Company Number: 02369964

FLEET TRADE & TRANSPORT LIMITED

ANNUAL REPORT

31 DECEMBER 2017

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2017. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414B of the companies Act 2006.

1. Introduction

The principal activity of Fleet Trade and Transport Limited involved commodities-related activities including physical oil trading. The directors intend to liquidate the company as detailed in note 3 below.

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). In relation to the company, "group undertaking" means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries, form 'GS Group'. GS Group is 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 individuals.

The company primarily operates in a U.S. dollar environment as part of GS Group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

2. Financial overview

The financial statements have been drawn up for the year ended 31 December 2017. Comparative information has been presented for the year ended 31 December 2016.

The results for the year are shown in the profit and loss account on page 6. Profit before taxation for the year ended 31 December 2017 was US$7.5 million (year ended 31 December 2016: loss of US$0.2 million). The company has total assets of US$267.5 million (31 December 2016: US$392.5 million).

3. Future outlook and going concern

In April 2017 the company's oil supply service agreement with an Israeli client concluded. As a result the company no longer holds inventories on its balance sheet and the associated derivative financial assets and liabilities were substantially unwound.

The directors intend to liquidate the company within twelve months of the date of approval of the financial statements and these financial statements have been prepared on a basis other than going concern. Adjustments have been made to reclassify deferred tax liabilities as current liabilities as at 31 December 2017.

4. Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2017 (year ended 31 December 2016: US$nil).

5. Exchange rate

The British pound / U.S dollar rate at the balance sheet date was £ / US$1.3524 (31 December 2016: £ / US$1.2337). The average rate for the year was £ / US$1.3020 (year ended 31 December 2016: £ / US$1.3439).

DIRECTORS' REPORT (continued)

6. Financial risk management

The company's risk management objectives and policies, as well as its risk exposures, are described in note 18 to the financial statements.

7. 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.

8. 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.

9. 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
E. D. Clair		9 October 2017
L. D. C. Taylor		
R. J. Taylor		19 July 2017
R. M. Thomas	19 July 2017	

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

DIRECTORS' REPORT (continued)

10. Statement of directors' responsibilities

The directors are responsible for preparing 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 as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, 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 financial statements 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.

11. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 26 September 2018.

ON BEHALF OF THE BOARD

R. M. Thomas
Director

Report on the audit of the financial statements

Opinion

In our opinion, Fleet Trade & Transport Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2017; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the basis of preparation. The directors have the intention of liquidating the Company within twelve months of the date of approval of the financial statements. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. Adjustments have been made in these financial statements to reclassify deferred tax liabilities as current liabilities in the current year.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors', we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Directors'

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors' for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors'.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Ian Ross (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2018

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2017

	Note	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Trading profit		3,018	2,519
Interest receivable and similar income	4	9,143	4,928
Interest payable and similar expenses	5	(2,263)	(2,469)
Administrative expenses	6	(2,385)	(5,139)
PROFIT/(LOSS) BEFORE TAXATION		7,513	(161)
Tax on profit/(loss)	9	(580)	5,742
PROFIT FOR THE FINANCIAL YEAR		6,933	5,581

The profit/(loss) before taxation of the company are derived from continuing operations in the current and prior years.

The company has no recognised gains and losses other than those included in the profit and loss account for the years shown above and therefore no separate statement of other comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

as at 31 December 2017

	Note	31 December 2017 US$'000	31 December 2016 US$'000
CURRENT ASSETS			
Inventories	11	-	124,679
Debtors	10	265,740	180,126
Derivative financial assets	12	42	86,230
Cash at bank and in hand		1,681	1,461
		267,463	392,496
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	13	(7,858)	(137,466)
Derivative financial liabilities	14	-	(184)
Deferred tax liabilities	15	(14,320)	-
		(22,178)	(137,650)
NET CURRENT ASSETS		245,285	254,846
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Deferred tax liabilities	15	-	(16,494)
NET ASSETS		245,285	238,352
CAPITAL AND RESERVES			
Called up share capital	16	210,000	210,000
Profit and loss account		35,285	28,352
TOTAL SHAREHOLDER'S FUNDS		245,285	238,352

The financial statements were approved by the Board of Directors on 26 September 2018 and signed on its behalf by:

R. M. Thomas
Director

The accompanying notes are an integral part of these financial statements.

