

**GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED**

**ANNUAL REPORT**

**31 DECEMBER 2018**



# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

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## STRATEGIC REPORT

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

### 1. Introduction

Goldman Sachs International Service Entities Holdings Limited (the company) is a holding company whose subsidiary undertakings provide operational support services to various group undertakings.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. 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 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 7. Profit before taxation for the year ended 31 December 2018 was US\$4.81 million (2017: US\$11.70 million).

The company had total assets of US\$647.65 million as at 31 December 2018 (31 December 2017: US\$395.32 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 (2017: £ / US\$ 1.3020).

### 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 year, except for the post balance sheet event described below.

### 5. Post balance sheet event

On 1 February 2019, the company issued 255,887,513 ordinary shares of US\$1 each at a premium of US\$0.24 per share. The proceeds of the shares issued were utilized to subscribe for further ordinary shares of its subsidiary undertaking, Goldman Sachs (UK) Svc. Limited (US\$317 million).

### 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 holding company, the company is also exposed to risk of decline in value of its non-financial assets, primarily fixed asset investments in subsidiary undertakings. The company, as part of a global group, adheres to global risk management policies and procedures.

# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

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## STRATEGIC REPORT (continued)

### 7. Date of authorisation of issue

The strategic report was authorised for issue by the Board of Directors on *22 July* 2019.

ON BEHALF OF THE BOARD



**M. Holmes**  
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 (2017: US\$10.74 million).

**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:

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
M. Holmes	1 May 2019	
P.L. Monteiro		
T. Degn-Petersen		1 May 2019

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 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 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 *22 July* 2019.

**ON BEHALF OF THE BOARD**



**M. Holmes**  
**Director**

# **Independent auditors' report to the members of Goldman Sachs International Service Entities Holdings Limited**

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

### **Opinion**

In our opinion, Goldman Sachs International Service Entities 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 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.

## **Independent auditors' report to the members of Goldman Sachs International Service Entities Holdings Limited**

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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 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

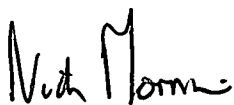
### **Other required reporting**

#### **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 (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

London

27 July 2019

# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

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## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2018

		Year ended 31 December 2018	Year ended 31 December 2017
	Note	US\$'000	US\$'000
Income from shares in group undertakings	4	14,000	15,705
Interest receivable and similar income	5	632	432
Interest payable and similar expenses	6	(9,722)	(4,480)
Administrative expenses	7	(98)	38
<b>PROFIT BEFORE TAXATION</b>		<b>4,812</b>	<b>11,695</b>
Tax on profit	8	466	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>5,278</b>	<b>11,695</b>

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.

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# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

## BALANCE SHEET

as at 31 December 2018

	Note	31 December 2018 US\$'000	31 December 2017 US\$'000
<b>FIXED ASSETS</b>			
Investments	11	566,491	353,205
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	12	3,866	41,368
Debtors: Amounts falling due after more than one year	13	75,000	-
Cash at bank and in hand		2,288	747
		81,154	42,115
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	(63)	(52)
<b>NET CURRENT ASSETS</b>		81,091	42,063
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		647,582	395,268
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	15	(326,239)	(292,489)
<b>NET ASSETS</b>		<u>321,343</u>	<u>102,779</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	315,126	101,840
Profit and loss account		6,217	939
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<u>321,343</u>	<u>102,779</u>

The financial statements were approved by the Board of Directors on 22 July 2019 and signed on its behalf by:



**M. Holmes**  
Director

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

Company number: 10119593.

# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

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## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Called up share capital	Profit and loss account	Total shareholder's funds
Note	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2017</b>	99,946	(12)	99,934
Profit for the financial year	-	11,695	11,695
Proceeds from shares issued	1,894	-	1,894
Interim dividend	17	(10,744)	(10,744)
<b>Balance at 31 December 2017</b>	101,840	939	102,779
Profit for the financial year	-	5,278	5,278
Proceeds from shares issued	16	213,286	213,286
<b>Balance at 31 December 2018</b>	<b>315,126</b>	<b>6,217</b>	<b>321,343</b>

No dividends were paid in 2018 (31 December 2017: US\$10.74 million).

