

Company Number. 7682337

**FARRINGDON STREET PARTNERS LIMITED**

**ANNUAL REPORT**

**31 DECEMBER 2014**

TUESDAY



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# FARRINGTON STREET PARTNERS LIMITED

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## DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2014. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414A of the Companies Act 2006.

### 1. Principal activities

Farrington Street Partners Limited ('the company') and its subsidiaries (together the 'Group') hold legal title to properties.

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 British pounds 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 consolidated results for the year ended 31 December 2014 are shown in the profit and loss account on page 5. Loss for the year for the Group was £904 (31 December 2013: £3,326). The Group has total assets of £0.2 million (31 December 2013: £0.2 million).

The company earned no income, nor incurred any expenses during the year ended 31 December 2014 (31 December 2013: £nil). The company has total assets of £0.2 million (31 December 2013: £0.2 million).

The directors consider that the year-end financial position of the Group and the company was satisfactory. No significant change in the Group's strategy is expected.

### 3. Dividends

The directors do not recommend the payment of a dividend in respect of the year (31 December 2013: £nil).

### 4. Principal risks and uncertainties

The Group's financial risk management objectives and policies, as well as its risk exposures, are described in note 15 to the financial statements.

### 5. Directors

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

M. Holmes  
G. A. Wills

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

## FARRINGTON STREET PARTNERS LIMITED

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### DIRECTORS' REPORT (continued)

#### 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

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

#### 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 financial statements for each year which give a true and fair view of the state of affairs of the company as at the end of the year and of the profit or loss of the company for that period. In preparing those financial statements, 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 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 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 financial statements 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 20 JULY 2015

ON BEHALF OF THE BOARD



Director

M HOLMES

# **Independent auditors' report to the members of Farringdon Street Partners Limited**

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## **Report on the financial statements**

### **Our opinion**

In our opinion, Farringdon Street Partners Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the Group and company's affairs as at 31 December 2014 and of the Group's loss 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

### **What we have audited**

Farringdon Street Partners Limited's financial statements comprise

- the Group and company balance sheet as at 31 December 2014,
- the Group profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and 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

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

In our opinion the information given in the directors' report for the 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

#### **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 (U K & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

## **Independent auditors' report to the members of Farrington Street Partners Limited**

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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.

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

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

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.

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

20 July 2015

## FARRINGDON STREET PARTNERS LIMITED

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### **PROFIT AND LOSS ACCOUNT** **for the year ended 31 December 2014**

	Note	The Group	
		Year Ended	Year Ended
		31 December	31 December
		2014	2013
		£	£
Share of loss in partnership	13	(904)	(3,326)
<b>LOSS ON ORDINARY ACTIVITIES FOR THE YEAR</b>	13	<b>(904)</b>	<b>(3,326)</b>

The losses of the Group are derived from continuing operations in the current and prior years

There is no difference between loss for the year as stated above and their historical cost equivalents

The Group has no recognised gains and losses, other than those included in the loss for the year shown above, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 11 form an integral part of these financial statements  
Independent auditors' report – pages 3 to 4

# FARRINGDON STREET PARTNERS LIMITED

## BALANCE SHEET as at 31 December 2014

	Note	The Group		The Company	
		31 December 2014 £	31 December 2013 £	31 December 2014 £	31 December 2013 £
<b>FIXED ASSETS</b>					
Investment in group undertaking	8	-	-	100	100
Investment in partnership	9	-	-	175,176	175,176
Share of net assets in partnership	10	170,608	171,512	-	-
		170,608	171,512	175,276	175,276
<b>CURRENT ASSETS</b>					
Debtors	11	24,924	24,924	24,824	24,824
<b>TOTAL ASSETS</b>		195,532	196,436	200,100	200,100
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12	100	100	100	100
Capital reserve	13	200,000	200,000	200,000	200,000
Profit and loss account	13	(4,568)	(3,664)	-	-
<b>TOTAL SHAREHOLDER'S FUNDS</b>	13	195,532	196,436	200,100	200,100

The financial statements were approved by the Board of Directors on 20 JULY 2015 and signed on its behalf by



Director

M. HOLMES

The notes on pages 7 to 11 form an integral part of these financial statements  
Independent auditors' report – pages 3 to 4  
Company number 7682337

# FARRINGTON STREET PARTNERS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 1. ACCOUNTING POLICIES

#### a Accounting convention

The financial statements have been prepared on a going concern basis, under the historical cost convention, 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 Consolidation

The consolidated financial statements include the company and its subsidiary undertakings. Subsidiary undertakings are those entities controlled, either directly or indirectly, by the company. The financial statements of subsidiaries acquired (or sold) are included in the consolidated financial statements from (or up to) the date when control commences (or ceases).

