

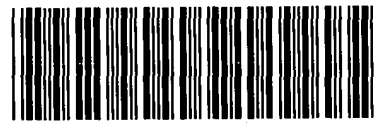
Company Number: 6409662

ELQ HOLDINGS (UK) LTD

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2013

TUESDAY



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ELQ HOLDINGS (UK) LTD

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2013.

1. Introduction

ELQ Holdings (UK) Ltd ('the company') holds investments in subsidiary undertakings which hold investments in senior bank debt, bonds, private equity investments, distressed assets, non-performing loans and real estate assets.

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.

2. Financial overview

The financial statements have been drawn up for the year ended 31 December 2013. Comparative information has been presented for the year ended 31 December 2012.

The company's principal business is transacted in a U.S. dollar environment as part of the group. Accordingly, the company's functional currency is U.S. dollars and these financial statements have been prepared in that currency. The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US\$ 1.6567 (31 December 2012: £ / US\$ 1.6244). The average rate for the year was £ / US\$ 1.5670 (year ended 31 December 2012: £ / US\$ 1.5925).

The results for the year are shown in the profit and loss account on page 6. Loss on ordinary activities before taxation for the year was US\$18.8 million (year ended 31 December 2012: loss of US\$9.9 million). The company had total assets of US\$2,354.2 million (31 December 2012: US\$956.4 million).

During the year the company issued 369,212,540 redeemable shares of US\$1 each to its immediate parent undertaking.

3. Post balance sheet events

Subsequent to the year end, the following events occurred:

- In January 2014, the company was allotted 18,000,000 ordinary shares of £1 each for a total consideration of US\$29,651,400 and in February 2014, the company was allotted 12,500,000 ordinary shares of £1 each for a total consideration of US\$20,746,250 being share capital issued by ELQ UK Properties Ltd.
- In June 2014, the company was allotted 3,500 ordinary shares of €10 each, being share capital issued by Falko SAS, with a premium of €516 per share bringing the total consideration to US\$2,504,128.

4. Future outlook and going concern

Although the company has net liabilities maturing within one year of US\$2.1 million as at 31 December 2013, the directors consider that the year end financial position of the company was satisfactory taking into account the support of the immediate parent undertaking (see note 1 (b)). No significant change in the company's business activities is expected.

ELQ HOLDINGS (UK) LTD

STRATEGIC REPORT (continued)

5. Principal risks and uncertainties

The company is exposed to financial risk through its financial assets and liabilities. 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 credit risk, liquidity risk and market risk. The company's risk management objectives and policies, as well as its risk exposures, are described in note 17 of the financial statements.

BY ORDER OF THE BOARD



Secretary

CLARE RICHARDS

ELQ HOLDINGS (UK) LTD

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2013.

1. Introduction

In accordance with section 414A of the Companies Act 2006, the directors have prepared a strategic report, which contains a review of the company's businesses and a description of the principal risks and uncertainties facing the company. The directors have chosen to make reference to the company's risk management objectives and policies, as well as exposures to credit risk, liquidity risk and market risk in the strategic report, in accordance with section 414C(11) of the Companies Act 2006, that would otherwise have been reported in the directors' report

2. Dividends

The directors do not recommend the payment of an ordinary dividend in respect of the year ended 31 December 2013 (year ended 31 December 2012: US\$nil).

3. Directors

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

Name	Appointed	Resigned
M. Holmes	26 November 2013	
D.W. McDonogh		
G. P. Minson		
G. G. Olafson		
J. Salisbury		21 May 2013

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

4. 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 / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

5. Independent auditors

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of Schedule 3 to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

ELQ HOLDINGS (UK) LTD

REPORT OF THE DIRECTORS (continued)

6. Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 financial period which give a true and fair view of the state of affairs of the company 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 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 accounts 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.

7. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 29 SEPTEMBER 2014

BY ORDER OF THE BOARD



Secretary

CLARE RICHARDS

Independent auditors' report to the members of ELQ Holdings (UK) Ltd

Report on the financial statements

Opinion on financial statements

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by ELQ Holdings UK Ltd, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- 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.

What an audit of the financial statements involves

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial 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.

