

MONEY PARTNERS LOANS LIMITED

Report and Financial Statements

Year ended 30 November 2007



REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 November 2006

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the company is the origination of mortgage loans secured by second charges over residential properties within the United Kingdom. In September 2007 the company suspended the origination of mortgages secured by second charges until market conditions improve.

As a consequence of the global credit crunch and its impact on financial markets during 2007, business activity declined significantly during the second half of the year. The company suspended the origination of mortgages secured by second charges in September. In total new mortgage loans originated during 2007 amounted to £206 million, a 46% decrease over the total of £383 million for 2006. The total fee income for the year of £18 million was 55% below the fee income of £40 million for the previous year. The reduced level of activity has resulted in a loss for the year as shown in the profit and loss account on page 5.

Principal risks and uncertainties

The global credit crunch has had a significant adverse impact on the company this year, causing business volumes to fall dramatically and resultant losses. There is limited appetite in the credit markets to fund mortgage loans originated in this sector and therefore the directors do not expect any new business for the majority of 2008.

Due to the nature of the business model, the company has no exposure to interest rate risk.

RESULTS AND DIVIDENDS

The results for the period are shown in the profit and loss account on page 5. The loss after taxation is £1,479,000 (2006 profit after taxation of £626,000) and has been deducted from (2006 added to) reserves. No dividend has been proposed (2006 £Nil).

DIRECTORS

The directors during the year were

A D Johnson	
C G Sanders	
F F Archer	Resigned 8 January 2008
P T Brennan	
R Blundell	Resigned 24 September 2007
P A George	
D G Jones	Resigned 8 January 2008
S C Kingdon	Resigned 14 February 2008
J N Maltby	Resigned 2 April 2007

All of the directors were directors of the company's ultimate holding company, Money Partners Holdings Limited, and their interests are disclosed in that company's financial statements.

None of the directors had any interest either during or at the end of the year in any material contract or arrangement with the company.

Ms M Pinggera, K Gasvoda, D Sparks, S Davies and J Stolz were appointed to the Board on 8 January 2008.

DIRECTORS' REPORT continued

CREDITOR PAYMENT POLICY

The Company agrees terms and conditions with its suppliers. Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier. The trade creditor days figure has not been stated as the measure is not appropriate to the business.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

The directors of the company will propose at the 2008 AGM that PricewaterhouseCoopers LLP be appointed as auditors of the company for the year ending 30 November 2008.

Approved by the Board of Directors
and signed on behalf of the Board



K G Spielmann

Secretary

25 February 2008

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
in relation to Financial Statements**

The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed, and
- (d) prepare the financial statements 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 financial statements 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONEY PARTNERS LOANS LIMITED

We have audited the company financial statements (the "financial statements") of Money Partners Loans Limited for the year ended 30 November 2007 which comprise the Profit and Loss Account, Balance Sheet, the statement of accounting policies and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and 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).

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 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 misstatement within it.

Basis of audit opinion

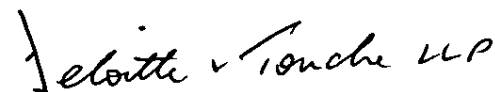
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 30 November 2006 and of the company's profit for the year 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.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors, London

27 February 2008

PROFIT AND LOSS ACCOUNT
Year ended 30 November 2007

	Note	2007 £'000	2006 £'000
Fees and commissions receivable	1	17,869	39,532
Fees and commissions payable		(16,370)	(34,741)
Interest receivable		-	-
Interest payable and similar charges		-	-
Total operating income/(loss)		1,499	4,791
Operating expenses		(3,069)	(3,897)
OPERATING PROFIT / (LOSS) BEING THE PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(1,570)	894
Tax credit / (charge) on profit / (loss) on ordinary activities	4	91	(268)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING THE RETAINED (LOSS) / PROFIT FOR THE FINANCIAL YEAR		(1,479)	626

All activities derive from continuing operations

There are no recognised gains or losses other than the loss for the year to 30 November 2007 and profit for the year 30 November 2006 as shown above. Accordingly no statement of total recognised gains and losses is presented.

