Company Number: 02474901

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

(unlimited company)

ANNUAL REPORT

31 December 2021

STRATEGIC REPORT

The directors present their strategic report for the period ended 31 December 2021.

1. Introduction

Goldman Sachs Asset Management International (the company or GSAMI) is an asset management company principally operating in the Europe, the Middle East and Africa (EMEA) region.

The company is authorised and regulated by the Financial Conduct Authority (FCA).

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. Group Inc., together with its consolidated subsidiaries, form 'GS Group'. GS Group is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments and individuals.

The company seeks to be a leading participant in the asset management industry and continues to develop its business having regard to the broader strategy defined by GS Group.

During the period ended 31 December 2020, the company changed its accounting reference date from 30 November to 31 December to conform to the period used by the company for U.S. tax reporting purposes. As such, these financial statements have been prepared for the twelve months ended 31 December 2021, with comparative information being presented for the thirteen months ended 31 December 2020. As a result, amounts presented in this annual report are not directly comparable.

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 results of the period are shown in the profit and loss account on page 17.

The directors consider turnover, administrative expenses and Assets Under Management (AUM) as the company's key performance indicators.

Turnover decreased to US$936.6 million from US$980.5 million primarily due to an additional month of revenues presented in the period ended 31 December 2020, partially offset by higher management fees.

In October 2021, the employees who were previously seconded to the company, became direct employees of the company.

Administrative expenses increased to US$822.0 million from US$797.5 million primarily due to:

- higher aggregate staff costs across management fees charged by group undertakings and compensation and benefits;
- higher fees charged by group undertakings for sub-delegated functions; and
- partially offset by an additional month of expenses presented in period ended 31 December 2020.

Profit before taxation was US$115.1 million (period ended 31 December 2020: US$188.9 million).

Average AUM during the period were US$188.8 billion (period ended 31 December 2020: US$172.6 billion). AUM as at 31 December 2021 were US$198.0 billion (31 December 2020: US$196.9 billion).

The company had total assets of US$646.3 million as at 31 December 2021 (31 December 2020: US$530.9 million).

On 1 October 2021, the company issued 99,188,147 ordinary shares of US$1 each for total consideration of US$99,188,147.

STRATEGIC REPORT (continued)

3. Exchange rate

The British pound/U.S. dollar exchange rate was £/$1.3535 as at 31 December 2021 (31 December 2020: £/$1.3653). The average rate for the period was £/$1.3739 (period ended 31 December 2020: £/$1.2950).

4. Future outlook

The directors consider that the period end financial position of the company was satisfactory. No significant change in the company's principal business activities is currently expected. Developments that may impact or continue to impact the company include:

Russian invasion of Ukraine

The Russian invasion of Ukraine in February 2022 has resulted in governments around the world introducing significant sanctions on Russian entities and individuals, and triggered disruption across global financial markets and increased uncertainty in the business environment in which the company operates.

As a result, there has been an unprecedented decline in equity and credit prices of Russian companies, and a sharp fall in the value of the Russian ruble compared to the U.S. dollar. The war has also triggered a sharp rise in commodity prices, notably oil and gas, base and precious metals, and agricultural products.

Funds and separate accounts which the company manages do not have material exposures to Russian and Ukraine, and therefore there has been no material adverse impact on the company's management fees at the time of publication. The future impact of the war on the company's operational and financial performance remains difficult to predict.

COVID-19

As at the time of publication, there continues to be uncertainty regarding the impact of COVID-19 on the company's operational and financial performance. The extent of the impact will depend on future developments including the duration of the pandemic and potential future variants.

5. Business environment

In 2021, the global economy continued to recover from the impact of the COVID-19 pandemic, as the distribution of vaccines helped facilitate an increase in global economic activity. Economic activity continued to benefit from ongoing fiscal stimulus from governments and continued accommodative monetary policy from global central banks. In the second half of the year, the growth in economic activity and demand for goods and services, alongside supply chain complications, contributed to inflationary pressures. Late in the year, the surge in Omicron cases sparked renewed concerns globally, contributing to increased market volatility and increased pressures on labour supply. This may result in a negative impact on economic activity.

Despite broad improvements in the overall economy since the initial impact of the COVID-19 pandemic, uncertainty remains on the pace of the recovery going forward, reflecting concerns about virus resurgence from the Omicron variant and other possible variants and related concerns regarding vaccine distribution, efficacy and hesitancy, as well as concerns relating to inflation, supply chain complications and geopolitical risks.

6. Regulatory developments

The FCA's Investment Firms Prudential Regime (IFPR) came into effect on 1 January 2022. The IFPR is a new framework governing prudential requirements for investment firms tailored to smaller, non-systemically important investment firms, such as the company. The IFPR comprises revised rules on capital requirements, internal capital and risk assessment, liquidity requirements, governance, remuneration, and reporting and disclosure requirements.

The U.K. has adopted E.U. financial services legislation that was in effect on 31 December 2020, which means that the U.K. financial services regime will remain substantially the same as under E.U. financial services legislation. However, in the future the U.K. may diverge from E.U. legislation and may decide not to adopt rules that correspond to E.U. legislation not already operative in the U.K.

STRATEGIC REPORT (continued)

7. Principal risks and uncertainties

The company faces a variety of risks that are substantial and inherent in its business including economic and market conditions, regulation, credit quality, liquidity, operational infrastructure, cyber security, conflicts of interest, legal and compliance, and unforeseen and catastrophic events. These risks have been summarised below.

Economic and market conditions

Persistently poor investment returns by funds or separate accounts that the company manages or investment products that the company designs or sells, due to either market conditions or underperformance, relative to the company's competitors or to benchmarks, may negatively affect the company's revenues in respect of management fees and incentive fees as a consequence of the company's ability to retain existing assets, attract new clients or attract additional assets from existing clients. Further, if changes in investor sentiment or the relative performance of certain asset classes result in clients choosing to invest in products that generate lower revenues (e.g., passively managed or lower margin fixed income products), the company's average effective management fee could decline. Also, to the extent that the company's clients choose to invest in products that the company does not offer, the company could suffer outflows and a loss of management fees.