The consolidated financial statements include 0.1% of the net assets and result for the year of Farrington Street L.P. ('the limited partnership') and all of the assets, liabilities and result for the year of the company's other subsidiary undertakings. Intra-group transactions with the limited partnership are eliminated proportionate to the company's interest in the limited partnership. For fully consolidated subsidiaries, amounts attributable to shareholders outside the Group are presented as minority interest and intra-group balances and transactions are eliminated.

#### c Foreign currencies

Transactions denominated in foreign currencies are translated into British pounds at rates of exchange ruling on the date the transaction occurred. Monetary assets denominated in foreign currencies are translated into British pounds at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognized in the profit and loss account.

#### d Fixed asset investments

Fixed asset investments comprise shares in a subsidiary and a partnership interest which are stated at cost, less provision for any impairment.

#### e Other financial assets

Other financial assets comprise amounts due from group 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 expense are recognised in the profit and loss account.

### 2. REPORTING AND DISCLOSURE EXEMPTIONS

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

The company is a greater than 90% subsidiary of Group Inc., whose consolidated financial statements 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 Group Inc., whose consolidated financial statements 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.



## FARRINGDON STREET PARTNERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

#### 3. AUDITORS' REMUNERATION

The auditors' remuneration for the current year of £5,000 (31 December 2013 £5,000) has been borne by a group undertaking

#### 4. STAFF COSTS

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

#### 5. DIRECTORS' EMOLUMENTS

	The Group	
	Year Ended 31 December 2014	Year Ended 31 December 2013
	£	£
Aggregate emoluments	880	1,748
Company pension contributions to money purchase schemes	9	69
	<b>889</b>	<b>1,817</b>

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 Statutory Instrument 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.

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

#### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The Group incurred no tax charge for the current year (31 December 2013 £nil). A potential deferred tax asset of £925 (31 December 2013 £843) on losses from partnership interests has not been recognised in the financial statements as there is uncertainty whether the Group will generate suitable profits in the future against which the deferred tax asset can be recovered.

#### 7. COMPANY PROFIT FOR THE YEAR

The company earned no income, nor incurred any expenses for the year (31 December 2013 £nil). As permitted by section 408 of the Companies Act 2006, the company's profit and loss account has not been included in these financial statements.

# FARRINGDON STREET PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 8. INVESTMENT IN GROUP UNDERTAKING

	The Company £
<b>Cost and net book value</b>	
At 1 January 2014 and 31 December 2014	<u>100</u>

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

Name of company	Country of incorporation	Holding and proportion of voting rights	Nominal number of shares	Class of shares held	Nature of business
Farringdon Street (Nominee) Limited	United Kingdom	100%	100	Ordinary Shares	Hold legal title to properties

### 9. INVESTMENT IN PARTNERSHIP

	Partnership capital £	The Company Partnership advance £	Total £
<b>Cost and net book value</b>			
At 1 January 2014 and 31 December 2014	<u>19</u>	<u>175,157</u>	<u>175,176</u>

Details of the company's interest in the partnership is stated below

Name of company	Country of incorporation	Holding and proportion of voting rights	Class of shares held	Nature of business
Farringdon Street L P	United Kingdom	0.1%	Partnership Interest	Hold land for development

### 10. SHARE OF NET ASSETS IN PARTNERSHIP

The company acts as the General Partner of Farringdon Street L P ('the limited partnership'), to which it acts as the investment manager. The General Partner interest gives the company control of the limited partnership as defined by FRS 2 and the Companies Act. The company's economic interest is 0.1% of the limited partnership's net assets. As such the directors do not consider that the financial statements of the Group would present a true and fair view if the limited partnership was fully consolidated by the Group, with the limited partner's interests shown as a minority interest of 99.9% of the limited partnership's net assets. The directors have therefore overridden section 405 of the Companies Act 2006 which requires full consolidation of subsidiaries. Only the company's interest in the limited partnership has been consolidated.

