Company Number: 10122554

GOLDMAN SACHS (UK) SVC. LIMITED

ANNUAL REPORT

31 DECEMBER 2018

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2018.

1. Introduction

Goldman Sachs (UK) Svc. Limited (the company) is a staffing entity that provides operational support services to other group undertakings.

The company's ultimate parent undertaking 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

For the year ended 31 December 2018, the company's functional currency was assessed as being the U.S. dollar and the company's financial statements are presented in that currency. Given the significant increase in staffing activity in 2018 and commencement of leasing activity in 2019 (see post balance sheet events) the Directors have reassessed the company's functional currency and proposed to prospectively change it to British Pounds effective 1 January 2019.

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 7. Profit before taxation for the year ended 31 December 2018 was US$26.03 million (31 December 2017: US$16.37 million).

The company had total assets of US$278.56 million as at 31 December 2018 (31 December 2017: US$299.10 million).

3. 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).

4. 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, except for the post balance sheet events described below.

5. Post balance sheet events

- In February 2019, the company entered into a contractual obligation under a long-term non-cancellable lease agreement for office space expiring on 31 January 2039. The costs under this lease agreement will be recharged to group undertakings as management fees.
- In February 2019, the company issued 25,303,072 ordinary shares of US$1 each at a premium of US$12.54 per share to its immediate parent undertaking, Goldman Sachs International Service Entities Holdings Limited.

STRATEGIC REPORT (continued)

6. Principal risks and uncertainties

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. As a staffing entity, the company's operations may be adversely affected if it is unable to hire and retain qualified employees. The company, as part of a global group, adheres to global risk management policies and procedures.

7. Date of authorisation of issue

The strategic report was authorised for issue by the Board of Directors on 13 September 2019

ON BEHALF OF THE BOARD

V.S. Chima
Director

DIRECTORS' REPORT

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

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 year (31 December 2017: 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/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.

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 year and to the date of this report, except where noted, were:

Name
M.C. Taylor
O. Dunne
P. Creedon
P.M. Cramp
V.S. Chima

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

DIRECTORS' REPORT (continued)

6. 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 at the end of the financial period and of the profit or loss of the company for that period. In preparing these 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.

7. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 13 September 2019

ON BEHALF OF THE BOARD

V.S. Chima
Director

Independent auditors' report to the members of GOLDMAN SACHS (UK) SVC. LIMITED

Report on the audit of the financial statements

Our opinion

In our opinion, Goldman Sachs (UK) Svc. Limited's financial statements (the "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 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 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 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 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 Strategic Report and Directors' Report.

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.

Nick Morrison

Nick Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 September 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		369,092	242,187
Staff costs	4	(328,851)	(214,723)
Interest receivable and similar income	5	1,772	-
Interest payable and similar expenses	6	(3,139)	(1,290)
Administrative expenses	7	(12,843)	(9,801)
PROFIT BEFORE TAXATION		**26,031**	**16,373**
Tax on profit	9	(5,025)	(3,177)
PROFIT FOR THE FINANCIAL YEAR		**21,006**	**13,196**

The 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
CURRENT ASSETS			
Debtors: Amounts falling due within one year	10	58,272	83,293
Debtors: Amounts falling due after more than one year	11	1,484	1,002
Cash at bank and in hand		218,800	214,804
		278,556	299,099
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(91,001)	(123,302)
NET CURRENT ASSETS		187,555	175,797
TOTAL ASSETS LESS CURRENT LIABILITIES		187,555	175,797
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(102,932)	(112,180)
NET ASSETS		**84,623**	**63,617**
CAPITAL AND RESERVES			
Called up share capital	14	7,171	7,171
Share premium account		43,229	43,229
Profit and loss account		34,223	13,217
TOTAL SHAREHOLDER'S FUNDS		**84,623**	**63,617**

The financial statements were approved by the Board of Directors on 13 September and signed on its behalf by:

V.S. Chima
Director

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

Company number: 10122554

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Called up share capital	Share Premium	Profit and loss account	Total shareholder's funds
	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2017	**400**	-	**21**	**421**
Profit for the financial year	-	-	13,196	13,196
Proceeds from shares issued	6,771	43,229	-	50,000
Share-based payments	-	-	1,941	1,941
Management recharge related to share-based payments	-	-	(1,941)	(1,941)
Balance at 31 December 2017	**7,171**	**43,229**	**13,217**	**63,617**
Profit for the financial year	-	-	21,006	21,006
Share-based payments	-	-	3,885	3,885
Management recharge related to share-based payments	-	-	(3,885)	(3,885)
Balance at 31 December 2018	**7,171**	**43,229**	**34,223**	**84,623**

No dividends were paid in 2018 and 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 Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom.

