

In accordance with  
Regulation 32 of the  
Overseas Companies  
Regulations 2009

OS AA01

Statement of details of parent law and other  
information for an overseas company



Companies House

✓ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law

✗ What this form is NOT  
You cannot use this form  
an alteration of manner  
with accounting requiremen

WEDNESDAY



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20/03/2013

#130

COMPANIES HOUSE

## Part 1 Corporate company name

Corporate name of  
overseas company ①

GS EUROPEAN STRATEGIC INVESTMENT GROUP B V

UK establishment  
number

B R 0 1 5 4 6 0

→ Filling in this form  
Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited

Legislation ②

DUTCH CIVIL CODE & DUTCH STANDARDS OF AUDITING

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts

### A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3

③ Please insert the name of the  
appropriate accounting organisation  
or body

Name of organisation  
or body ③

DUTCH ACCOUNTING STANDARDS BOARD

### A3 Accounts

Accounts

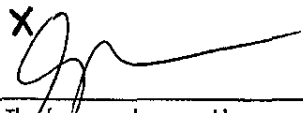
Have the accounts been audited? Please tick the appropriate box

☐ No. Go to Section A5.

☒ Yes. Go to Section A4

**OS AA01**

Statement of details of parent law and other information for an overseas company

<b>A4 Audited accounts</b>		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No Go to Part 3 'Signature' <input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	<b>①</b> Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body <b>①</b>	DUTCH ACCOUNTING STANDARDS BOARD	
<b>A5 Unaudited accounts</b>		
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes.	
<b>Part 3 Signature</b>		
	I am signing this form on behalf of the overseas company	
Signature	Signature  This form may be signed by Director, Secretary, Permanent representative	<b>X</b>

## OS AA01

Statement of details of parent law and other information for an overseas company



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Susan Fadil

Company name TMF Group

Address 6 St Andrews Street

Post town London

County/Region

Postcode E C 4 A 3 A E

Country

DX

Telephone 020 7832 8921



### Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form.



### Important information

Please note that all this information will appear on the public record



### Where to send

You may return this form to any Companies House address

#### England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

#### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

#### Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
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### Further information

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This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**Company Number: 34198692**

**GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

**ANNUAL ACCOUNTS**

**31 DECEMBER 2011**



COMPANIES HOUSE

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**GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

**PWC**

**REPORT OF THE DIRECTORS**

The directors present their annual report and the audited financial statements of the company for the year ended ended 31 December 2011

**1. Principal activities**

GS European Strategic Investment Group B.V. ('the company') trades in distressed credits, including loans and bonds and subordinated performing secured loans

The company's principal business is transacted in the euro and accordingly, the company's functional currency is the euro and these financial statements have been prepared in that currency

Although the company is incorporated in the Netherlands, its place of business and its place of effective management is in the United Kingdom and the company pays UK corporation tax on its worldwide profits

**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 results for the year are shown in the profit and loss account on page 5. Profit on ordinary activities before taxation for the year was €32.7m (year ended 31 December 2010: profit of €64.4m). The company has total assets of €167.3m (31 December 2010: €165.8m).

**Post balance sheet events**

Subsequent to the year end the following post balance sheet events occurred:

- On 25 January 2012, the board declared an interim dividend of €2,365,244 to its immediate parent undertaking
- On 5 March 2012, the company issued share premium of €15,684,947 to its immediate parent undertaking. Further, on 8 March 2012 the cash proceeds from the issue, together with the proceeds received from assets sales after the balance sheet date, was used to repay in full the company's existing third party loan (see note 11)

**Strategy**

The company seeks to maximise its returns from trading and related activities

**Future outlook**

The directors consider, based on the current economic environment, that the year end financial position of the company was satisfactory. No significant change in the company's principal business activity is expected

**Financial risk management**

The company's financial risk management objectives and policies, as well as its risks exposure, are described in note 19 of the financial statements

**3. Appropriation of profits**

The company has made a profit of €25.3m in respect of the year ended 31 December 2011 (year ended 31 December 2010: profit of €59.6m). According to Article 25 of the articles of association of the company this profit is at the disposal of the shareholders. The board proposes a dividend of €nil in respect of the year ended 31 December 2011 (year ended 31 December 2010: €13,372,682).

## GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

### REPORT OF THE DIRECTORS (continued)

#### 3 Appropriation of profits (continued)

The board declared no interim dividends in the period between the approval of last year's annual accounts and this year's annual accounts

#### 4. Directors

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

Name	Appointed	Resigned
S A Collins	26 March 2012	
C Marte		
G P Minson		

No director had any interest in the ordinary shares of the company at any time during the year

#### 5. Directors' responsibilities

The directors are required by prevailing company law in the Netherlands to prepare annual 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 the annual accounts, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. Applicable accounting standards have been followed in the annual accounts, and the financial statements have been prepared on a going concern basis. The directors are responsible for keeping proper accounting records, and for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### 6. Auditors

The independent auditors, PricewaterhouseCoopers Accountants N.V., will be reappointed for the next financial period in accordance with Book 2, Part 9 of the Dutch Civil Code.

S. A. Collins

Date 28.2.2013

C. Marte

Date 28.2.2013

G. P. Minson

Date 28.2.2013

S.A. Collins

C. Marte

G. P. Minson

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**GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

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**BALANCE SHEET**

**as at 31 December 2011**

**(Before proposed appropriation of results)**

	Note	31 December 2011 EUR	31 December 2010 EUR
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Financial instruments owned	5	144,652,904	142,085,747
Debtors	6	22,666,878	23,647,526
Cash at bank and in hand	7	24,718	44,628
		<hr/> 167,344,500	<hr/> 165,777,901
<b>TOTAL ASSETS</b>		<hr/> <b>334,689,000</b>	<hr/> <b>331,555,802</b>

The notes on pages 7 to 15 form an integral part of these annual accounts  
Auditor's report – page 18

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**GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

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**BALANCE SHEET**

**as at 31 December 2011**

**(Before proposed appropriation of results)**

	Note	31 December 2011 EUR	31 December 2010 EUR
<b>SHAREHOLDER'S EQUITY &amp; LIABILITIES</b>			
<b>Shareholder's equity</b>			
Called up share capital	8	20,000	20,000
Retained earnings	9	68,125,264	21,935,661
Result for the year	9	25,265,480	59,562,285
		<u>93,410,744</u>	<u>81,517,946</u>
<b>Long term liabilities</b>	11	<u>64,309,859</u>	<u>82,732,683</u>
<b>Current liabilities</b>	12	<u>9,623,897</u>	<u>1,527,272</u>
<b>TOTAL SHAREHOLDER'S EQUITY &amp; LIABILITIES</b>		<u><b>167,344,500</b></u>	<u><b>165,777,901</b></u>

The notes on pages 7 to 15 form an integral part of these annual accounts  
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**GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

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**PROFIT AND LOSS ACCOUNT****for the year ended 31 December 2011**

		Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
<b>REVENUE</b>	13	36,752,554	70,250,199
Administrative expenses	14	(926,245)	(456,526)
<b>OPERATING PROFIT</b>		35,826,309	69,793,673
Financial income	15	157,369	148,224
Financial expense	16	(3,268,324)	(5,565,509)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		32,715,354	64,376,388
Tax on profit on ordinary activities	17	(7,449,874)	(4,814,103)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR</b>	9	25,265,480	59,562,285

The profit of the company is derived from continuing activities in current and prior years

The notes on pages 7 to 15 form an integral part of these annual accounts  
Auditor's report – page 18

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# GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