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

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# **GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED**

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

### **1. GENERAL INFORMATION**

The company is a private 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 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/](http://www.goldmansachs.com/shareholders/).

### **2. ACCOUNTING POLICIES**

#### **a. Basis of Preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with 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) IFRS 3 'Business Combinations' paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67.
- (iii) IFRS 7 'Financial Instruments: Disclosures';
- (iv) IFRS 13 'Fair Value Measurement' paragraphs 91-99;
- (v) 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);
- (vi) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (vii) IAS 7 'Statement of Cash Flows';
- (viii) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (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.

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.

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

**2. ACCOUNTING POLICIES (continued)**

**b. Changes in accounting policies**

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

As permitted by the transitional provisions of IFRS 9, the company elected not to restate comparative figures. The 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\$0.04 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**

Income from shares in group undertakings include 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 shareholders. 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 the profit and loss account.

**f. Fixed asset investments**

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

# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 2. ACCOUNTING POLICIES (continued)

#### g. Cash at bank and in hand

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

#### h. Financial assets and financial liabilities

Other 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).

#### i. Current tax

The tax comprises of current 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.

### 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. INCOME FROM SHARES IN GROUP UNDERTAKINGS

During the year company received dividends of US\$14.00 million (Year ended 31 December 2017: US\$15.71).

### 5. 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 12 and 13)	632	432

### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Interest on loan from group undertaking (see note 15)	9,722	4,480

# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 7. ADMINISTRATIVE EXPENSES

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Foreign exchange losses / (gains)	56	(73)
Auditors' remuneration - audit services	10	26
Other expenses	32	9
	<b>98</b>	<b>(38)</b>

### 8. TAX ON PROFIT

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Current tax:</b>		
U.K. corporation tax	(466)	-

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.

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Profit before taxation	4,812	11,695
Profit on ordinary activities multiplied by weighted average rate in the U.K.: 19.00% (2017: 19.25%)	914	2,251
Permanent differences	(1,390)	(3,023)
Tax losses surrendered to group undertakings for nil consideration	-	772
Exchange differences and other	10	-
<b>Total tax on profit</b>	<b>(466)</b>	<b>-</b>

The permanent difference is in respect of dividend received from subsidiaries (US\$2.67 million), which is exempt from U.K. corporation tax, reduced by disallowance under Hybrid Mismatch Arrangements (US\$1.27 million)

### 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.

# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 11. INVESTMENTS

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

	<b>Cost and Net book value</b>
	<b>US\$'000</b>
At 31 December 2016	99,955
Additions	253,250
<b>At 31 December 2017</b>	<b>353,205</b>
Additions (see note (i) below)	213,286
<b>At 31 December 2018</b>	<b>566,491</b>

- (i) During the year, as part of a group reorganisation, the company acquired the issued share capital of Goldman Sachs Services Private Limited from a group undertaking, Goldman Sachs (Mauritius) L.L.C., for a total consideration of US\$213.29 million.

The subsidiaries, over which the company exercises control, and the effective percentage ownership interest in the ordinary shares held directly by the company, at the year end, are:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Goldman Sachs (UK) Svc. Limited <sup>1</sup>	Service company	100%	Ordinary shares
Birchfield Estates Limited <sup>1</sup>	Service company	100%	Ordinary shares
Goldman Sachs Property Management <sup>1</sup>	Service company	100%	Ordinary shares/ Preference shares
Goldman Sachs Poland Services Spolka Z Ograniczona Odpowiedzialnoscia <sup>2</sup>	Service company	100%	Ordinary shares
Goldman Sachs Services (Asia) Limited <sup>3</sup>	Service company	100%	Ordinary shares
Goldman Sachs Services (Singapore) Pte. Ltd. <sup>4</sup>	Service company	100%	Ordinary shares
Goldman Sachs Japan Services Co., Ltd. <sup>5</sup>	Service company	100%	Ordinary shares
Goldman Sachs Services Limited <sup>6</sup>	Service company	100%	Ordinary shares
Goldman Sachs Global Services I Limited <sup>7</sup>	Service company	100%	Ordinary shares
Goldman Sachs Global Services II Limited <sup>7</sup>	Service company	100%	Ordinary shares
Goldman Sachs Services Private Limited <sup>8</sup>	Service company	100%	Ordinary shares