The immediate parent undertaking is Goldman Sachs International Service Entities Holdings Limited, a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the smaller 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 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) IFRS 15 'Revenue from Contracts with Customers' second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129;

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

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

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

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$83.29 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.

(i) 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 comprises of management fees charged to group undertakings. Management charges are recognised in the year in which the services are provided to the respective group undertakings.

d. Short-term employee benefits

Short-term employee benefits, such as wages and salaries, are measured on an undiscounted basis and accrued as an expense over the period in which the employee renders the service to the company. Provision is made for discretionary year-end compensation whether to be paid in cash or share-based awards where, as a result of company policy and past practice, a constructive obligation exists at the balance sheet date.

e. Share-based payments

Group Inc. issues awards in the form of restricted stock units ('RSUs') to the company's employees in exchange for employee services. Awards are classified as equity settled and hence the cost of share-based transactions with employees is measured based on the grant-date fair value of the award. Share-based awards that do not require future service (i.e., vested awards, including awards granted to retirement eligible employees) are expensed immediately. Share-based employee awards that require future service are amortised over the relevant service period. Expected forfeiture are included in determining share-based employee compensation expense.

Group Inc. generally issues new shares of common stock upon delivery of share-based awards. Cash dividend equivalents, unless prohibited by regulation, are generally paid on outstanding RSUs. The company has also entered into a chargeback agreement with Group Inc. under which it is committed to pay the grant-date fair value as well as subsequent movements in the fair value of those awards to Group Inc. at the time of delivery to its employees. As a result, the share-based payment transaction and recharge arrangement creates a total charge to the profit and loss account based on the grant-date fair value of the awards adjusted for subsequent movements in the fair value of those awards prior to delivery.

2. **ACCOUNTING POLICIES (continued)**

f. 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.

g. Pension arrangements

The company is a sponsor of a defined contribution pension plan. The contributions payable for the year are charged to staff costs. Differences between contributions payable for the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

h. Foreign currencies

The company's financial statements are prepared 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 the profit and loss account.

i. Cash at bank and in hand

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

j. Financial assets and liabilities

Financial assets and liabilities primarily comprise of amounts due from group undertakings and amounts due to group undertakings. They are initially recognised at fair value and are subsequently measured at amortised cost, with finance income and expense recognised on an accruals basis. All finance income and expense are recognised in the profit and loss account. 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, is cancelled or expires).

k. 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 judgements made that had a significant effect on amounts recognised in the financial statements.

4. STAFF COSTS

a. Direct costs of employment

The company's average monthly headcount for the year ended 31 December 2018 was 1,745 (for year ended 31 December 2017: 1,196).

The company's average monthly headcount for the year ended December 2017 has been reduced by 9 in order to align to the current presentation, which excludes consultants and temporary staff.

The table below represents employee costs incurred by the company.

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Aggregate gross wages and salaries	274,245	191,193
Employer's National Insurance Contributions	35,595	23,460
Pension costs, employer contributions to defined contribution plan	19,011	70
Total direct costs of employment	**328,851**	**214,723**

In the table above:

- Total direct costs of employment includes a credit of US$1.39 million (31 December 2017: charge of US$1 million) relating to the mark-to-market of share-based compensation.
- Consultant and temporary staff costs of US$0.26 million for the year ended December 2017 have been reclassified from aggregate gross wages and salaries to legal and professional fees, in administrative expenses, to conform to the current presentation.

b. Share-Based Payments

Stock Incentive Plan

Group Inc. sponsors a stock incentive plan, The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (2018 SIP), which provides for, amongst others, grants of RSUs, restricted stock, dividend equivalent rights and incentive stock options. On May 2, 2018, Group Inc.'s shareholders approved the 2018 SIP. The 2018 SIP replaced The Goldman Sachs Amended and Restated Stock Incentive Plan (2015) previously in effect, and applies to awards granted on or after the date of approval.

The company recorded share-based compensation in respect of the amortisation of granted equity awards, net of forfeitures, of US$3.89 million for the year ended 31 December 2018 and US$1.94 million for the year ended 31 December 2017. The corresponding credit to equity has been transferred to liabilities as a result of the terms of the chargeback agreement with Group Inc. under which the company is committed to pay to Group Inc. the grant-date fair value as well as subsequent movements in the fair value of those awards to Group Inc. at the time of delivery to its employees.

b. Share-Based Payments (continued)

