

GOLDMAN SACHS LONDON PROPERTY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

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COMPANIES HOUSE

GOLDMAN SACHS LONDON PROPERTY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for Goldman Sachs London Property Limited ('the company') for the 57 week period ended 31 December 2009

1. Principal activities

Goldman Sachs London Property Limited holds land that is intended to be developed for future use within the group

2. Review of business and future developments

During the period, the company changed its accounting reference date to 31 December to be consistent with the year end of The Goldman Sachs Group, Inc ('the Group') Accordingly, the accounting reference period has been extended to 57 weeks ending 31 December 2009 Consequently, the financial statements have been drawn up for the 57 weeks period ended 31 December 2009 Comparative information has been presented for the 52 week period ended 28 November 2008

The profit and loss account for the period is set out on page 4 Loss on ordinary activities before taxation was £323,000 (52 week period ended 28 November 2008 loss of £303,000) The company has reported net assets of £6,672,000 (28 November 2008 £6,904,000)

The directors consider that the period end financial position of the company was satisfactory taking into account the support of the immediate parent undertaking (see note 1(c))

3. Dividends

The directors do not recommend the payment of a dividend in respect of the period (2008 £ Nil)

4. Directors

The directors of the company during the period, and as at the date of this report, together with dates of appointment or resignation where applicable were

Name	Appointed	Resigned
S Davies		15 January 2009
T A Smith		
J R Charnley		
D W McDonogh	20 February 2009	
G A Wills	20 August 2010	

No director has, or had during the period, any interest requiring note herein

5. Financial risk management

The company's risk management objectives and policies, as well as its risks exposure, are described in note 15 of the financial statements

6. 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 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 and to establish that the company's auditors are aware of that information

GOLDMAN SACHS LONDON PROPERTY LIMITED

REPORT OF THE DIRECTORS

7. Directors' responsibilities

United Kingdom company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to

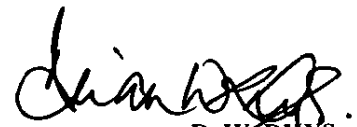
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Auditors

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of Auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as Auditors of the company pursuant to Section 487(2) of the Companies Act 2006 and paragraph 44 of Schedule 3 to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

BY ORDER OF THE BOARD


D. W. RHYS
Secretary

20 AUGUST 2010

Independent auditors' report to the members of GOLDMAN SACHS LONDON PROPERTY LIMITED

We have audited the financial statements of Goldman Sachs London Property Limited for the 57 week period ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the directors' report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Christopher Rowland (Senior Statutory Auditor)
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

23 August 2010

GOLDMAN SACHS LONDON PROPERTY LIMITED

PROFIT AND LOSS ACCOUNT for the 57 week period ended 31 December 2009

	Note	57 week period ended 31 December 2009 £'000	52 week period ended 28 November 2008 £'000
Administrative expenses		(325)	(329)
OPERATING LOSS	3	(325)	(329)
Interest receivable and similar income	4	2	26
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(323)	(303)
Taxation on loss on ordinary activities	7	91	87
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE PERIOD	13	(232)	(216)

The operating loss of the company is derived from continuing operations in the current and prior period

There is no difference between the loss on ordinary activities before taxation and the loss for the period as stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the loss for the period above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 6 to 9 form part of these financial statements
Independent Auditors' report - page 3

GOLDMAN SACHS LONDON PROPERTY LIMITED

BALANCE SHEET as at 31 December 2009

	Note	31 December 2009 £'000	28 November 2008 £'000
FIXED ASSETS			
Tangible fixed assets	8	61,540	61,540
CURRENT ASSETS			
Debtors	9	284	293
Cash at bank and in hand		828	698
		<u>1,112</u>	<u>991</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(1,903)</u>	<u>(1,550)</u>
NET CURRENT LIABILITIES		<u>(791)</u>	<u>(559)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>60,749</u>	<u>60,981</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	<u>(54,077)</u>	<u>(54,077)</u>
NET ASSETS		<u>6,672</u>	<u>6,904</u>
CAPITAL AND RESERVES			
Called up share capital	12	15,500	15,500
Profit and loss account	13	(8,828)	(8,596)
TOTAL SHAREHOLDER'S FUNDS	14	<u>6,672</u>	<u>6,904</u>

The financial statements were approved by the Board of Directors on 20 AUGUST 2010
and were signed on its behalf by



Director

J. R. CHARNEY

The notes on pages 6 to 9 form part of these financial statements
Independent Auditors' report - page 3

Company Number 4373284

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** The financial statements have been prepared under the historical cost convention, the accounting policies set out below, and in accordance with applicable United Kingdom Law, applicable United Kingdom accounting standards and pronouncements of the Urgent Issues Task Force (UITF)
- (b) **Tangible fixed assets** Freehold land is stated at cost, net of any provision for impairment. No depreciation is charged on freehold land.
- (c) **Going concern:** The company has net current liabilities of £791,000 at 31 December 2009 (28 November 2008: £559,000). The principal current liability of the company represents management charges payable to a group undertaking. The immediate parent company has committed to ensuring the provision of sufficient funds to enable the company to meet its liabilities as they fall due. As a result, the directors have prepared these accounts on a going concern basis.
- (d) **Deferred taxation:** Full provision is made in respect of all differences in timing between the accounting and tax treatments of income and expenses. The timing differences are recognised as deferred tax liabilities or assets, measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised if the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.
- (e) **Foreign currencies:** Transactions denominated in foreign currencies are translated into sterling at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Gains and losses on exchange are recognised in the profit and loss account.
- (f) **Income recognition:** Interest income is recognised on an accruals basis.