Company number: 02369964

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Called up share capital	Profit and loss account	Total shareholder's funds
	US$'000	US$'000	US$'000
Balance at 1 January 2016	210,000	22,771	232,771
Profit for the financial year	-	5,581	5,581
Balance at 31 December 2016	210,000	28,352	238,352
Profit for the financial year	-	6,933	6,933
Balance at 31 December 2017	210,000	35,285	245,285

No dividends were paid in 2017 and 2016.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. GENERAL INFORMATION

The company is a limited liability company and is incorporated and domiciled in England and Wales. The address of its registered office is Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

The immediate parent undertaking is Goldman Sachs Group UK Limited (GSGUK), a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the smallest and 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 consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, or at www.goldmansachs.com/shareholders/.

2. ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared on a basis other than the going concern basis, under the historical cost convention, except for inventory and the revaluation of derivative financial instruments, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

(i) IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc.;

(ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);

(iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;

(iv) IAS 7 'Statement of Cash Flows';

(v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;

(vi) IAS 24 'Related Party Disclosures' paragraph 17; and

(vii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

b. Going concern

In April 2017 the company's oil supply service agreement with an Israeli client concluded. As a result the company no longer holds inventories on its balance sheet and the associated derivative financial assets and liabilities were substantially unwound.

The directors intend to liquidate the company within twelve months of the date of approval of the financial statements and these financial statements have been prepared on a basis other than going concern. Adjustments have been made to reclassify deferred tax liabilities as current liabilities as at 31 December 2017.

2. ACCOUNTING POLICIES (continued)

c. Revenue recognition

Trading profit has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. This includes trading profits from transactions in physical crude oil and related services and other financial instruments.

d. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholders. Interim equity dividends are recognised and deducted from equity when paid.

e. Foreign currencies

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency.

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 recognized in profit/(loss) before taxation.

f. Cash at bank and in hand

Cash at bank and in hand consists of highly liquid overnight deposits held in the ordinary course of business.

g. Inventory

The company traded commodity inventory on account of others. Inventory is valued at fair value less costs to sell. Realised and unrealised gains and losses from changes in fair value are reported in trading profit.

h. Financial assets and financial liabilities

(i) Recognition and derecognition

Financial assets and financial liabilities, including derivative instruments, are recognised when the company becomes party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset. A financial liability is derecognised only when it is extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

2. ACCOUNTING POLICIES (continued)

h. Financial assets and financial liabilities (continued)

(ii) Classification and measurement

Financial assets comprise all of the company's current assets, and financial liabilities comprise all of the company's creditors with the exception of deferred tax liabilities.

The company classifies its financial assets and financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

- **Financial assets and financial liabilities classified as held for trading**

  Financial assets and financial liabilities classified as held for trading include financial instruments owned and financial instruments sold, but not yet purchased. Financial instruments owned and financial instruments sold, but not yet purchased include derivative instruments. Both are initially recognised at fair value with transaction costs expensed in profit or loss. Such financial instruments are carried in the balance sheet at fair value and all subsequent gains or losses are recognised in the profit and loss account.

- **Loans and receivables and financial liabilities measured at amortised cost**

  Loans and receivables and financial liabilities measured at amortised cost are initially recognised at fair value and are subsequently remeasured 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.

(iii) Offsetting financial assets and financial liabilities

Financial assets and financial 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, financial assets and financial liabilities are presented on a gross basis on the balance sheet.

2. ACCOUNTING POLICIES (continued)

i. Current and deferred tax

The tax expense comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary 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 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 future reversal of the underlying temporary differences can be deducted.