**Registered office address at:**

<sup>1</sup> Peterborough Court, 133 Fleet Street, London, United Kingdom, EC4A2BB

<sup>2</sup> Warsaw Spire, Plac Europejski 1, Warsaw, Poland, 00844

<sup>3</sup> 68/F, Cheung Kong Centre, 2 Queen's Road Central, Hong Kong

<sup>4</sup> 1 Raffles Link, #07-01, Singapore, 39393

<sup>5</sup> Roppongi Hills Mori Tower, 10-1, Roppongi 6-chome, Minato-ku, Tokyo, Japan 106-6145

<sup>6</sup> #296 PO Box 3169, Ground Floor Coastal Building, Wickhams Cay II, Road Town, Tortola, British Virgin Islands

<sup>7</sup> P.O. Box 309, Uglund House, South Church Street, George Town, Cayman Islands

# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 11. INVESTMENTS (continued)

<sup>8</sup> Helios Business Park, 150 Outer Ring Road, Kadubesanhalli, Bengaluru

The subsidiary, over which the company exercises control via ordinary shares held by subsidiary undertakings at the year end, is:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Goldman Sachs Services (B.V.I.) Limited <sup>9</sup>	Service company	100%	Ordinary shares

**Registered office address at:**

<sup>9</sup>#296 PO Box 3169, Ground Floor Coastal Building, Wickhams Cay II, Road Town, Tortola, British Virgin Islands

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Amounts due from group undertaking (see note (i) and (ii) below)	3,866	41,368

(i) In May 2018, the company made a distribution of US\$3 million to its parent. The distribution was in excess of distributable profits at that point in time. The Goldman Sachs Group, Inc., the shareholder, has agreed to repay this distribution. Amounts due from group undertakings in the current year include the resulting receivable of US\$3 million from the shareholder.

(ii) Amounts due from group undertaking in the prior year includes a loan of US\$41.25 million advanced by the company to Goldman Sachs (UK) Svc. Limited. The loan was fully settled in 2018.

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

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Long-term loans due from group undertaking (see note below)	75,000	-

Long-term loans due from group undertakings in the current year includes a loan of US\$75 million advanced by the company to Goldman Sachs Services Private Limited, a subsidiary, under the terms of a new loan agreement dated 30 November 2018. The loan is unsecured and carries a fixed interest at 6 month LIBOR plus 4.9% and the LIBOR is fixed every six months on 1 April and 1 October. The loan is repayable on 1 April 2022 or any other date that may be mutually agreed between the companies.

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

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Amounts due to group undertaking	63	52



# GOLDMAN SACHS INTERNATIONAL SERVICE ENTITIES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

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

	31 December 2018 US\$'000	31 December 2017 US\$'000
Long-term loan due to group undertaking	326,239	292,489

Amounts due to group undertaking includes a loan of US\$313.13 million (31 December 2017: US\$289.01 million) advanced by Group Inc. to the company under the terms of a existing loan facility agreement. The loan is an unsecured facility that accrues interest at a variable margin over the U.S. Federal Reserve's federal funds rates. The loan is repayable at such times as may be negotiated by the borrower and the lender. None of these advances are scheduled for repayment within the next year.

### 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\$'000	No.	US\$'000
<b><u>Allotted, issued and fully paid</u></b>				
Ordinary shares of US\$1 each	315,125,998	315,126	101,840,487	101,840
		315,126		101,840

On 4 December 2018, the company issued 213,285,511 ordinary shares of US\$ 1 to Group Inc. at par. The proceeds from this share issue were used as consideration to acquire the issued share capital of Goldman Sachs Services Private Limited from its group undertaking, Goldman Sachs (Mauritius) L.L.C. (see note 11).

### 17. INTERIM DIVIDEND PAID

	31 December 2018 US\$'000	31 December 2017 US\$'000
Interim dividend paid	-	10,744

### 18. FINANCIAL COMMITMENTS AND CONTINGENCIES

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

### 19. POST BALANCE SHEET EVENT

On 1 February 2019, the company issued 255,887,513 ordinary shares of US\$1 each at a premium of US\$0.24 per share. The proceeds of the shares issued were utilized to subscribe for further ordinary shares of its subsidiary undertaking, Goldman Sachs (UK) Svc. Limited (US\$317 million).