

Company Number: 4373284

GOLDMAN SACHS LONDON PROPERTY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2010

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GOLDMAN SACHS LONDON PROPERTY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the 52 week period ended 31 December 2010

1. Principal activities

Goldman Sachs London Property Limited ('the company') holds a development site and has exchanged conditional contracts to purchase a second site. Both sites may be developed for future use within The Goldman Sachs Group, Inc ('the group')

2. Review of business and future developments

The financial statements have been drawn up for the 52 week period ended 31 December 2010. Comparative information has been presented for the 57 week period ended 31 December 2009.

The results for the period are shown in the profit and loss account on page 4. Loss on ordinary activities before taxation for the period was £66,054 (57 week period ended 31 December 2009 £322,515). The company has total assets of £62,652,292 (31 December 2009 £62,651,616).

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(e)). The directors continue to assess opportunities (see note 6 below).

3. Dividends

The directors do not recommend the payment of a dividend in respect of the period (57 week period ended 31 December 2009 £nil).

4. Directors

The directors of the company who served throughout the period and to the date of this report, except where noted, were

Name	Appointed
T A Smith	
J R Charnley	
D W McDonogh	
G A Wills	20 August 2010

No director had, at the period end, any interest requiring note herein.

5. Financial risk management

The company's risk management objectives and policies, as well as risk exposures are described in note 13 to the financial statements.

6. Post balance sheet events

Subsequent to the period end, the company exchanged conditional contracts to purchase a second development site for £92.5 million. As a result, the company entered into a new loan facility with The Goldman Sachs Group, Inc.

REPORT OF THE DIRECTORS (continued)

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. 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

9. Directors' responsibilities

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

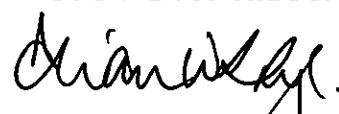
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare 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

10. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 13 July 2011.

BY ORDER OF THE BOARD



D. W. Rhys
Secretary

13 July 2011

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 52 week period ended 31 December 2010 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 and express an opinion on 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 2010 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.

15 July 2011

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

GOLDMAN SACHS LONDON PROPERTY LIMITED

PROFIT AND LOSS ACCOUNT**for the 52 week period ended 31 December 2010**

		52 week period ended 31 December 2010	57 week period ended 31 December 2009
	Note	£'000	£'000
Administrative expenses		(66)	(325)
OPERATING LOSS	2	(66)	(325)
Interest receivable and similar income	3	-	2
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(66)	(323)
Tax on loss on ordinary activities	6	18	91
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD	12	(48)	(232)

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

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 shown above, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 6 to 10 form an integral part of these financial statements
Independent Auditors' report – page 3

GOLDMAN SACHS LONDON PROPERTY LIMITED

BALANCE SHEET

as at 31 December 2010

	Note	31 December 2010 £'000	31 December 2009 £'000
FIXED ASSETS			
Tangible fixed assets	7	61,540	61,540
CURRENT ASSETS			
Debtors	8	110	284
Cash at bank and in hand		1,002	828
		1,112	1,112
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(1,951)	(1,903)
NET CURRENT LIABILITIES		(839)	(791)
TOTAL ASSETS LESS CURRENT LIABILITIES		60,701	60,749
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(54,077)	(54,077)
NET ASSETS		6,624	6,672
CAPITAL AND RESERVES			
Called up share capital	11	15,500	15,500
Profit and loss account	12	(8,876)	(8,828)
TOTAL SHAREHOLDER'S FUNDS	12	6,624	6,672

The financial statements were approved by the Board of Directors on **13 July** 2011 and signed on its behalf by


Director

G. A. WILLS

The notes on pages 6 to 10 form an integral part of these financial statements
Independent Auditors' report – page 3
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GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. ACCOUNTING POLICIES

a. Accounting convention

The financial statements have been prepared on a going concern basis, under the historical cost convention, the accounting policies set out below, in accordance with the Companies Act 2006 and applicable accounting standards

b. 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. Foreign exchange gains and losses are presented in the profit and loss account within administrative expenses.

c. Tangible fixed assets

Freehold land is stated at cost less provision for any impairment. No depreciation is charged on freehold land.

d. Other financial assets and liabilities

Other financial assets and liabilities primarily comprise amounts due to group undertakings and amounts due from undertakings. They are initially recognised at fair value and subsequently measured at amortised cost, with finance income and expense recognised on an accruals basis. All finance income and expenses are recognised in the profit and loss account.

e. Going concern

The company has net current liabilities as at 31 December 2010. 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.

f. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

g. Reporting and disclosure exemption

i. FRS1 - Cash flow statements

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

ii. FRS8 - Related party disclosures

The company is a wholly-owned subsidiary of The Goldman Sachs Group, Inc., whose consolidated accounts include the company and are publicly available. As a result, under the terms of paragraph 3(c) of FRS8 - Related party disclosures, the company is exempt from disclosing transactions with companies also wholly owned within the group. There were no other related party transactions requiring disclosure.