Had the limited partnership been fully consolidated, the effect on the consolidated balance sheet would have been to

- increase net assets by £170.4 million (31 December 2013: £171.3 million)
- increase retained earnings by £nil (31 December 2013: £nil)
- show minority interest of £170.4 million (31 December 2013: £171.3 million)

# FARRINGDON STREET PARTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 11 DEBTORS

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

	The Group		The Company	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	£	£	£	£
Amounts due from group undertakings	24,924	24,924	24,824	24,824

### 12. CALLED UP SHARE CAPITAL

At 31 December 2014 and 31 December 2013, called up share capital comprised

	The Company			
	31 December 2014		31 December 2013	
	No.	£	No	£
<u>Allotted, called up and fully paid</u>				
Ordinary shares of £1 each	100	<u>100</u>	100	<u>100</u>

### 13. RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDER'S FUNDS

	The Group			The Company		
	Called up share capital	Capital Reserve	Profit and loss account	Called up share capital	Capital Reserve	Profit and loss account
	£	£	£	£	£	£
At 1 January 2014	100	200,000	(3,664)	100	200,000	-
Loss for the year	-	-	(904)	-	-	-
At 31 December 2014	<u>100</u>	<u>200,000</u>	<u>(4,568)</u>	<u>100</u>	<u>200,000</u>	<u>-</u>

Capital reserve represents contributions received from the immediate parent undertaking in respect of additional funding, which are considered capital in nature

### 14. FINANCIAL COMMITMENTS AND CONTINGENCIES

The Group had no commitments and contingencies outstanding at the year end

### 15. FINANCIAL RISK MANAGEMENT

The Group is exposed to a limited degree of financial risk through its financial assets and liabilities. The Group, as part of a larger global group, adheres to global risk management policies and procedures

## **FARRINGDON STREET PARTNERS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

#### **16 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 consolidated financial statements, as well as certain regulatory filings, for example Forms 10-Q and 10-K, that provide additional information on the 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/)

Partnership Number LP14837

**FARRINGDON STREET L.P.**

**ANNUAL REPORT**

**31 DECEMBER 2014**



# FARRINGDON STREET L.P.

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## GENERAL PARTNER'S REPORT

The General Partner, Farringdon Street Partners Limited, presents its report and the audited financial statements of Farringdon Street L P for the year ended 31 December 2014. A strategic report has not been prepared as the partnership is entitled to the small companies exemption under section 414A of the Companies Act 2006.

### 1 Principal activities

Farringdon Street L P ('the partnership') is registered as a limited partnership under the Limited Partnerships Act, 1907. The principal activity of the partnership is to hold land for development.

The partnership'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 partnership's principal business is transacted in British pounds and accordingly the partnership'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 2014. Comparative information has been presented for the year ended 31 December 2013.

The results for the year are shown in the profit and loss account on page 5. Loss on ordinary activities for the partnership and attributable to the partners was £0.9 million (31 December 2013: £3.3 million). The partnership has total assets of £224 million (31 December 2013: £193 million). Loss for the year was transferred to the partners' current account.

The General Partner considers that the year-end financial position of the partnership was satisfactory. No significant change in the partnership's strategy is expected.

### 3 Principal risks and uncertainties

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

### 4. Disclosure of information to auditors

In the case of the General Partner of the partnership at the date when this report was approved:

- so far as the General Partner is aware, there is no relevant audit information of which the partnership's auditors are unaware, and
- the General Partner has taken all the steps that they ought to have taken as a General Partner to make themselves aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

### 5. Independent auditors

The directors of the General Partner resolved to re-appoint PricewaterhouseCoopers LLP as auditors of the partnership.

## FARRINGTON STREET L.P.

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### GENERAL PARTNER'S REPORT

#### 6 Statement of general partner's responsibilities

The General Partner is responsible for preparing the general partner's report and the financial statements in accordance with applicable law and regulations. The Limited Partnership Agreement requires the General Partner to prepare financial statements for each year which give a true and fair view of the state of affairs of the partnership as at the end of the year and of the profit or loss of the partnership for that year. In preparing these financial statements, the General Partner is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the partnership and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the General Partner  
And signed on behalf of the partnership



For Farrington Street Partners Limited

M. HOLMES  
20 JULY 2015

## **Independent auditors' report to the partners of Farringdon Street L.P.**

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### **Report on the financial statements**

#### **Our opinion**

In our opinion, Farringdon Street L P 's financial statements (the "financial statements")

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2014 and of its loss 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008

#### **What we have audited**

Farringdon Street L P 's financial statements comprise

- the balance sheet as at 31 December 2014,
- the profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and 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 General Partner has 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.