Regulation

As a participant in the asset management industry and a subsidiary of a systemically important financial institution, the company is subject to extensive regulation in the U.K. more generally but also in the U.S. as a subsidiary of Group Inc. The company faces the risk of intervention by regulatory and tax authorities in all jurisdictions in which it conducts its business. Among other things, as a result of regulators or private parties challenging the company's compliance with enforcing existing laws and regulations, it could be fined, prohibited from engaging in its business activity, subjected to limitations or conditions on its business activity or subjected to new or substantially higher taxes or other governmental charges in connection with the conduct of its business. Such limitations or conditions may negatively impact the company's profitability.

Credit quality

The company generates revenues in the form of fees from funds and separate accounts. Fees from funds are settled either from the AUM of the fund or through amounts due from group undertakings, for which the credit risk is considered minimal. For separate accounts, the company manages its credit risk arising from clients by entering into factoring agreements with Group Inc. The company is also exposed to counterparty risk with third party financial institutions where it holds cash at bank.

Liquidity

The company's liquidity could be impaired by an inability to access funds from affiliates or by unforeseen outflows of cash. This situation may arise due to circumstances that the company may be unable to control, such as a general market disruption or an operational problem that affects third parties or the company or its affiliates. In order to mitigate this risk, the company has in place what it considers to be a conservative set of liquidity policies and a contingency funding plan.

Operational infrastructure

The company's business is highly dependent on its ability to process and monitor, on a daily basis, a large number of transactions, many of which are highly complex, and occur at high volumes and frequencies, across numerous and diverse markets in many currencies. These transactions, as well as information technology services provided to clients, often must adhere to client-specific guidelines, as well as legal and regulatory standards.

Compliance with these legal and reporting requirements can be challenging, especially as reporting requirements expand, and GS Group and other financial institutions have been subject to regulatory fines and penalties for failing to report timely, accurate and complete information.

STRATEGIC REPORT (continued)

7. Principal risks and uncertainties (continued)

Cyber security

The company must continuously monitor and develop its systems to protect its technology infrastructure and data from misappropriation or corruption. The increasing deployment of mobile applications, hosted on employee-owned devices presents additional risks of cyber attacks. In addition, due to the interconnectivity with other affiliates, the company could be adversely impacted if any of these entities, or their respective service providers, is subject to a successful cyber-attack or other information security event. These effects could include the loss of access to information or services from the affiliate subject to the cyber-attack or other information security event, which could, in turn, interrupt certain of the company's businesses. Cyber attacks can originate from a variety of sources, including third parties who are affiliated with or sponsored by foreign governments or are involved with organised crime or terrorist organisations.

Conflicts of interest

A failure to appropriately identify and address potential conflicts of interest could adversely affect the company's businesses. Due to the broad scope of GS Group's businesses and client base, the company regularly addresses potential conflicts of interest, including situations where services to a particular client or GS Group's own investments or other interests conflict, or are perceived to conflict, with the interests of another client, as well as situations where one or more of its businesses have access to material non-public information that may not be shared with other businesses within GS Group and situations where it may be a creditor of an entity with which GS Group also has an advisory or other relationship.

Legal and compliance

Substantial legal liability or significant regulatory action against the company could have material adverse financial effects or cause significant reputational harm, which in turn could seriously harm business prospects. The company faces significant legal and compliance risks in its business, and the volume of claims and amount of damages and penalties claimed in litigation and regulatory proceedings against financial institutions remain high.

Unforeseen or catastrophic events

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, such as COVID-19, or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks, extreme terrestrial or solar weather events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair the company's ability to manage its businesses and result in losses.

8. Risk management

The company seeks to monitor and control risk exposure through a risk and control framework encompassing a variety of separate, but complementary, financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. Whilst the company employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgements that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. Thus, the company may, in the course of its activities, incur losses. In addition, refer to the financial risk management section (see note 17).

STRATEGIC REPORT (continued)

9. Section 172(1) statement

The directors have included the section 172(1) statement in the director's report, consistent with the corporate governance disclosures.

10. Date of authorisation of issue

The strategic report was authorised for issue by the Board of Directors on 29 March 2022.

BY ORDER OF THE BOARD

M. Holmes

Director

29 March 2022

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 December 2021.

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 future outlook of the company in the strategic report in accordance with section 414C(11) of the Companies Act 2006. The company's risk management objectives and policies, including exposures to market risk, credit risk and liquidity risk are described in note 17 to the financial statements.

2. Corporate governance

The company has a robust corporate governance framework which is embedded in its approach to running its business. This framework aligns with legal and regulatory requirements and guidance issued by various bodies as relevant to the company and as appropriate for its business and shareholding structure. As a wholly-owned subsidiary within GS Group, the company also aligns its corporate governance with that of GS Group.

Role of the Board

The Board of Directors (the Board) has overall responsibility for the management of the company. As part of this role, the Board approves and oversees implementation of the company's strategic objectives, risk strategy and internal governance. The Board monitors the integrity of the company's accounting and financial reporting systems including financial and operational controls and regulatory compliance and has oversight of senior management.

Purpose, values and culture

The Board is responsible for overseeing the company's strategic direction and culture.

The purpose of GS Group as a whole is to advance sustainable economic growth and financial opportunity across the globe. As a subsidiary within GS Group, the company is aligned to this purpose.

The company strives to maintain a work environment that fosters professionalism, excellence, diversity, cooperation among employees and high standards of business ethics. The company recognises that it needs the most talented people to deliver outstanding results for clients. A diverse workforce in terms of gender, ethnicity, sexual orientation, background, culture and education ensures the development of better ideas, products and services.

