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Company Number: 04498075

**KILLINGHOLME POWER GROUP LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2013**



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## KILLINGHOLME POWER GROUP LIMITED

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### REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2013. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414A of the Companies Act.

#### 1. Principal activities

The principal activity of Killingholme Power Group Limited ('the company') is to act as an investment holding company.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. ('Group Inc.'). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System ('Federal Reserve Board'). Group Inc. together with its consolidated subsidiaries form the 'group'. The group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals.

The company's principal business is transacted in the British pound and accordingly, the company's functional currency is the British pound and these financial statements have been prepared in that currency.

#### 2. Review of business and future developments

The financial statements have been drawn up for the year ended 31 December 2013. Comparative information has been presented for the year ended 31 December 2012.

The profit and loss account for the year is set out on page 5. The company reported a result on ordinary activities before taxation of £nil for the year ended 31 December 2013 (year ended 31 December 2012: profit of £41,000). The company has net current liabilities of £1,010,000 (31 December 2012: £1,010,000).

The directors consider that the year end financial position of the company was satisfactory taking into account the continued support from its parent undertaking (see note 1b). No significant change in the company's principal business activity is expected.

#### 3. Dividends

The directors do not recommend the payment of a dividend in respect of the year (year ended 31 December 2012: £nil).

#### 4. Directors

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

Name	Appointed	Resigned
M. A. Allen		26 June 2013
O. J. Bingham	1 August 2013	
W. T. Gasson		
M. Holmes	1 August 2013	12 June 2014
S. B. Scobie		
R. J. Taylor	12 June 2014	

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

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## KILLINGHOLME POWER GROUP LIMITED

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### REPORT OF THE DIRECTORS (continued)

#### 5. Financial risk management

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

#### 7. Independent 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.

#### 8. Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations. 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. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 12 JUNE 2014.

BY ORDER OF THE BOARD



W.T. GASSON  
Director

# **Independent auditors' report to the members of Killingholme Power Group Limited**

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## **Report on the financial statements**

### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its result for the year 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.

This opinion is to be read in the context of what we say in the remainder of this report.

### **What we have audited**

The financial statements, which are prepared by Killingholme Power Group Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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.

In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

## **Independent auditors' report to the members of Killingholme Power Group Limited**

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the statement of directors' responsibilities set out on page 2, 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 ISAs (UK & 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.

Alastair Findlay (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

12 June 2014

# KILLINGHOLME POWER GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

		Year Ended 31 December 2013	Year Ended 31 December 2012
	Note	£'000	£'000
Administrative income		-	41
<b>OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	-	41
Tax on profit on ordinary activities	7	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR</b>		-	41

The operating profit of the company is derived from continuing operations in the current and prior years.

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

The company has no recognised gains and losses other than those included in the profit and loss account for the financial years shown above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 10 form an integral part of these financial statements.  
Independent auditors' report – pages 3 to 4

# KILLINGHOLME POWER GROUP LIMITED


## BALANCE SHEET

as at 31 December 2013

		31 December 2013	31 December 2012
	Note	£'000	£'000
<b>FIXED ASSET INVESTMENT</b>	8	-	-
<b>CURRENT ASSETS</b>			
Debtors	9	1,177	1,177
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	(2,187)	(2,187)
<b>NET CURRENT LIABILITIES AND NET LIABILITIES</b>		<u>(1,010)</u>	<u>(1,010)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,243	1,243
Profit and loss account		<u>(2,253)</u>	<u>(2,253)</u>
<b>TOTAL SHAREHOLDER'S DEFICIT</b>	12	<u>(1,010)</u>	<u>(1,010)</u>

The financial statements were approved by the Board of Directors on 12 JUNE

2014 and signed on its behalf by:

  
W.T. GASSON  
Director

The notes on pages 7 to 10 form an integral part of these financial statements.  
Independent auditors' report – pages 3 to 4  
Company number: 04498075

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# KILLINGHOLME POWER GROUP LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

### 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, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies are set out below and have been applied consistently throughout the year.

#### b. Going concern

The company has net liabilities as at 31 December 2013. Goldman Sachs Group Holdings (U.K.) Limited, its immediate parent undertaking (see note 15) 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.

#### c. Fixed asset investments

Fixed asset investments comprise an investment in a subsidiary undertaking and is stated at cost less provision for any impairment.

