

Company Number: 05988582

AINSCOUGH HOLDINGS LIMITED

ANNUAL REPORT

31 DECEMBER 2017

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AINSCOUGH HOLDINGS LIMITED

STRATEGIC REPORT

The directors present their strategic report for the 52 week period ended 31 December 2017.

1. Introduction

The principal activity of Ainscough Holdings Limited (the company) is the holding of private equity investments.

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 primarily operates in a U.S. dollar environment as part of the 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 52 week period ended 31 December 2017. Comparative information has been presented for the 41 week period ended 31 December 2016.

The results for the period are shown in the profit and loss account on page 6. Profit before taxation for the 52 week period ended 31 December 2017 was US\$14.7 million (31 December 2016: US\$10.3 million).

The company had total assets of US\$75.1 million (31 December 2016: US\$60.3 million).

3. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US\$ 1.3524 (31 December 2016: £ / US\$ 1.2337). The average rate for the period was £ / US\$ 1.3020 (31 December 2016: £ / US\$ 1.3312).

4. Future outlook

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

5. Principal risks and uncertainties

The directors consider that the most important components of the company's financial risk are market risk and credit risk. The company, as part of a global group, adheres to global risk management policies and procedures. The company's financial risk management objectives and policies, as well as its risk exposures, are described in note 17 to the financial statements. The determination by the U.K. to exit the E.U. could affect the manner in which the company conducts its business.

6. Date of authorisation of issue

The strategic report was authorised for issue by the Board of Directors on 11 May 2018.

ON BEHALF OF THE BOARD



PIERS CURLE Director

AINSCOUGH HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 52 week period ended 31 December 2017.

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 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 market risk, credit risk and liquidity 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

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

3. 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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

4. Independent auditors

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

5. Directors

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

Name

V. Chima

P. N. Curle

W. T. Gasson

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

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 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 statement 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

11 May 2018.

ON BEHALF OF THE BOARD



Director

PIERS CURLE

Independent auditors' report to the members of Ainscough Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ainscough Holdings 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 52 week period (the "period") 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

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.

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 Strategic Report and 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.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period 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 Strategic Report and Directors' Report.

Independent auditors' report to the members of Ainscough Holdings Limited

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.

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

14 May 2018

AINSCOUGH HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

for the 52 week period ended 31 December 2017

		52 week period ended 31 December 2017	41 week period ended 31 December 2016
	Note	US\$'000	US\$'000
Net revenues	5	13,306	10,071
Interest receivable and similar income	6	1,418	156
Administrative (expenses)/income	7	(26)	54
PROFIT BEFORE TAXATION		14,698	10,281
Tax on profit	10	(268)	(40)
PROFIT FOR THE FINANCIAL PERIOD		14,430	10,241

The operating profits of the company are derived from continuing operations in the current and prior periods.

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

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

AINSCOUGH HOLDINGS LIMITED

BALANCE SHEET

as at 31 December 2017

		31 December 2017	31 December 2016
	Note	US\$'000	US\$'000
FIXED ASSETS			
Investments	11	-	-
CURRENT ASSETS			
Debtors: Amounts falling due within one year	12	5,020	30,190
Debtors: Amounts falling due after more than one year	13	70,030	30,147
		<u>75,050</u>	<u>60,337</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(321)</u>	<u>(38)</u>
NET CURRENT ASSETS		<u>74,729</u>	<u>60,299</u>
NET ASSETS		<u>74,729</u>	<u>60,299</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,721	1,721
Profit and loss account		<u>73,008</u>	<u>58,578</u>
TOTAL SHAREHOLDER'S FUNDS		<u>74,729</u>	<u>60,299</u>

The financial statements were approved by the Board of Directors on *11 May* 2018 and signed on its behalf by:



Director

PIERS CURLE

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

Company number: 05988582.