Independent auditors' report to the members of ELQ Holdings (UK) Ltd

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.

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 4, 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 (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Alastair Findlay (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 September 2014

ELQ HOLDINGS (UK) LTD

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

		Year Ended 31 December 2013	Year Ended 31 December 2012
	Note	US\$	US\$
Revenue		-	118,253
Administrative expenses		(18,641,407)	(5,582,665)
OPERATING LOSS	4	(18,641,407)	(5,464,412)
Interest receivable and similar income	6	28,382,630	2,695,605
Interest payable and similar charges	7	(28,561,731)	(7,091,884)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(18,820,508)	(9,860,691)
Tax on loss on ordinary activities	9	1,876,546	(87,657)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		(16,943,962)	(9,948,348)

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 year as stated above and their historical cost equivalents.

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

The notes on pages 9 to 18 form an integral part of these financial statements.
Independent auditors' report – page 5 - 6

ELQ HOLDINGS (UK) LTD

BALANCE SHEET

as at 31 December 2013

	Note	31 December 2013 US\$	31 December 2012 US\$
FIXED ASSETS			
Shares in subsidiary undertakings	10	409,585,518	280,610,673
CURRENT ASSETS			
Debtors: Amounts receivable within one year	11	34,781,504	14,723,959
Debtors: Amounts receivable after one year	11	1,905,609,967	658,527,257
Cash at bank and in hand		4,263,153	2,551,373
		<u>1,944,654,624</u>	<u>675,802,589</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(41,099,559)</u>	<u>(22,373,262)</u>
NET CURRENT ASSETS		<u>1,903,555,065</u>	<u>653,429,327</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,313,140,583	934,040,000
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	<u>(1,729,563,931)</u>	<u>(702,731,926)</u>
NET ASSETS		<u>583,576,652</u>	<u>231,308,074</u>
CAPITAL AND RESERVES			
Called up share capital	14	613,992,629	244,780,089
Profit and loss account	15	<u>(30,415,977)</u>	<u>(13,472,015)</u>
TOTAL SHAREHOLDER'S FUNDS	16	<u>583,576,652</u>	<u>231,308,074</u>

The financial statements were approved by the Board of Directors on 29 SEPTEMBER 2014 and signed on its behalf by:



Director

MICHAEL HOLMES

The notes on pages 9 to 18 form an integral part of these financial statements.
Independent auditors' report – page 5 - 6
Company number: 6409662

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

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 and applicable accounting standards. The principal accounting policies are set out below and have been applied consistently throughout the year.

b. Going concern

The company has net liabilities maturing within one year of US\$2.1 million as at 31 December 2013. The immediate parent company 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.

c. Foreign currencies

Transactions denominated in foreign currencies are translated into U.S. Dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in operating loss.

d. Revenue recognition

Revenue has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities.

Revenue comprises dividend income received from subsidiary investments. Dividends receivable are recognised as income when the right to receive payment has been established.

e. Fixed asset investments

Fixed asset investments comprise investment in subsidiary undertakings and are stated at cost less provision for any impairment. Expenditure incurred directly associated with the purchase or development of fixed asset investments is capitalised. Dividend receivable are recognised when the right to receive payment has been established.

f. Other assets and liabilities

Other assets and liabilities 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.

g. Offsetting other assets and liabilities

Other assets and liabilities are offset and the net amount presented in the balance sheet where there is:

- (i) currently a legally enforceable right to set off the recognised amounts; and
- (ii) intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met other assets and liabilities are presented on a gross basis in the balance sheet.

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

h. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in the future with the following exceptions:

- (i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- (ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. REPORTING AND DISCLOSURE EXEMPTIONS

a. 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.

b. 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 Goldman Sachs Group, Inc.

c. Consolidation

The company is a subsidiary of The Goldman Sachs Group, Inc., a company incorporated in the United States of America, whose consolidated accounts include the company and its subsidiaries and are publically available. As a result, the company has elected not to prepare consolidated accounts as permitted by section 401 of the Companies Act 2006.

3. SEGMENTAL REPORTING

The directors manage the company's activities as a single business in the same geographical region and accordingly no segmental analysis has been provided.