## CASH FLOW STATEMENT

for the year ended 31 December 2011

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
<b>Cash flows from operating activities</b>		
Operating profit before tax and interest	35,826,309	69,793,673
Interest on financial instruments	(16,706,662)	(23,858,816)
(Increase) / decrease in financial instruments	(2,567,157)	7,118,078
Decrease in debtors	275,418	31,348,601
Decrease / (increase) in creditors – due within one year	686,674	(36,921)
Net cash inflow from operating activities	17,514,582	84,364,615
<b>Returns from investments and servicing of finance</b>		
Interest paid	(3,303,248)	(5,802,294)
Interest received	17,569,261	24,361,055
<b>Cash flows from financing activities</b>		
Dividends paid	(13,372,682)	-
Repayment of loans	(18,422,824)	(102,882,533)
Net cash from financing activities	(31,795,506)	(102,882,533)
<b>Movement in cash and cash equivalents</b>		
Net change in cash and cash equivalents	(19,910)	40,843
Cash and cash equivalents, beginning of year	44,628	3,785
Cash and cash equivalents, end of year	24,718	44,628

The notes on pages 7 to 15 form an integral part of these annual accounts  
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**PWC**

## **GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011**

#### **1. GENERAL**

##### **Principal activities**

The company was incorporated on 28 November 2003, as a limited liability company with its statutory seat in the Netherlands. The address is Strawinskylaan 1661, 1077 XX Amsterdam, the Netherlands.

The company's activities involve trading in distressed credits, including loans and bonds and subordinated performing secured loans. The company's principal business is transacted in the euro and accordingly the company's functional currency is the euro and these financial statements have been prepared in that currency.

The immediate parent undertaking, and the parent undertaking of the smallest group for which consolidated financial statements are prepared is GS European Opportunities Fund B.V., a company registered in the Netherlands.

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 in the United States of America. Copies of its accounts can be obtained from 200 West Street, New York, NY 10282, United States of America, the group's principal place of business.

#### **2. NOTES TO CASHFLOW STATEMENT**

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and in hand. Cash flows in foreign currencies have been translated at the transaction rate. Income and expenses in respect of interest and taxation on profits are included in the cash flow from operating activities.

#### **3. PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES**

##### **a. Accounting convention**

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

##### **b. Going concern**

Under the amended loan agreement with its principal creditor there are amounts that fall due for repayment, along with fellow group subsidiaries which are party to the loan agreement (see note 11), within 12 months from the date of approval of the financial statements. Subsequent to the year end the company and the fellow subsidiaries repaid in full the existing loan payable to third party. As a result, the directors have prepared the financial statements on a going concern basis.

##### **c. Foreign currencies**

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

##### **d. Comparison with prior year**

The principles of valuation and determination of results have been applied consistently throughout the year.

**3. PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES (continued)**

**e Financial instruments owned**

Financial assets and liabilities held for trading are recorded at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. the exit price. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. Fair value gains or losses are included in revenue.

The best evidence of fair value is a quoted price in an active market. If listed prices or quotations are not available, fair value is determined by reference to prices for similar instruments, quoted prices or recent transactions in less active markets, or internally developed models that primarily use, as inputs, market-based or independently sourced parameters, including but not limited to interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves. The fair value of certain financial assets and financial liabilities may include valuation adjustments for counterparty and the company's credit quality, transfer restrictions, large and / or concentrated positions, illiquidity and bid / offer inputs.

Cash instruments include securities, which are typically readily transferable and exhibit reasonable levels of price transparency, and other cash instruments, such as loans. Cash instruments that trade in active markets are valued using quoted prices for identical unrestricted instruments where available. Other cash instruments are valued by verifying to quoted prices, recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g. indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources. Valuation adjustments are typically made (i) if the cash instrument is subject to regulatory or contractual transfer restrictions and / or (ii) for other premiums and discounts that a market participant would require to arrive at exit price. Valuation adjustments are generally based on market evidence where available.

