January 2008 to 31 December 2008	7 November 2006 to 31 December 2007
	Notes	£	£
Continuing operations			
Interest income	2	28,881,626	29,385,806
Interest expense	3	<u>(28,272,375)</u>	<u>(28,857,306)</u>
Net interest income		609,251	528,500
Impairment of commercial mortgage loans	7	(2,895,471)	-
Fair value (loss)/ gain on derivative financial instruments	14	(43,725,409)	11,522,929
Other operating expenses	4	<u>(606,902)</u>	<u>(489,369)</u>
(Loss)/ Profit before tax for the period		(46,618,531)	11,562,060
Income tax charge	5	<u>9,066,613</u>	<u>(2,312,412)</u>
(Loss)/ Profit after tax for the year/ period attributable to equity holders	10	<u>(37,551,918)</u>	<u>9,249,648</u>

The notes on pages 10 to 20 form part of these financial statements.

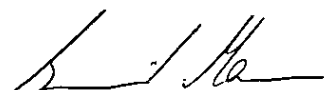
DECO 11 – UK CONDUIT 3 PLC

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2008 £	2007 £
Assets			
Non-current assets			
Mortgage loans	7	<u>418,675,702</u>	<u>424,268,235</u>
Current assets			
Derivative financial instruments	14	-	11,522,929
Deferred tax asset	6	6,762,520	-
Mortgage loans	7	2,402,200	3,180,072
Trade and other receivables	8	4,950,108	4,961,661
Cash and cash equivalents	9	<u>111,652</u>	<u>74,823</u>
		<u>14,226,480</u>	<u>19,739,485</u>
Total assets		<u>432,902,182</u>	<u>444,007,720</u>
Equity			
Share capital	10	12,502	12,502
Retained (loss)/profit	10	<u>(28,302,270)</u>	<u>9,249,648</u>
Total shareholders' (deficit)/ equity	10	<u>(28,289,768)</u>	<u>9,262,150</u>
Non-current liabilities			
Interest-bearing loan notes	11	<u>421,571,173</u>	<u>424,268,235</u>
Total non-current liabilities		<u>421,571,173</u>	<u>424,268,235</u>
Current liabilities			
Interest-bearing loan notes	11	2,402,200	3,180,072
Accrued interest	11	4,800,924	4,879,366
Trade and other payables	12	206,853	105,485
Derivative financial instruments	14	32,202,481	-
Current tax liability		8,319	7,826
Deferred tax liability	6	-	<u>2,304,586</u>
Total current liabilities		<u>39,620,777</u>	<u>10,477,335</u>
Total liabilities		<u>461,191,950</u>	<u>434,745,570</u>
Total equity and liabilities		<u>432,902,182</u>	<u>444,007,720</u>

These financial statements on pages 6 to 21 were approved and authorised for issue by the directors on 5 August 2009 and are signed on their behalf by:



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

The notes on pages 10 to 20 form part of these financial statements.

DECO 11 – UK CONDUIT 3 PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	£	£
At start of period	9,262,150	-
(Loss)/profit for the year/period	(37,551,918)	9,249,648
Issue of share capital	-	12,502
Closing shareholders' (deficit)/ equity at 31 December	<u>(28,289,768)</u>	<u>9,262,150</u>

The notes on pages 10 to 20 form part of these financial statements.

DECO 11 – UK CONDUIT 3 PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Cash flows from operating activities			
(Loss)/profit before tax for the year/period		(46,618,531)	11,562,060
<i>Adjustments for:</i>			
Fair value movement on derivative financial instrument		43,725,410	(11,522,929)
Impairment of commercial mortgage loans		2,895,471	-
Bank interest receivable		(29,773)	(36,721)
Decrease /(increase) in trade and other receivables	8	11,553	(4,961,661)
Increase in trade and other payables	11, 12	<u>22,926</u>	<u>4,984,851</u>
Net cash from operating activities		<u>7,056</u>	<u>25,600</u>
Investing activities			
Acquisition of beneficial interest in mortgage portfolio		-	(444,387,935)
Repayments during period	7	3,474,934	16,939,628
Bank interest received		<u>29,773</u>	<u>36,721</u>
Net cash used in investing activities		<u>3,504,707</u>	<u>(427,411,586)</u>
Financing activities			
Proceeds on issue of shares		-	12,502
Proceeds on issue of loan notes		-	444,387,935
Repayments during the period		<u>(3,474,934)</u>	<u>(16,939,628)</u>
Net cash from financing activities		<u>(3,474,934)</u>	<u>427,460,809</u>
Net increase in cash and cash equivalents		36,829	74,823
Cash and cash equivalents at beginning of period		<u>74,823</u>	-
Cash and cash equivalents at 31 December 2007	9	<u><u>111,652</u></u>	<u><u>74,823</u></u>

(As explained in the accounting policies on page 11, the cash is not freely available to be used.)