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

2 OPERATING LOSS

	52 week period ended 31 December 2010 £'000	57 week period ended 31 December 2009 £'000
Operating loss is stated after charging:		
Management fees payable to group undertakings	56	304
Auditors' remuneration- audit services	6	3

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 31 December 2010 £'000	57 week period ended 31 December 2009 £'000
Interest on overnight deposits	-	2

4. STAFF COSTS

The company has no employees (31 December 2009 nil) All persons involved in the company's operations are employed by a group undertaking and no cost is borne by the company

5. DIRECTORS' EMOLUMENTS

	52 week period ended 31 December 2010 £'000	57 week period ended 31 December 2009 £'000
Aggregate emoluments	2	2
	2	2

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. One director has exercised options.

6. TAXATION ON LOSS ON ORDINARY ACTIVITIES

a. Analysis of tax credit for the period.

	52 week period ended 31 December 2010 £'000	57 week period ended 31 December 2009 £'000
Current tax:		
Group relief receivable	18	91
Total current tax (see note (b) below)	18	91

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

6 TAXATION ON LOSS ON ORDINARY ACTIVITIES (continued)

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% (31 December 2009 28%)

	52 week period ended 31 December 2010	57 week period ended 31 December 2009
	£'000	£'000
Loss on ordinary activities before tax	(66)	(323)
Loss on ordinary activities at the standard rate in the UK 28% (2009 28%)	18	91
Current tax credit for the period	18	91

A potential deferred tax asset of £2,045,802 (31 December 2009 £2,121,572) has not been recognised in the financial statements as there is uncertainty whether the company will generate sufficient taxable profits in the future against which the deferred tax asset can be recovered

7. TANGIBLE FIXED ASSETS

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

	Freehold land £'000
Cost and net book value	
At 31 December 2010 and 31 December 2009	61,540

8. DEBTORS

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

	31 December 2010 £'000	31 December 2009 £'000
Amounts due from group undertakings	-	76
Group relief receivable	109	207
Other debtors	1	1
	110	284

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2010 £'000	31 December 2009 £'000
Amounts payable to group undertakings	1,945	1,894
Other creditors and accruals	6	9
	1,951	1,903

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

10. CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2010	31 December 2009
	£'000	£'000
Loan payable to parent undertaking	<u>54,077</u>	<u>54,077</u>

The company entered into a loan facility agreement with The Goldman Sachs Group, Inc. This facility is unsecured and accrued interest at a margin over LIBOR. On 11 August 2005 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. The company had advances of £46,500,000 (31 December 2009 £46,500,000) and interest of £7,577,044 (31 December 2009 £7,577,044) outstanding under this facility as at 31 December 2010, none of which is scheduled for repayment within the next year.

11. SHARE CAPITAL

At 31 December 2010 and 31 December 2009 share capital comprised

	31 December 2010	31 December 2009
	No. £'000	No. £'000
<u>Allotted, called up and fully paid</u>		
Ordinary shares of £1 each	15,500,001 <u>15,500</u>	15,500,001 <u>15,500</u>
	<u>15,500</u>	<u>15,500</u>

12. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDER'S FUNDS

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 31 December 2009	15,500	(8,828)	6,672
Loss for the financial period	-	(48)	(48)
At 31 December 2010	<u>15,500</u>	<u>(8,876)</u>	<u>6,624</u>

13. 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 most important components of financial risk the directors consider relevant to the company are market risk in relation to the valuation of the land held and cash flow risk. The company, as part of a global group, mitigates this risk by the routine monitoring of key management information.

14. POST BALANCE SHEET EVENTS

Subsequent to the period end, the company entered into a contract to purchase additional land for £92 million. As a result, the company entered into a new loan facility with The Goldman Sachs Group, Inc.

GOLDMAN SACHS LONDON PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

15. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The ultimate and immediate parent undertaking, and the parent company of the smallest and 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.