AINSCOUGH HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the 52 week period ended 31 December 2017

	Called up share capital	Profit and loss account	Total shareholder's funds
	US\$'000	US\$'000	US\$'000
Balance at 25 March 2016	1,721	48,337	50,058
Profit for the financial period	-	10,241	10,241
Balance at 31 December 2016	1,721	58,578	60,299
Profit for the financial period	-	14,430	14,430
Balance at 31 December 2017	<u>1,721</u>	<u>73,008</u>	<u>74,729</u>

No dividends were paid in 2017 and 2016.

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

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. GENERAL INFORMATION

a. 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 Bradley Hall Holdings Limited, 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 the going concern basis, under the historical cost convention and in accordance with the 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 the group.

The company is a subsidiary undertaking of Group Inc., a company incorporated within the United States of America, whose consolidated financial statements include the company and are publically available. As a result the company has elected not to prepare consolidated financial statements as permitted by section 401 of the Companies Act 2006.

b. 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.

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

2. ACCOUNTING POLICIES (continued)

c. 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 recognised in operating profit.

d. Fixed asset investments

Fixed asset investments comprises investments in associates and is stated at cost less provision for any impairment. Dividends receivable are recognised when the right to receive payment has been established.

e. 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.

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).

(ii) Classification and measurement

Financial assets comprise all of the company's current assets. The company has no financial liabilities.

The company classifies its financial assets as loans and receivables. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

Loans and receivables are initially recognised at fair value and are subsequently remeasured at amortised cost, with finance income recognised on an accruals basis. All finance income is recognised in the profit and loss account.

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

2. ACCOUNTING POLICIES (continued)

f. 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 by 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 are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

g. Revenue recognition

Net revenues have been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. This includes net revenues from equity investments.

Net revenues from equity investments include dividend income. Dividends receivable are recognised as income when the right to receive the payment has been established.

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. 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.

5. NET REVENUES

During the period the company received dividends of £10.3 million (US\$13.3 million) (31 December 2016: £7.5 million (US\$10.1 million)).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 31 December 2017	41 week period ended 31 December 2016
	US\$'000	US\$'000
Interest on loans to group undertakings (see note 12)	1,418	156

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

7. ADMINISTRATIVE (EXPENSES)/INCOME

	52 week period ended 31 December 2017	41 week period ended 31 December 2016
	US\$'000	US\$'000
Foreign exchange (losses)/gains	<u>(26)</u>	<u>54</u>

The auditors' remuneration for the period of £12,000 (US\$15,624) (31 December 2016: £14,000 (US\$18,637)) has been borne by a fellow group undertaking.

8. STAFF COSTS

As in the prior period, 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.

9. DIRECTORS' EMOLUMENTS

	52 week period ended 31 December 2017	41 week period ended 31 December 2016
	US\$'000	US\$'000
Aggregate emoluments	<u>1</u>	<u>2</u>

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. 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.

Two directors are members of a defined contribution pension plan and no directors are members of a defined benefit pension plan. Three directors have been granted Group Inc. shares in respect of a long-term incentive scheme during the period. No directors have exercised options during the period.

The directors' emoluments are borne by group undertakings in the current and prior periods.

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

10. TAX ON PROFIT

	52 week period ended	41 week period ended
	31 December 2017	31 December 2016
	US\$'000	US\$'000
U.K. corporation tax	268	42
Adjustments in respect of prior periods	-	(2)
Total tax on profit	268	40

The table below presents a reconciliation between tax on profit and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the period of 19.25% (2016: 20.00%) to the profit before taxation:

	52 week period ended	41 week period ended
	31 December 2017	31 December 2016
	US\$'000	US\$'000
Profit before taxation	14,698	10,281
Profit multiplied by the weighted average rate in the U.K. 19.25% (2016: 20%)	2,829	2,056
Permanent differences	(2,561)	(2,014)
Adjustments in respect of prior periods	-	(2)
Total tax on profit	268	40

11. FIXED ASSET INVESTMENTS

Fixed asset investments, which are unlisted and stated at cost less provision for any impairment, comprises investments in an associate undertaking:

	Cost and net book value
	US\$'000
At 31 December 2016 and 31 December 2017	-

The associate undertaking at the period end is:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
BXC UK Limited ¹	Investment business	96.1%	Economic shares 40% Voting shares

The company currently holds 40% of the voting rights in BXC UK Limited and is entitled to 76.88% of the dividends and return of capital from BXC UK Limited.