DECO 11 – UK CONDUIT 3 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Deco 11 – UK Conduit 3 Plc is a Company incorporated in the United Kingdom under the Companies Act 1985 and domiciled in England. The address of the registered office is given on page 1.

Statement of compliance

The Company'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 Company for the year ending 31 December 2008.

The accounting policies set out below have been applied in respect of the financial year ended 31 December 2008.

Basis of preparation

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.

The financial statements are presented in Pounds Sterling.

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 Company'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 page 2. In addition, note 13 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 Company are non-recourse and their terms us such that amounts due are only payable to the extent that there are sufficient receipts from the Company's assets. As a consequence, the directors believe that the Company 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 Company 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.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. In particular for the fair value of derivatives and the recoverability of assets, 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 and 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both the current and future years.

Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mortgage loans

The mortgage loans 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 at the balance sheet date. 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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements and as such the cash and cash equivalents are not freely available to be used for other purposes.

Derivative financial instruments and hedging activities

The Company 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 Company does not hold or issue derivative financial instruments for trading purposes. Derivatives 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 income statement.

The fair value of interest rate swaps and basis swaps is the estimated amount that the Company 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 loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans 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 and expense is accounted for on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liability's net carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred consideration

A deferred consideration charge is included in interest expense. Deferred consideration is payable to the Originator dependent on the extent to which the surplus income, in excess of the agreed margin, generated by the mortgage loans in which the Company has purchased an interest, exceeds the administration costs of the mortgage loans. Deferred consideration payable also includes excess mortgage loans transferred by the Originator as credit enhancement.

Value added tax

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

Income tax expense

Income tax on the profit and loss for the period 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 United Kingdom Generally Accepted Accounting Practice ("UK GAAP") basis but 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 Company.

Segmental reporting

The principal asset of the Company 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 Company from those already disclosed in these financial statements.

DECO 11 – UK CONDUIT 3 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

2. INTEREST INCOME

	1 January 2008 to 31 December 2008 £	7 November 2006 to 31 December 2007 £
Income from mortgage loans	23,486,011	24,105,798
Net swap interest receivable	5,365,842	5,243,287
Bank interest received	<u>29,773</u>	<u>36,721</u>
	<u>28,881,626</u>	<u>29,385,806</u>

3. INTEREST EXPENSE

	1 January 2008 to 31 December 2008 £	7 November 2006 to 31 December 2007 £
Interest on loan notes	26,327,767	27,467,869
Deferred consideration	<u>1,944,608</u>	<u>1,389,437</u>
	<u>28,272,375</u>	<u>28,857,306</u>

4. OTHER OPERATING EXPENSES

	1 January 2008 to 31 December 2008 £	7 November 2006 to 31 December 2007 £
Fees payable to the Company's auditors for the audit of the Company's		
- annual accounts	25,300	25,850
Fees payable to the Company's auditors for other services:		
- tax services	6,325	6,462
Administration and cash management fees	543,061	432,924
Corporate service fee	9,395	12,147
Accountancy fee	4,025	4,113
Other expenses	<u>18,796</u>	<u>7,873</u>
	<u>606,902</u>	<u>489,369</u>

The directors received no emoluments for their services as directors to the Company during the period. The directors had no material interest in any contract of significance in relation to the business of the Company. The Company did not have any employees in the current period.

5. INCOME TAX (CREDIT)/ CHARGE

	1 January 2008 to 31 December 2008 £	7 November 2006 to 31 December 2007 £
Current tax:		
Corporation tax charge for the period at a rate of 21% (2007: 20%)	493	7,826
Deferred tax:		
Deferred tax charge at 21% (2007: 20%) (note 6)	<u>(9,067,106)</u>	<u>2,304,586</u>
Total income tax (credit)/charge in income statement	<u>(9,066,613)</u>	<u>2,312,412</u>