The Board recognises the importance of maintaining and developing the culture of the company, and does so by setting the 'tone from the top' and overseeing how culture and values are fostered by the management of the company. The Board receives regular updates on culture, conduct and diversity and inclusion from management.

GS Group maintains a Code of Business Conduct and Ethics, which was updated in March 2021, supplemented by 14 Business Principles, and a compendium of internal policies to inform and guide the Board and management of the company in their roles.

Strategy

GS Group's focus is on delivering sustainable, long-term returns for its shareholders through a strategy that revolves around its clients. Its strategy comprises three core objectives:

- To grow and strengthen its existing franchise: to capture higher wallet share across a wider range of clients;
- To diversify its products and services: to build a more durable source of earnings; and
- To operate more efficiently: so that it can drive higher margins and returns across the organisation.

DIRECTORS' REPORT (continued)

2. Corporate governance (continued)

The company's strategy, aligned with that of GS Group, is implemented by the executive management of the company with Board oversight. Management updates the Board on the company's performance against its strategic objectives at Board meetings.

Composition of the Board

The directors collectively possess a broad range of skills, backgrounds, experience and knowledge appropriate for the effective oversight of the company's business. The roles of the chair of the Board and the chief executive officer are held by different individuals.

The Board considers that the size and structure of the Board is appropriate to oversee the businesses conducted by the company. As of 31 December 2021, the Board is comprised of six directors, two of whom are independent. The company has Risk, Nominations and Remuneration Board committees.

The Board Nominations Committee is responsible for identifying and recommending qualified candidates for Board membership and sets out the process and criteria, which include a consideration of board diversity, for the selection of new directors. The use of a skills matrix enables the experience and expertise of the Board both individually and as a whole to be assessed. New directors are provided with a comprehensive and bespoke induction programme. Management oversees an ongoing training and development programme for the directors to enhance their knowledge and engagement.

The Board Nominations Committee oversees the effectiveness of the Board, its committees and their chairs and members, and evaluates this annually. It also reviews the size, structure and composition of the Board, including the balance of independent and non-independent directors.

The approach to directors' conflicts of interest and the anticipated time commitment required is discussed with each director on their joining the Board and reviewed annually as part of the fitness and propriety assessment process. All the directors meet the applicable regulatory requirements for the number of directorships they are permitted to hold.

Responsibilities and accountability

The company's governance model fully incorporates the Senior Managers and Certification Regime.

The Board is supported by various Board committees, each with a charter setting out its duties and the responsibilities delegated to it. The Board committees include non-executive directors to enable oversight and challenge to management. The chairs of these Board committees report to the Board on the proceedings and recommendations of the Board committees. Certain matters are reserved for decision by the Board alone.

Opportunity and risk

The company believes that effective risk management is critical to its success, and so has established a risk management framework that employs a comprehensive, integrated approach to risk management. This is designed to enable processes through which the risks associated with the company's business are identified, assessed, monitored and managed. The company's risk management structure is built around three core components: governance, processes and people.

Risk management governance starts with the Board, which both directly and through its committees, including the GSAMI Management Committee which oversees all of the company's activities, and the GSAMI Board Risk Committee and the GSAMI Risk Committee, which oversee the company's risk management policies and practices implemented through the enterprise risk management framework.

The Board is responsible for the annual review and approval of the company's risk appetite statement, which describes the levels and types of risk it is willing to accept, in order to achieve the objectives included in its strategic business plan, while remaining in compliance with regulatory requirements. The company's strategy set out above is aligned with that of GS Group and the Board is ultimately responsible for overseeing and providing direction about the company's strategic business plan and risk appetite.

DIRECTORS' REPORT (continued)

3. Stakeholder engagement

The company's stakeholders include its shareholders, employees, clients, suppliers, regulators and the communities and environment in which it operates.

Shareholders – the company is a wholly-owned subsidiary of Group Inc. As such its purpose, culture, values and strategies are aligned with those of its ultimate shareholder. The Board receives regular updates on GS Group strategy.

Employees – The company considers its employees as its greatest asset and the Board receives regular updates from management on various metrics, including on diversity and inclusion.

GS Group engaged with employees in various ways during the year including firmwide or regional 'Town Halls', where questions are solicited in advance and feedback gathered afterwards; Talks at GS with external and internal speakers; periodic employee feedback; email and voicemail communications and manager engagement at a divisional level. Employees are invited to watch quarterly earnings announcements and receive internal briefings so that they are made aware of the financial and economic factors affecting the performance of the company. A sophisticated firmwide intranet further enables employees to be engaged.

The company supports the diversity and inclusion initiatives of GS Group and is committed to sustaining a work environment where its people feel comfortable bringing their authentic selves to work and are empowered to reach their full potential. GS Group has a range of initiatives in place to increase diverse representation at all levels and foster inclusion. Various affinity groups for employees are supported by the company. Certain affiliates are a signatory to the U.K. Race at Work Charter and the U.K. Women in Finance Charter, meeting the commitment to have women professionals comprising 30% of the senior talent (vice presidents and above) of their workforce by 2023 in September 2021.

With respect to the COVID-19 pandemic, the company's priority remains to safeguard its employees and to seek to ensure continuity of business operations on behalf of its clients. Throughout the period, the company has invested in supporting its employees working remotely and is focused on ensuring that employees are able to safely work from its offices. Senior management make regular announcements to employees on the latest governmental and public health advice on COVID-19 and continue to monitor employee sentiment around the company's management of the pandemic to inform its decisions as to the type of support to make available.

Clients – throughout the year, the Board received regular updates on fund performance and distribution, providing insight into client behaviour as well as focus areas. The Board also regularly receives material updates from management on client engagement.

