Company Number: 02474901

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

(unlimited company)

ANNUAL REPORT

31 December 2020

STRATEGIC REPORT

The directors present their strategic report for the period ended 31 December 2020.

1. Introduction

Goldman Sachs Asset Management International (the company) 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 December 2020, the company changed its accounting reference date from November 30 to December 31 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 thirteen months ended 31 December 2020, with comparative information being presented for the twelve months ended 30 November 2019. 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 increased to US$980.5 million from US$860.0 million primarily due to an additional month of revenues presented in the current period and higher management and incentive fees recognised in the current period. Administrative expenses increased to US$797.5 million from US$786.2 million primarily due to an additional month of expenses presented in the current period, partially offset by lower management fees charged by group undertakings reflecting lower compensation and benefits and lower overhead costs. Profit before taxation was US$188.9 million (period ended 30 November 2019: US$84.4 million).

Average AUM during the period were US$172.6 billion (period ended 30 November 2019: US$156.4 billion). AUM as at 31 December 2020 were US$196.9 billion (30 November 2019: US$160.8 billion).

The company had total assets of US$530.9 million as at 31 December 2020 (30 November 2019: US$459.6 million).

3. Exchange rate

The British pound/U.S. dollar exchange rate was £/$1.3653 as at 31 December 2020 (30 November 2019: £/$1.2932). The average rate for the period was £/$1.2950 (period ended 30 November 2019: £/$1.2748).

STRATEGIC REPORT (continued)

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.

As a result of the Brexit transition period ending on 31 December 2020, the company no longer benefits from non-discriminatory access to E.U. institutional clients based on E.U. treaties and E.U. legislation, including arrangements for cross-border "passporting", and will now be generally treated as any other entity in countries outside the E.U. whose access to the E.U. is governed by E.U. and national law. Arrangements are in place which allow U.K. portfolio managers, such as the company, to continue to provide portfolio management services directly to certain institutional clients (depending on their location), and, on a delegated basis, to E.U. domiciled funds in the same way as it did before. These arrangements have been coordinated both at the E.U. level (via memorandums of understanding permitting delegation of portfolio management services to U.K. portfolio managers, such as the company, under each of MiFID, UCITS and AIFMD) and by some individual member states (via temporary or permanent licensing or exemptive measures or other arrangements permitting the provision of portfolio management services into the territory of that member state). Contractual arrangements for certain institutional clients previously undertaken by the company have been transitioned to Goldman Sachs Bank Europe SE, however the company's revenue and profitability are not expected to be materially affected.

As at the time of publication, there continues to be uncertainty regarding the impact of COVID-19 on the near term economic outlook, even as early efforts to distribute vaccines are underway. The company continues to successfully execute on its Business Continuity Planning (BCP) strategy to ensure continuity of business operations on behalf of its clients. The extent of the impact of COVID-19 on the company's operational and financial performance, will depend on future developments including the duration and continued spread of the outbreak.

5. Business environment

In the beginning of 2020, the spread of COVID-19 across the globe and the accompanying temporary closures of nonessential businesses and stay-at-home requirements caused a sharp contraction in global economic activity, widespread unemployment, high levels of volatility across most financial assets and global markets, an unprecedented decline in global equity prices, and a significant widening of credit spreads. Global central banks responded quickly with accommodative monetary policy by reducing policy interest rates and increasing large scale asset purchases, and the establishment of a number of facilities to support the functioning of markets and to provide liquidity to the market. In addition, governments globally intervened with fiscal policy to mitigate the impact, which provided economic relief to businesses and individuals. These monetary and fiscal interventions, combined with the reopening of businesses and relaxation of earlier lockdowns, contributed to a sharp rebound in global economic activity during the second half of 2020. As a result, investors became more optimistic towards the prospect of a quicker economic recovery and a return to pre-pandemic levels, effecting sharp increases in equity prices and tighter credit spreads. Late in the year, medical professionals developed effective COVID-19 vaccines and governments began to distribute them globally, which is expected to reduce virus spread and further aid economic recovery.

In December 2019, the U.K. and E.U. subsequently ratified the Brexit withdrawal agreement (the Withdrawal Agreement), resulting in the U.K. leaving the E.U. in January 2020. In December 2020, the U.K. and E.U. agreed the Trade and Cooperation Agreement, which includes provisions for the future trade arrangements between the two parties.

Despite broad improvements in the overall economy since the pandemic began, there continues to be uncertainty related to virus resurgence, vaccine distribution, further fiscal stimulus and geopolitical risks.

6. Regulatory developments

On 5 December 2019, the European Commission published the Investment Firm Regulation (IFR) and Directive (IFD), new prudential rules that will apply to all investment firms authorised in the E.U. from June 2021. As a result of Brexit, these new rules will not directly apply to the company, however the FCA has initiated a consultation on a proposed new U.K. Investment Firm Prudential Regime (IFPR) which is proposed to achieve the same overall outcome as IFR/IFD. This is expected to be introduced in January 2022.