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

4. OPERATING LOSS

	Year Ended 31 December 2013	Year Ended 31 December 2012
	US\$	US\$
Operating loss is stated after charging:		
Management fees payable to group undertakings	8,052,042	1,763,491
Legal and professional fees	7,154,074	3,566,705
Fees payable to the company's auditors for the audit of the company's financial statements	51,711	40,000
Fees payable to the company's auditor for the audit of the company's subsidiaries	148,865	200,720

The legal and professional fees represent expenses incurred in relation to new investments.

5. STAFF COSTS

The company has no employees (31 December 2012: nil). All persons involved in the company's operations are employed by a group undertaking. The charges for services provided to the company are included in management fees payable to group undertaking (see note 4).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2013	Year Ended 31 December 2012
	US\$	US\$
Interest income on loan receivable with group undertakings	<u>28,382,630</u>	<u>2,695,605</u>

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2013	Year ended 31 December 2012
	US\$	US\$
Interest expense on short term liquidity facility with group undertaking	864,224	57,465
Interest expense on loan payable to parent undertaking	27,697,507	7,034,419
	<u>28,561,731</u>	<u>7,091,884</u>

8. DIRECTORS' EMOLUMENTS

	Year Ended 31 December 2013	Year Ended 31 December 2012
	US\$	US\$
Directors:		
Aggregate emoluments	28,004	17,546
Company pension contributions to money purchase schemes	160	100
	<u>28,164</u>	<u>17,646</u>

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 SI 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.

Four directors were members of a defined contribution pension scheme and four directors were members of a defined benefit pension scheme during the year. Three directors have received or are due receipt of shares under a long-term incentive scheme during the year. No directors have exercised options during the year.

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

9. TAX ON LOSS ON ORDINARY ACTIVITIES

a. Analysis of tax (credit) / charge for the year:

	Year Ended	Year Ended
	31 December 2013	31 December 2012
	US\$	US\$
Current tax:		
UK corporation tax at 23.25% (2012: 24.5%)	76,085	83,909
Adjustment to tax in respect of prior periods	(1,952,631)	3,748
Total current tax (see note 9b)	(1,876,546)	87,657

b. Factors affecting tax (credit) / charge for the year:

The 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 23.25% (31 December 2012: 24.5%) to the loss on ordinary activities before tax is as follows:

	Year Ended	Year Ended
	31 December 2013	31 December 2012
	US\$	US\$
Loss on ordinary activities before tax	18,820,508	9,860,691
Loss on ordinary activities at the standard rate in the UK 23.25% (2012: 24.5%)	(4,375,768)	(2,415,869)
Losses carried forward	4,375,768	-
Tax loss surrendered to group undertaking for nil consideration	-	2,415,869
Foreign exchange differences	76,085	83,909
Adjustment to tax in respect of prior periods	(1,952,631)	3,748
Current tax (credit) / charge for the year	(1,876,546)	87,657

A potential deferred tax asset of US\$4,959,385 (31 December 2012): US\$nil) has not been recognised in the financial statements as there is uncertainty whether the company will generate suitable taxable profits in the future against which the deferred tax assets can be recovered.

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

10. SHARES IN SUBSIDIARY UNDERTAKINGS

Shares in subsidiary undertakings are unlisted and stated at cost less provision for impairment.

	US\$
Cost	
At 31 December 2012	280,610,673
Additions	128,974,845
At 31 December 2013	409,585,518

During the year the company established the following subsidiary undertakings:

- In April 2013, the company established White Pillar Properties Limited and was allotted 29,751,582 ordinary shares of £1 each for a total consideration of US\$44,945,120.
- In May 2013, the company established ELQ Investors V Ltd and was allotted 1,900,601 ordinary shares of US\$0.01 each for a total consideration of US\$190,050,160 to the company. This included a share premium of US\$190,031,154 of which US\$142,537,620 was repaid during the year.
- In May 2013, the company established ELQ Investors VI Ltd and was allotted 1 ordinary share of £1. Further, during the year ELQ Investors VI Ltd issued 10,000 shares of £1 each and 10,000 shares of €1 each to the company for a total consideration of US\$30,038.
- In June 2013, the company established Falko SAS and was allotted 1,000 ordinary shares of €1 each for a total consideration of US\$1,301. Further, during the year Falko SAS issued 5,300,000 ordinary shares of €1 each to the company for a total consideration of US\$6,823,432.
- In November 2013, the company established ELQ UK Properties Ltd and was allotted 3,900,000 ordinary shares of £1 each for a total consideration of US\$6,348,069. Further, during the year ELQ UK Properties Ltd issued 1,885,000 ordinary shares of £1 each to the company for a total consideration of US\$3,065,783.