DECO 11 – UK CONDUIT 3 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

5. INCOME TAX CHARGE (CONTINUED)

	1 January 2008 to 31 December 2008 £	7 November 2006 to 31 December 2007 £
Reconciliation of total tax charge		
The tax assessed for the period is at the standard rate of corporation tax in the UK of 21% (2007: 20%).		
(Loss)/profit before tax	<u>(46,618,531)</u>	<u>11,562,060</u>
(Loss)/ Profit before tax multiplied by the standard rate of corporation tax in the UK of 21% (2007: 20%)	<u>(9,789,891)</u>	<u>2,312,412</u>
Tax losses carried forward	<u>608,049</u>	<u>-</u>
Adjustment on deferred tax due to change in tax rate	<u>115,229</u>	<u>-</u>
Total tax (credit)/ charge reported in the income statement	<u>(9,066,613)</u>	<u>2,312,412</u>

Deferred tax asset of £608,049 has not been recognised since the Directors cannot be certain of future taxable profits sufficient to utilise this asset.

From 1 April 2008, the UK government enacted a change to the UK corporation tax rate from 20% to 21%. The standard rate of corporation tax therefore has been calculated using a rate of 20% for 91 days and 21% for 275 days.

6. DEFERRED TAX

	2008 £	2007 £
Deferred tax (asset)/ liability		
At 1 January 2008	<u>2,304,586</u>	<u>-</u>
(Credit)/charge to income for the period	<u>(9,067,106)</u>	<u>2,304,586</u>
Balance carried forward at 31 December 2008	<u>(6,762,520)</u>	<u>2,304,586</u>

Deferred taxes are provided in full on temporary differences under the liability method using a principal rate of tax of 21% (2007: 20%).

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

	2008 £	2007 £
Deferred tax (asset)/ liability		
Fair value derivatives	<u>(32,202,481)</u>	<u>11,522,929</u>
Deferred tax(asset)/ liability	<u>(6,762,520)</u>	<u>2,304,586</u>

The fair value of the financial instruments is expected to unwind over time and ultimately the company will pay tax on its accounting profit over the life of the transaction.

7. MORTGAGE LOANS

	2008 £	2007 £
At 31 December 2007	427,448,307	-
Acquisitions	-	444,387,935
Redemptions	(3,474,934)	(16,939,628)
Impairment provision	<u>(2,895,471)</u>	<u>-</u>
At 31 December 2008	<u>421,077,902</u>	<u>427,448,307</u>

The balance can be analysed as follows:

	2008 £	2007 £
Current assets	<u>2,402,200</u>	<u>3,180,072</u>
Non-current assets	<u>418,675,702</u>	<u>424,268,235</u>
	<u>421,077,902</u>	<u>427,448,307</u>

The mortgage loans are classified as "loans and receivables". The mortgage loans are due for repayment between October 2009 and January 2017. At 31 December 2008, £421,077,902 was outstanding (2007: £427,448,307). At 31 December 2008, the fixed rate of interest on the mortgage loans ranged from 4.95% to 6.53%. The mortgage loans are secured over commercial properties held by Deutsche Bank AG, London Branch in its capacity of Borrower Security Trustee on behalf of the Company.

DECO 11 – UK CONDUIT 3 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

7. MORTGAGE LOANS (CONTINUED)

During 2008, the Servicer notified the Company that an event of default occurred on loan to Paladru Service Corporation, a borrower, due to expiry of leases and no new tenant. As a result of this, on 28 April 2008 the loan was transferred to Special Servicing and a Special Notice was issued to this effect. The Special Servicer is currently working with the borrower on strategies to resolve the default situation. A third-party independent surveyor was also instructed to carry out valuation to obtain market value of property. Market value of the vacant possession was £3,000,000 compared to £6,700,000 on purchase of commercial mortgage loan. Accordingly, an impairment provision has been made against this loan totalling £2,895,471 as in the Directors' opinion it is not certain that the full amount outstanding at the year end, £5,895,471, will be fully recovered.

8. TRADE AND OTHER RECEIVABLES

	2008	2007
	£	£
Prepayments and accrued income	<u>4,950,108</u>	<u>4,961,661</u>

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

9. CASH AND CASH EQUIVALENTS

	2008	2007
	£	£
Cash and cash equivalents	<u>111,652</u>	<u>74,823</u>

The directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

The Company has deposits in bank accounts held in the Company'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.