STRATEGIC REPORT (continued)

6. Regulatory developments (continued)

The U.K. has adopted E.U. financial services legislation that was in effect on December 31, 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.

7. Principal risks and uncertainties

The company faces a variety of risks that are substantial and inherent in its business including market, liquidity, credit, operational, legal, regulatory and reputational risks. The following are some of the more important factors that could affect the company's business.

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 fees (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 investment 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.

If there are new laws or regulations or changes in the enforcement of existing laws or regulations applicable to the company's business or that of the company's clients, including capital and liquidity requirements, reporting requirements, tax burdens and compensation restrictions, that are imposed on a limited subset of financial institutions (either based on size, activities, geography or other criteria) which may include the company or Group Inc., compliance with these new laws and regulations, or changes in the enforcement of existing laws or regulations, could adversely affect the company's ability to compete effectively with other institutions that are not affected in the same way. In addition, regulation imposed on financial institutions or market participants generally, such as taxes on financial transactions, could adversely impact levels of market activity more broadly, and thus impact the company's business.

The company is also subject to laws and regulations, relating to the privacy of the information of clients, employees in secondment or others, and any failure to comply with these laws and regulations could expose the company to liability and/or reputational damage.

As new privacy-related laws and regulations are implemented, the time and resources needed for the company to comply with such laws and regulations, as well as the company's potential liability for non-compliance and reporting obligations in the case of data breaches, may significantly increase.

STRATEGIC REPORT (continued)

7. Principal risks and uncertainties (continued)

Credit quality

The company generates turnover in the form of fees from investment funds and separate accounts. Fees from investment 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.

Many rules and regulations worldwide govern the company's obligations to report transactions and other information to regulators, exchanges and investors. 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.

As the company's client base and geographical reach expands, developing and maintaining operational systems and infrastructure becomes more challenging. Financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond the company's control, such as a spike in transaction volume, adversely affecting the ability to process these transactions or provide these services. The company must continuously update these systems to support its operations and growth and to respond to changes in regulations and markets, and invest heavily in systemic controls and training to ensure that such transactions do not violate applicable rules and regulations or, due to errors in processing such transactions, adversely affect markets, clients and counterparties or the company itself. System enhancements and updates, as well as the requisite training, entail significant costs and create risks associated with implementing new systems and integrating them with existing ones.

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 GS Group entities, 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 GS Group entity subject to the cyber-attack or other information security event, which could, in turn, interrupt certain of the company's businesses.

STRATEGIC REPORT (continued)

7. Principal risks and uncertainties (continued)

Cyber security (continued)

Despite the company's efforts to ensure the integrity of its systems and information, it may not be able to anticipate, detect or implement effective preventive measures against all cyber threats. Cyber attacks can originate from a variety of sources and third parties may also attempt to place individuals within the company or induce employees, clients or other users of the company's systems to disclose sensitive information or provide access to the company's data or that of its clients, and these types of risks may be difficult to detect or prevent.

Although the company continues to invest in its cyber program, take protective measures, and endeavours to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorised access, misuse, computer viruses or other malicious code and other events that could have a security impact. Due to the complexity and interconnectedness of the company's systems, the process of enhancing protective measures can itself create a risk of systems disruptions and security issues

The company routinely transmits and receives personal, confidential and proprietary information by email and other electronic means. An interception, misuse or mishandling of personal, confidential or proprietary information being sent to or received from a client, vendor, service provider, counterparty or other third party could result in legal liability, regulatory action and reputational harm. The company's confidential information may also be at risk from the compromise of clients' personal electronic devices or as a result of a data security breach at an unrelated company. Further, the increased use of mobile and cloud technologies can heighten risks due to certain aspects of the security of such technologies are unpredictable or beyond the company's control and the failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber attacks could disrupt the company's operations and result in misappropriation, corruption or loss of confidential and other information.

If one or more of such events occur, this potentially could jeopardise the company or its clients' or counterparties' confidential and other information processed, stored in or transmitted through the company's computer systems and networks, or otherwise cause interruptions or malfunctions in the company's operations or those of its clients', its counterparties' or third parties', which could impact their ability to transact with the company or otherwise result in legal or regulatory action, significant losses or reputational damage.

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.

Extensive procedures and controls are in place that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among businesses. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, and the company's reputation, which is one of its most important assets, could be damaged and the willingness of clients to enter into transactions with the company may be affected if it fails, or appears to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

STRATEGIC REPORT (continued)

7. Principal risks and uncertainties (continued)

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 coronavirus, 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 16).

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 26 April 2021.

BY ORDER OF THE BOARD

M. Holmes

M. Holmes

Director

26 April 2021

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 December 2020.

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 16 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 the 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.

GS Group maintains a Code of Business Conduct and Ethics, 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

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 December 2020, the Board is comprised of six directors, one of whom is independent. A seventh director joined the Board on 5 January 2021, who is also an independent non-executive director.

