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Company Number: FC025667
Cayman Company Number: MC-142435

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SCADBURY FUNDING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2011

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SCADBURY FUNDING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 2011

1. Principal activities

Scadbury Funding Limited ('the company') was incorporated in the Cayman Islands as an exempted limited liability company

The principal activity of the company is to undertake investment business

2. Review of business and future developments

The financial statements have been drawn up for the year ended 31 December 2011. Comparative information has been presented for the year ended 31 December 2010.

The profit and loss account for the year is set out on page 3. Loss on ordinary activities before taxation was £5,295,000 for the year ended 31 December 2011 (year ended 31 December 2010: £13,285,000). The company has net current liabilities of £559,518,000 (31 December 2010: £555,626,000).

The directors consider that the year end financial position of the company was satisfactory taking into account the continued support from its immediate parent undertaking (see note 1c) and do not anticipate any significant changes in its activities in the forthcoming year.

3. Dividends

The directors do not recommend the payment of a dividend in respect of the year (year ended 31 December 2010: £nil).

4. Directors

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

Name

S A Collins

W T Gasson

S B Scobie

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

5. Financial risk management

The company's risk management objectives and policies, as well as its risk exposures, are described in note 12 to the financial statements.

SCADBURY FUNDING LIMITED

REPORT OF THE DIRECTORS (continued)

6. Statement of directors' responsibilities

The directors are responsible for preparing the non-statutory financial statements 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 for the financial year. The directors must not approve the non-statutory financial statements unless they are satisfied that they have been prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice. In preparing these non-statutory financial statements, the directors have

- selected suitable accounting policies and then applied them consistently,
- made judgements and accounting estimates that are reasonable and prudent,
- stated whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the non-statutory 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure the non-statutory financial statements comply with the Companies Act 2006 as applicable to overseas companies. 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.

7. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on

27 July 2012
~~27 July 2012~~

BY ORDER OF THE BOARD



W. T. Gasson

Director

SCADBURY FUNDING LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

		Year Ended 31 December 2011	Year Ended 31 December 2010
	Note	£'000	£'000
Interest receivable and similar income	3	19,508	30,840
Interest payable and similar charges	4	(24,803)	(44,125)
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,295)	(13,285)
Tax on loss on ordinary activities	5	1,403	3,720
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR	10	(3,892)	(9,565)

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

There is no difference between the loss on ordinary activities before taxation and the loss 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 5 to 10 form an integral part of these financial statements


SCADBURY FUNDING LIMITED

BALANCE SHEET

as at 31 December 2011

	Note	31 December 2011 £'000	31 December 2010 £'000
FIXED ASSET INVESTMENTS			
Investments in group undertakings	6	853,404	853,404
Other investments	6	10	10
		<u>853,414</u>	<u>853,414</u>
CURRENT ASSETS			
Debtors	7	442,915	1,378,394
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(1,002,433)</u>	<u>(1,934,020)</u>
NET CURRENT LIABILITIES		<u>(559,518)</u>	<u>(555,626)</u>
NET ASSETS		<u>293,896</u>	<u>297,788</u>
CAPITAL AND RESERVES			
Called up share capital	9	12	12
Share premium account	10	437,553	437,553
Other reserves	10	36,457	36,457
Profit and loss account	10	<u>(180,126)</u>	<u>(176,234)</u>
TOTAL SHAREHOLDER'S FUNDS	11	<u>293,896</u>	<u>297,788</u>

The financial statements were approved by the Board of Directors on ^{27 July 2012} and signed on its behalf by


W. T. Gasson
Director

The notes on pages 5 to 10 form an integral part of these financial statements
Company number FC025667 / Cayman company number MC-142435

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

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 accounting standards issued by the UK Accounting Standards Board and the Companies Act 2006 as applicable to overseas companies. The preparation of accounts on this basis is in accordance with Cayman Law.

b. Fixed asset investments

Fixed asset investments comprise investments in group undertakings and other investments and are stated at cost less provision for any impairment. Any premium paid is amortised on a straight-line basis. Interest is recognised on an accruals basis.

c. Going concern

The company has net current liabilities as at 31 December 2011. Goldman Sachs Group Holdings (U.K.), the holding company to the company's immediate parent undertaking (see note 14), 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.

d. Other financial assets and liabilities

Other financial assets and liabilities primarily comprise amounts due from group undertakings and amounts due to 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 is recognised in the profit and loss account.

e. Reporting and disclosure exemption

i. FRS1 'Cash Flow Statements'

The company is a greater than 90% subsidiary of The Goldman Sachs Group, Inc., whose consolidated accounts include the company and are publicly available and is, therefore, exempt from preparing a cash flow statement as required by FRS1 (Revised 1996) 'Cash Flow Statements'.

ii. FRS8 'Related Party Disclosures'

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

iii. Consolidation

The company is exempt from the requirement to prepare group accounts under section 402A of the Companies Act 2006 as modified by the Overseas Companies Regulations 2009.

2. 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.

