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Company number: FC 025667
Cayman company number: MC 142435

SCADBURY FUNDING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

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SCADBURY FUNDING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for Scadbury Funding Limited ('the company') for the year ended 31 December 2009

1. Principal activities

The company was incorporated in the Cayman Islands as an exempted limited liability company under Cayman law

The principal activity of the company is to undertake investment business

2. Review of business and future developments

The profit and loss account for the year is set out on page 3. Loss on ordinary activities before taxation for the year was £14,771,000 (year ended 31 December 2008: loss of £27,294,000). The company has net assets of £307,353,000 (31 December 2008: £317,988,000).

The directors consider that the year end financial position of the company was satisfactory taking into account the continuing support from Goldman Sachs Group Holdings (U K), the holding company to the company's immediate parent undertaking (see note 1(d)), 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 final ordinary dividend in respect of the year (year ended 31 December 2008: £nil).

4. Directors

The directors of the company during the year, and as at the date of this report, together with dates of appointment or resignation where applicable, were

Name	Appointed	Resigned
S. Davies		15 January 2009
S. B. Scobie		
W. T. Gasson		
S. A. Collins	10 March 2009	

No director has, or had during the year, any interest requiring note herein.

5. Financial risk management

The company's risk management objectives and policies, as well as its risk exposure, are described in note 14 to the financial statements.

SCADBURY FUNDING LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

6. Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. 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, 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.

BY ORDER OF THE BOARD



Director

W T Gasson

10 December, 2010

SCADBURY FUNDING LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2009

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Interest receivable and similar income	3	10,731	-
Interest payable and similar charges	4	(25,502)	(27,294)
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,771)	(27,294)
Taxation on loss on ordinary activities	6	4,136	7,779
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE YEAR	11	(10,635)	(19,515)

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

There is no difference between the loss on ordinary activities before taxation and the loss for the year 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 year shown above, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 5 to 9 form part of these financial statements

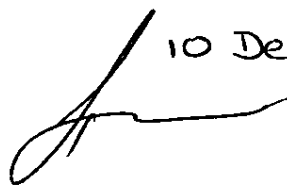
SCADBURY FUNDING LIMITED

BALANCE SHEET as at 31 December 2009

	Note	31 December 2009 £'000	31 December 2008 £'000
FIXED ASSET INVESTMENTS			
Shares in group undertakings	7(a)	853,404	853,404
Other investments	7(b)	10	10
		<u>853,414</u>	<u>853,414</u>
CURRENT ASSETS			
Debtors	8	1,343,834	23,502
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	9	(1,889,895)	(558,928)
NET CURRENT LIABILITIES			
		(546,061)	(535,426)
NET ASSETS			
		<u>307,353</u>	<u>317,988</u>
CAPITAL AND RESERVES			
Called up share capital	10	12	12
Share premium account	11	437,553	437,553
Other reserves	11	36,457	36,457
Profit and loss account	11	(166,669)	(156,034)
TOTAL SHAREHOLDER'S FUNDS	12	<u>307,353</u>	<u>317,988</u>

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

Director

10 December, 2010

W.T. Gasson

The notes on pages 5 to 9 form part of these financial statements

Company number FC-025667 / MC-142435

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable Accounting Standards in the United Kingdom and pronouncements of the Urgent Issues Task Force (UITF)
- (b) **Income recognition:** Interest income and expense are accounted for on an accruals basis. Income from fixed asset investments is included in the profit and loss account when dividends are received
- (c) **Fixed asset investments:** Shares in subsidiary undertakings, which are intended to be held on a continuing basis in the company's activities, are stated at cost less any provision for permanent diminution in value. Other investments are held at cost less any provisions for permanent diminution in value. Any such provision is charged to operating profit / (loss) in the period in which it arises
- (d) **Going concern:** The company has net current liabilities of £546,061,000 as at 31 December 2009 (£535,426,000 as at 31 December 2008). The principal current liability of the company represents an amount payable to a fellow group undertaking, Goldman Sachs Group Holdings (U.K.), the holding company to the company's immediate parent undertaking (see note 16), 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
- (e) **Consolidation:** The company is a subsidiary undertaking of a company incorporated in Great Britain and has elected not to prepare group accounts in accordance with the dispensation set out in section 400 of the Companies Act 2006

2. CASHFLOW STATEMENT

The company is a greater than 90% subsidiary of The Goldman Sachs Group, Inc., and is therefore exempt from preparing a cash flow statement as required by FRS 1 'Cash flow statements' as the ultimate parent company accounts are publicly available

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Interest receivable from group undertakings (see note 8)	10,730	-
Gilt interest	1	-
	<u>10,731</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Interest payable to group undertakings (see note 9)	25,502	27,294

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

5. STAFF COSTS

The company has no employees (2008 nil) All persons involved in the company's operations are employed by a group undertaking and no cost is borne by the company