Certain cash instruments have one or more significant valuation inputs that are not observable. Absent evidence to the contrary, these instruments are initially valued at transaction price, which is considered to be the best initial estimate of fair value. When a pricing model is used the model is adjusted so that the model value of the cash instrument at inception equals the transaction price. Subsequently, the company uses other methodologies to determine fair value, which vary based on the type of instrument. Valuation inputs and assumptions are changed when corroborated by substantive observable evidence, including values realised on sales.

**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 are recognised in the profit and loss account.

**g. 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. 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. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

#### 4. PRINCIPLES OF REVENUE RECOGNITION

Revenue has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. Financial assets and liabilities held for trading are recognised at fair value with realised and unrealised gains and losses as well as associated interest and dividend income and expense included in revenue.

Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs.

#### 5. FINANCIAL INSTRUMENTS OWNED

	31 December 2011	31 December 2010
	EUR	EUR
Loans secured against commercial real estate	123,587,760	113,167,848
Bonds	19,894,294	17,515,380
Other	1,170,850	11,402,519
	<b>144,652,904</b>	<b>142,085,747</b>

#### 6. DEBTORS

Debtors due within one year of the balance sheet date comprise

	31 December 2011	31 December 2010
	EUR	EUR
Money market investments	7,907,820	5,533,142
Interest receivable on financial instruments owned	3,093,634	3,798,866
Group tax relief receivable	11,648,319	11,648,319
Amounts due from parent undertaking	-	2,667,199
Other debtors	17,105	-
	<b>22,666,878</b>	<b>23,647,526</b>

The fair value of debtors approximates the book value.

#### 7. CASH AT BANK AND IN HAND

	31 December 2011	31 December 2010
	EUR	EUR
Cash at bank and in hand	<b>24,718</b>	<b>44,628</b>

All cash is readily available on demand.

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# GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

### 8. SHARE CAPITAL

	Number	31 December 2010 and 31 December 2011 EUR
<b>Authorised</b>		
Ordinary shares of €0.01 each – Class A	7,000,000	70,000
Ordinary shares of €0.01 each – Class B	3,000,000	30,000
		<b>100,000</b>
<b>Allotted and fully paid</b>		
Ordinary shares of €0.01 each – Class A	2,000,000	<b>20,000</b>

### 9. RESERVES

	Retained Earnings EUR	Result For The Year EUR
At 31 December 2010	21,935,661	59,562,285
Appropriation of prior year result	59,562,285	(59,562,285)
Profit for the year	-	25,265,480
Dividends declared during the year	(13,372,682)	-
At 31 December 2011	<b>68,125,264</b>	<b>25,265,480</b>

### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Profit for the year	25,265,480	59,562,285
Dividends declared	(13,372,682)	-
Net increase in shareholder's funds	11,892,798	59,562,285
Opening shareholder's funds	81,517,946	21,955,661
Closing shareholder's funds	<b>93,410,744</b>	<b>81,517,946</b>

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# GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

### 11. LONG TERM LIABILITIES

	31 December 2011
	EUR
Opening balance as at 31 December 2010	82,732,683
Repayments during the year	(18,422,824)
Closing balance as at 31 December 2011	<u>64,309,859</u>

The company, together with fellow group subsidiary undertakings which are party to the loan agreement ("Subsidiaries"), entered into an amended and restated loan agreement and related documents (together the "Agreements") with their principal creditor with a revised maturity of 29 August 2014 and interest accruing at Euribor or Libor plus a spread of 1.91%-2.11%. The Agreements provide, inter alia, for each of the Subsidiaries to become jointly and severally liable for certain debts owed by each of the Subsidiaries. Subsequent to the year end, the loan to third party and outstanding interest was fully repaid.

### 12. CURRENT LIABILITIES

	31 December 2011	31 December 2010
	EUR	EUR
Accrued interest payable to third party (see note 11)	229,177	269,101
Group tax relief payable	7,449,874	-
Other payables due to group undertaking	1,676,757	1,234,845
Other creditors and accruals	268,089	23,326
	<u>9,623,897</u>	<u>1,527,272</u>

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short term nature.

