

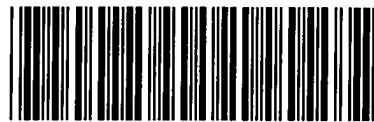
Company Number: 6409661

**ELQ INVESTORS III LTD**

**ANNUAL REPORT**

**31 DECEMBER 2014**

TUESDAY



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COMPANIES HOUSE

**STRATEGIC REPORT**

The directors present their strategic report for the year ended 31 December 2014.

**1. Introduction**

ELQ Investors III Ltd ('the company') holds investments in senior bank debt and bonds.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. ('Group Inc.'). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System ('Federal Reserve Board'). Group Inc. together with its consolidated subsidiaries form 'GS Group' or 'the group'. GS Group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals.

**2. Financial overview**

The financial statements have been drawn up for the year ended 31 December 2014. Comparative information has been presented for the year ended 31 December 2013.

The company primarily operates in a U.S. dollar environment as part of the group. Accordingly, the company's functional currency is U.S. dollars and these financial statements have been prepared in that currency. The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US\$1.5579 (31 December 2013: £ / US\$1.6567). The average rate for the year was £ / US\$1.6455 (year ended 31 December 2013: £ / US\$1.5670).

The results for the year are shown in the profit and loss account on page 6. Profit on ordinary activities before taxation for the year was US\$23.9 million (year ended 31 December 2013: profit of US\$32.0 million).

The company had total assets of US\$165.5 million (31 December 2013: US\$476.1 million).

**3. Future outlook**

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

**4. Principal risks and uncertainties**

The company is exposed to financial risk through its financial assets and liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the most important components of financial risk the directors consider relevant to the company are credit risk, liquidity risk and market risk. The company's risk management objectives and policies, as well as its risk exposures, are described in note 20 of the financial statements.

**BY ORDER OF THE BOARD**

Secretary



THOMAS  
KELLY

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## ELQ INVESTORS III LTD

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### REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2014.

#### 1. Introduction

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

#### 2. Dividends

During the year, the directors approved and paid an interim dividend amounting to US\$38.9 million (2013: US\$ nil) (see note 17).

#### 3. Directors

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

Name	Appointed	Resigned
T. Cannell		
M. Holmes		
G. P. Minson		14 April 2015
G. G. Olafson		
N. S. Grose		
B. Cabiallavetta	11 April 2014	
J. A. Wiltshire	22 April 2015	

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

#### 4. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### 5. Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**REPORT OF THE DIRECTORS (continued)**

**6. Statement of directors' responsibilities**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulators. Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

In preparing those accounts, the directors are required to:

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**7. Date of authorisation of issue**

The financial statements were authorised for issue by the Board of Directors on 29 APRIL 2015

BY ORDER OF THE BOARD



Secretary

THOMAS  
KELLY

# **Independent auditors' report to the members of ELQ Investors III Ltd**

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## **Report on the financial statements**

### **Our opinion**

In our opinion, ELQ Investors III Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **What we have audited**

ELQ Investors III Ltd's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Independent auditors' report to the members of ELQ Investors III Ltd**

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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.

### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

John Wei (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

29 April 2015

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## ELQ INVESTORS III LTD

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### PROFIT AND LOSS ACCOUNT

for the year ended 31 DECEMBER 2014

		Year Ended 31 December 2014	Year Ended 31 December 2013
		US\$	US\$
Revenue	4	28,689,721	39,178,412
Administrative expenses		896,855	1,234,939
<b>OPERATING PROFIT</b>	5	29,586,576	40,413,351
Interest receivable and similar income	6	6,390	669
Interest payable and similar charges	7	(5,723,327)	(8,374,321)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		23,869,639	32,039,699
Tax on profit on ordinary activities	10	(5,555,121)	(7,525,954)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR</b>		18,314,518	24,513,745

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

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years as stated above and their historical cost equivalents.

