Company Number: 06371772

BRADLEY HALL HOLDINGS LIMITED

ANNUAL REPORT

31 DECEMBER 2018

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. Introduction

The principal activity of the company is to undertake investment business.

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. 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 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 2018. Comparative information has been presented for the year ended 31 December 2017.

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 2018 was US$58.6 million (31 December 2017: US$3.6 million).

The company had total assets of US$16.6 million (31 December 2017: US$302.9 million).

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 declared and paid interim dividends totalling US$355.0 million during the year (31 December 2017: US$nil). The directors do not recommend the payment of a final dividend in respect of the year (31 December 2017: US$nil).

5. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US$ 1.2743 (31 December 2017: £ / US$ 1.3524). The average rate for the year was £ / US$ 1.3297 (31 December 2017: £ / US$ 1.3020).

6. Financial risk management

The company's financial risk management objectives and policies, as well as its risk exposures, are described in note 19 to the financial statements.

DIRECTORS' REPORT (continued)

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 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.

8. Independent auditors

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

9. Directors

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

Name
V. Chima
P. N. Curle
W. T. Gasson

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

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.

DIRECTORS' REPORT (continued)

11. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 20 May 2019.

ON BEHALF OF THE BOARD

Director
THOMAS GASSON

Report on the financial statements

Opinion

In our opinion, Bradley Hall Holdings 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 profit for the year 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 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

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.

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.

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 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 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. 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.

Nick Morrison

Nick Morrison (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

20 May 2019

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2018

	Note	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Revenue	5	894	-
Income from shares in group undertakings	12	83,820	-
Interest receivable and similar income	6	11,172	3,638
Interest payable and similar expenses	7	(104)	(52)
Other income	8	4	6
Impairments on financial assets	12	(37,146)	-
OPERATING PROFIT		58,640	3,592
PROFIT BEFORE TAXATION		58,640	3,592
Tax on profit	11	(2,105)	(692)
PROFIT FOR THE FINANCIAL YEAR		**56,535**	**2,900**

The operating profits 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 comprehensive income has been presented.

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

BALANCE SHEET

as at 31 December 2018

	Note	31 December 2018 US$'000	31 December 2017 US$'000
FIXED ASSETS			
Investments	12	-	38,952
CURRENT ASSETS			
Investments	13	2,967	-
Debtors	14	13,652	263,954
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(15,244)	(3,072)
NET CURRENT ASSETS		1,375	260,882
NET ASSETS		1,375	299,834
CAPITAL AND RESERVES			
Called up share capital	16	-	27
Share premium account		-	328,963
Capital reserves		-	34,725
Profit and loss account		1,375	(63,881)
TOTAL SHAREHOLDER'S FUNDS		1,375	299,834

The financial statements were approved by the Board of Directors on 20 May 2019 and signed on its behalf by:

Director
THOMAS GASSON

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

Company number: 06371772.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Note	Called up share capital US$'000	Share premium account US$'000	Capital reserve US$'000	Profit and loss account US$'000	Total shareholder's funds US$'000
Balance at 1 January 2017		27	328,963	34,725	(66,781)	296,934
Profit for the financial year		-	-	-	2,900	2,900
Balance at 31 December 2017		27	328,963	34,725	(63,881)	299,834
Profit for the financial year		-	-	-	56,535	56,535
Share capital reduction		(27)	(328,963)	-	328,990	-
Dividends	17	-	-	(34,725)	(320,269)	(354,994)
Balance at 31 December 2018		-	-	-	1,375	1,375

No dividends were paid in 2017.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

1. GENERAL INFORMATION

The company is a private limited 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 GLQ Holdings (UK) Limited, a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its 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 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 publicly available. As a result the company has elected not to prepare consolidated financial statements as permitted by section 401 of the Companies Act 2006.

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 consequential amendments to IFRS 7 disclosures have only been applied in the current year.

The adoption of IFRS 9 has resulted in changes in the company's accounting policies for classification and measurement of financial assets and liabilities – refer to note 2g 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 US$264.0 million of financial assets classified as loans and receivables under IAS 39. These financial assets were reclassified as measured at amortised cost under IFRS 9.

There were no changes to the classification and measurement of financial liabilities.

(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. Revenue recognition

Revenue has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. This includes revenue from equity investments.

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

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 shareholder. 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 recognised in operating profit.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

f. Fixed asset investments

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

g. 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 qualifies for derecogniton. 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).

(ii) Classification and measurement

Financial assets comprise all of the company's current assets and financial liabilities comprise all of the company's creditors.

From 1 January 2018 the company has adopted IFRS 9 and classifies financial assets into the below categories 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 business model reflects how the company manages particular groups of assets in order to generate future cash flows. Where the business model is to hold the assets to collect contractual cash flows, the company subsequently assesses whether the cash flows represent solely payments of principal and interest.

- **Financial assets measured at amortised cost**

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.

- **Financial assets mandatorily measured at fair value through profit or loss**

Financial assets that do not meet the criteria for amortised cost are mandatorily measured at fair value through profit or loss. Such financial assets are initially measured at fair value and subsequently at fair value through profit or loss, with gains or losses recognised in net gains/(losses) on financial instruments at fair value.