### 13. REVENUE

Revenue after charging related expenses, includes income arising from transactions in securities, foreign exchange and other financial instruments, and fees and commissions earned.

	Year Ended	Year Ended
	31 December 2011	31 December 2010
	EUR	EUR
Revenue from financial instruments	20,045,892	46,391,383
Interest on financial instruments	16,706,662	23,858,816
	<u>36,752,554</u>	<u>70,250,199</u>

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**GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011**

**14. ADMINISTRATIVE EXPENSES**

	Year Ended 31 December 2011	Year Ended 31 December 2010
	EUR	EUR
Management fees payable to group undertakings	250,182	203,950
Professional fees	628,130	129,680
Auditors' remuneration - audit services	22,933	23,243
Other expenses	25,000	99,653
	<b>926,245</b>	<b>456,526</b>

**15. FINANCIAL INCOME**

	Year Ended 31 December 2011	Year Ended 31 December 2010
	EUR	EUR
Interest on money market investments	147,810	70,392
Interest on loan with parent undertaking	8,414	77,674
Bank deposit interest	1,145	158
	<b>157,369</b>	<b>148,224</b>

**16. FINANCIAL EXPENSE**

	Year Ended 31 December 2011	Year Ended 31 December 2010
	EUR	EUR
Interest expense on third party loan	3,263,859	5,561,081
Other interest expense	4,465	4,428
	<b>3,268,324</b>	<b>5,565,509</b>

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# GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

### 17 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### a. Analysis of tax for the year

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
<b>Current tax:</b>		
UK corporation tax at 26.5% (2010 28%)		-
- current period	-	-
- prior period	-	4,814,103
Group relief payable	7,449,874	-
<b>Total current tax (see note (b) below)</b>	<b>7,449,874</b>	<b>4,814,103</b>

Corporation tax is provided on taxable income at current rates applicable to the company's activities. Although the company is incorporated in the Netherlands, its place of business and its place of effective management is in the United Kingdom and the company pays UK corporation tax on its worldwide profits.

#### b. Factors affecting tax for the year.

The current tax assessed for the year differs from the standard rate of corporation tax in the UK measured at 26.5% following the change in corporation tax rates from 1 April 2011 to 26% (31 December 2010 28%). The differences are explained below.

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Profit on ordinary activities before tax	32,715,354	64,376,388
Profit on ordinary activities before tax on a fair market value basis	32,715,354	64,376,388
Tax on ordinary activities at the standard rate of tax in the UK of 26.5% (2010 28%)	8,669,569	18,025,389
Utilisation of tax losses of brought forward	(1,219,695)	(18,025,389)
Prior period adjustment	-	4,814,103
<b>Tax charge for the year</b>	<b>7,449,874</b>	<b>4,814,103</b>

The calculation of the deferred tax asset is based upon an estimated rate at which those timing differences are expected to be recognised in the profit and loss account in future years. A potential deferred tax asset of £nil (31 December 2010 €1,242,708) 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 asset can be recovered.

### 18. FINANCIAL COMMITMENTS AND CONTINGENCIES

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

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## GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

#### 19. 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 interest rate risk, credit risk, liquidity risk and currency risk.

##### a. Interest rate risk

Interest rate risk primarily results from exposures to changes in interest rates. The company manages its interest rate risk entering into interest rate derivative contracts as appropriate to the circumstances of the company.

##### b. Credit risk

Credit risk represents the loss that we would incur if a counterparty or an issuer of securities or other instruments we hold fails to perform under its contractual obligations. Credit risk is managed by reviewing the credit quality of counterparties and reviewing, if applicable, the underlying collateral against which the assets are secured.

