

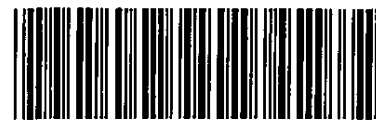
Company number: 1983979

GOLDMAN SACHS INTERNATIONAL FINANCE
(unlimited company)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

WEDNESDAY



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GOLDMAN SACHS INTERNATIONAL FINANCE

(unlimited company)

REPORT OF THE DIRECTORS

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

1. Principal activities

The company was a foreign exchange dealer but ceased to trade in 2002

The company primarily operated in a US Dollar environment as part of The Goldman Sachs Group, Inc. Accordingly, the company's functional currency is US dollars and these financial statements have been prepared in that currency

2. Review of business and future developments

During the period the company changed its accounting reference date to 31 December 2009 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 week 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. Profit on ordinary activities before taxation for the period was US\$ 26,000 (52 week period ended 28 November 2008: US\$ 51,000). The company has net assets of US\$ 1,111,000 (28 November 2008: US\$ 1,092,000).

The company has not traded during the period. The directors will undertake an assessment of the future developments of the company, however do not expect the company to trade for the foreseeable future.

The directors consider that the period end financial position of the company was satisfactory.

3. Dividends

The directors do not recommend the payment of a final ordinary dividend in respect of the period (52 week period ended 28 November 2008: US\$ Nil).

4. Exchange rate

The US dollar/sterling exchange rate at the balance sheet date was 1.6154 (2008: 1.5374). The average rate for the period was 1.5616 (52 week period ended 28 November 2008: 1.8926).

5. Directors

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

Name	Appointed	Resigned
S. Davies		15 January 2009
M. A. Allen		
S. A. Collins	25 March 2009	

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

GOLDMAN SACHS INTERNATIONAL FINANCE

(unlimited company)

REPORT OF THE DIRECTORS

6. Financial risk management

The company's risk management objectives and policies, as well as its risk exposure, are described in note 16 to the financial statements

7. 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

8. 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

9. 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

S.A. Cohen

Director
7 July 2010

**Report of the auditors to the members of
GOLDMAN SACHS INTERNATIONAL FINANCE
(unlimited company)**

We have audited the financial statements of Goldman Sachs International Finance 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 profit 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.

Vassilios Vrachimis (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

8 July 2010

GOLDMAN SACHS INTERNATIONAL FINANCE

(unlimited company)

PROFIT AND LOSS ACCOUNT

for the 57 week period ended 31 December 2009

	Note	57 week period ended 31 December 2009 US\$'000	52 week period ended 28 November 2008 US\$'000
Administrative income		3	10
OPERATING PROFIT	3	3	10
Interest receivable and similar income	4	26	43
Interest payable and similar charges	5	(3)	(2)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26	51
Taxation on profit on ordinary activities	8	(7)	(14)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE PERIOD	13	19	37

There are no continuing trading activities

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

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

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

GOLDMAN SACHS INTERNATIONAL FINANCE
(unlimited company)

BALANCE SHEET
as at 31 December 2009

	Note	31 December 2009 US\$'000	28 November 2008 US\$'000
CURRENT ASSETS			
Investments	9	1	1
Debtors	10	1,080	1,056
Cash at bank and in hand		55	74
		<u>1,136</u>	<u>1,131</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(25)	(39)
NET CURRENT ASSETS AND NET ASSETS		<u>1,111</u>	<u>1,092</u>
CAPITAL AND RESERVES			
Called up share capital	12	300	300
Profit and loss account	13	811	792
TOTAL SHAREHOLDER'S FUNDS	14	<u>1,111</u>	<u>1,092</u>

The financial statements were approved by the Board of Directors on 7 July 2010 and were signed on its behalf by

S.A. Collins

S A. COLLINS

Director

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

Company number 1983979

GOLDMAN SACHS INTERNATIONAL FINANCE

(unlimited company)

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) **Current asset investments:** Current asset investments are stated at the lower of cost and net realisable value
- (c) **Foreign currencies:** Transactions denominated in foreign currencies are translated into US dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date. Gains and losses on exchange are recognised in the profit and loss account.
- (d) **Income recognition:** Interest income and expense are 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 PROFIT

Operating profit is stated after crediting	57 week period ended 31 December 2009 US\$'000	52 week period ended 28 November 2008 US\$'000
Foreign exchange gain	3	10