10. TOTAL EQUITY

	Issued capital	Retained profit	Total
	£	£	£
Issued capital	12,502	-	12,502
Profit for the period	-	<u>9,249,648</u>	<u>9,249,648</u>
At 31 December 2007	<u>12,502</u>	<u>9,249,648</u>	<u>9,262,150</u>
Loss for the year	-	<u>(37,551,918)</u>	<u>(37,551,918)</u>
Balance at 31 December 2008	<u>12,502</u>	<u>(28,302,270)</u>	<u>(28,289,768)</u>

There are 50,000 authorised ordinary shares of £1 each. The issued share capital comprises two fully paid £1 shares, and 49,998 ordinary shares quarter paid. Wilmington Trust SP Services (London) Limited holds one fully paid £1 share under a declaration of trust for charitable purposes.

11. INTEREST-BEARING LOANS

This note provides information about the contractual terms of the Company's interest-bearing loan notes. For more information about the Company's exposure to interest rate risk, see note 13.

	2008	2007
	£	£
Non-current liabilities		
Loan notes	<u>421,571,173</u>	<u>424,268,235</u>
	<u>421,571,173</u>	<u>424,268,235</u>
Current liabilities		
Loan notes	<u>2,402,200</u>	<u>3,180,072</u>
Interest payable on loan notes	<u>4,800,924</u>	<u>4,879,366</u>
	<u>7,203,124</u>	<u>8,059,438</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

11. INTEREST-BEARING LOANS (CONTINUED)

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.

On 20 December 2006 an agreement was entered into with Danske Bank A/S (London Branch) for the provision of a liquidity facility for the Company. The facility is in place to allow the Company to meet its obligations should there be a shortfall in the revenue or principal received from the mortgage loans. At the balance sheet date, the limit on this facility was £24,422,071. 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 interest bearing loans are secured by way of fixed and floating charges over the Company's assets.

Interest-bearing loans and borrowings are repayable as follows:

		Less than 1			More than 5
2008	Total	year	1-2 years	2-5 years	years
	£	£	£	£	£
Liabilities					
Floating rate notes due 2020	423,973,373	2,402,200	51,398,589	137,659,123	232,513,461
Interest payable	<u>4,800,924</u>	<u>4,800,924</u>	-	-	-
	<u>428,774,297</u>	<u>7,203,124</u>	<u>51,398,589</u>	<u>137,659,123</u>	<u>232,513,461</u>
2007	Total	Less than 1			More than 5
	£	year	1-2 years	2-5 years	years
	£	£	£	£	£
Liabilities					
Floating rate notes due 2020	427,448,307	3,180,072	3,680,072	80,262,719	340,325,444
Interest payable	<u>4,879,366</u>	<u>4,879,366</u>	-	-	-
	<u>432,327,673</u>	<u>8,059,438</u>	<u>3,680,072</u>	<u>80,262,719</u>	<u>341,325,444</u>

The loan notes are denominated in Sterling.

On 20 December 2006, the Company issued £220,000,000 Class A-1A notes due January 2020, £74,500,000 Class A-1B notes due January 2020, £45,500,000 Class A-2 notes due January 2020, £27,000,000 Class B notes due January 2020, £37,000,000 Class C notes due January 2020, £29,000,000 Class D notes due January 2020, £6,000,000 Class E notes due January 2020 and £5,387,935 Class F notes due January 2020. Interest on the Class A-1A notes is payable at a rate of 3 month LIBOR plus 0.19%. Interest on the Class A-1B notes is payable at a rate of 3 month LIBOR plus 0.23%. Interest on the Class A-2 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 0.33%. Interest on the Class C notes is payable at a rate of 3 month LIBOR plus 0.50%. Interest on the Class D notes is payable at a rate of 3 month LIBOR plus 0.85%. Interest on the Class E notes is payable at a rate of 3 month LIBOR plus 1.25%. Interest on the Class F notes is payable at a rate of 3 month LIBOR plus 3.40%.

At the balance sheet date £201,634,271 (2007: £204,054,277) in respect of the Class A-1A notes was outstanding, £73,810,260 (2007: £74,169,128) in respect of Class A-1B notes, £45,078,750 (2007: £45,297,924) in respect of Class A-2 notes, £26,750,027 (2007: £26,880,087) in respect of Class B notes, £36,657,445 (2007: £36,835,675) in respect of the Class C notes, £28,731,511 (2007: £28,871,204) in respect of Class F notes, £5,944,450 (2007: £5,973,353) in respect of E notes and £5,366,659 (2007: £5,366,659) in respect of Class F notes. The notes are secured by way of a fixed and floating charge over the assets of the Company. The proceeds of the notes were used by the Company to acquire the mortgage loans from Deutsche Bank AG in accordance with the terms of the securitisation documents.

