

Company number: 84992

**GOLDMAN SACHS (JERSEY) LIMITED**

**UNAUDITED HALF-YEARLY FINANCIAL REPORT**

**30 JUNE 2011**

# GOLDMAN SACHS (JERSEY) LIMITED

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## **MANAGEMENT REPORT**

### **1. Principal activities**

Goldman Sachs (Jersey) Limited ('the company') acts as an issuer of securitised derivatives in a number of European markets.

### **2. Review of business and future developments**

The unaudited financial statements have been drawn up for the half-year ended 30 June 2011. Comparative information has been presented for the half-year ended 30 June 2010 and the year ended 31 December 2010.

The profit and loss account for the period is set out on page 2. The loss on ordinary activities before taxation was US\$10,000 (half-year ended 30 June 2010: US\$5,000). The company has total assets of US\$10,276,000 (31 December 2010: US\$11,367,000).

The company did not issue any warrants in the period (half-year ended 30 June 2010: none).

The directors consider that the period end financial position of the company was satisfactory. No significant change in the company's principal business activity is expected.

### **3. Responsibility statement**

The financial statements have been prepared in accordance with the Accounting Standards Board statement on 'half-yearly financial reports' and the interim management report herein includes a fair review of the information required by the Financial Services Authority's (the 'FSA') Disclosure and Transparency Rules 4.2.7 R and 4.2.8 R.



26 **Director**  
August 2011

## GOLDMAN SACHS (JERSEY) LIMITED

### PROFIT AND LOSS ACCOUNT (UNAUDITED) for the half-year ended 30 June 2011

	Note	Half-year ended 30 June 2011 US\$'000	Half-year ended 30 June 2010 US\$'000	Year ended 31 December 2010 US\$'000
Administrative expenses		(10)	(5)	(15)
<b>OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(10)</u>	<u>(5)</u>	<u>(15)</u>
Tax on loss on ordinary activities		3	1	4
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD</b>	8	<u>(7)</u>	<u>(4)</u>	<u>(11)</u>

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

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

### BALANCE SHEET (UNAUDITED) as at 30 June 2011

	Note	30 June 2011 US\$'000	31 December 2010 US\$'000
<b>CURRENT ASSETS</b>			
Financial instruments owned	4	7,859	8,934
Debtors	5	2,417	2,433
		10,276	11,367
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Covered warrants issued		(7,859)	(8,934)
Other creditors	6	(25)	(34)
		(7,884)	(8,968)
<b>NET CURRENT ASSETS, TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		<u>2,392</u>	<u>2,399</u>
<b>CAPITAL AND RESERVES</b>			
Share capital account	7	50	50
Profit and loss account	8	2,342	2,349
<b>TOTAL SHAREHOLDER'S FUNDS</b>	8	<u>2,392</u>	<u>2,399</u>

The notes on pages 4 to 6 form part of these financial statements.  
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## CASH FLOW STATEMENT (UNAUDITED) for the half-year ended 30 June 2011

	Note	Half-year ended 30 June 2011 US\$'000	Year ended 31 December 2010 US\$'000
Net cash outflow from operating activities	9	(22)	(646)
Taxation		3	4
<b>CASH OUTFLOW BEFORE FINANCING ACTIVITIES</b>		<b>(19)</b>	<b>(642)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD / YEAR</b>	10	<b>(19)</b>	<b>(642)</b>

The notes on pages 4 to 6 form part of these financial statements.

# GOLDMAN SACHS (JERSEY) LIMITED

## NOTES TO FINANCIAL STATEMENTS – 30 JUNE 2011

### 1. *BASIS OF PREPARATION*

These financial statements for the half-year ended 30 June 2011 have been prepared in accordance with the Disclosure and Transparency Rules of the FSA and the Accounting Standards Board statement on 'half-yearly financial reports'. The financial statements should be read in conjunction with the financial statements for the year ended 31 December 2010 which have been prepared in accordance with applicable accounting standards.

### 2. *ACCOUNTING POLICIES*

The accounting policies adopted are consistent with those of the financial statements for the year ended 31 December 2010, as described in those financial statements.

### 3. *SEGMENTAL REPORTING*

All revenue arises from the company's principal activities as an issuer of securitised derivatives. The directors manage the company's activities as a single business and accordingly, no segmental analysis has been provided.

### 4. *FINANCIAL INSTRUMENTS HELD FOR TRADING*

Financial instruments comprise over-the-counter ('OTC') derivatives and covered warrants issued. OTC derivatives are entered into with a fellow group subsidiary undertaking and are held specifically and exclusively to offset the risk arising from covered warrants issued by the company. These derivatives are recognised in the financial statements at fair value consistent with the treatment of the underlying covered warrants being hedged.

### 5. *DEBTORS*

	30 June 2011 US\$'000	31 December 2010 US\$'000
Cash and cash equivalents	2,410	2,429
Group relief receivable	7	4
	<u>2,417</u>	<u>2,433</u>

Cash and cash equivalents represent cash balances held on account by a fellow group undertaking.

### 6. *OTHER CREDITORS*

	30 June 2011 US\$'000	31 December 2010 US\$'000
Corporation tax payable	-	5
Group relief payable	1	1
Other creditors and accruals	24	28
	<u>25</u>	<u>34</u>

### 7. *SHARE CAPITAL*

At 30 June 2011 and 31 December 2010 the share capital account comprised:

	30 June 2011		31 December 2010	
	No.	US\$'000	No.	US\$'000
<u>Allotted, called up and fully paid</u>				
Ordinary shares of no par value	50,000	50	50,000	50
		<u>50</u>		<u>50</u>

# GOLDMAN SACHS (JERSEY) LIMITED

## NOTES TO FINANCIAL STATEMENTS – 30 JUNE 2011

### 8. RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDER'S FUNDS

	Called up share capital US\$'000	Profit and loss account US\$'000	Total US\$'000
At 31 December 2010	50	2,349	2,399
Loss for the period	-	(7)	(7)
<b>At 30 June 2011</b>	<b>50</b>	<b>2,342</b>	<b>2,392</b>

### 9. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Half-year ended 30 June 2011 US\$'000	Year ended 31 December 2010 US\$'000
Operating loss	(10)	(15)
Decrease in other creditors and accruals	(9)	(627)
Increase in other debtors	(3)	(4)
<b>Net cash outflow from operating activities</b>	<b>(22)</b>	<b>(646)</b>

### 10. RECONCILIATION OF NET CASH TO MOVEMENT IN NET FUNDS

	Half-year ended 30 June 2011 US\$'000	Year ended 31 December 2010 US\$'000
Decrease in cash and cash equivalents in the period	(19)	(642)
Change in net funds	(19)	(642)
Opening net funds	2,429	3,071
<b>Closing net funds</b>	<b>2,410</b>	<b>2,429</b>

### 11. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 December 2010 US\$'000	Cash changes US\$'000	At 30 June 2011 US\$'000
Cash and cash equivalents	2,429	(19)	2,410
<b>Net funds</b>	<b>2,429</b>	<b>(19)</b>	<b>2,410</b>

### 12. 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 entity are credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

## **GOLDMAN SACHS (JERSEY) LIMITED**

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### **NOTES TO FINANCIAL STATEMENTS – 30 JUNE 2011**

#### ***13. 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 FRS 8 'Related Party Disclosures', the company is exempt from disclosing transactions with companies also wholly owned within the same group.

Gareth Essex-Cater is an employee of a subsidiary of State Street Corporation, affiliates of which provide administrative services to the company at commercial rates. These costs were borne by a group undertaking in the current and prior period.

#### ***14. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS***

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