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

The notes on pages 8 to 15 form an integral part of these financial statements.  
Independent auditors' report - page 4 - 5

**ELQ INVESTORS III LTD**

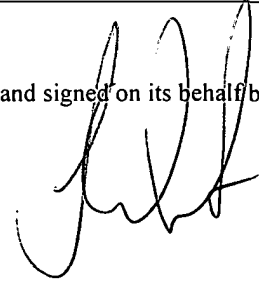
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**BALANCE SHEET**

**as at 31 DECEMBER 2014**

	Note	31 December 2014 US\$	31 December 2013 US\$
<b>CURRENT ASSETS</b>			
Investments	11	130,559,407	372,919,354
Debtors	12	606,598	63,504,695
Cash at bank and in hand		34,358,118	39,655,044
		<hr/> 165,524,123	<hr/> 476,079,093
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<hr/> (14,271,526)	<hr/> (20,209,968)
<b>NET CURRENT ASSETS</b>		<hr/> 151,252,597	<hr/> 455,869,125
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>			
	14	<hr/> (112,063,101)	<hr/> (396,064,457)
<b>NET ASSETS</b>		<hr/> 39,189,496	<hr/> 59,804,668
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	32,621,356	32,621,356
Profit and loss account	16	6,568,140	27,183,312
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<hr/> 39,189,496	<hr/> 59,804,668

The financial statements were approved by the Board of Directors on 29/04/2015 and signed on its behalf by:



Director

JIM WILTSHIRE

The notes on pages 8 to 15 form an integral part of these financial statements.  
Independent auditors' report - page 4 - 5  
Company number: 6409661



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

**1. ACCOUNTING POLICIES**

**a. Accounting convention**

The financial statements have been prepared on a going concern basis, under the historical cost convention, the accounting policies set out below, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies set out below have been applied consistently throughout the year.

**b. Foreign currencies**

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

**c. Revenue recognition**

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

Revenue from current asset investments comprises interest income, impairment to net realisable value of investments and gains and losses from sale of such investments. Interest is recognised on an accruals basis when earned.

**d. Current asset investments**

Current asset investments comprise of debt instruments and are stated at the lower of cost and net realisable value. Any impairment to net realisable value is recognised in the profit and loss account. Expenditure incurred directly associated with the purchase of current asset investments is capitalised.

**e. 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.

**f. Offsetting other assets and liabilities**

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

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

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

# ELQ INVESTORS III LTD

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 1. ACCOUNTING POLICIES (continued)

#### 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 with the following exceptions:

- 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.

#### h. Dividends

Final dividends are recognised in the year that they are approved by the shareholder. Interim equity dividends are recognised in the year that they are paid. These dividends are debited directly to equity.

### 2. REPORTING AND DISCLOSURE EXEMPTIONS

#### a. FRS1 - Cash flow statements

The company is a greater than 90% subsidiary of The Goldman Sachs Group, Inc., whose consolidated financial statements include the company and are publicly available and is, therefore, exempt from preparing a statement of cash flows as required by FRS1 (Revised 1996) 'Cash Flow Statements'.

#### b. FRS8 - Related party disclosures

The company is a wholly-owned subsidiary of The Goldman Sachs Group, Inc., whose consolidated financial statements include the company and are publicly available. As a result, under the terms of paragraph 3(c) of FRS8 'Related Party Disclosures', the company is exempt from disclosing transactions with companies also wholly owned within the group.

### 3. SEGMENTAL REPORTING

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

### 4. REVENUE

	Year Ended 31 December 2014	Year Ended 31 December 2013
	US\$	US\$
Interest income on debt investments	22,055,848	29,011,009
Net gains from debt investments	6,633,873	10,167,403
	<b>28,689,721</b>	<b>39,178,412</b>

**ELQ INVESTORS III LTD**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

**5. OPERATING PROFIT**

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>US\$</b>	<b>US\$</b>
<b>Operating profit is stated after (crediting)/charging:</b>		
Foreign exchange (gains)/losses	(900,638)	1,260,494
Bank charges	3,779	3,980

The auditors' remuneration for the current year of US\$19,746 (2013: US\$18,804) has been borne by its parent undertaking.