DECO 11 – UK CONDUIT 3 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

11. INTEREST-BEARING LOANS (CONTINUED)

Interest payable on the Notes to maturity at 31 December:

	Less than one year £	1 year – 5 years £	Over 5 years £	Total £
31 December 2008	<u>23,314,446</u>	<u>79,965,805</u>	<u>41,565,014</u>	<u>144,845,265</u>
31 December 2007	<u>23,786,626</u>	<u>86,459,491</u>	<u>60,272,244</u>	<u>170,518,361</u>

12. TRADE AND OTHER PAYABLES

	2008 £	2007 £
Current liabilities		
Accruals and deferred income	206,853	105,485

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.

13. FINANCIAL RISK MANAGEMENT

The principal risks and uncertainties are set out in the Directors' Report on page 2.

The Company's financial instruments, other than derivatives, comprise mortgage loans, cash and liquid resources, interest-bearing loan notes and various receivables and payables that arise directly from its operations. The Company 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 Company's policy that no trading in financial instruments is undertaken.

The directors have considered the financial risks affecting the Company and have included the relevant disclosures of interest rate, credit, liquidity and currency risks in the Directors' Report.

The table below provide details of the fair value of financial assets and liabilities not carried at fair value through profit and loss:

Fair values

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

	Notes	Carrying amount 2008 £	Fair value 2008 £	Carrying amount 2007 £	Fair value 2007 £
Derivative financial instruments	14	-	-	11,522,929	11,522,929
Deferred tax asset	6	6,762,520	6,762,520	-	-
Mortgage loans	7	421,077,902	311,652,180	427,448,307	426,875,674
Trade and other receivables	8	4,950,108	4,950,108	4,961,661	4,961,661
Cash and cash equivalents	9	<u>111,652</u>	<u>111,652</u>	<u>74,823</u>	<u>74,823</u>
		<u>432,902,182</u>	<u>323,476,460</u>	<u>444,007,720</u>	<u>443,435,087</u>
Derivative financial instruments		32,202,481	32,202,481	-	-
Interest-bearing loan notes	11	423,973,373	279,449,673	427,448,307	410,896,884
Interest payable	11	4,800,924	4,800,924	4,879,366	4,879,366
Trade and other payables	12	206,853	206,853	105,485	105,485
Current tax liability	5	8,319	8,319	7,826	7,826
Deferred tax liability	6	-	-	2,304,586	2,304,586
		<u>461,191,950</u>	<u>316,668,250</u>	<u>434,745,570</u>	<u>418,194,147</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk profile of financial liabilities

Interest rate risk exists where assets and liabilities have interest rates under a different basis or which reset at a different time. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of assets and liabilities are similar. Interest rate swaps have been entered into with Deutsche Bank AG to manage the Company's exposure to the interest rate risk associated with the loan originator. The swaps reduce interest rate risk as a result of the variance between the fixed rate of interest receivable on the mortgage loans and the variable rate of interest payable on the floating rate loan notes.

Effective interest rates and repricing analysis

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

At 31 December 2008	Weighted average effective interest rate %	1 to 3 months £	Non interest bearing £	Total £
Assets				
Trade and other receivables	-	-	4,950,108	4,950,108
Mortgage loans	5.570%	421,077,902	-	421,077,902
Deferred tax asset	-	-	6,762,521	6,762,521
Cash and cash equivalents	-	111,652	-	111,652
Total assets		<u>421,189,554</u>	<u>11,712,629</u>	<u>432,902,183</u>
Liabilities				
Accruals and tax liabilities	-	-	5,016,097	5,016,097
Derivative financial instruments	-	32,202,481	-	32,202,481
Interest bearing loan notes	6.285%	<u>423,973,373</u>	-	<u>423,973,373</u>
Total liabilities		<u>456,175,854</u>	<u>5,016,097</u>	<u>461,191,951</u>
At 31 December 2007	Weighted average effective interest rate %	1 to 3 months £	Non interest bearing £	Total £
Assets				
Trade and other receivables	-	-	4,961,661	4,961,661
Mortgage loans	5.570%	427,448,307	-	427,448,307
Derivative financial instruments	-	11,522,929	-	11,522,929
Cash and cash equivalents	-	74,823	-	74,823
Total assets		<u>439,046,059</u>	<u>4,961,661</u>	<u>444,007,720</u>
Liabilities				
Accruals and tax liabilities	-	-	7,297,263	7,297,263
Interest bearing loan notes	6.349%	<u>427,448,307</u>	-	<u>427,448,307</u>
Total liabilities		<u>427,448,307</u>	<u>7,297,263</u>	<u>434,745,570</u>