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

j. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when it is probable that an outflow of economic benefits will be required to settle a present (legal or constructive) obligation, which has arisen as a result of past events, and for which a reliable estimate can be made of the amount of the obligation. Legal obligations that may arise as a result of proposed new laws are recognised as obligations only when the legislation is virtually certain to be enacted as drafted.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent liabilities and contingent assets are not recognised in the financial statements. However, disclosure is made unless the probability of settlement is remote.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no judgements made that had a significant effect on amounts recognised in the financial statements.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Interest on loans to group undertakings (see note 10)	9,143	4,928

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Interest on loans from group undertakings (see note 13)	2,263	2,469

6. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Overseas tax	1,831	4,492
Insurance	-	232
Foreign exchange losses	415	76
Legal and professional fees	80	85
Auditors' remuneration - audit services	54	51
Management fees charged by group undertakings	-	193
Other expenses	5	10
	2,385	**5,139**

Overseas tax relates to Israeli tax on oil supply services revenue, which the Israeli Tax Authorities (ITA) have characterised as interest and subject to tax.

7. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by group undertakings. The charges made by these group undertakings for all services provided to the company are included in management fees charged by group undertakings (see note 6).

8. DIRECTORS' EMOLUMENTS

The table below presents the company's directors' emoluments:

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Aggregate emoluments	2	2

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 for those who were directors for some or all of the year. This total only includes the value of cash and benefits in kind, and does not include the value of equity awards in accordance with the provisions of schedule 5 of Statutory Instrument 2008/410. Directors also receive emoluments for non-qualifying services which are not required to be disclosed. The directors' emoluments were borne by group undertakings in the current and prior periods.

For persons who were directors for some or all of the year, four directors are members of a defined contribution pension plan. Four directors have been granted Group Inc. shares in respect of long-term incentive schemes during the year. No directors have exercised options during the year.

9. TAX ON PROFIT/(LOSS)

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Current tax:		
U.K. corporation tax	2,799	985
Adjustments in respect of prior periods	(45)	(3,799)
Total current tax	**2,754**	**(2,814)**
Deferred tax:		
Origination and reversal of temporary differences	(2,174)	(2,319)
Effect of reduced U.K. corporate tax rates	-	(609)
Total deferred tax	**(2,174)**	**(2,928)**
Total tax on profit/(loss)	**580**	**(5,742)**

The table below presents a reconciliation between tax on profit/(loss) and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 19.25% (2016: 20%) to the profit/(loss) before taxation.

	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Profit/(loss) before taxation	7,513	(161)
Profit/(loss) multiplied by the weighted average rate in the U.K. 19.25% (2016: 20%)	1,446	(32)
Effect of change in U.K. corporate tax rates	-	(609)
Adjustments in respect of prior periods	(45)	(3,799)
Permanent differences	352	898
Exchange differences and other	26	-
Foreign tax credit	(1,199)	(2,200)
Total tax on profit/(loss)	**580**	**(5,742)**

10. DEBTORS

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

	31 December 2017 US$'000	31 December 2016 US$'000
Amounts due from group undertakings	261,066	161,857
Group relief receivable	4,670	16,424
Other debtors	4	1,845
	265,740	**180,126**

Amounts due from group undertakings in the current and prior years includes a loan of US$251.5 million (31 December 2016: US$157.5 million) advanced by the company to Goldman Sachs International, a fellow group undertaking, under the terms of an existing loan agreement. The loan is unsecured and carries interest at a variable margin over the U.S. Federal Reserve's federal funds rate. The loan is repayable 94 days from when the company demands repayment.

11. INVENTORIES

The company's inventory as at the prior year comprised of crude oil. As the company's oil supply agreement with an Israeli client concluded in April 2017, no inventory is carried in its books as at year end (31 December 2016: US$124.7 million).

12. DERIVATIVE FINANCIAL ASSETS

The table below presents the company's derivative financial assets, which comprise derivative contracts within the operating activities of the company.

	31 December 2017 US$'000	31 December 2016 US$'000
Commodities	-	85,964
Interest rates	42	266
	42	**86,230**

13. CREDITORS

	31 December 2017	31 December 2016
	US$'000	US$'000
Amounts due to group undertakings	2,509	135,914
Group relief payable	5,303	1,518
Accruals	46	34
	7,858	**137,466**

Amounts due to group undertakings in the current and prior years includes a loan of US$17,000 (31 December 2016: US$60.1 million) advanced to the company by Group Inc., a fellow group undertaking, under the terms of an existing loan agreement. The loan is unsecured and carries interest at a variable margin over the U.S. Federal Reserve's federal funds rate. The loan is repayable on demand.