Suppliers – GS Group has globally consistent standards and procedures for the on-boarding, use and payment of external suppliers (vendors). Suppliers of GS Group are required to meet business, compliance and financial stability requirements and adhere to GS Group's vendor code of conduct, which describes the expectations GS Group has of its suppliers to conduct business responsibly. Suppliers in industries perceived to be of higher risk in relation to Environmental, Social and Governance (ESG) or modern slavery and human trafficking are subject to enhanced due diligence and monitoring. The company reports its activities on this within its annual Modern Slavery Act statement, which is signed off by the Board. GS Group has a long history of working with small and diverse businesses as part of its vendor diversity program and has implemented strategies to promote greater diversity within its supplier base, publicly committing to increasing spend with diverse suppliers by 50% by 2025 (from its 2020 baseline).

Regulators – the company has an active dialogue with the FCA as well as other regulators. Senior management and directors meet with the FCA on a frequent basis.

DIRECTORS' REPORT (continued)

3. Stakeholder engagement (continued)

Environment – GS Group has a global approach to sustainability through its platform for sustainable finance. GS Group's approach to sustainable finance is focused on two long-term imperatives: advancing the climate transition by helping industries usher in and thrive in a low-carbon economy; and driving inclusive growth by leveraging its business capabilities to improve access and affordability and advancing economic empowerment. GS Group has made a commitment to deploy US$750 billion in sustainable financing, investing and advisory activity by 2030, in which the company will play a part.

As part of its ESG framework, GS Group's Corporate Workplace Solutions Division looks to reduce the environmental impact of GS Group's global operations and supply chain, through operational resiliency; ensuing facilities adhere to the highest levels of environmentally sustainable standards; carbon footprint and energy usage reduction initiatives; the sourcing of sustainably produced goods and resource conservation. This approach is applied consistently across all entities in GS Group including the company. GS Group has been carbon neutral across its operations and business travel since 2015, and met its 2020 goal of procuring 100% of electricity from renewable sources.

With increasing interest and activity in ESG and impact investing, the company seeks to provide holistic solutions that are designed to combine the positive impacts of ESG and impact investing with the rigor and risk-return standards of investment management.

Communities – the company supports its communities in many ways, with global initiatives coordinated through GS Group's Office of Corporate Engagement. These include the 10,000 Small Businesses entrepreneurship programme which helps small business owners create jobs and economic opportunity by providing access to education, capital and business support services and the 10,000 Women programme which fosters economic growth by providing women entrepreneurs with a business and management education, mentoring and networking, and access to capital. Charitable initiatives include Goldman Sachs Gives which supports innovative ideas, solving economic and social issues, and enabling progress in underserved communities and the Community Teamworks volunteering initiative which enables the company's employees to contribute their ideas, time and expertise to drive tangible progress in communities through work in partnership with non-profit organisations.

4. Section 172(1) statement

Under section 172 of the Companies Act 2006, the directors of the company are required to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders as a whole. In doing this, section 172 requires a director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of employees; the need to foster the company's business relationships with clients, suppliers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with stakeholders of the company.

The directors give careful consideration to the factors set out above in discharging their duties under section 172 and they inform the directors' decision-making as a board. The company endorses GS Group's updated Code of Business Conduct and Ethics set out on the global website and looks to conduct its business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations.

The directors are committed to effective engagement with all of the company's stakeholders. They recognise that building strong relationships with these stakeholders will help the company deliver its strategy in line with its long-term values, and operate the business in a sustainable way. The Board seeks to understand and balance the relative interests and priorities of each group and to have regard to these, as appropriate, in their discussions and in the decision-making process. The Board receives regular updates from the chief executive officer of the company and from the company's shareholder. A rigorous agenda setting process for Board meetings ensures topics relevant to stakeholders are brought to the Board in a frequent and timely manner.

DIRECTORS' REPORT (continued)

4. Section 172(1) statement (continued)

In addition, the Board may receive training and other information to further develop its understanding of key issues impacting the company's stakeholders. The Board is further supported by the GSAMI Board Risk Committee, GSAMI Risk Committee, and the GSAMI Management Committee who consider in more detail the systems and controls in place in relation to engagement with stakeholders.

5. Carbon, energy and business travel consumption and reporting

The company's main sources of Greenhouse Gas (GHG) emissions are the operation of office facilities, dedicated data centres and business travel. Carbon neutrality is a priority for the operation of GS Group and its supply chain. In 2015, GS Group achieved carbon neutrality in its operations and business travel, ahead of its 2020 goal announced in 2009 and the offices and data centres utilised by the company in the U.K. source 100% renewable electricity. GS Group has expanded its operational carbon commitment to include its supply chain, targeting net-zero carbon emissions by 2030. More information on GS Group's sustainability efforts, including its sustainable finance strategy, energy consumption and carbon emissions can be found in the annual Goldman Sachs Sustainability Report, available at www.goldmansachs.com/s/sustainability-report.

Streamlined Energy and Carbon Reporting (SECR)

The tables below present the company's U.K. energy consumption and associated GHG emissions, as well as normalisation metrics for the purposes of SECR. As multiple affiliates occupy the same office space, the U.K. energy consumption and associated Scope 1 and 2 GHG emissions across GS Group have been allocated to the company based on the company's U.K. headcount as a proportion of GS Group's total U.K. headcount.

The table below presents the company's energy consumption.

MWh	12 months ended 31 December 2021	12 months ended 31 December 2020
Total energy consumption	4,018	4,048

The table below presents the company's GHG emissions.

tCO_2e	12 months ended 31 December 2021	12 months ended 31 December 2020
Scope 1		
Direct	154	148
Scope 2		
Location - indirect	751	775
Market - indirect	–	–
Scope 3 Business travel		
Commercial air	50	238
Ground transportation	2	2
Totals		
Scope 1, 2 (location)	**905**	**923**
Scope 1, 2 (location) and 3 business travel	**957**	**1,163**
Scope 1, 2 (market) and 3 business travel	**206**	**388**

DIRECTORS' REPORT (continued)

5. Carbon, energy and business travel consumption and reporting (continued)

The table below presents the company's normalisation metrics.

tCO2e/employee	12 months ended 31 December 2021	12 months ended 31 December 2020
Scope 1, 2 (location)	2.9	3.1

The company's energy consumption decreased during the twelve months ended 31 December 2021 in comparison to the twelve months ended 31 December 2020 primarily due to the closure of two U.K. premises as a part of the continued rationalisation of GS Group's London campus, partially offset by an increase in occupancy rates as more employees returned to the office following the easing of COVID-19 restrictions. Scope 3 business travel GHG emissions have decreased primarily due to a reduction in business travel as a result of the COVID-19 pandemic.