Interest rate risk

The Company 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 and any variance between the fixed rate of interest receivable on the mortgage loans and the variable rate of interest payable on the floating rate loan notes. This risk exposure 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 Company's mortgage loans, the regular re-pricing of the Company's floating rate notes, together with the nature of the Company's other assets and liabilities, the directors do not believe that the Company has any significant interest rate re-pricing exposure.

DECO 11 – UK CONDUIT 3 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Prepayment risk

Prepayment risk on the mortgage loans arises when these are voluntarily prepaid by the relevant borrower or borrowers thereof. With respect to all of the loans, such prepayment is contingent upon the payment of a prepayment fee. Any prepayment fees required to be paid by a borrower will be paid to the Originator as part of the deferred consideration and will not form part of available funds. The directors do not believe that the Company has any significant prepayment risk.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company is not subject to any external capital requirements. The gearing ratios at 31 December 2008 and 2007 were 106.5% and 97.9% respectively.

Currency risk

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

Liquidity risk

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

During 31 December 2008 this facility was not used. The liquidity facility was renewed on 19 December 2008 to expire on 18 December 2009. The directors expect this facility to be renewed annually.

The undiscounted contractual cash flows for principal and interest have been disclosed in note 11.

Credit risk

Credit risk on the mortgage loans arises where the mortgage loans are secured on underlying commercial properties. The maximum exposure to credit risk is the balance sheet amount. The largest single exposure to credit risk is the Mapeley Gamma mortgage loan totalling £231,269,250 (2007:£231,269,250). The directors consider that the Company's beneficial interest in the commercial properties granted as security will be sufficient to recover the full amount of these loans.

	31 December 2008	31 December 2007
	£	£
Neither past due nor impaired	418,077,902	427,448,307
Past due but not impaired	-	-
Impaired	<u>5,895,471</u>	<u>-</u>
	423,973,373	427,448,307
Less: allowance for impairment	<u>(2,895,471)</u>	<u>-</u>
	<u>421,077,902</u>	<u>427,448,307</u>

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

14. DERIVATIVE FINANCIAL INSTRUMENTS

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

	2008	2007
	£	£
Interest rate swaps	<u>(32,202,481)</u>	<u>11,522,929</u>

The notional principal amount of all the outstanding interest rate swap contracts at 31 December 2008 was £425,220,316 (2007: £427,526,000). The Company pays a fixed rate ranging from 4.00% to 5.25% and receives 3-month LIBOR.

DECO 11 – UK CONDUIT 3 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

In accordance with IAS 39 'Financial instruments: Recognition and measurement', the Company 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 Company 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. A similar hybrid instrument consisting of a debt contract and a credit derivative embedded in the debt contract arises on the repayment of the Loan Notes and, again, does not require separation.

The Company 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 Company 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) consistent with IAS 39, the option does not require separation. A similar hybrid instrument arises on the mortgage loan whereby the Company has effectively sold a put option on the mortgage loans exercisable on certain dates. As this option is considered to be closely related to the underlying host contract, it does not require separation.

15. RELATED PARTY TRANSACTIONS

The Company is a special-purpose company controlled by its Board of directors, which comprises three directors; Wilmington Trust SP Services (London) Limited, Mr J Traynor, and Mr M H Filer. Mr M H Filer, a director of the Company, is also a director of Wilmington Trust SP Services (London) Limited. The Company 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 December 2008 amounted to £9,395 (2007: £12,147) including irrecoverable VAT.

16. ULTIMATE PARENT UNDERTAKING

Deco 11 – UK Conduit 3 Plc is a company incorporated in Great Britain and registered in England and Wales.

Deco 11 – UK Conduit 3 Holding Limited holds 49,999 shares in the Company. Wilmington Trust SP Services (London) Limited holds one share in Deco 11 – UK Conduit 3 Plc and the entire share capital in Deco 11 – UK Conduit 3 Holding Limited under a declaration of trust for charitable purposes.

The directors consider that Deco 11 – UK Conduit 3 Holding Limited is the ultimate controlling entity of the Company by virtue of its shareholding in the Company.