The company has received cash collateral from a fellow group undertaking of US$nil (31 December 2016: US$72.2 million).

14. DERIVATIVE FINANCIAL LIABILITIES

The table below presents the company's derivative financial liabilities, which comprise derivative contracts within the operating activities of the company.

	31 December 2017	31 December 2016
	US$'000	US$'000
Interest rates	-	184

15. DEFERRED TAX LIABILITIES

The table below presents the components of the company's deferred tax liability.

	31 December 2017	31 December 2016
	US$'000	US$'000
Other transitional differences	14,320	16,494

Other transitional differences are a result of FRS 101 transitional adjustments in respect of derivative contracts, in accordance with Change of Accounting Practice Regulations (SI 2004/3271). Previously, the tax effect of the transitional adjustments were spread over 10 years.

As a result of the preparation of the financial statements under a basis other than going concern, all deferred tax liabilities have been reclassified to current liabilities, for the current year.

The table below presents changes in each component of the company's deferred tax liability.

	31 December 2017	31 December 2016
	US$'000	US$'000
As of 1 January	16,494	19,422
Transfer to the profit and loss account	(2,174)	(2,928)
As of 31 December	**14,320**	**16,494**

16. CALLED UP SHARE CAPITAL

At 31 December 2017 and 31 December 2016 called up share capital comprised:

	31 December 2017		31 December 2016	
	No.	US$'000	No.	US$'000
Allotted, called up and fully paid				
Ordinary shares of US$1 each	210,000,000	210,000	210,000,000	210,000
Ordinary shares of £1 each	2	-	2	-
		210,000		210,000

17. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at year end (31 December 2016: US$nil).

18. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

The company is not subject to any externally imposed capital requirements.

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

a. Market risk

Market risk is the risk of loss in value of certain financial assets and financial liabilities due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. The relevant market risks for the company are commodity price risk, interest rate risk and currency risk.

Commodity price risk results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil.

Interest rate risk results from exposures to changes in level, slope and curvature of yield curves, volatilities of interest rates and credit spreads.

Currency risk results from changes in spot prices, forward prices and volatilities of currency rates.

The company manages its interest rate risk by entering into interest rate derivative contracts as appropriate to the circumstances of the company.

In addition to applying business judgement, senior management uses a number of quantitative tools to manage the company's exposure to market risk for financial instruments. These tools include risk limits based on a summary measure of market risk exposure referred to as Value-at-Risk (VaR) which are updated and monitored on a daily basis.

18. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

a. Market risk (continued)

Value-at-Risk

VaR is the potential loss in value of trading positions due to adverse market movements over a defined time horizon with a specified confidence level. A one-day time horizon with a 95% confidence level is typically employed. The VaR model is a single model that captures risks including commodity prices, interest rates and currency rates. VaR also captures the diversification of aggregated risk across the group.

The VaR is US$nil as at 31 December 2017 and US$0.12 million as at 31 December 2016.

Historical data is used to estimate VaR and, to better reflect current asset volatilities, historical data is generally weighted to give greater importance to more recent observations.

Inherent limitations to VaR include:

- VaR does not estimate potential losses over longer time horizons where moves may be extreme;

- VaR does not take account of the relative liquidity of different risk positions; and

- previous moves in market risk factors may not produce accurate predictions of all future market moves.

Given its reliance on historical data, VaR is most effective in estimating risk exposures in markets in which there are no sudden fundamental changes or shifts in market conditions. Different VaR methodologies and distributional assumptions could produce a materially different VaR. Moreover, VaR calculated for a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day.

The VaR model is applied consistently across the group. Daily back testing of the VaR model is performed (i.e. comparing daily trading net revenues to the VaR measure calculated as of the prior business day) at the group level and for each of the group's businesses.

b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the financial assets are secured.

18. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

Credit risk (continued)

Credit exposures

The company's credit exposures are described further below.