- **Financial liabilities measured at amortised cost**

The company classifies its financial liabilities as measured at amortised cost. Financial liabilities measured at amortized cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method. Finance costs, including discounts allowed on issue, are recorded in interest payable and similar expenses.

2. **ACCOUNTING POLICIES (continued)**

h. 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.

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 judgments 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. **REVENUE**

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Revenue from equity investments	894	-

During the year the company received dividends of £0.7 million (US$0.9 million) (31 December 2017: nil).

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Interest on loans to group undertakings (see note 14)	11,172	3,638

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Interest on loans from group undertakings (see note 15)	104	52

8. OTHER INCOME

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Foreign exchange gains	4	6

The auditors' remuneration for the current year of £12,000 (US$15,956) (31 December 2017: £8,000 (US$10,416)) has been borne by a fellow group undertaking.

9. 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.

10. 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. The directors do not consider that a significant proportion of their remuneration relates to the qualifying services provided to the company.

11. TAX ON PROFIT

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
U.K. corporation tax	2,105	692
Total tax on profit	**2,105**	**692**

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 year of 19.00% (31 December 2017: 19.25%) to the profit before taxation:

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Profit before taxation	58,640	3,592
Profit multiplied by the weighted average rate in the U.K. 19.00% (31 December 2017: 19.25%)	11,142	692
Permanent differences	(9,037)	-
Total tax on profit	**2,105**	**692**

12. FIXED ASSET INVESTMENTS

Fixed asset investments, which are unlisted and stated at cost less provision for any impairment, comprise investments in subsidiary undertakings and associate undertakings:

a. Subsidiary undertakings

	Cost and net book value US$'000
At 31 December 2016 and 31 December 2017	38,952
Impairment	(37,146)
Disposals	(1,806)
At 31 December 2018	-

During the year, the company received dividends totalling US$83.8 million from Ainscough Holdings Limited. Post receipt of the dividends, the company impaired its investment in Ainscough Holdings Limited by US$37.1 million to US$1.8 million, respresenting the net carrying value of its assets. On 14 December 2018 the company disposed of its entire holdings in Ainscough Holdings Limited, at book value of US$1.8 million, via an in specie distribution to its parent undertaking, GS Sapphire Holdings Limited.

b. Associate undertakings

	Cost and net book value US$'000
At 31 December 2016 and 31 December 2017	-
Additions	-
At 31 December 2018	-

On 12 December 2018 the company acquired 250,265 Economic Shares and 40 Voting Shares in BXC UK Limited in satisfaction in specie of an interim dividend of US$3 from Ainscough Holdings Limited, a subsidiary undertaking.

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:

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

13. CURRENT ASSET INVESTMENTS

Current asset investments, which are stated at fair value (see note 20) comprises other equity investments.

	31 December 2018	31 December 2017
	US$'000	US$'000
Other equity investments	2,967	-

On 18 October 2018 the company acquired 1,177,175 million Series D Preference shares in Nuxeo Group Limited for a total consideration of US $3.0 million.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

	31 December 2018	31 December 2017
	US$'000	US$'000
Amounts due from group undertakings	13,652	263,954

Amounts due from group undertakings includes US$3.9 million in cash balances held on account by a fellow group undertaking (31 December 2017: US$nil).

Amounts due from group undertakings also includes a loan of US$7.0 million (31 December 2017: US$10.8 million) advanced by the company to Goldman Sachs International, 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 and is repayable on demand by the company.

In the prior year, amounts due from group undertakings included a loan of US$246.0 million advanced by the company to GS Sapphire Holding Limited, a fellow group undertaking. During the year, an additional US$93.6 million was advanced under terms of the existing agreement. On 14 December 2018 the company declared a dividend in specie of the outstanding principal and a proportion of accrued interest, totalling US$353.2 million, owed to the company by GS Sapphire Holding Limited and entered into a deed of release with GS Sapphire Holding Limited in respect of that debt (see note 17).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018	31 December 2017
	US$'000	US$'000
Amounts due to group undertakings	5,484	1,866
Group relief payable	2,710	1,206
Redeemable preferred shares (see note 16)	7,050	-
	15,244	3,072

Amounts due to group undertakings includes a loan note of £1.2 million (US$1.5 million) (31 December 2017: £1.2 million (US$1.6 million)) advanced by Ainscough Holdings Limited, a fellow group undertaking, under the terms of an existing loan agreement. 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 holder may require the issuer to repay the note with at least 30 days' notice. The issuer may redeem the loan note with at least 5 days' notice to the holder.