#### **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.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the General Partner was 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 General Partner**

As explained more fully in the statement of General Partner's responsibilities set out on page 2, the General Partner is 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 (U K & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the partners' of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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.



## **Independent auditors' report to the partners of Farrington Street L.P.**

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

We conducted our audit in accordance with International Standards on Auditing (U K and Ireland) ("ISAs (U K & 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 partnership's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the General Partner, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the General Partner's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

In addition, we read all the financial and non-financial information in the Annual 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

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

*20 July 2015*

## FARRINGTON STREET L.P.

### PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2014

		Year Ended 31 December 2014	Year Ended 31 December 2013
	Note	£	£
Administrative expenses		(235,962)	(3,425,730)
<b>OPERATING LOSS</b>	3	(235,962)	(3,425,730)
Interest receivable and similar income	4	-	99,584
Interest payable and similar charges	5	(667,897)	(56)
<b>LOSS ON ORDINARY ACTIVITIES FOR THE YEAR</b>	11	(903,859)	(3,326,202)

The losses of the partnership are derived from continuing operations in the current and prior years

There is no difference between the loss attributable to partners for the year and the loss for the year as stated above and their historical cost equivalents

The partnership has no recognised gains and losses, other than those included in the profit and loss account for the year 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

# FARRINGTON STREET L.P.

## BALANCE SHEET

as at 31 December 2014

	Note	31 December 2014 £	31 December 2013 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	214,417,369	189,458,112
<b>CURRENT ASSETS</b>			
Debtors	8	9,748,696	3,668,164
Cash at bank and in hand		315	1,234
		9,749,011	3,669,398
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(1,014,774)	(20,849,345)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		8,734,237	(17,179,947)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		223,151,606	172,278,165
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	(52,544,604)	(767,304)
<b>NET ASSETS</b>		170,607,002	171,510,861
<b>PARTNERS' ACCOUNTS</b>			
Capital account	11	18,518	18,518
Advance account	11	175,156,658	175,156,658
Current account	11	(4,568,174)	(3,664,315)
<b>TOTAL PARTNERSHIP INTEREST</b>	11	170,607,002	171,510,861

The financial statements were approved by the General Partner on 20 JULY 2015 and were signed on its behalf by



For Farrington Street Partners Limited

M. HOLMES

The notes on pages 7 to 10 form an integral part of these financial statements  
Independent auditors' report – pages 3 to 4  
Partnership number LP14837

# **FARRINGDON STREET L.P.**

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## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

### **1. ACCOUNTING POLICIES**

#### **a Accounting convention**

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with The Partnerships (Accounts) Regulations 2008, which follow the Companies Act 2006, and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

#### **b Foreign currencies**

Transactions denominated in foreign currencies are translated into British pounds at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into British pounds at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognized in the profit and loss account.

#### **c Tangible Fixed assets**

Freehold land is stated at cost less provision for any impairment. Assets in the course of construction are transferred to the appropriate asset category once completed and brought into use. No depreciation is charged on freehold land and assets in the course of construction.

#### **d Other financial assets and liabilities**

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

#### **e. Distributions to partners**

The income of the limited partnership is distributed at such time as the General Partner determines in accordance with the limited partnership agreement. Distributions to partners are on a pro rata basis, determined on the respective capital contributions of the partners.

### **2 REPORTING AND DISCLOSURE EXEMPTIONS**

#### **a FRS1 (Revised 1996) - 'Cash Flow Statements'**

The partnership is a greater than 90% subsidiary of Group Inc, whose consolidated financial statements include the partnership 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 partnership is a wholly-owned subsidiary of Group Inc, whose consolidated financial statements include the partnership and are publicly available. As a result, under the terms of Paragraph 3(c) of FRS8 - 'Related Party Disclosures', the partnership is exempt from disclosing transactions with companies also wholly owned within the group.

