

KILLINGHOLME POWER GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

28 November 2008

THURSDAY



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KILLINGHOLME POWER GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for Killingholme Power Group Limited ('the company'), for the 52 week period ended 28 November 2008.

1. Principal activities

The principal activity of the company during the period is to act as an investment holding company.

2. Review of business and future developments

The profit and loss account is shown on page 4. Loss after taxation of £nil has been reported for the period (53 week period ended 30 November 2007: £1,000). The company has reported net liabilities of £1,010,000 (30 November 2007: net liabilities of £1,010,000).

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

3. 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
W. T. Gasson		
S. B. Scobie		
D. W. McDonogh		1 February 2008
M. A. Allen	1 February 2008	

4. Dividends

The directors do not recommend the payment of an ordinary dividend in respect of the period (53 week period ended 30 November 2007: £nil).

5. Financial risk management

The company's risk management objectives and policies, as well as its risk exposure, are described in note 14 to 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 (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 ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

KILLINGHOLME POWER GROUP LIMITED

REPORT OF THE DIRECTORS

7. Directors' responsibilities

United Kingdom company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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 proper 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 1985. 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

The company has passed Elective Resolutions in accordance with the Companies Act 1985 to dispense with the holding of annual general meetings, the laying of accounts and reports before general meetings and the annual reappointment of Auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as Auditors of the company pursuant to Section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD

Director



10 December 2009

**Independent auditors' report to the members of
KILLINGHOLME POWER GROUP LIMITED**

We have audited the financial statements of Killingholme Power Group Limited for the 52 week period ended 28 November 2008 which comprises the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 November 2008 and of its result for the period then ended;
- 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.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

10 December 2009

KILLINGHOLME POWER GROUP LIMITED

PROFIT AND LOSS ACCOUNT for the 52 week period ended 28 November 2008

	Note	52 week period ended 28 November 2008 £'000	53 week period ended 30 November 2007 £'000
Administrative expenses		-	(1)
OPERATING LOSS	3	-	(1)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(1)
Taxation on loss on ordinary activities	6	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE PERIOD	11	-	(1)

The operating loss of the company is derived from continuing operations.

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 10 form part of these financial statements.

Independent auditors' report – page 3.

KILLINGHOLME POWER GROUP LIMITED

BALANCE SHEET as at 28 November 2008

	Note	28 November 2008 £'000	30 November 2007 £'000
FIXED ASSET INVESTMENTS	7	-	-
CURRENT ASSETS			
Debtors	8	1,177	1,177
		1,177	1,177
CURRENT LIABILITIES			
Creditors	9	(2,187)	(2,187)
NET CURRENT LIABILITIES		(1,010)	(1,010)
NET LIABILITIES		(1,010)	(1,010)
CAPITAL AND RESERVES			
Called up share capital	10	1,243	1,243
Profit and loss account	11	(2,253)	(2,253)
TOTAL SHAREHOLDERS' DEFICIT	12	(1,010)	(1,010)

The financial statements were approved by the Board of Directors on 10 December, 2009
and were signed on its behalf by



Director

The notes on pages 6 to 10 form part of these financial statements.

Independent auditors' report – page 3.

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 28 NOVEMBER 2008

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) **Fixed asset investments:** Fixed asset investments are held at cost less provisions for any diminution in value. Any such provision is charged to the profit and loss account in the period in which it arises.
- (c) **Going concern:** The company has net current liabilities of £1,010,000 at 28 November 2008 (2007: £1,010,000). The principal current liabilities of the company represent amounts due to group undertakings. The immediate parent company has provided continuing support regarding 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) **Consolidation:** The company is a subsidiary undertaking of a company incorporated in England and Wales and has elected not to prepare group accounts in accordance with the dispensation set out in section 228(1) of the Companies Act 1985.
- (e) **Foreign exchange:** 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 operating loss.

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

The auditors' remuneration for the current period of £6,300 has been borne by a group undertaking (53 week period ended 30 November 2007: £6,000).

4. STAFF COSTS

The company has no employees (2007: Nil). All persons involved in the company's operations are employed by a group undertaking.