During the year the following additional movements took place:

- ELQ Investors III Ltd issued 7,270,054 ordinary shares of £1 each, 6,025,793 ordinary shares of €1 each, and 1,201,840 ordinary shares of US\$1 each for a total consideration of US\$20,248,562.

The subsidiaries over which the company exercises control at the year end are listed below:

Name of company	Country of incorporation	Holding and proportion of voting rights	Class of shares held	Nature of business
ELQ Investors II Ltd	England and Wales	100%	100% Ordinary shares 100% Redeemable shares	Investment company
ELQ Investors III Ltd	England and Wales	100%	100% Ordinary shares	Investment company
ELQ Investors V Ltd	Cayman Islands	100%	100% Ordinary shares	Holding company
ELQ Investors VI Ltd	England and Wales	100%	100% Ordinary shares	Investment company
White Pillar Properties Limited	England and Wales	100%	100% Ordinary shares	Holds real estate
Falko SAS	France	100%	100% Ordinary shares	Holds real estate
ELQ UK Properties Ltd	England and Wales	100%	100% Ordinary shares	Holds real estate

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

11. DEBTORS

	31 December 2013	31 December 2012
	US\$	US\$
Due within one year of the balance sheet date		
Accrued interest on loan receivable due from subsidiary undertakings	29,002,780	2,374,829
Amounts due from subsidiary undertakings	3,767,031	3,266,243
Amounts due from group undertakings	828	7,750,000
Group relief receivable	2,010,865	1,325,305
Other debtors	-	7,582
	34,781,504	14,723,959
Due more than one year after the balance sheet date		
Loan receivable due from subsidiary undertakings	1,905,609,967	658,527,257
	1,905,609,967	658,527,257
	1,940,391,472	673,251,216

Amounts due from group undertakings includes cash balances of \$nil (31 December 2012: \$7,750,000) held on account by a fellow group undertaking.

Loan receivable due from subsidiary undertakings comprises the following loans with subsidiary undertakings:

- \$1,491,451,217 receivable from ELQ Investors II Ltd (31 December 2012: US\$621,000,000) which represents a U.S. dollar-denominated long term loan with a final maturity of September 2061 and accrued interest within a range of 2.2% to 2.7% in accordance with the policy of the group on intercompany loans.
- \$84,760,464 receivable from ELQ Investors III Ltd (31 December 2012: US\$37,527,257) and relates to borrowings under multi-currency overnight facilities. The facility is a forty-nine year facility with a final maturity of January 2061 and accrued interest within a range of 0.4% to 4.6%, depending on the currency of the borrowing, in accordance with the policy of the group on intercompany loans.
- \$142,537,620 receivable from ELQ Investors V Ltd (31 December 2012: US\$nil) which represents a U.S. dollar-denominated long term loan with a final maturity of May 2062 and accrued interest within a range of 2.2% to 2.7% in accordance with the policy of the group on intercompany loans.
- \$10,413,613 receivable from Falko SAS (31 December 2012: US\$nil) which represents a Euro-denominated long-term secured loan facility with a final maturity of May 2028 and accrued interest within a range of 1.1% to 4.6% in accordance with the policy of the group on intercompany loans.
- \$147,866,548 receivable from White Pillar Properties Ltd (31 December 2012: US\$nil) which represents a British pound-denominated long-term secured loan facility with a final maturity of March 2063 and accrued interest within a range of 2.2% to 2.9% in accordance with the policy of the group on intercompany loans.
- \$28,580,505 receivable from ELQ UK Properties Ltd (31 December 2012: US\$nil) which represents a British pound-denominated long-term secured loan facility with a final maturity of November 2062 and accrued interest within a range of 2.2% to 2.9% in accordance with the policy of the group on intercompany loans.