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>US\$</b>	<b>US\$</b>
Interest on money market investments	5,754	669
Other interest	636	-
	<b>6,390</b>	<b>669</b>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>US\$</b>	<b>US\$</b>
Interest expense payable on third party loan	4,900,619	6,177,235
Interest payable to parent undertaking	807,496	1,837,415
Interest expense on short term liquidity facility with group undertaking	15,185	359,671
Other interest expense	27	-
	<b>5,723,327</b>	<b>8,374,321</b>

**8. STAFF COSTS**

The company has no employees (31 December 2013: nil). All persons involved in the company's operation are employed by a group undertaking and no charge is borne by the company.

## ELQ INVESTORS III LTD

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

#### 9. DIRECTORS' EMOLUMENTS

	Year Ended 31 December 2014	Year Ended 31 December 2013
	US\$	US\$
<b>Directors</b>		
Aggregate emoluments	5,900	5,286
Company pension contributions to money purchase schemes	38	32
	<b>5,938</b>	<b>5,318</b>

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. Directors also receive emoluments for non-qualifying services which are not required to be disclosed.

All directors were members of a defined contribution pension scheme and five directors were members of a defined benefit pension scheme during the year. Six directors have received or are due receipt of Group Inc. shares under a long term incentive scheme during the year. No directors have exercised options during the year.

#### 10. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	Year Ended 31 December 2014	Year Ended 31 December 2013
	US\$	US\$
<b>Current tax:</b>		
UK Corporation tax 21.50% (2013: 23.25%)	5,555,182	7,509,790
Adjustments in respect of prior periods	(61)	16,164
<b>Total current tax (see note b)</b>	<b>5,555,121</b>	<b>7,525,954</b>

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

The difference between the total current tax shown above and the amount calculated by applying the weighted average UK corporation tax applicable to the company for the year of 21.50% (31 December 2013: 23.25%) to the profit on ordinary activities before tax is as follows:

	Year Ended 31 December 2014	Year Ended 31 December 2013
	US\$	US\$
Profit on ordinary activities before tax	23,869,639	32,039,699
Profit on ordinary activities at the standard rate in the UK 21.50% (2013: 23.25%)	5,131,972	7,449,011
Exchange and other differences	423,210	60,779
Adjustments in respect of prior periods	(61)	16,164
<b>Current tax charge for the year</b>	<b>5,555,121</b>	<b>7,525,954</b>

#### 11. INVESTMENTS

	31 December 2014	31 December 2013
	US\$	US\$
Debt Instruments	<b>130,559,407</b>	<b>372,919,354</b>

## ELQ INVESTORS III LTD

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

#### 12. DEBTORS

	31 December 2014 US\$	31 December 2013 US\$
Accrued interest receivable on debt instruments owned	606,598	3,717,413
Money market investments	-	59,336,435
Amounts due from group undertakings	-	450,847
	<b>606,598</b>	<b>63,504,695</b>

The fair value of the money market investments approximates the carrying value.

#### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2014 US\$	31 December 2013 US\$
Accrued interest payable to third party	721,259	1,953,425
Accrued interest payable to parent undertaking	114,956	237,721
Amounts due to group undertakings	8,555,217	4,031,110
Group tax relief payable	264,319	902,385
Corporation tax payable	4,615,775	3,846,358
Other creditors and accruals	-	9,238,969
	<b>14,271,526</b>	<b>20,209,968</b>

Other creditors and accruals includes unsettled trades in the prior year.

#### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2014 US\$	31 December 2013 US\$
Long-term loan payable to third party	111,485,300	311,303,993
Long-term loan payable to parent undertaking	577,801	84,760,464
	<b>112,063,101</b>	<b>396,064,457</b>

The loan payable to third party relates to a multi-currency loan facility used to finance the company's assets. The facility is a ten year facility with a final maturity of October 2021 and interest accrues at 3-month Libor plus the appropriate spread, according to the underlying asset and currency of borrowing.