The auditors' remuneration of US\$ 5,000 (52 week period ended 28 November 2008 US\$ 6,000) has been borne by a group undertaking.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	57 week period ended 31 December 2009 US\$'000	52 week period ended 28 November 2008 US\$'000
Interest on loans to group undertakings (see note 10)	25	39
Other interest received	1	4
	<u>26</u>	<u>43</u>

GOLDMAN SACHS INTERNATIONAL FINANCE
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

5. INTEREST PAYABLE AND SIMILAR CHARGES

	57 week period ended 31 December 2009 US\$'000	52 week period ended 28 November 2008 US\$'000
Bank charges	3	2

6. STAFF COSTS

The company has no employees (2008 Nil) All persons involved in the company's operations are employed by a group undertaking

7. DIRECTORS' EMOLUMENTS

The directors received no emoluments in respect of services as directors of the company (2008 US\$ Nil)

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge for the period:

	57 week period ended 31 December 2009 US\$'000	52 week period ended 28 November 2008 US\$'000
Current tax		
Group relief payable	7	14
Total current tax (see note 8(b))	7	14

Group relief represents amounts payable to group undertakings in consideration for the surrender of losses under group relief agreements

(b) Factors affecting tax charge for the period

The current tax assessed for the period is at the standard rate of corporation tax in the UK measured at 28% (28 November 2008 28 67% following the change in corporation tax rates from 1 April 2008 to 28%) The differences in the prior period are explained below

	57 week period ended 31 December 2009 US\$'000	52 week period ended 28 November 2008 US\$'000
Profit on ordinary activities before tax	26	51
Profit on ordinary activities multiplied by standard rate in the UK 28% (28 November 2008 28 67%)	7	15
Foreign exchange difference	-	(1)
Current tax charge for the period	7	14

GOLDMAN SACHS INTERNATIONAL FINANCE
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

9. CURRENT ASSET INVESTMENTS

Current asset investments comprise an investment in a global messaging network, which is unlisted and stated at cost

10. DEBTORS

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

	31 December 2009 US\$'000	28 November 2008 US\$'000
Amounts due from group undertakings	<u>1,080</u>	<u>1,056</u>

The company has entered into a loan agreement with Goldman Sachs International, a fellow group undertaking. The company advanced an amount of US\$ 1,080,000 (2008 US\$ 1,056,000) under an unsecured facility that carries interest at a margin over LIBOR. This loan is repayable on demand by the company.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors, all of which are payable within one year of the balance sheet date, comprise

	31 December 2009 US\$'000	28 November 2008 US\$'000
Corporation tax payable	-	5
Group relief payable	20	24
Amounts due to group undertakings	<u>5</u>	<u>10</u>
	<u>25</u>	<u>39</u>

12. SHARE CAPITAL

At 31 December 2009 and 28 November 2008 share capital comprised

	31 December 2009		28 November 2008	
	No.	US\$'000	No.	US\$'000
<u>Authorised</u>				
Ordinary shares of US\$ 1 each	50,000,000	50,000	50,000,000	50,000
7.2% fixed rate cumulative “A” preference shares of US\$ 1 each	95,600,000	95,600	95,600,000	95,600
7.8% fixed rate cumulative “B” preference shares of US\$ 0.01 each	440,000,000	4,400	440,000,000	4,400
		<u>150,000</u>		<u>150,000</u>
<u>Allotted, called up and fully paid</u>				
Ordinary shares of US\$ 1 each	300,000	300	300,000	300
		<u>300</u>		<u>300</u>

GOLDMAN SACHS INTERNATIONAL FINANCE
(unlimited company)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

13. PROFIT AND LOSS ACCOUNT

	US\$'000
As at 28 November 2008	792
Profit for the period	19
As at 31 December 2009	811

14. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDER'S FUNDS

	31 December 2009 US\$'000	28 November 2008 US\$'000
Profit for the period	19	37
Net increase in shareholder's funds	19	37
Opening shareholder's funds	1,092	1,055
Closing shareholder's funds	1,111	1,092

15. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the period end (2008 Nil)

16. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the financial risk that the directors consider relevant to this company is interest rate risk. The company, as part of a global group, mitigates this risk by the routine monitoring of key management information.

17. 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.

18. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking is Goldman Sachs Holdings (U.K.), and the parent company of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group Holdings (U.K.), companies incorporated in Great Britain and registered in England and Wales.

The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in 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.