6. TAXATION ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax credit for the year:

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Group relief receivable	4,136	7,779
Current tax credit for the year (see note 6(b))	4,136	7,779

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

(b) Factors affecting tax credit for the year:

The current tax assessed for the year is at the standard rate of corporation tax in the UK measured at 28% (31 December 2008 28.5% following the change in corporation tax rates from 1 April 2008 to 28%)

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Loss on ordinary activities before tax	(14,771)	(27,294)
Loss on ordinary activities multiplied by standard rate in the UK – 28% (2008 28.50%)	(4,136)	(7,779)
Current tax credit for the year	(4,136)	(7,779)

7. FIXED ASSET INVESTMENTS

(a) Shares in group undertakings (at cost):

	£'000
As at 31 December 2009 and 31 December 2008	853,404

The principal subsidiary over which the company exercises control, and the effective percentage ownership interests in the shares held directly by the company at the year end is listed below

Name and activity	%	Number in Issue	Class	Nominal
Scadbury II Assets Limited (investment company)	100	984,916	Ordinary shares	£0.01

Scadbury II Assets Limited is incorporated in the Cayman Islands

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

7. **FIXED ASSET INVESTMENTS (CONTINUED)**

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 and activity	%	Number in Issue	Class	Nominal
Scadbury Assets (investment company)	1.62	61,773	Ordinary shares	£0.01

Scadbury Assets is registered in England and Wales

The directors consider that the value of shares in group undertakings is not less than its book value

(b) Other investments:

Gilts	£'000
As at 31 December 2009 and 31 December 2008	10

8. **DEBTORS**

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

	31 December 2009 £'000	31 December 2008 £'000
Amounts due from group undertakings (see note (i))	1,307,448	1,982
Interest receivable from group undertakings	10,730	-
Group relief receivable	25,656	21,520
	1,343,834	23,502

(i) Amounts due from group undertakings include an amount of £1,982,016 (31 December 2008 £1,981,716) in cash balances held on account by a fellow group undertaking

Amounts due from group undertakings also comprise a loan of £1,305,465,992 advanced to Scadbury UK Limited, the company's immediate parent undertaking, on 26 August 2009. This loan is unsecured, carries interest at a margin over Libor and is repayable on demand by the lender.

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

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

	31 December 2009 £'000	31 December 2008 £'000
Amounts due to group undertakings (see note (i))	1,874,429	556,747
Interest payable to group undertakings	15,220	1,935
Group relief payable	246	246
	1,889,895	558,928

(i) Amounts due to group undertakings in the current year, include amounts of £1,826,792,145 and £47,637,166 drawn on 26 August 2009 and 15 October 2009 respectively from Killingholme Generation Limited, a fellow group undertaking, under the terms of a loan facility entered into during the year. This facility is unsecured, carries interest at a margin over Libor and is repayable on demand by the company.

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

Amounts due to group undertakings in the prior year included a loan of £45,250,929 advanced by Killingholme Generation Limited. This loan was unsecured, carried interest at a rate of 5.7975% and was repaid in full by the company during the year.

In addition, amounts due to group undertakings in the prior year included a loan of £511,495,827 advanced by Goldman Sachs International, a fellow group undertaking. This loan was unsecured, carried an interest rate of 2.4875% and was repaid in full by the company during the year.

10. SHARE CAPITAL

At 31 December 2009 and 31 December 2008, share capital comprised

	2009		2008	
	No.	£	No.	£
Authorised				
Ordinary shares of £0.01 each	2,000,000	20,000	2,000,000	20,000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	1,229,499	12,295	1,229,499	12,295
		<u>12,295</u>		<u>12,295</u>

11. SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £'000	Profit and loss account £'000	Other reserves £'000
As at 31 December 2008	437,553	(156,034)	36,457
Loss for the year	-	(10,635)	-
As at 31 December 2009	<u>437,553</u>	<u>(166,669)</u>	<u>36,457</u>

Other reserves consist of a capital contribution received from the immediate parent undertaking.

12. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDER'S FUNDS

	31 December 2009 £'000	31 December 2008 £'000
Loss for the year	(10,635)	(19,515)
Net decrease in shareholder's funds	(10,635)	(19,515)
Opening shareholder's funds	317,988	337,503
Closing shareholder's funds	<u>307,353</u>	<u>317,988</u>

13. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the year end (31 December 2008 nil).

SCADBURY FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

14. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from current assets are not sufficient to fund the obligations arising from liabilities as they fall due. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, liquidity risk, interest rate risk and credit risk are the most important component of financial risk. The directors consider relevant to the company. The company, as part of a global group, adheres to global risk management policies and procedures.

15. RELATED PARTY DISCLOSURES

Under the terms of paragraph 3(c) of FRS 8, 'Related Party Disclosures', the company is exempt from disclosing transactions with companies wholly owned within the same group, as the consolidated financial statements in which the company is included are publicly available. There are no other related party transactions requiring disclosure.

16. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking is Scadbury UK Limited and the parent company 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 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.