# FARRINGDON STREET L.P.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 3. OPERATING LOSS

	Year Ended 31 December 2014	Year Ended 31 December 2013
	£	£
<b>Operating loss is stated after charging:</b>		
Management fees payable to group undertakings	133,596	1,549
Auditors' remuneration - audit services	5,000	5,000
Real estate taxes	-	2,065,350
Security expenses	91,638	1,156,006

### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2014	Year Ended 31 December 2013
	£	£
Interest on loan to group undertakings	-	99,584

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2014	Year Ended 31 December 2013
	£	£
Interest on overdraft	-	56
Interest on loan payable to group undertaking (see note 10)	667,897	-
	<b>667,897</b>	<b>56</b>

### 6. STAFF COSTS

As in the prior year, the partnership has no employees. All persons involved in the partnership's operations are employed by a group undertaking and no costs are borne by the partnership.

### 7. TANGIBLE FIXED ASSETS

The movements in tangible fixed assets during the year were as follows:

	Freehold land	Assets in course of construction	Total
	£	£	£
<b>Cost and net book value</b>			
At 1 January 2014	168,407,111	21,051,001	189,458,112
Additions	25,715	24,933,542	24,959,257
At 31 December 2014	<b>168,432,826</b>	<b>45,984,543</b>	<b>214,417,369</b>

# FARRINGTON STREET L.P.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 8. DEBTORS

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

	31 December 2014	31 December 2013
	£	£
Amounts due from group undertakings	7,014,779	177,062
Other debtors	2,733,917	3,491,102
	<u>9,748,696</u>	<u>3,668,164</u>

Amounts due from group undertakings includes cash balance of £0.2 million (31 December 2013: £0.1 million) held on account by a fellow group undertaking

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

	31 December 2014	31 December 2013
	£	£
Amounts due to group undertakings	1,013,867	20,727,540
Other creditors	907	121,805
	<u>1,014,774</u>	<u>20,849,345</u>

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

	31 December 2014	31 December 2013
	£	£
Loans payable to group undertaking	<u>52,544,604</u>	<u>767,304</u>

The partnership entered into a loan facility agreement with Group Inc. The partnership has advances of £52.5 million (31 December 2013: £0.8 million) outstanding under an unsecured facility that accrues interest at a margin over federal fund rates. Advances may be drawn under this facility for any period up to October 2061. No amounts are scheduled for repayment within the next year.

### 11. PARTNERS' ACCOUNTS

	Capital account	Advance account	Current account	Total
	£	£	£	£
At 1 January 2014	18,518	175,156,658	(3,664,315)	171,510,861
Loss for the year	-	-	(903,859)	(903,859)
At 31 December 2014	<u>18,518</u>	<u>175,156,658</u>	<u>(4,568,174)</u>	<u>170,607,002</u>

In accordance with the limited partnership agreement, profits and losses for any year shall be allocated pro rata between the Partners in proportion to their respective capital contribution. Also, the assets of the partnership, remaining after payment of its liabilities, shall be applied in returning the outstanding amounts in the respective partner's current, advance and then capital accounts.

## **FARRINGDON STREET L.P.**

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### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

#### **12. FINANCIAL COMMITMENTS AND CONTINGENCIES**

At 31 December 2014, the partnership had £0.1 million of commitments for capital expenditure not provided for in the financial statements (31 December 2013: £0.4 million)

#### **13. FINANCIAL RISK MANAGEMENT**

The partnership is exposed to financial risk through its financial assets and liabilities. Due to the nature of the partnership's business and the assets and liabilities contained within the partnership's balance sheet, the most important components of financial risk the General Partner considers relevant to the partnership are market risk and liquidity risk. The General Partner, as part of a global group, adheres to global risk management policies and procedures.

##### **a) Market risk**

Market risk is the risk of loss in value of assets and liabilities, due to changes in the market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the partnership's business. Relevant market risks for the partnership are replacement cost of the fixed assets and interest rate risk.

Risk related to replacement cost of the fixed assets results from inability, time and cost to replace the fixed assets.

Interest rate risks result from exposures to changes in level, slope and curvature of yield curves, volatilities of interest rates, and credit spreads.

##### **b) Liquidity risk**

Liquidity risk is the risk that the partnership does not have sufficient cash to make payments to its counterparties as they fall due. The partnership has in place a comprehensive and conservative set of liquidity and funding policies to address both the partnership specific and broader industry or market liquidity events.

#### **14. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS**

The sole General Partner and hence the immediate parent undertaking is Farrington Street Partners Limited, a company incorporated and registered in England and Wales.

The ultimate 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 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/).