GS Group's emissions are calculated in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition). The boundaries of the GHG inventory are defined using the operational control approach and cover the emissions GS Group is responsible for across Scope 1, 2 and material Scope 3 business travel. The emissions are calculated using the emissions factors for the respective year published by the Department for Business, Energy & Industrial Strategy.

GS Group gathers data from its operations on an ongoing basis, with primary evidence sourced from office managers and managed centrally via GS Group's GHG Emissions Reporting Operating Procedure. GS Group ensures the accuracy of its environmental metrics and data collection processes by maintaining a robust internal inventory management plan, continuously enhancing its carbon accounting methodology and obtaining third party verification of its Scope 1, 2 and Scope 3 business travel emissions.

Maximising energy efficiency

GS Group's strategy to maximise energy efficiency is to occupy more energy efficient real estate, consolidate space and use more efficient technology equipment.

During the period ended 31 December 2021, GS Group continued to maximise the operational efficiency of its real estate, focusing on increasing the efficiency of power and cooling systems and utilising more efficient technology equipment.

6. Employment of disabled persons

Applications for employment by disabled persons are fully and fairly considered with regard to the aptitudes and abilities of each applicant. Efforts are made to enable any employees who become disabled during employment to continue their careers within GS Group. Training, career development and promotion of disabled persons are, to the extent possible, identical to that of other employees who are not disabled.

7. Dividends

The directors declared and paid an interim dividend of US$169.0 million on 6 May 2021 (period ended 31 December 2020: US$73.0 million).

8. Disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIRECTORS' REPORT (continued)

9. Independent auditors

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of Schedule 3 to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

10. Directors

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

Name	Appointed	Resigned
K. Uniacke (Chair)		
F. Abuali		
L. A. Donnelly		December 2021
M. Holmes		
K. Sharpe	5 January 2021	
G. R. Thorpe		
C. S. Withey		

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

The appointment of K. J. Jago was approved on 13 December 2021 subject to regulatory approval.

11. Statement of directors' responsibilities in respect of the financial statements

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 accounts for each financial period. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' (FRS 101)) and the Companies Act 2006. Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards in conformity with the requirements of the Companies Act 2006 and FRS 101 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 that are sufficient to show and explain the company's transactions and which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (continued)

12. Directors' confirmations

The directors confirm to the best of their knowledge:

- The financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice in conformity with the requirements of the Companies Act 2006 and FRS 101, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and

- The strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that the company faces.

13. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 29 March 2022.

BY ORDER OF THE BOARD

M. Holmes

M. Holmes

Director

29 March 2022

Independent auditors' report to the members of Goldman Sachs Asset Management International (unlimited company)

Report on the audit of the financial statements

Opinion

In our opinion, Goldman Sachs Asset Management International (unlimited company)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 2021; 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 U.K., 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2021 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to rules of the Financial Conduct Authority ("FCA") and equivalent local laws and regulations applicable to other countries in which the company operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and corporate tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included.

- Discussions with management, including Internal Audit, and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating and testing of the operating effectiveness of management's controls designed to prevent and detect fraud in financial reporting;
- Assessing matters reported on the company's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing key correspondence with regulatory authorities (the FCA);
- Identifying and testing journal entries, in particular any journal entries posted by senior management;
- Testing of information security controls relating to system access and change management;
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, 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.

Mike Wallace (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 March 2022

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2021

	Note	Period ended 31 December 2021 US$'000	Period ended 31 December 2020[1] US$'000
Turnover		936,575	980,480
Interest receivable and similar income	4	510	3,478
Other income		-	2,381
Administrative expenses	5	(821,974)	(797,476)
OPERATING PROFIT AND PROFIT BEFORE TAXATION		115,111	188,863
Tax on profit	8	(21,902)	(36,507)
PROFIT FOR THE FINANCIAL PERIOD		93,209	152,356

1. The comparative period was for the thirteen months ended 31 December 2020. See Note 2 for further details.

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

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

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

BALANCE SHEET

as at 31 December 2021

	Note	31 December 2021 US$'000	31 December 2020 US$'000
FIXED ASSETS			
Investments	9	60	101
Intangibles	9	3,372	-
		3,432	101
CURRENT ASSETS			
Cash at bank and in hand		183,933	139,881
Debtors	10	457,385	390,934
Deferred tax assets	11	1,521	-
		642,839	530,815
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(212,187)	(120,898)
NET CURRENT ASSETS		430,652	409,917
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(669)	-
NET ASSETS		433,415	410,018
CAPITAL AND RESERVES			
Called up share capital	14	100,944	1,756
Share premium account		69,232	69,232
Profit and loss account		263,239	339,030
TOTAL SHAREHOLDER'S FUNDS		433,415	410,018

The financial statements were approved by the Board of Directors on 29 March 2022 and signed on its behalf by:

M. Holmes
Director

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

Company number: 02474901

STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2021

	Note	Called up share capital US$'000	Share premium account US$'000	Profit and loss account US$'000	Total shareholder's funds US$'000
Balance at 1 December 2019[1]		1,756	69,232	259,674	330,662
Profit for the financial period		-	-	152,356	152,356
Dividends paid	15	-	-	(73,000)	(73,000)
Balance at 31 December 2020[1]		1,756	69,232	339,030	410,018
Profit for the financial period		-	-	93,209	93,209
Proceeds from shares issued	14	99,188	-	-	99,188
Dividends paid	15	-	-	(169,000)	(169,000)
Share-based payments		-	-	6,852	6,852
Management recharge related to share-based payments		-	-	(6,852)	(6,852)
Balance at 31 December 2021		100,944	69,232	263,239	433,415

1. The comparative period was for the thirteen months ended 31 December 2020. See Note 2 for further details.

Interim dividends paid: US$169.0 million (period ended 31 December 2020: US$73.0 million).