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2011 £'000	Year Ended 31 December 2010 £'000
Interest receivable from group undertakings (see note 7)	19,508	30,839
Gilt interest	-	1
	19,508	30,840

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2011 £'000	Year Ended 31 December 2010 £'000
Interest payable to group undertakings (see note 8)	24,803	44,125

5. TAX ON LOSS ON ORDINARY ACTIVITIES

a. Analysis of tax credit for the year:

	Year Ended 31 December 2011 £'000	Year Ended 31 December 2010 £'000
Current tax:		
Group relief receivable	1,403	3,720
Current tax credit for the year (see note 5(b) below)	1,403	3,720

Group relief represents amounts receivable from group undertakings in consideration for the receipt of losses under group relief arrangements

b. Factors affecting tax credit for the year:

There is no difference between the total current tax shown above and the amount calculated by applying the weighted average rate of UK corporation tax applicable to the company for the year of 26.5% (31 December 2010 28%) to the loss on ordinary activities before tax

	Year Ended 31 December 2011 £'000	Year Ended 31 December 2010 £'000
Loss on ordinary activities before tax	(5,295)	(13,285)
Loss on ordinary activities multiplied by the weighted average rate in the UK 26.5% (2010 28%)	1,403	3,720
Current tax credit for the year	1,403	3,720

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

6. FIXED ASSET INVESTMENTS

a. Investments in group undertakings

	£'000
Cost and Net Book Value	
At 31 December 2011 and at 31 December 2010	853,404

The principal subsidiary over which the company exercises control, and the effective percentage ownership interests in the ordinary shares held directly by the company 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
Scadbury II Assets Limited	Cayman Islands	100 %	984,916	Ordinary shares	Investment company

The group undertaking over which the company does not exercise control, and the effective percentage ownership interest in the shares held directly by the company 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
Scadbury Assets	England and Wales	1.62 %	61,773	Ordinary shares	Investment company

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

b. Other investments

Gilts

	£'000
At 31 December 2011 and at 31 December 2010	10

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

7. DEBTORS

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

	31 December 2011	31 December 2010
	£'000	£'000
Amounts due from parent and group undertakings (see note (i))	412,136	1,349,018
Group relief receivable	30,779	29,376
	442,915	1,378,394

(i) Amounts due from parent and group undertakings include an amount of £405,092,885 advanced to Scadbury UK Limited, the company's immediate parent undertaking, under the terms of a loan facility dated 26 August 2009 (31 December 2010 £1,305,465,992) This loan is unsecured, carries interest at a rate of 2.362% and is repayable on demand by the company On 20 June 2011, Scadbury UK Limited repaid £900,373,108 of the loan

In addition, amounts due from parent and group undertakings include an amount of £1,983,016 (31 December 2010 £1,982,516) in cash balances held on account by a fellow group undertaking

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

	31 December 2011	31 December 2010
	£'000	£'000
Group relief payable	246	246
Amounts due to group undertakings (see note (i))	1,002,187	1,933,774
	1,002,433	1,934,020

(i) Amounts due to group undertakings in the prior year includes an amount of £1,874,429,311 advanced from Killingholme Generation Limited, a fellow group undertaking, under the terms of a loan facility dated 26 August 2009 This facility was unsecured, carried interest between 2.036% and 2.352% and was repayable on demand by Killingholme Generation Limited The company repaid this loan on 20 June 2011

Amounts due to group undertakings in the current year includes an amount of £931,161,610 advanced by Scadbury II Assets Limited, a fellow group undertaking, under the terms of a new loan facility dated 20 June 2011 The loan facility is unsecured, carries a variable interest rate and is repayable on demand by Scadbury II Assets Limited

Amounts due to group undertakings in the current year also includes an amount of £66,893,843 advanced by Goldman Sachs International, a fellow group undertaking, under the terms of a new loan facility dated 20 June 2011 The loan facility is unsecured, carries a variable interest rate and is repayable on demand by Goldman Sachs International

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

9. CALLED UP SHARE CAPITAL

At 31 December 2011 and 31 December 2010 share capital comprised

	31 December 2011		31 December 2010	
	No.	£	No.	£
<u>Allotted, called up and fully paid</u>				
Ordinary shares of £0.01 each	1,229,499	12,295	1,229,499	12,295
		<u>12,295</u>		<u>12,295</u>

10. SHARE PREMIUM ACCOUNT AND RESERVES

	Share Premium Account	Other Reserves Account	Profit and Loss Account
	£'000	£'000	£'000
At 31 December 2010	437,553	36,457	(176,234)
Loss for the year	-	-	(3,892)
At 31 December 2011	<u>437,553</u>	<u>36,457</u>	<u>(180,126)</u>

Other reserves consist of a capital contribution received from Scadbury UK Limited, the immediate parent undertaking

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	31 December 2011	31 December 2010
	£'000	£'000
Loss for the year	(3,892)	(9,565)
Net decrease in shareholder's funds	(3,892)	(9,565)
Opening shareholder's funds	297,788	307,353
Closing shareholder's funds	<u>293,896</u>	<u>297,788</u>

12. 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 1c). Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the most important components of financial risk the directors consider relevant to the company are liquidity risk, interest rate risk and credit risk. The company, as part of a global group, adheres to global risk management policies and procedures.

13. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the year end (31 December 2010 nil)

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

14. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking is Scadbury UK Limited, and the parent undertaking of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group Holdings (U K), companies 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 200 West Street, New York, NY 10282, United States of America. This company is incorporated in the United States of America.