### 2. REPORTING AND DISCLOSURE EXEMPTIONS

#### a. FRS1 (Revised 1996) '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 (Revised 1996) 'Cash Flow Statements'.

#### b. 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.

#### c. Consolidation

The company is exempt from the requirement to prepare group accounts under section 400 of the Companies Act 2006.

### 3. STAFF COSTS

As in the prior year the company has no employees. All persons involved in the company's operation are employed by group undertakings and no costs are borne by the company.

### 4. AUDITORS' REMUNERATION

The auditors' remuneration for the current year of £5,000 (year ended 31 December 2012: £5,000) has been borne by a group undertaking.



# KILLINGHOLME POWER GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

### 5. DIRECTORS' EMOLUMENTS

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£'000	£'000
Aggregate emoluments	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. In accordance with schedule 5 of SI 2008 / 410, this only includes the value of cash and benefits in kind. Directors also receive emoluments for non-qualifying services which are not required to be disclosed.

Four directors were members of a defined contribution pension scheme and four directors were members of a defined benefit pension scheme during the year. All directors have been granted shares in respect of a long-term incentive scheme during the year. No directors have exercised options during the year.

### 6. OPERATING PROFIT

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£'000	£'000
Operating profit is stated after crediting:		
Administrative income	-	41

### 7. TAX ON LOSS ON ORDINARY ACTIVITIES

#### a. Analysis of tax charge for the year:

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

#### b. Factors affecting tax charge for the year:

The difference between the total current tax shown above and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 23.25% (31 December 2012: 24.50%) to profit on ordinary activities before tax is as follows:

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£'000	£'000
Profit on ordinary activities before taxation	-	41
Profit on ordinary activities multiplied by the weighted average rate in the UK 23.25% (2012: 24.50%)	-	11
Non-taxable income	-	(11)
Current tax charge for the year	-	-

# KILLINGHOLME POWER GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

### 8. FIXED ASSET INVESTMENT

#### Investment in subsidiary undertaking

£'000

#### Cost and Net Book Value

At 31 December 2013 and at 31 December 2012

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The subsidiary over which the company exercises control at the year end is listed below:

Name of company	Country of incorporation	Proportion of nominal value held	Number in issue	Class of shares held	Nature of business
Killingholme Holdings Limited	England and Wales	100%	2	Ordinary Shares	Investment company

The directors consider that the value of investments in shares in group undertakings are not less than their book values.

### 9. DEBTORS

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

	31 December 2013	31 December 2012
	£'000	£'000
Amounts due from group undertakings	1,177	1,177

Amounts due from group undertakings include an amount of £416,000 (31 December 2012: £416,000) in cash balances held on account by a fellow group undertaking.

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2013	31 December 2012
	£'000	£'000
Amounts due to group undertakings	2,187	2,187

### 11. CALLED UP SHARE CAPITAL

At 31 December 2013 and 31 December 2013 share capital comprised:

	31 December 2013		31 December 2012	
	No.	£'000	No.	£'000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £0.01 each	124,312,437	1,243	124,312,437	1,243
		<u>1,243</u>		<u>1,243</u>

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## KILLINGHOLME POWER GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

#### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	31 December 2013	31 December 2012
	£'000	£'000
Profit for the year	-	41
Net increase in shareholder's deficit	-	41
Opening shareholder's deficit	(1,010)	(1,051)
Closing shareholder's deficit	<u>(1,010)</u>	<u>(1,010)</u>

#### 13. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the year end (31 December 2012: £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 (see note 1b). Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the directors consider liquidity risk is the most important component of financial risk relevant to the company. The company, as part of a global group, adheres to global risk management policies and procedures.

#### 15. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking is Goldman Sachs Group Holdings (U.K.) Limited. The parent company of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group UK Limited. Both companies are incorporated and registered in England and Wales. Copies of Goldman Sachs Group UK Limited's consolidated financial statements are available on request from The Company Secretary, Goldman Sachs Group UK Limited, Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

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 consolidated financial statements, as well as certain regulatory filings, for example Forms 10-Q and 10-K, that provide additional information on the group and its business activities, can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, the group's principal place of business or at [www.goldmansachs.com/shareholders/](http://www.goldmansachs.com/shareholders/).