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

1. GENERAL INFORMATION

The company is a private unlimited 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.

On 1 October 2021, Goldman Sachs Group UK Limited transferred the beneficial title to the company's 1,755,712 ordinary shares of US$1 each, to Goldman Sachs Asset Management International Holdings Ltd.

As a result, the company's immediate parent undertaking is Goldman Sachs Asset Management International Holdings Ltd., a company incorporated and domiciled in England and Wales.

The ultimate controlling 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, GS Group's principal place of business, or at www.goldmansachs.com/investor-relations.

BIPRU remuneration disclosures

The company's remuneration disclosures as required by BIPRU are included in the consolidated Pillar 3 remuneration disclosures of Goldman Sachs Group UK Limited (GSG UK, the company's previous immediate parent undertaking). GSG UK's 31 December 2021 Pillar 3 remuneration disclosures will be made available in conjunction with the publication of its consolidated financial information at www.goldmansachs.com/disclosures.

Country-by-country reporting

The company is included in the consolidated country-by-country reporting disclosures of GSG UK, as required by the Capital Requirements (Country-by-Country Reporting) Regulations 2013. GSG UK's 31 December 2021 country-by-country disclosures will be made available by 31 December 2022 at www.goldmansachs.com/disclosures.

2. ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention (modified as explained in "Financial Assets and Liabilities" below), and in accordance with FRS 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

During the period ended 31 December 2020, the company changed its accounting reference date from 30 November to 31 December to conform to the period used by the company for U.S. tax reporting purposes. As such, these financial statements have been prepared for the twelve months ended 31 December 2021, with comparative information being presented for the thirteen months ended 31 December 2020. As a result, amounts presented in this annual report are not directly comparable.

The following exemptions from the disclosure requirements of International Financial Reporting Standards (IFRS) 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 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;

(iii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraphs 79 (a)(iv);

2. ACCOUNTING POLICIES (continued)

a. *Basis of preparation (continued)*

(iv) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16, and 40A-D;

(v) IAS 7 'Statement of Cash Flows';

(vi) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;

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

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

b. Replacement of Interbank Offered Rates (IBORs), including London Interbank Offered Rate (LIBOR)

On 1 January 1 2021, "Interest Rate Benchmark Reform – Phase 2" became effective. The amendments introduced the following changes:

- Practical expedients for changes in contractual cash flows (IFRS 9 'Financials Instruments' (IFRS 9), IFRS 4 'Insurance Contracts' and IFRS 16 'Leases'.
- Relief from discontinuing hedge account requirements (IFRS 9 and IAS 39 'Financial Instruments: Recognition and Measurement'.
- Disclosure requirements (IFRS 7).

The company has no exposure to interest rate benchmarks subject to reform and was therefore not impacted by these changes.

c. Revenue recognition

Revenues earned from contracts with clients for asset management services are recognised when the performance obligations related to the underlying transactions are completed.

The services the company provides to clients, and the terms and conditions by which the company is entitled to receive management and incentive fees are defined in an Investment Management Agreement (IMA) between the company and the client. The IMA establishes the company as having primary obligation for the provision of services to the client, and the company recognises revenues, gross of expenses incurred to satisfy some or all of its performance obligations. The company satisfies the performance obligation by itself, or by engaging group undertakings to satisfy some or all of its performance obligations on its behalf. Such revenue is recognised in turnover and expenses incurred are recognised in administrative expenses.

Additionally, the company is engaged by group undertakings to satisfy some or all of the performance obligations to which those group undertakings have entered into an IMA with their clients. The company recognises such revenue in turnover.

Turnover comprises of the following:

Management fees

Management fees are recognised on an accruals basis and are generally calculated as a percentage of a fund or a separate account's average net asset value. All management fees are recognised over the period that the related service is provided.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

2. **ACCOUNTING POLICIES (continued)**

c. Revenue recognition (continued)

Incentive fees

Incentive fees are calculated as a percentage of a fund's return or a percentage of a fund's excess return above a specified benchmark or other performance target.

Incentive fees earned from a fund or separate account are recognised when it is probable that a significant reversal of such fees will not occur, which is generally when such fees are no longer subject to fluctuations in the market value of investments held by the fund or separate account. Therefore, incentive fees recognised during the period may relate to performance obligations satisfied in previous periods.

Placement fees

Placement fees from group undertakings are recognised on an accruals basis in the period in which the related services are provided by the company.

d. 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.

e. 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.

f. Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment.

g. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and provision for impairment. Subject to the recognition criteria in IAS 38 'Intangible Assets' being met, costs incurred during the period that are directly attributable to the development or improvement of new business application software are capitalised as assets in the course of construction. Assets in the course of construction are transferred to computer software once completed and ready for their intended use.

Computer software is amortised on a straight-line basis over its estimated useful life, which is three years. No amortisation is charged on assets in the course of construction.

Amortisation is included in administrative expenses and the amortisation policies are reviewed on an annual basis. Intangible fixed assets are tested for impairment whenever events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

2. **ACCOUNTING POLICIES (continued)**

h. Cash at bank and in hand

This includes cash at bank and in hand and highly liquid overnight deposits held in the ordinary course of business.

i. 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 derecognition. A transferred financial asset qualifies for derecognition if the company transfers substantially all the risks and rewards of ownership of the financial asset or does not retain control. Financial liabilities are derecognised only when they are extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expires.