Cash at bank and in hand. Cash at bank and in hand include both interest-bearing and non-interest-bearing deposits. To mitigate the risk of credit loss, the company places substantially all of its deposits with highly-rated banks. The company's maximum exposure to credit risk is equivalent to the carrying value of its cash at bank and in hand as at 31 December 2017 and 31 December 2016.

Debtors. The company is exposed to credit risk from its amounts due from group undertakings. Amounts due from group undertakings are due from an affiliate of the company that is a highly-rated financial institution. The company's maximum exposure to credit risk is equivalent to the carrying value of its debtors as at 31 December 2017 and 31 December 2016.

Derivative financial assets. The company is exposed to credit risk from its derivative contracts with group undertakings and its customers. The company's gross exposure to credit risk is equivalent to the carrying value of its derivative financial assets as at 31 December 2017 and 31 December 2016. This is reduced through counterparty netting of US$nil as at 31 December 2017 and US$0.2 million as at 31 December 2016.

c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties or customers as they fall due. The company manages its liquidity risk in accordance with GS Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.

19. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets and financial liabilities by category

The table below presents the carrying value of the company's financial assets and financial liabilities by category.

	31 December 2017		
	Held for trading	Loans and receivables	Total
Financial assets	US$'000	US$'000	US$'000
Cash at bank and in hand	-	1,681	1,681
Debtors	-	265,740	265,740
Derivative financial assets	42	-	42
	42	267,421	267,463

	Held for trading	Amortised cost	Total
Financial liabilities	US$'000	US$'000	US$'000
Creditors	-	(7,858)	(7,858)

	31 December 2016		
	Held for trading	Loans and receivables	Total
Financial assets	US$'000	US$'000	US$'000
Cash at bank and in hand	-	1,461	1,461
Debtors	-	180,126	180,126
Derivative financial assets	86,230	-	86,230
	86,230	181,587	267,817

	Held for trading	Amortised cost	Total
Financial liabilities	US$'000	US$'000	US$'000
Creditors	-	(137,466)	(137,466)
Derivative financial liabilities	(184)	-	(184)
	(184)	(137,466)	(137,650)

b. Fair value hierarchy

FRS 101 has a three level fair value hierarchy for disclosure of fair value measurements. The fair value hierarchy priorities inputs to the valuation techniques used to measure fair value, giving the highest priority to level 1 inputs and lowest priority to level 3 inputs. A financial instrument's level in the fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement.

19. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

b. Fair value hierarchy (continued)

The fair value hierarchy is as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets to which GS group has access at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 - Inputs to valuation techniques are observable, either directly or indirectly.

- Level 3 - One or more inputs to valuation techniques are significant and unobservable.

The fair values for all of the company's financial assets and financial liabilities are based on observable prices and inputs and are classified in level 2 of the fair value hierarchy. Certain level 2 financial assets and financial liabilities may require appropriate valuation adjustments that a market participant would require to arrive at fair value for factors such as counterparty and the group's credit quality, funding risk, transfer restrictions, liquidity and bid/offer spreads. Valuation adjustments are generally based on market evidence.

c. Valuation techniques and significant inputs

Derivative instruments

Derivative instruments may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are usually referred to as over the counter ('OTC') derivatives. The company did not have any exchange-traded derivatives as at 31 December 2017. All of the company's derivative instruments are OTC derivatives.

All of the company's derivative instruments are level 2 and are valued using derivative pricing models (e.g., discounted cash flow models, correlation models, and models that incorporate option pricing methodologies, such as Monte Carlo simulations). Price transparency of derivatives can generally be characterised by product type, as described below.

- **Interest rate**

In general, the key inputs used to value interest rate derivatives are transparent, even for most long-dated contracts. Interest rate swaps and options denominated in the currencies of leading industrialised nations are characterised by high trading volumes and tight bid/offer spreads. Interest rate derivatives that reference indices, such as inflation index, or the shape of the yield curve (e.g. 10-year swap rate vs. 2-year swap rate) are more complex, but the key inputs are generally observable.

Liquidity is essential to observability of all product types. If transaction volumes decline, previously transparent prices and other inputs may become unobservable. Conversely, even highly structured products may at times have trading volumes large enough to provide observability of prices and other inputs.

19. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

c. Valuation techniques and significant inputs (continued)

Valuation techniques and significant inputs

Level 2 derivatives include OTC derivatives for which all significant valuation inputs are corroborated by market evidence. In evaluating the significance of a valuation input, the company considers, among other factors, a portfolio's net risk exposure to that input.

The selection of a particular model to value a derivative depends on the contractual terms of and specific risks inherent in the instrument, as well as the availability of pricing information in the market. For derivatives that trade in liquid markets, model selection does not involve significant management judgement because outputs of models can be calibrated to market-clearing levels.

Valuation models require a variety of inputs, such as contractual terms, market prices, yield curves, discount rates (including those derived from interest rates on collateral received and posted as specified in credit support agreements for collateralised derivatives), credit curves, measures of volatility and correlations of such inputs. Significant inputs to the valuations of level 2 derivatives can be verified to market transactions, broker or dealer quotations or other 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

Valuation adjustments are integral to determining the fair value of derivatives and are used to adjust the market valuations produced by derivative pricing models to the appropriate exit price valuation. These adjustments incorporate bid / offer spreads, the cost of liquidity, credit valuation adjustments and funding valuation adjustments, which account for the credit and funding risk inherent in the uncollateralised portion of derivatives. The company also makes funding valuation adjustments to collateralised derivatives where the terms of the agreement do not permit the company to deliver or repledge collateral received. Market-based inputs are generally used when calibrating valuation adjustments to market-clearing levels.

d. Fair value of financial assets and financial liabilities not measured at fair value

The company has US$267.4 million (31 December 2016: US$181.6 million) of current financial assets and US$7.9 million (31 December 2016: US$137.5 million) of current financial liabilities that are not measured at fair value. Given the short-term nature of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

e. Maturity of financial liabilities

The company classifies the contractual maturity of its derivative financial liabilities as trading / on demand as of 31 December 2017 and 31 December 2016, respectively. The company's remaining financial liabilities, including interest that will accrue, are due within one month of balance sheet date for the current and prior year.

20. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table shows the company's financial assets and financial liabilities that are subject to enforceable netting agreements and offsetting. Gross amounts exclude the effects of both counterparty netting and collateral, and therefore are not representative of the company's exposure. Amounts are only offset in the balance sheet when the company currently has a legally enforceable right to set off the recognised amounts and an intention to either settle on a net basis, or to realise the asset and liability simultaneously.

	31 December 2017				
				Amounts not offset in the balance sheet	
	Gross amount	Amount offset in the balance sheet	Net amount presented in the balance sheet	Counterparty netting	Net amount
	US$'000	US$'000	US$'000	US$'000	US$'000
Financial assets:					
Derivative financial assets	42	-	42	-	42
Financial assets not subject to enforceable netting agreements	267,421	-	267,421	-	267,421
Total financial assets	267,463	-	267,463	-	267,463
Financial liabilities:					
Financial liabilities not subject to enforceable netting agreements	(7,858)	-	(7,858)	-	(7,858)
Total financial liabilities	(7,858)	-	(7,858)	-	(7,858)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

20. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	31 December 2016				
				Amounts not offset in the balance sheet	
	Gross amount	Amount offset in the balance sheet	Net amount presented in the balance sheet	Counterparty netting	Net amount
	US$'000	US$'000	US$'000	US$'000	US$'000
Financial assets:					
Derivative financial assets	88,938	(2,708)	86,230	(184)	86,046
Total financial assets subject to enforceable netting agreements	88,938	(2,708)	86,230	(184)	86,046
Financial assets not subject to enforceable netting agreements	181,587	-	181,587	-	181,587
Total financial assets	270,525	(2,708)	267,817	(184)	267,633
Financial liabilities:					
Derivative financial liabilities	(2,892)	2,708	(184)	184	-
Total financial liabilities subject to enforceable netting agreements	(2,892)	2,708	(184)	184	-
Financial liabilities not subject to enforceable netting agreements	(137,466)	-	(137,466)	-	(137,466)
Total financial liabilities	(140,358)	2,708	(137,650)	184	(137,466)

21. POST BALANCE SHEET EVENTS

The directors intend to liquidate the company within twelve months of the date of approval of the financial statements.