16. CALLED UP SHARE CAPITAL

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

	31 December 2018		31 December 2017	
	No.	US$	No.	US$
Allotted, called up and fully paid				
Ordinary A1 of £0.01 each	2	-	195,000	2,908
Ordinary A2 of £0.01 each	-	-	2,750	42
Ordinary B1 of £1 each	-	-	3,095	4,615
Ordinary B2 of £1 each	-	-	3,571	5,325
Ordinary B3 of £1 each	-	-	1,668	2,486
Ordinary C of £1 each	-	-	7,500	11,183
A Preference Shares of $0.0001 each	7,000,000	700	-	-
		700		26,559
Shares classified as liabilities				
A Preference Shares of $0.0001 each	(7,000,000)	(700)	-	-
	-	-	-	26,559

On 16 October 2018 the company issued 7 million A Preference Shares of $0.0001 each to MLT Investments Limited, for a total consideration of US$7.0 million. The A Preference Shares carry a fixed cumulative coupon of 3.5% per annum and are redeemable at par plus accrued at any time by the company on providing not less than 20 business days' notice to the holders. The Preference Shares carry 24.9% of the voting rights of the issued shares of the company.

On 10 December 2018 the company cancelled all but two A1 ordinary shares via a share capital reduction.

17. DIVIDENDS PAID

	31 December 2018	31 December 2017
	US$'000	US$'000
Interim dividend paid	354,994	-

On 14 December 2018 the company declared and paid a dividend in specie of the company's shares in Ainscough Holdings Limited (see note 12) and the outstanding principal and a proportion of the accrued interest owed to the company by its parent GS Sapphire Holding Limited, totalling US$353.2 million (see note 14).

18. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at year end (31 December 2017: US$nil).

19. 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

19. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)
procedures.

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, currency risk, and equity price 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 profit before taxation for the year ended 31 December 2018 would have been US$1.5 million higher/lower (2017: US$1.3 million). This has been determined by assuming that the company's exposure to interest rate risk at the balance sheet date was consistent for a whole year.

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

The company's functional currency is the U.S. dollar. At 31 December 2018, the company had no material net exposures to other currencies (2017: none).

The company manages its interest rate risk and currency risk as part of GS Group's risk management policy, by establishing economic hedges as appropriate to the circumstances of the company.

Equity price risk arises from exposures to changes in prices and volatilities of individual investments. The sensitivity analysis below has been determined based on the company's exposure to equity price risk at the balance sheet date. If equity values had been 10 per cent higher/lower, profit before taxation for the year ended 31 December 2018 would increase/decrease by US$0.3 million (2017: nil) as a result of the changes in fair value.

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. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2018 and 31 December 2017. As at 31 December 2018, the company had no debtors past due or impaired (31 December 2017: Nil).

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.

20. 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 2018			
	Mandatorily at fair value	Designated at fair value	Amortised cost	Total
Financial assets	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Debtors	-	-	13,652	13,652
Current asset investments	2,967	-	-	2,967
	2,967	**-**	**13,652**	**16,619**

	Held for trading	Designated at fair value	Amortised cost	Total
Financial liabilities	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Amounts due to group undertaking	-	-	15,244	15,244
	-	-	**15,244**	**15,244**

All financial assets were categorised as loans and receivables and all liabilities were categorised as liabilities measured at amortised cost in the prior year.

b. Fair value hierarchy

FRS 101 has a three level fair value hierarchy for disclosure of fair value measurements. The fair value hierarchy prioritises 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.

The fair value hierarchy is as follows:

- Level 1 Inputs are unadjusted quoted prices in active markets to which the 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 substantially all of the company's financial assets and financial liabilities are based on observable prices and inputs and are classified in levels 1 and 2 of the fair value hierarchy. Certain level 2 and level 3 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 company's and GS Group's credit quality, funding risk, transfer restrictions, liquidity and bid/offer spreads. Valuation adjustments are generally based on market evidence.

20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

c. Valuation techniques and significant inputs

Equity investments

Valuation techniques and significant inputs for each level of the fair value hierarchy include:

- Level 1 financial instruments are valued using quoted prices for identical unrestricted instruments in active markets. The company defines active markets for financial instruments based on both average daily trading volume and number of days with trading activity.

- Level 2 financial instruments can be verified to quoted prices, recent trading activity for identical or similar instruments, broker or dealer quotations or 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 are typically made to level 2 financial instruments (i) if the financial instrument is subject to transfer restrictions and/or (ii) for other premiums and liquidity discounts that a market participant would require to arrive at fair value. Valuation adjustments are generally based on market evidence.

- Level 3 financial instruments have one or more significant valuation inputs that are not observable. Absent evidence to the contrary, level 3 financial instruments are initially valued at transaction price, which is considered to be the best initial estimate of fair value. Subsequently, the company uses other methodologies to determine fair value, which vary based on the type of instrument. Valuation inputs and assumptions are changed when corroborated by substantive observable evidence, including values realised on sales of financial assets.

d. Significant unobservable inputs used in Level 3 fair value measurement

As of 31 December 2018 and 31 December 2017, the company had no level 3 financial assets and financial liabilities.

e. Fair value of financial assets and financial liabilities by level

All of the company's financial assets measured at fair value are classified as level 2. The company has no financial liabilities measured at fair value.

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

The company has US$13.6 million (31 December 2017: US$264.0 million) of current financial assets and US$15.2 million (31 December 2017: US$3.1 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.

g. Maturity of financial liabilities

All financial liabilities are due within one month of balance sheet date.