Restricted Stock Units

Group Inc. grants RSUs to the bank's employees under the 2018 SIP, which are generally valued based on the closing price of the underlying shares on the date of grant after taking into account a liquidity discount for any applicable post vesting and delivery transfer restrictions. RSUs generally vest and underlying shares of common stock deliver (net of required holding tax) as outlined in the applicable award agreements. Employee award agreements generally provide that vesting is accelerated in certain circumstances, such as on retirement, death, disability and conflicted employment. Delivery of the underlying shares of common stock is conditioned on the grantees satisfying certain vesting and other requirements outlined in the award agreements.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Bank interest	**1,772**	-

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Interest on loan from parent undertaking (see note 12)	127	432
Interest on loan from group undertaking (see note 13)	3,012	858
	3,139	**1,290**

7. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Foreign exchange losses	724	373
Auditors' remuneration - audit services	61	20
Legal and professional fees	5,991	5,092
Travelling expenses	2,605	2,055
Seminar and training	970	956
Other expenses	2,492	1,305
	12,843	**9,801**

The company has reclassified $0.26 million of consultant and temporary staff costs for the year ended 31 December 2017 from direct costs of employment to legal and professional fees to conform to the current presentation.

8. DIRECTOR'S EMOLUMENTS

Four of the five directors are employed by the company and their remuneration and contribution under a defined contribution pension scheme is paid by the company. One director is employed by another group undertaking and his remuneration and contribution under a defined benefit contribution scheme is borne by that company. Five directors have been granted Group Inc. shares in respect of a long-term incentive scheme and no directors have exercised options during the period. The directors do not consider that more than an incidental amount of their remuneration relates to the qualifying services provided to the company.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

9. TAX ON PROFIT

	Year ended 31 December 2018 USD$'000	Year ended 31 December 2017 USD$'000
Current tax:		
U.K. corporation tax	5,564	4,155
Total current tax	**5,564**	**4,155**
Deferred tax:		
Origination and reversal of temporary differences	(539)	(978)
Total deferred tax	**(539)**	**(978)**
Total tax on profit	**5,025**	**3,177**

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% (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	26,031	16,373
Profit multiplied by the weighted average rate in the U.K. of 19.00% (2017: 19.25%)	4,945	3,152
Permanent differences	-	13
Exchange differences and other	80	12
Total tax on profit	**5,025**	**3,177**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018 US$'000	31 December 2017 US$'000
Amounts due from group undertakings	58,110	83,081
Other debtors	162	212
	58,272	**83,293**

Amounts due from group undertakings include US$58.11 million (31 December 2017: US$81.26 million) relating to management fees charged to group undertaking for services rendered.

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

	31 December 2018 USD$'000	31 December 2017 USD$'000
Deferred tax asset comprises		
Provision and other timing differences	1,484	1,002

	US$'000
The movements in the deferred tax balance were as follows:	
At 1 January 2017	(1)
Credited to the profit and loss account (see note 9)	(978)
Transalation gain	(23)
At 31 December 2017	(1,002)
Credited to the profit and loss account (see note 9)	(539)
Translation gain	57
At 31 December 2018	(1,484)

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018 US$'000	31 December 2017 US$'000
Amounts due to group undertakings	175	124
Corporation tax payable	47	2,600
Amount due to parent undertaking	-	41,368
Other creditors and accruals	85,591	79,210
Group relief payable	5,188	-
	91,001	123,302

Other creditors and accruals primarily include payroll related accruals of US$84.71 million (31 December 2017: $76.72 million).

Amounts due to parent undertaking in the prior year includes a loan of US$41.25 million advanced to the company by Goldman Sachs International Service Entities Holdings Limited. The loan was fully settled in 2018.

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

	31 December 2018 US$'000	31 December 2017 US$'000
Amounts due to group undertakings	102,932	112,180

Amounts due to group undertakings includes a loan of US$95.50 million (31 December 2017: US$108.43 million) advanced to the company by Goldman Sachs Funding LLC under an unsecured facility that accrues interest at a variable margin over the U.S. Federal Reserve's federal fund rate. The loan is repayable at the earlier of 367 days from when the lender demands repayment or 21 June 2041.

14. 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$'000	No.	US$'000
Allotted, called up and fully paid				
Ordinary shares of US$1 each	7,171,187	7,171	7,171,187	7,171
		7,171		**7,171**

15. FINANCIAL COMMITMENTS AND CONTINGENCIES

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

16. POST BALANCE SHEET EVENTS

a. In February 2019, the company entered into a contractual obligation under a long-term non-cancellable lease agreement for office space expiring on 31 January 2039. The costs under this lease agreement will be recharged to group undertakings as management fees.

b. In February 2019, the company issued 25,303,072 ordinary shares of US$1 each at a premium of US$12.54 per share to its immediate parent undertaking, Goldman Sachs International Service Entities Holdings Limited.