(ii) **Classification and measurement**

Financial assets comprise all of the company's current assets with the exception of tax related assets.

The company classifies its financial assets as financial assets measured at amortised cost on the basis of both the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The 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 that are held for the collection of contractual cash flows and have cash flows that represent solely payments of principal and interest are measured at amortised cost. The company considers whether the cash flows represent basic lending arrangements and where contractual terms introduce exposure to risk or volatility inconsistent with a basic lending arrangement the financial asset is mandatorily measured at fair value through profit or loss.

Financial assets 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. Finance revenue is recorded in interest receivable and similar income.

2. ACCOUNTING POLICIES (continued)

i. Financial assets and financial liabilities (continued)

(ii) Classification and measurement (continued)

Financial liabilities comprise all of the company's liabilities with the cxception of tax related liabilities.

The company classifies its financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

- **Financial liabilities measured at amortised cost**

  Financial liabilities measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method (see above). Finance costs, including discounts allowed on issue, are recorded in operating profit. Financial liabilities measured at amortised cost include creditors: amounts falling due within one year.

- **Financial liabilities designated at fair value through profit or loss**

  Financial liabilities designated at fair value through profit or loss comprise creditors: amounts falling due after more than one year. These financial liabilities are designed at fair value as they are managed and their performance is evaluated on a fair value basis. Financial liabilities designated at fair value through profit or loss are initially measured at fair value and subsequently at fair value through profit or loss.

(iii) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

(i) Currently a legally enforceable right to set off the recognised amounts; and

(ii) Intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where the conditions are not met, financial assets and financial liabilities are presented on a gross basis in the balance sheet.

2. ACCOUNTING POLICIES (continued)

j. Current and deferred tax

The tax expense for the period 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 reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

k. 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.

l. 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 awards that require future service are amortised over the relevant service period. Expected forfeitures 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 to Group Inc. (a) the grant-date fair value of those awards and (b) subsequent movements in the fair value of those awards between the grant date and delivery to employees. As a result, the share-based payment transaction and chargeback agreement, in aggregate, gives rise to a total charge to the income statement based on the grant-date fair value of the awards adjusted for subsequent movements in the fair value of those awards prior to delivery.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

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 or estimates made that had a significant effect on amounts recognised in the financial statements.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Interest on overnight deposits	7	1,337
Interest on loans to group undertakings (note 10)	503	2,141
	510	**3,478**

5. ADMINISTRATIVE EXPENSES

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Management fees charged by group undertakings	222,163	250,535
Fees charged by group undertakings for sub-delegated functions	534,852	518,525
Compensation and benefits (note 6)	36,445	-
Fees charged by external parties for sub-delegated functions	23,852	24,539
Transaction based expenses	2,795	2,126
Market development	939	4
Communications and technology	36	-
Other expenses	892	1,747
	821,974	**797,476**

Management fees charged by group undertakings relate to operational and administrative support, and management services received from group undertakings.

The table below presents the fees payable to the company's auditor, which are included in other expenses.

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Audit fees	87	74
Audit related assurance services	7	6
Other assurance services	36	-
	130	**80**

6. COMPENSATION AND BENEFITS

In the period ended 31 December 2020, the company had no employees and all persons involved in the company's operations were employed by group undertakings. Certain of these persons were seconded to the company through employee arrangements. The charges made by these group undertakings for all services provided to the company were included in management fees charged by group undertakings (see note 5).

In October 2021, the employees who were previously seconded to the company, became direct employees of the company. As such, the company now incurs direct costs of employment and additionally will continue to receive charges from group undertakings for certain services provided to the company.

As of 31 December 2021, 313 persons were employed by the company (31 December 2020: 296 employees were seconded by group undertakings).

The company's average headcount for the three months ended 31 December 2021 was 303 (31 December 2020: nil).

The table below presents the company's compensation and benefits costs incurred by the company.

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Wages and salaries	33,956	-
Social security costs	1,508	-
Pension costs and defined contribution plan	981	-
	36,445	-

7. DIRECTORS' EMOLUMENTS

The table below presents the company's directors' emoluments

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Aggregate emoluments	1,729	1,256
Company pension contributions to money purchase schemes	2	2
	1,731	**1,258**
Highest paid director:		
Aggregate emoluments	1,205	642
Company pension contributions to money purchase schemes	-	-

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. This total does not include the value of equity awards in accordance with the provisions of Schedule 5 of SI 2008/410. Directors also receive emoluments for non-qualifying services which are not required to be disclosed.

For persons who were directors for some or all of the period, three directors were members of a defined contribution scheme. Four directors, including the highest paid director, have received or are due to receive Group Inc. shares in respect of long-term incentive schemes during the period. No director has exercised stock options during the period.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

8. TAX ON PROFIT

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Current tax:		
U.K corporation tax	23,470	36,449
Adjustments in respect of prior periods	(47)	58
Total current tax	**23,423**	**36,507**
Deferred tax:		
Origination and reversal of timing differences	(1,521)	-
Total deferred tax	**(1,521)**	-
Total tax on profit	**21,902**	**36,507**

The table below presents a reconciliation between tax on profit and the amount calculated by applying the standard rate of U.K. corporation tax applicable to the company for the period of 19% (period ended 31 December 2020: 19%) to the profit before taxation.

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Profit before taxation	115,111	188,863
Profit before taxation multiplied by the standard rate in the U.K. of 19% (period ended 31 December 2020: 19%)	21,871	35,884
Exchange differences	78	565
Adjustments in respect of prior periods	(47)	58
Total tax on profit	**21,902**	**36,507**

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

9. FIXED ASSETS

	31 December 2021	31 December 2020
	US$'000	US$'000
Investments	**60**	**101**

Fixed asset investments represents an investment in a global messaging network. The directors consider the value of the investments is not less than its carrying amount.

Intangibles

	31 December 2021	31 December 2020
	US$'000	US$'000
As of 1 January	-	-
Additions	3,372	-
As of 31 December	**3,372**	-

Intangible assets represent computer software.