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2013	31 December 2012
	US\$	US\$
Accrued interest payable due to parent undertaking	14,166,366	11,066,771
Loan payable due to group undertaking	10,067,407	2,849,750
Accrued interest payable due to group undertaking	517,283	64,926
Amounts due to group undertakings	9,951,505	5,166,479
Other creditors and accruals	6,396,998	3,225,336
	41,099,559	22,373,262

Loan payable due to group undertaking represents a short term liquidity facility and interest accrued during the period within a range of 0.4% to 4.6% in accordance with the policy of the group on intercompany loans.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2013	31 December 2012
	US\$	US\$
Loan payable to parent undertaking	1,729,563,931	702,731,926

Loan payable to parent undertaking represents a long term loan facility with a final maturity of November 2057 and accrued interest during the year within a range of 2.2% to 2.7% in accordance with the policy of the group on intercompany loans.

14. SHARE CAPITAL

At 31 December 2013 and 31 December 2012 share capital comprised:

	31 December 2013		31 December 2012	
	No.	USD	No.	USD
<u>Allotted, called up and fully paid</u>				
Ordinary Shares of £1 each	1	2	1	2
Redeemable shares of \$1 each	613,992,627	613,992,627	244,780,087	244,780,087
		613,992,629		244,780,089

During the year the company issued 369,212,540 redeemable shares of US\$1 each to its immediate parent undertaking.

The redeemable shares issued to date are redeemable at par, there is no fixed expiry date on their redemption and they are redeemable at the option of the company. The redeemable shares have the same rights to dividends, voting rights and priority on winding up as ordinary shares.

Share capital issued is translated at the historic rates prevailing at the date of issuance.

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

15. PROFIT AND LOSS ACCOUNT

	31 December 2013
	US\$
At 31 December 2012	(13,472,015)
Loss for the financial year	(16,943,962)
At 31 December 2013	(30,415,977)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	31 December 2013	31 December 2012
	US\$	US\$
Loss for the financial year	(16,943,962)	(9,948,348)
Share capital issued (see note 14)	369,212,540	174,495,403
Net increase in shareholder's funds	352,268,578	164,547,055
Opening shareholder's funds	231,308,074	66,761,019
Closing shareholder's funds	583,576,652	231,308,074

17. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. 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 credit risk, liquidity risk, and market risk.

a. Credit risk

Credit risk represents the loss the company would incur if a counterparty fails to meet its contractual obligations. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the assets are secured.

b. Liquidity risk

The company has in place a conservative set of liquidity and funding policies. The principal objective is to be able to fund the company and to continue to generate revenue under adverse circumstances.

c. Market risk

Market risk is predominantly the risk of loss in value of the company's investments due to changes in market prices, which arise from market making activities. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's businesses. Market risk also includes interest rate risk and currency risk.

Interest rate risk primarily result from exposures to changes in interest rates. The company manages its interest rate risk by establishing economic hedges as appropriate to the circumstances of the company.

Foreign exchange risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates. The company manages its currency risk by establishing economic hedges as appropriate to the circumstances of the company.

ELQ HOLDINGS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

18. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The company's immediate parent undertaking is ELQ Holdings (DEL) LLC, a company registered in Delaware in the United States of America.

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., a company incorporated within 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, NY10282, United States of America, the group's principal place of business or at www.goldmansachs.com/shareholders/.

19. POST BALANCE SHEET EVENTS

Subsequent to the year end, the following events occurred:

- In January 2014, the company was allotted 18,000,000 ordinary shares of £1 each for a total consideration of US\$29,651,400 and in February 2014, the company was allotted 12,500,000 ordinary shares of £1 each for a total consideration of US\$20,746,250 being share capital issued by ELQ UK Properties Ltd.
- In June 2014, the company was allotted 3,500 ordinary shares of €10 each, being share capital issued by Falko SAS, with a premium of €516 per share bringing the total consideration to US\$2,504,128.