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 28 NOVEMBER 2008

5. *DIRECTORS' EMOLUMENTS*

	52 week period ended 28 November 2008 £'000	53 week period ended 30 November 2007 £'000
Aggregate emoluments	2	5
Company pension contributions to money purchase schemes	-	1
	2	6

In accordance with the Companies Act 1985, 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. Three directors are members of the defined contribution scheme and all directors are members of the defined benefit pension scheme. All directors have been granted shares in respect of a long term incentive scheme.

No directors have exercised options.

6. *TAXATION ON LOSS ON ORDINARY ACTIVITIES*

The tax charge for the current and prior period is nil.

Factors affecting tax charge for the period:

The current tax assessed for the prior period differs from the standard rate of corporation tax in the UK measured at 28.67% following the change in corporation tax rates from 1 April 2008 to 28% (30 November 2007: 30%). The differences are explained below:

	52 week period ended 28 November 2008 £	53 week period ended 30 November 2007 £
Loss on ordinary activities before tax	-	(1,000)
Loss on ordinary activities multiplied by standard rate in the UK (28.67%) (prior period: 30%)	-	(300)
Expenses not deductible for tax purposes	-	300
Current tax charge for the period	-	-

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 28 NOVEMBER 2008

7. **FIXED ASSET INVESTMENTS**

Fixed asset investments, which are unlisted and stated at cost, comprise shareholdings in group undertakings:

	£'000
Cost	
As at 28 November 2008 and 30 November 2007	-

The principal subsidiaries over which the company exercises control, and the effective percentage ownership interests in the ordinary shares held directly by the company at the period end are listed below.

Name of company	%	Number in issue	Class	Nominal
Killingholme Holdings Limited	100	2	Ordinary	£1

The above subsidiary undertaking acts as an investment holding company and is registered in England and Wales.

8. **DEBTORS**

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

	28 November 2008 £'000	30 November 2007 £'000
Amounts due from group undertakings	1,177	1,177

Amounts due from group undertakings include an amount of £416,000 (30 November 2007: £416,000) in cash balances held on account by a fellow group undertaking.

9. **CREDITORS**

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

	28 November 2008 £'000	30 November 2007 £'000
Amount owing to group undertaking	1,772	1,772
Accruals and deferred income	415	415
	2,187	2,187

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 28 NOVEMBER 2008

10. CALLED UP SHARE CAPITAL

	28 November 2008		30 November 2007	
	No.	£'000	No.	£'000
Authorised				
Class A Ordinary shares of £0.01 each	124,312,450	1,243	124,312,450	1,243
Class B Ordinary shares of £0.01 each	1,250	-	1,250	-
		<u>1,243</u>		<u>1,243</u>
Allotted, called up and fully paid				
Class A Ordinary shares of £0.01 each	124,312,437	1,243	124,312,437	1,243
		<u>1,243</u>		<u>1,243</u>

11. PROFIT AND LOSS ACCOUNT

	£'000
As at 30 November 2007	(2,253)
Result for the period	-
As at 28 November 2008	<u>(2,253)</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	28 November 2008 £'000	30 November 2007 £'000
Result for the period	-	(1)
Net increase in shareholders' deficit	-	(1)
Opening shareholders' deficit	(1,010)	(1,009)
Closing shareholders' deficit	<u>(1,010)</u>	<u>(1,010)</u>

13. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at 28 November 2008 (30 November 2007: Nil).

14. 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 current 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 liquidity risk is the most important component of financial risk the directors consider relevant to the entity. The company, as part of a global group, adheres to global risk management policies and procedures.

KILLINGHOLME POWER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 28 NOVEMBER 2008

15. RELATED PARTY DISCLOSURES

Under the terms of paragraph 3(c) of FRS 8, 'Related Party Disclosures', the company is exempt from disclosing transactions with fellow group companies. There were no other related party transactions requiring disclosure.

16. ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

The immediate parent undertaking and the parent company of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group Holdings (U.K.), a company 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.. The principal place of business, from which copies of its accounts can be obtained, is 85 Broad Street, New York, NY 10004, United States of America. This company is incorporated in the United States of America. On 21 September 2008, The Goldman Sachs Group, Inc. became a bank holding company regulated by the Board of Governors of the Federal Reserves System under the U.S. Bank Holding Company Act of 1956.