2. CASHFLOW STATEMENT

The company is a greater than 90% subsidiary of The Goldman Sachs Group, Inc., and is therefore exempt from preparing a cash flow statement as required by FRS1 'Cash flow statements' as the ultimate parent company accounts are publicly available.

3. OPERATING LOSS

	57 week period ended 31 December 2009 £'000	52 week period ended 28 November 2008 £'000
Operating loss is stated after charging		
Management fees charged by group undertakings	304	241
Auditors' remuneration - audit services	3	3

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	57 week period ended 31 December 2009 £'000	52 week period ended 28 November 2008 £'000
Interest on overnight deposits	2	26

5. STAFF COSTS

The company has no employees (2008: Nil). All persons involved in the company's operations are employed by a group undertaking and no charge is borne by the company.

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

6. *DIRECTORS' EMOLUMENTS*

	57 week period ended 31 December 2009 £'000	52 week period ended 28 November 2008 £'000
Aggregate emoluments	2	1
	<u>2</u>	<u>1</u>

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. Directors also receive emoluments for non-qualifying services which are not required to be disclosed. All directors are members of the defined contribution pension scheme and the defined benefit pension scheme. All directors have been granted shares in respect of a long term incentive scheme. No directors have exercised options. All directors' are employed by a group undertaking and no cost is borne by the company.

7. *TAXATION ON LOSS ON ORDINARY ACTIVITIES*

(a) *Analysis of tax credit for the period*

	57 week period ended 31 December 2009 £'000	52 week period ended 28 November 2008 £'000
Current Tax		
Group relief receivable	91	87
Total current tax (see note 7(b))	<u>91</u>	<u>87</u>

Group relief represents amounts receivable from group undertakings in consideration for the surrender of losses under group relief arrangements.

(b) *Factors affecting tax credit for the period*

The current tax assessed for the period is at the standard rate of corporation tax in the UK at 28% (28 November 2008 28.67%).

	57 week period ended 31 December 2009 £'000	52 week period ended 28 November 2008 £'000
Loss on ordinary activities before tax	(323)	(303)
Loss on ordinary activities multiplied by standard rate in the UK 28% (28 November 2008 28.67%)	91	87
Current tax credit for the period	<u>91</u>	<u>87</u>

(c) *Deferred tax*

A potential deferred tax asset of £2,121,572 (2008 £2,121,572) has not been recognised in the financial statements. This asset will be recognised once the directors consider that future profits will be available against which the deferred tax asset can be recovered.

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

8. TANGIBLE FIXED ASSETS

The movements in tangible fixed assets during the period were as follows

	Freehold land £'000
COST	
At 31 December 2009 and 28 November 2008	61,540
NET BOOK VALUE	
At 31 December 2009 and 28 November 2008	61,540

No depreciation is charged on freehold land

9. DEBTORS

Debtors, all of which are due within one year of the balance sheet date, comprise

	2009 £'000	2008 £'000
Amount due from group undertakings	76	-
Group relief receivable	207	245
Other debtors	1	48
	284	293

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Amounts due to group undertakings	1,894	1,547
Other creditors and accruals	9	3
	1,903	1,550

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £'000	2008 £'000
Loan from parent undertaking	54,077	54,077

Goldman Sachs London Property Limited entered into a loan facility agreement with The Goldman Sachs Group, Inc. This facility is unsecured and carried interest at a margin over LIBOR. On 11 August 2005, and in agreement with The Goldman Sachs Group Inc, the terms of the loan were amended, such that from this date no further interest shall accrue on the outstanding advances. Advances may be drawn under this facility for any period up to 2051. Goldman Sachs London Property Limited had advances of £46,500,000 (2008 £46,500,000) and interest of £7,577,044 (2008 £7,577,044) outstanding under this facility on 31 December 2009, none of which is scheduled for repayment within the next year.

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

12. SHARE CAPITAL

At 31 December 2009 and 28 November 2008 share capital comprised

	No.	2009 £'000	No.	2008 £'000
<u>Authorised</u>				
Ordinary shares of £ 1 each	20,000,000	20,000	20,000,000	20,000
<u>Allotted, called up and fully paid</u>				
Ordinary shares of £ 1 each	15,500,001	15,500	15,500,001	15,500
		15,500		15,500

13. PROFIT AND LOSS ACCOUNT

	£'000
As at 28 November 2008	(8,596)
Loss for the period	(232)
As at 31 December 2009	(8,828)

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	31 December 2009 £'000	28 November 2008 £'000
Loss for the period	(232)	(216)
Net decrease in shareholder's funds	(232)	(216)
Opening shareholder's funds	6,904	7,120
Closing shareholder's funds	6,672	6,904

15. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the financial risks that the directors consider relevant to this company are market risk in relation to the valuation of the land held and cash flow risk. This risk is mitigated by the routine monitoring of key management information.

16. RELATED PARTY DISCLOSURES

Under the terms of paragraph 3(c) of FRS 8, 'Related Party Disclosures', the company is exempt from disclosing transactions with companies wholly owned within the same group, as the consolidated financial statements in which the company is included are publicly available.

17. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The ultimate and immediate parent undertaking, and the parent company of the smallest and largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc. a company incorporated within the United States of America. Copies of its accounts can be obtained from 200 West Street, New York, NY 10282, United States of America, the group's principal place of business.