10. DEBTORS

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

	31 December 2021	31 December 2020
	US$'000	US$'000
Amounts due from group undertakings	406,457	338,525
Amounts due from customers	50,408	52,145
Other debtors	520	264
	457,385	**390,934**

Amounts due from group undertakings includes a loan of US$265.4 million (31 December 2020: US$165.4 million) advanced by the company to Goldman Sachs International. The loan is unsecured and carries interest at a variable margin over the U.S. Federal Reserve's federal funds rate. The loan is repayable 94 days from when the company demands repayment or 22 December 2065, whichever is earlier. 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

11. DEFERRED TAX ASSETS

The table below presents the components of the company's deferred tax asset.

	31 December 2021 US$'000	31 December 2020 US$'000
Deferred compensation	1,521	-

Deferred compensation is in respect of share-based compensation.

The table below presents changes in the company's deferred tax asset.

	31 December 2021 US$'000	31 December 2020 US$'000
As of 1 January	-	-
Transfer to the profit and loss account	1,521	-
As of 31 December	**1,521**	**-**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021 US$'000	31 December 2020 US$'000
Amounts due to group undertakings	91,963	56,502
Compensation related payables	46,942	-
Accruals	32,982	38,567
Group relief payable	40,300	25,829
	212,187	**120,898**

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

	31 December 2021 US$'000	31 December 2020 US$'000
Amounts due to group undertakings	**669**	**-**

Amounts due to group undertakings comprises a loan of US$0.7 million (31 December 2020: US$ nil) advanced by Goldman Sachs Funding LLC under the terms of a new loan agreement. The loan is unsecured and carries interest at a variable margin over the U.S. Federal Reserve's federal funds rate. The loan is repayable with notice of 367 days after the date of such demand by the lender, and has a final maturity date of 18 January 2038.

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14. CALLED UP SHARE CAPITAL

As at 31 December 2021 and 31 December 2020 called up share capital comprised:

	31 December 2021		31 December 2020	
	No.	US$'000	No.	US$'000
Allotted, called up and fully paid				
Ordinary shares of US$1 each	100,943,859	100,944	1,755,712	1,756
Class B ordinary shares of £1 each	-	-	2	-
		100,944		1,756

On 1 October 2021, the company issued 99,188,147 ordinary shares of US$1 each for total consideration of US$99,188,147.

The Class B ordinary shares were not entitled to participate in any dividend or other distribution paid or made by the company and were cancelled in 2021.

15. DIVIDENDS PAID

	Period ended 31 December 2021 US$'000	Period ended 31 December 2020 US$'000
Interim dividends paid	169,000	73,000

16. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at period end (31 December 2020: US$ nil).

17. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the company's current and future regulatory capital requirements, the results of the company's capital planning and stress testing process and other factors such as the business environment and conditions in the financial markets.

During the period ended 31 December 2021 and period ended 31 December 2020, the company was in compliance with the capital requirements set by the FCA.

Tier 1 capital as at 31 December 2021 was US$433.4 million (31 December 2020: US$410.0 million).

The company's capital requirements include capital held for operational risk. Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. Exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. The GSAMI Risk Committee is responsible for identifying significant operational risks within the company and overseeing the operational risk management strategy. The company's framework for managing operational risk is fully integrated in GS Group's comprehensive control framework designed to provide a well-controlled environment to minimise operational risks. The EMEA Operational Risk Committee provides oversight of the ongoing development and implementation of operational risk policies, framework and methodologies, with oversight from the directors of the company, and monitors the effectiveness of operational risk management.

17. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

The company is exposed to financial risk through its financial assets and financial liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the most important components of financial risk the directors consider relevant to the entity are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

a. Market risk

Market risk is the risk of loss in the value of the company's financial assets and financial liabilities due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. Relevant market risks for the company are interest rate risk and currency risk.

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

Currency risk results from changes in spot prices, forward prices and volatilities in currency rates. The company's functional currency is the U.S. dollar. At 31 December 2021, the company had no material net exposures to other currencies (31 December 2020: none).

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant the company's profit for the period ended 31 December 2021 would increase/decrease by US$1.9 million (period ended 31 December 2020: US$0.8 million).

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 counterparties and reviewing, if applicable, the underlying collateral against which the 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 2021 and 31 December 2020.

Credit exposures

The company's credit exposures are described further below:

Cash at bank and in hand. Cash at bank and in hand include both interest-bearing and non-interest-bearing deposits. To mitigate the risk of credit loss, the company places substantially all of its deposits with highly-rated banks.

Debtors. The company is exposed to credit risk from its amounts due from customers and amounts due from group undertakings. Revenues from funds are settled either from the AUM of the fund or through amounts due from group undertakings, for which the credit risk is considered minimal. For separate accounts, the company manages its credit risk arising from clients by entering into factoring agreements with Group Inc.

c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties as they fall due. The company manages its liquidity risk in accordance with GS Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.

18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets and financial liabilities by category

All financial assets are categorised as financial assets measured at amortised cost in the current and prior periods.

All financial liabilities are categorised as financial liabilities measured at amortised cost in the current and prior periods, with the exception of creditors: amounts falling due after more than one year, which are measured at fair value through profit or loss classified as level 2 in the fair value hierarchy.

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

The company has US$640.9 million (31 December 2020: US$530.6 million) of current financial assets and US$181.8 million (31 December 2020: US$91.2 million) of current financial liabilities, all of which are not measured at fair value. Given the short-term nature of these instruments, the carrying amounts of the financial assets and financial liabilities on the balance sheet are a reasonable approximation of fair value.

c. Maturity of financial liabilities

All financial liabilities with the exception of creditors: amounts falling due after more than one year are due within one month of the balance sheet date. Creditors: amounts falling due after more than one year are repayable after more than one year and less than five years as of 31 December 2021.