The notes on pages 8 to 11 form part of these financial statements


Auditors' report – page 4


BALANCE SHEET
30 November 2007

	Note	2007 £'000	2006 £'000
CURRENT ASSETS			
Debtors and prepayments	6	9,303	3,044
Cash at bank		2	-
		<u>9,305</u>	<u>3,044</u>
 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	 (11,031)	 (3,291)
 NET CURRENT (LIABILITIES) /ASSETS		 <u>(1,726)</u>	 <u>(247)</u>
 EQUITY SHAREHOLDERS' FUNDS			
Called up share capital	7	-	-
Profit and loss account		(1,726)	(247)
 TOTAL SHAREHOLDERS (DEFICIT) / FUNDS	8	 <u>(1,726)</u>	 <u>(247)</u>

These financial statements were approved by the Board of Directors and authorised for issue on
25 February 2008

Signed on behalf of the Board of Directors


C G Sanders
Chief Executive


P T Brennan
Director

The notes on pages 8 to 11 form part of these financial statements
Auditors' report – page 4

STATEMENT OF ACCOUNTING POLICIES
30 November 2007

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. All relevant accounting standards effective during the year have been complied with.

The particular accounting policies adopted are summarised below. They have all been applied consistently throughout the year.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Fees and commissions receivable

Fees and commissions receivable comprise fees receivable in respect of the origination of new mortgage loans which are accrued when the company has completed its contractual obligations, to the extent that they can be reliably estimated.

Fees and commissions payable

Fees and commissions payable comprise origination costs which are written off as they are incurred.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS

30 November 2007

1. TURNOVER

The nature of the business of the company is the arrangement and provision of mortgage finance and therefore, the directors are of the opinion that it is more appropriate to use fees and commissions receivable and fees and commissions payable rather than turnover and cost of sales in preparing the profit and loss account

2 OPERATING LOSS BEING THE LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £'000	2006 £'000
Operating loss being the loss on ordinary activities before taxation is stated after charging/(crediting)		
Auditors' remuneration	23	21

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the period

The directors are all directors of the holding company, Money Partners Holdings Limited, and details of their remuneration is included in that company's financial statements

4. TAX CHARGE / (CREDIT) ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
Current Tax		
UK corporation tax (credit) / charge	(91)	91
Prior year adjustment	-	62
Total current tax	(91)	153
Deferred Tax		
Origination and reversal of timing differences	-	115
Total tax (credit) / charge for the year	(91)	268

NOTES TO THE FINANCIAL STATEMENTS
30 November 2007

4. TAX CHARGE / (CREDIT) ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting the tax credit for the year

The current tax charge for the year is lower than that resulting from applying the standard rate of UK corporation tax of 30%. The differences are explained below

	2007 £'000	2006 £'000
Profit / (loss) on ordinary activities before tax	(1,580)	894
Expected tax (credit) / charge at 30%	(471)	268
Tax losses	380	(115)
Current tax (credit) / charge for the year	(91)	153

5. DEFERRED TAX

	2007 £'000	2006 £'000
At 1 December	-	115
(Charge) / credit to profit and loss account	-	(115)
At 30 November	-	-

6. DEBTORS AND PREPAYMENTS

	2007 £'000	2005 £'000
Group balances	9,300	65
Other debtors	-	1,082
Prepayments and accrued income	3	1,897
	9,303	3,044

NOTES TO THE FINANCIAL STATEMENTS
30 November 2007

7 CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised 1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Called up, allotted and fully paid 1 ordinary share of £1 each	<u>-</u>	<u>-</u>

8. EQUITY SHAREHOLDERS' DEFICIT

	2007 £'000	2006 £'000
At 1 December	(247)	(873)
Profit / (loss) for the period	<u>(1,479)</u>	<u>626</u>
At 30 November	<u>(1,726)</u>	<u>(247)</u>

9. CREDITORS

	2007 £'000	2006 £'000
Amounts falling due within one year		
UK corporation tax	-	91
Group balances	9,854	1,196
Bank overdraft	-	502
Other creditors	144	736
Accruals and deferred income	<u>1,033</u>	<u>766</u>
	<u>11,031</u>	<u>3,291</u>

10 CAPITAL COMMITMENTS

There were no capital commitments at 30 November 2007 or 2006

NOTES TO THE FINANCIAL STATEMENTS
30 November 2007

11. RELATED PARTY TRANSACTIONS

Mortgage originations

Under the terms of mortgage and loan origination agreements the company originated mortgages and loans for Kensington Mortgage Company Limited ("KMC"), a subsidiary of Kensington Group plc, in return for a fee. The fee is payable in part on completion of the mortgage or loan and in part over the following four years, subject to the performance of those mortgages and loans.

Transactions with other group companies

Financial Reporting Standard 8 exempts the reporting of transactions between group companies in the accounts of companies 90% or more of whose voting rights are controlled within the group. The company has taken advantage of this exemption.

12. ULTIMATE PARENT COMPANY

The immediate parent and the parent company of the smallest group for which consolidated financial statements are prepared is Money Partners Holdings Limited, a company registered in England and Wales.

On 8 January 2008, Goldman Sachs Group Holdings (U K) acquired the entire issued share capital of Money Partners Holdings Limited.

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.