The loan payable to parent undertaking relates to borrowings under multi-currency overnight facilities. The facility is a forty-nine year facility with a final maturity of January 2061 and allows for repayment during the term. Interest is accrued on the facility in accordance with the policy of the group on intercompany loans. The interest accrued during the year is within a range of 1.4% to 4.6% depending on the currency of the borrowing.

**ELQ INVESTORS III LTD**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014**

**15. CALLED UP SHARE CAPITAL**

At 31 December 2014 and 31 December 2013 share capital comprised:

	<b>31 December 2014</b>		<b>31 December 2013</b>	
	<b>No.</b>	<b>US\$</b>	<b>No.</b>	<b>US\$</b>
<b><u>Allotted, called up and fully paid</u></b>				
Ordinary shares of GBP 1 each	8,288,555	12,841,908	8,288,555	12,841,908
Ordinary shares of EUR 1 each	11,362,897	14,759,636	11,362,897	14,759,636
Ordinary shares of SEK 1 each	22,581,436	3,301,750	22,581,436	3,301,750
Ordinary shares of USD 1 each	1,718,062	<u>1,718,062</u>	1,718,062	<u>1,718,062</u>
		<u><b>32,621,356</b></u>		<u><b>32,621,356</b></u>

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

**16. PROFIT AND LOSS ACCOUNT**

	<b>31 December 2014</b>
	<b>US\$</b>
At 31 December 2013	<u>27,183,312</u>
Profit for the financial year	18,314,518
Dividends paid (see note 17)	<u>(38,929,690)</u>
<b>At 31 December 2014</b>	<u><b>6,568,140</b></u>

**17. DIVIDENDS PAID**

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>US\$</b>	<b>US\$</b>
Interim dividend paid - current year		
Ordinary GBP shares of 1 each	2,052,791	-
Ordinary EUR shares of 1 each	25,392,677	-
Ordinary SEK shares of 1 each	1,886,193	-
Ordinary USD shares of 1 each	<u>9,598,029</u>	-
	<u><b>38,929,690</b></u>	<u>-</u>

## ELQ INVESTORS III LTD

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

#### 18. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDER'S FUNDS

	Year Ended 31 December 2014	Year Ended 31 December 2013
	US\$	US\$
Profit for the financial period	18,314,518	24,513,745
Share capital issued	-	20,248,563
Dividends paid	(38,929,690)	-
Net (decrease) / increase in shareholder's funds	(20,615,172)	44,762,308
Opening shareholder's funds	59,804,668	15,042,360
<b>Closing shareholder's funds</b>	<b>39,189,496</b>	<b>59,804,668</b>

#### 19. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the year end (31 December 2013: US\$nil).

#### 20. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the most important components of financial risk the directors consider relevant to the company are credit risk, liquidity risk, and market risk.

##### a. Credit risk

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

##### b. Liquidity risk

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

##### c. Market risk

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

Interest rate risks primarily result from exposures to changes in interest rates. Foreign exchange risk results from exposure to changes in spot prices, forward prices and volatilities of currency rates.

The company manages its interest rate and currency risks as part of the group's risk management policy, by establishing economic hedges, in a group affiliate, as appropriate to the circumstances of the company.

## ELQ INVESTORS III LTD

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

#### 21. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking is ELQ Holdings UK LTD., a company incorporated in Great Britain and registered 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 within the United States of America. Copies of its consolidated financial statements, as well as certain regulatory filings, for example Forms 10-Q and 10-K that provide additional information on the group and its business activities, can be obtained from 200 West Street, New York, NY 10282, United States of America, the group's principal place of business or at [www.goldmansachs.com/shareholders/](http://www.goldmansachs.com/shareholders/).