Registered office address at:

¹Amadeus House, 27B Floral Street, London, WC2E 9DP, United Kingdom.

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2017	31 December 2016
	US\$'000	US\$'000
Amounts due from group undertakings	<u>5,020</u>	<u>30,190</u>

Amounts due from group undertakings includes US\$1.7 million in cash balances held on account by fellow group undertakings (31 December 2016: US\$28.4 million).

Amounts due from group undertakings also includes a loan note of \$1.6 million (31 December 2016: US\$1.4 million) issued by the company to Bradley Hall Holdings Limited, a fellow group undertaking. The loan note is unsecured and carries interest at a rate of 3.5% per annum. The loan note falls due for repayment on 19 December 2034 and the company may require Bradley Hall Holdings Limited to repay the note with at least 30 days notice. Bradley Hall Holdings Limited may redeem the loan note with at least 5 days notice to the company.

13. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2017	31 December 2016
	US\$'000	US\$'000
Long-term loans due from group undertakings	<u>70,030</u>	<u>30,147</u>

Long-term loans due from group undertakings in the current and prior period includes a loan of US\$30.0 million (31 December 2016: US\$30 million) advanced by the company to GS Sapphire Investment Limited, a fellow group undertaking. 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 at the earlier of 367 days from when the company demands repayment or 15 May 2027.

Long-term loans due from group undertakings in the current period also includes a loan of US\$40.0 million advanced by the company to Goldman Sachs International, a fellow group undertaking, under the terms of a new loan agreement dated 31 May 2017. 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 at the earlier of 367 days from when the company demands repayment or 31 May 2027.

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 December 2017</u>	<u>31 December 2016</u>
	US\$'000	US\$'000
Group relief payable	<u>321</u>	<u>38</u>

15. CALLED UP SHARE CAPITAL

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

	<u>31 December 2017</u>		<u>31 December 2016</u>	
	No.	US\$'000	No.	US\$'000
<u>Allotted, issued and fully paid</u>				
Ordinary shares of £1 each	1,117,835	1,667	1,117,835	1,667
B shares of £0.01 each	571,400	8	571,400	8
C shares of £1 each	30,565	46	30,565	46
		<u>1,721</u>		<u>1,721</u>

Ordinary Shares and C Shares rank pari passu as to voting, dividend and return of capital. B Shares have no right to dividends, to participate in any distribution of assets of the Company, to receive notice of general meetings of the Company nor attend and vote at any such meeting.

16. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the period end (31 December 2016: US\$nil).

17. 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.

AINSCOUGH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

17. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

a. Market risk

Market risk is the risk of loss in value of investments, as well as certain other 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. Relevant market risks for the company are interest rate risk and currency risk.

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

If interest rates had been 0.5 percent higher/lower and all other variables were held constant, the company's loss for the period would have been US\$0.4 million higher/lower (2016: US\$0.2 million). This has been determined assuming that the company's interest rate risk at balance sheet date was constant for the whole period.

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

The company manages its interest rate risk and currency risk as part of GS Group's risk management policy, by establishing economic hedges, in a group affiliate, as appropriate to the circumstances of the company. The company had no material currency exposure as of 31 December 2017 (31 December 2016: none).

b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in 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. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2017 and 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.

18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets and financial liabilities by category

All financial assets are categorised as loans and receivables in the current and prior periods. The company had no financial liabilities in the current and prior periods.

b. Fair value of financial assets not measured at fair value

The company has US\$5.0 million (31 December 2016: US\$30.2 million) of current financial assets falling due within one year 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.

The company has US\$70.0 million (31 December 2016: US\$30.1 million) of financial assets due after more than one year that are not measured at fair value and predominantly relate to long-term intercompany borrowings. The interest rate associated with such borrowings is variable in nature and approximates prevailing market interest rates for instruments with similar terms and characteristics. As such, the carrying amount in the balance sheet is a reasonable approximation of fair value.