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Company Number: FC028614
Cayman Company Number: MC-217152

KPL FINANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2010

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KPL FINANCE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the 65 week period ended 31 December 2010

1. Principal activities

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

The company primarily operates in a US dollar environment as part of The Goldman Sachs Group, Inc. Accordingly, the company's functional currency is US dollars and these financial statements have been prepared in that currency

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 65 week period ended 31 December 2010. Comparative information has been presented for the 54 week period ended 30 September 2009. During the period, the company changed its accounting reference date to 31 December.

The profit and loss account for the period is set out on page 3. Profit on ordinary activities before taxation was US\$6,980,000 for the 65 week period ended 31 December 2010 (54 week period ended 30 September 2009 US\$nil). The company has total assets of US\$2,863,799,000 (30 September 2009 US\$3,055,465,000).

During the period, the company issued 136,133,552 ordinary shares of US\$0.00001 to Goldman Sachs Group Holdings (UK) for a total consideration of US\$136,133,552 (see note 9). The purpose of this share issuance was to carry out investment activity.

The directors consider that the period end financial position of the company was satisfactory and do not anticipate any significant changes in its activities in the forthcoming period.

3. Dividends

The directors do not recommend the payment of a dividend in respect of the period (54 week period ended 30 September 2009 US\$nil).

4. Exchange rate

The US dollar / sterling exchange rate at the balance sheet date was 1.5590 (30 September 2009 1.6006). The average rate for the period was 1.5424 (54 week period ended 31 December 2009 1.5566).

5. Directors

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

Name

M. A. Allen
W. T. Gasson
S. B. Scobie

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

6. 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.

KPL FINANCE LIMITED

REPORT OF THE DIRECTORS (continued)

7. Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006, 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.

8. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 30 June 2011

BY ORDER OF THE BOARD



Director

W. T. Gasson

KPL FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

for the 65 week period ended 31 December 2010

		65 week period ended 31 December 2010	54 week period ended 30 September 2009
	Note	US\$'000	US\$'000
Interest receivable and similar income	4	(191,185)	237,665
Interest payable and similar charges	5	198,167	(237,665)
Administrative expense		(2)	-
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	6,980	-
Tax on profit on ordinary activities	6	(1,975)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE PERIOD	10	5,005	-

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

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

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

KPL FINANCE LIMITED

BALANCE SHEET

as at 31 December 2010

		31 December 2010	30 September 2009
	Note	US\$'000	US\$'000
CURRENT ASSETS			
Debtors	7	2,863,799	3,055,465
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(2,722,661)	(3,055,465)
NET CURRENT ASSETS AND NET ASSETS		<u>141,138</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	-
Share premium	10	136,132	-
Profit and loss account	10	5,005	-
TOTAL SHAREHOLDERS' FUNDS	11	<u>141,138</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 30 June 2011 and signed on its behalf by



Director

W.T. Gerson

The notes on pages 5 to 9 form an integral part of these financial statements
Company number FC028614 / Cayman company number MC-217152

KPL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. ACCOUNTING POLICIES

a. Accounting convention

The financial statements have been prepared on a going concern basis, under the historical cost convention, the accounting policies set out below, and in accordance with the Companies Act 2006 as applicable to overseas companies and applicable accounting standards

b. Financial assets and liabilities

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

c. Foreign currencies

Transactions denominated in foreign currencies are translated into US dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses that relate to other borrowings and cash and cash equivalents are presented in the profit and loss account within interest receivable and interest payable. All other foreign exchange gains and losses are recognised in the profit and loss account within administrative expenses

d. 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 - 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

2. OPERATING PROFIT

	65 week period ended 31 December 2010 US\$'000	54 week period ended 30 September 2009 US\$'000
Operating profit is stated after charging:		
Foreign exchange loss	(2)	-

3. STAFF COSTS

As in the prior period 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

KPL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	65 week period ended 31 December 2010	54 week period ended 30 September 2009
	US\$'000	US\$'000
Net finance (costs) / income	(191,185)	237,665

Net finance (costs) / income comprise interest receivable of US\$64,655,542 (2009 US\$126,265,168) and foreign exchange losses of US\$255,840,000 (2009 foreign exchange gains of US\$111,400,000) arising on loans advanced to group undertakings (see note 7)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	65 week period ended 31 December 2010	54 week period ended 30 September 2009
	US\$'000	US\$'000
Net finance (income) / costs (see note (i))	(198,225)	237,665
Other expense payable	58	-
	(198,167)	237,665

- (i) Net finance (income) / costs comprise interest payable of US\$57,615,429 (54 week period ended 30 September 2009 US\$126,265,168), foreign exchange losses of US\$67,800,000 (54 week period ended 30 September 2009 US\$nil) arising on the settlement of loans during the period, and foreign exchange gains of US\$323,640,000 (54 week period ended 30 September 2009 foreign exchange losses of US\$111,400,000) arising on the revaluation of amounts due to group undertakings at the period end (see note 8)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a. Analysis of tax charge for the period:

	65 week period ended 31 December 2010	54 week period ended 30 September 2009
	US\$'000	US\$'000
Current tax:		
Group relief payable	1,975	-
Total current tax (see note b below)	1,975	-

Group relief represents amounts payable to group undertakings in consideration for the surrender of losses under group relief arrangements

KPL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

b. Factors affecting tax charge for the period:

The current tax assessed for the period differs from the standard rate of corporation tax in the UK measured at 28% (30 September 2009 28%) The differences are explained below

	65 week period ended 31 December 2010 US\$'000	54 week period ended 30 September 2009 US\$'000
Profit on ordinary activities before taxation	6,980	-
Profit on ordinary activities multiplied by the standard rate in the UK 28% (2009 28%)	1,954	-
Non-deductible expenses	16	-
Exchange differences	5	-
Current tax charge for the period	1,975	-

7. DEBTORS

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

	31 December 2010 US\$'000	30 September 2009 US\$'000
Amounts due from group undertakings	2,863,799	3,055,465

Amounts due from group undertakings include loans of €900,000,000 (US\$1,203,012,000) (30 September 2009 €900,000,000 (US\$1,318,140,000)) and €1,100,000,000 (US\$1,470,348,000) (30 September 2009 €1,100,000,000 (US\$1,611,060,000)) advanced to Shire UK Limited, a fellow group undertaking, on 30 September 2008 These loans are unsecured, carry interest at a rate of Euribor plus 0.75% and are repayable on demand by the company

Amounts due from group undertakings also includes a loan of US\$135,492,235 advanced by the company to its immediate parent undertaking, Goldman Sachs Group Holdings (UK) on 23 November 2009 This loan is unsecured, carries interest at 1.71% and is repayable on demand by the company

KPL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

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 2010	30 September 2009
	US\$'000	US\$'000
Group relief payable	1,981	-
Amounts due to group undertakings (see note (i))	2,720,680	3,055,465
	2,722,661	3,055,465

- (i) Amounts due to group undertakings in the prior period included loans of €900,000,000 and €1,100,000,000 advanced to the company by Goldman Sachs Group Holdings (U K), on 30 September 2008. These loans were unsecured, carried an interest rate of Euribor plus 0.75% and were repayable on demand by Goldman Sachs Group Holdings (U K).

On 24 November 2009, the company entered into deeds of novation with Goldman Sachs Group Holdings (U K) in respect of the above loans advanced to the company by Goldman Sachs Group Holdings (U K). Under the terms of the deeds of novation, GS Euro Management and GS Euro Investments, fellow group undertakings, replaced Goldman Sachs Group Holdings (U K) as lender in relation to these loan agreements.

On 27 November 2009, the company was advanced loans of €900,000,000 (US\$1,203,012,000) and €1,100,000,000 (US\$1,470,348,000) by Goldman Sachs Group Holdings (U K). Following the receipt of funds from these loans, the company repaid in full amounts outstanding under the loans novated to GS Euro Management and GS Euro Investments.

9. SHARE CAPITAL

At 31 December 2010 and 30 September 2009 share capital comprised

	31 December 2010		30 September 2009	
	No.	US\$	No.	US\$
<u>Allotted, called up and fully paid</u>				
Ordinary Shares of £0.00001 each	1	-	1	-
Ordinary Shares of US\$0.00001 each	136,133,552	1,361	-	-
		1,361		-

On 19 November 2009, the company passed an ordinary resolution to decrease the authorised share capital of the company from £50,000 divided into 5,000,000,000 ordinary shares of £0.00001 each to the aggregate of £0.00001 divided into 1 ordinary share of a par value of £0.00001 and US\$50,000 divided into 5,000,000,000 ordinary shares of a par value of US\$0.00001 each by the cancellation of 4,999,999,999 unissued ordinary shares of a par value of £0.00001 each and the creation of 5,000,000,000 ordinary shares of a par value of US\$0.00001 each. On the same date, the company issued 136,133,552 ordinary shares of US\$0.00001 to Goldman Sachs Group Holdings (U K) for a total consideration of US\$136,133,552, incorporating share premium of US\$136,132,191.

The ordinary shares of US\$0.00001 and £0.00001 rank pari-passu in all respects.

KPL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

10. SHARE PREMIUM ACCOUNT AND RESERVES

	Share Premium Account US\$'000	Profit and Loss Account US\$'000
At 30 September 2009	-	-
Profit for the period	-	5,005
Issue of ordinary shares (see note 9)	136,132	-
At 31 December 2010	136,132	5,005

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2010 US\$'000	30 September 2009 US\$'000
Profit for the period	5,005	-
Issue of ordinary shares (see note 9)	136,133	-
Net increase in shareholders' funds	141,138	-
Opening shareholders' funds	-	-
Closing shareholders' funds	141,138	-

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

13. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the period end (30 September 2009 nil).

14. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking and the parent undertaking of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group Holdings (U K), a company 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.