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Company Number: 02163916

**GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED**

**ANNUAL REPORT**

**31 DECEMBER 2018**



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# GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED

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## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2018. 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. Principal activities

The principal activity of Goldman Sachs Securities (Nominees) Limited (the company) is to accept and hold as nominee, stocks, shares and securities transferred to it from fellow group undertakings.

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 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 individuals.

The company's principal business is transacted in British pounds and accordingly the company's functional currency is the British pound and these financial statements have been prepared in that currency.

### 2. Financial overview

The company earned no income, nor incurred any expenses, in respect of the functions it performed during the year (2017: £nil).

### 3. Future outlook

The directors consider that the year-end financial position of the company was satisfactory and do not anticipate any significant changes in its activities in the forthcoming year.

### 4. Dividends

The directors do not recommend the payment of a dividend in respect of the year (2017: £nil).

### 5. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US\$1.2743 (2017: £ / US\$1.3524). The average rate for the year was £ / US\$1.3297 (2017: £ / US\$1.3020).

### 6. 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.

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## GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED

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### DIRECTORS' REPORT (continued)

#### 7. 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.

#### 8. Directors

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

**Name**

V. S. Chima  
L. A. Donnelly  
A. Tomas

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

#### 9. 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 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.

**GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED**

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**DIRECTORS' REPORT (continued)**

**10. Date of authorisation of issue**

The financial statements were authorised for issue by the Board of Directors on 19 September 2019.

**ON BEHALF OF THE BOARD**



**V. S. Chima**  
Director

**Independent auditors' report to the members of  
GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED**

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**Report on the audit of the financial statements**

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**Opinion**

In our opinion, Goldman Sachs Securities (Nominees) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result 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 2018; 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.

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**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.

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**Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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**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 Directors' Report, 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.

# **Independent auditors' report to the members of GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED**

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## *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 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 Directors' Report.

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## **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 2, 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](http://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.

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## **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.

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### **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.



Nick Morrison (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

19 September 2019

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**GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED**

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**BALANCE SHEET**

**as at 31 December 2018**

		<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>CURRENT ASSETS</b>			
Debtors: Amounts owed by group undertakings		2	2
<b>NET ASSETS</b>		2	2
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
<b>TOTAL SHAREHOLDER'S FUNDS</b>		2	2

The company earned no income, nor incurred any expenses, in respect of the functions it performed in the current and prior years and therefore no profit and loss account or separate statement of other comprehensive income has been presented.

The financial statements were approved by the Board of Directors on 19 September 2019 and signed on its behalf by:



**V. S. Chima**  
**Director**

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

Company number: 02163916

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**GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY**

**for the year ended 31 December 2018**

	<b>Called up share capital</b>	<b>Total shareholder's funds</b>
	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2017</b>	<b>2</b>	<b>2</b>
<b>Balance at 31 December 2017</b>	<b>2</b>	<b>2</b>
<b>Balance at 31 December 2018</b>	<b>2</b>	<b>2</b>

No dividends were paid in 2018 and 2017.

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



# **GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018**

### **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 Plumtree Court, 25 Shoe Lane, Holborn, London, EC4A 4AU, United Kingdom.

The immediate parent undertaking and the parent company of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group UK Limited, a company incorporated and domiciled in England and Wales. Copies of its consolidated financial statements are available on request from the Company Secretary, GSG UK, Plumtree Court, 25 Shoe Lane, Holborn, London, EC4A 4AU, United Kingdom.

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 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/](http://www.goldmansachs.com/shareholders/).

### **2. ACCOUNTING POLICIES**

#### **a. Basis of preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention 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) IFRS 7 'Financial Instruments: Disclosures';
- (iii) IFRS 13 'Fair Value Measurement' paragraphs 91-99;
- (iv) 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)
- (v) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (vi) IAS 7 'Statement of Cash Flows';
- (vii) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (viii) IAS 24 'Related Party Disclosures' paragraph 17; and
- (ix) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (continued)**

**b. Changes in accounting policies**

From 1 January 2018 the company adopted IFRS 9 'Financial Instruments' as issued by the IASB in July 2014.

As permitted by the transitional provisions of IFRS 9, the company elected not to restate comparative figures.

The adoption of IFRS 9 has resulted in changes in the company's accounting policies for classification and measurement of financial assets and liabilities, and impairment of financial assets – refer to notes (2c) for further details.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the company.

**(i) Classification and measurement**

The company performed a detailed analysis of its business models for managing financial assets and, where required, subsequent analysis of cash flow characteristics on individual financial assets.

There were no changes to the carrying amount of financial assets as a result of the adoption of IFRS 9. At 1 January 2018, the company had £2 of financial assets classified as loans and receivables under IAS 39. These financial assets were reclassified as measured at amortised cost under IFRS 9.

**(ii) Impairment**

The company has developed and tested an impairment model that complies with the key requirements of IFRS 9. The results calculated by the model were not material and therefore the company has not recorded any credit losses as a result of adopting IFRS 9.

**c. Financial assets and financial liabilities**

**(i) Recognition and derecognition**

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and the transfer qualify for derecognition. A transferred financial asset qualifies for derecognition if the company transfers substantially all the risks and rewards of ownership of the financial asset or does not retain control. Financial liabilities are derecognised only when they are extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (continued)**

**c. Financial assets and financial liabilities (continued)**

**(ii) Classification and measurement**

Financial assets comprise all of the company's current assets.

From 1 January 2018 the company has adopted IFRS 9 and classifies financial assets into financial assets measured at amortised cost on the basis of both the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The company's business model is to hold the assets to collect contractual cash flows and the cash flows represent solely payments of principal and interest. If these conditions were not met, the financial assets would be mandatorily measured at fair value through profit or loss.

Financial assets measured at amortised cost are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset.

When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial asset but does not consider future credit losses. All finance income is recognised in the profit and loss account.

The company classifies its financial liabilities into financial liabilities measured at amortised cost and the classification is based on the purpose for which the financial liabilities were acquired or originated.

Financial liabilities measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method (see above). Finance costs, including discounts allowed on issue, are recorded in interest payable and similar expenses.

**(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.

**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.

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## GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

#### 4. AUDITORS' REMUNERATION

The auditors' remuneration of £5,000 (2017: £5,000) has been borne by a group undertaking.

#### 5. 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 and no costs are borne by the company.

#### 6. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration from the company in the current or prior years and no contributions were made by the company under defined benefit or defined contribution pension schemes. The directors are employed by other group undertakings and their remuneration is borne by those companies and not re-charged. The directors do not consider that more than an incidental amount of their remuneration relates to the qualifying services provided to the company.

#### 7. CALLED UP SHARE CAPITAL

At 31 December 2018 and 31 December 2017 share capital comprised:

	31 December 2018		31 December 2017	
	No.	£	No.	£
<b><u>Allotted, called up and fully paid</u></b>				
Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

#### 8. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at year end (31 December 2017: £nil)