##### c. Liquidity risk

The company's principal objective is to be able to fund itself and to enable its core business to continue to generate revenue under adverse circumstances and as a result has entered into an arrangement with its principal creditor pursuant to which the company, together with fellow group subsidiary undertakings, is jointly and severally liable for certain debts owed by the others.

##### d. Currency risk

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.

#### 20. STAFF COSTS

The company has no employees (31 December 2010: nil). All persons involved in the company's operations are employed by a group undertaking and no cost is borne by the company.

#### 21. DIRECTORS EMOLUMENTS

The directors were paid by another group undertaking, therefore there are no emoluments that are required to be disclosed in the company's annual accounts.

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**pwc**

## GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

#### 22. SHARE SCHEMES

Schemes under which directors of the company have received awards are as follows

##### **Restricted stock units ("RSU")**

The ultimate parent company issued restricted stock units to directors under a stock incentive plan, primarily in connection with year-end compensation. Restricted stock units are valued based on the closing price of the underlying shares at the date of grant. Period end restricted stock units generally vest as outlined in the applicable restricted stock unit agreements. All employee-restricted stock unit agreements provide that vesting is accelerated in certain circumstances, such as upon retirement, death and extended absence. In all cases, delivery of the underlying shares of common stock is conditioned on the grantees satisfying certain vesting and other requirements outlined in the award agreements.

Restricted stock units are expressed in USD which is the denomination of the underlying shares

	<u>Restricted Stock Unit</u>
<b>At 31 December 2010</b>	1,491
Delivered / Exercised during the period	(741)
Granted during the period	849
<b>At 31 December 2011</b>	<b>1,599</b>
Weighted average grant price	157
First maturity date from which exercisable	25-January-2012
Last maturity / expiry date	01-January-2014

The closing price of The Goldman Sachs Group, Inc. stock at 31 December 2011 was \$90.43

#### 23. RELATED PARTY DISCLOSURES

During the year to 31 December 2011, Archon Group France, a fellow group undertaking, provided the company with portfolio management services. Management fees charged for the period were €250,182 (year ended 31 December 2010: €203,950).

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**PwC**

GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.

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S. A. Collins

Date 28.2.2013

C. Marte

Date 28.2.2013

G P Minson

Date 28.2.2013

The Registered Office

Peterborough Court  
133 Fleet Street  
London  
EC4A 2BB  
United Kingdom

S.A. Collins

C. Marte

G P Minson

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PWC

## **GS EUROPEAN STRATEGIC INVESTMENT GROUP B.V.**

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### **OTHER INFORMATION**

#### **Profit appropriation according to the Articles of Association**

According to article 25 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders

#### **Proposed appropriation of profits**

In accordance with article 25 of the Articles of Association, the directors do not propose a profit appropriation in respect of the year ended 31 December 2011

#### **Post balance sheet events**

Subsequent to the year end the following post balance sheet events occurred

- On 25 January 2012, the board declared an interim dividend of €2,365,244 to its immediate parent undertaking
- On 5 March 2012, the company issued share premium of €15,684,947 to its immediate parent undertaking. Further, on 8 March 2012 the cash proceeds from the issue, together with the proceeds received from assets sales after the balance sheet date, was used to repay in full the company's existing third party loan (see note 11)

#### **Auditor's opinion**

See page 18 for the auditor's opinion

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## ***Independent auditor's report***

To: the General Meeting of Shareholders of GS European Strategic Investment Group B.V.

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

We have audited the accompanying 2011 financial statements as set out on pages 3 to 16 of GS European Strategic Investment Group B.V. ("the Company"), Amsterdam, which comprise the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information

### ***Directors' responsibility***

The directors are responsible for the preparation and fair presentation of these financial statements and for the preparation of the Report of the Directors, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of GS European Strategic Investment Group B.V. as at 31 December 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

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***Report on other legal and regulatory requirements***

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Report of the Directors, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 28 February 2013

PricewaterhouseCoopers Accountants N.V.

  
L H J Oosterloo RA