The Board 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.

DIRECTORS' REPORT (continued)

2. Corporate governance (continued)

Composition of the Board (continued)

The Board evaluates its effectiveness on an annual basis. It also reviews its size, structure and composition, 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 a management committee, with a charter setting out its duties and the responsibilities delegated to it. 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, who oversee risk both directly and through delegation to various committees. These include the GSAMI Management Committee which oversees all of the company's activities, and the GSAMI Risk Committee which oversees the company's risk management policies and practices. Both the GSAMI Management Committee and the GSAMI Risk Committee report to the Board.

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.

3. Stakeholder engagement

The company's stakeholders include its shareholders, employees seconded to the company, suppliers, clients, 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's employees are seconded to the company from another GS Group subsidiary. GS Group 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 in the U.K.

DIRECTORS' REPORT (continued)

3. Stakeholder engagement (continued)

The company initiated BCP strategies on the outbreak of the COVID-19 pandemic to safeguard the well-being of its employees, the continued operation of critical functions and support of its clients. It has invested in supporting its employees working remotely or those continuing to work in the company's COVID-19 secure offices. Regional management make regular announcements to employees on the latest governmental and public health advice on COVID-19 and continue to monitor employee sentiment around GS Group'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.

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: accelerating the global climate transition by supporting clients and stakeholders in the transition to a low-carbon economy; and driving inclusive economic growth by leveraging its business capabilities to improve access and affordability across financial products and services, education and healthcare, as well as housing and infrastructure development in underserved communities. GS Group has made a commitment to deploy $750 billion in sustainable financing, investing and advisory activity by 2030.

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 Environmental, Social, and Governance (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 on secondment to contribute their ideas, time and expertise to drive tangible progress in communities through work in partnership with non-profit organisations.

DIRECTORS' REPORT (continued)

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 the employees on secondment to the company; 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 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.

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 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, internal data centres and business travel (in respect of employees seconded to the company). GS Group has been carbon neutral across its global operations and business travel since 2015. The offices and data centres utilised by the company in the U.K. source 100% renewable electricity.

GS Group has committed to the following 2025 global targets:

- Reduce energy intensity by 20% from a 2017 baseline for offices under operational control.
- Extend Scope 3 carbon neutrality commitment for business travel to include hotel night stays.
- Ensure that 80% of renewable energy procurement is from long-term, impactful agreements, such as power purchase agreements or on-site generation.
- Establish a green traveller programme for Goldman Sachs employees to minimise the environmental impact of business travel.

GS Group recognises that reducing its energy consumption and operating efficient offices is a critical component of transitioning to a low-carbon economy. GS Group is committed to playing its part in this transition, focusing on reducing its operational impact by consolidating into more efficient real estate and retrofitting existing spaces to higher standards. 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.

DIRECTORS' REPORT (continued)

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

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 GS Group subsidiaries occupy the same spaces, the energy consumption and Scope 1 & 2 GHG emissions in the tables below have been allocated based on the number of employees seconded to the company, as a proportion of GS Group's U.K. headcount.

The table below presents the company's energy consumption.

	Twelve Months Ended	
	31 December	**31 December**
MWh	**2020**	**2019**
Total energy consumption	4,048	6,853

The table below presents the company's GHG emissions.

	Twelve Months Ended	
	31 December	**31 December**
tCO_2e	**2020**	**2019**
Scope 1		
Direct	148	217
Scope 2		
Location - indirect	775	1,480
Market - indirect	–	–
Scope 3 Business travel		
Commercial air	238	1,371
Ground transportation	2	3
Totals		
Scope 1, 2 (location)	**923**	**1,697**
Scope 1, 2 (location) and 3 business travel	**1,163**	**3,071**
Scope 1, 2 (market) and 3 business travel	**388**	**1,591**

The table below presents the company's normalisation metrics.

	Twelve Months Ended	
	31 December	**31 December**
tCO2e/employee	**2020**	**2019**
Scope 1, 2 (location)	3.1	5.7

DIRECTORS' REPORT (continued)

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

Streamlined Energy & Carbon Reporting (continued)

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 the group's GHG Emissions Reporting Operating Procedure. GS Group ensure 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.

The company's energy consumption and GHG emissions have decreased during the period ended 31 December 2020 in comparison to the period ended November 2019 primarily due to the consolidation of its London operations in new headquarters in 2020. The outbreak of COVID-19 has also meant that the company's office operations and business travel have been restricted, resulting in further reductions in energy and GHG emissions.

GS Group's strategy to improve energy efficiency is to continuously move into more energy efficient real estate, consolidate spaces and improve technology offerings. This has been the case in London where GS Group's new BREEAM "Excellent" certified office has achieved a 50% reduction in utility consumption compared to the previous campus.

GS Group has adopted a Global Workplace Standard, reducing floor area per seat by 25% or more, resulting in reduced energy consumption and material use. In 2019, 30% of employees were assigned flexible workspaces, decreasing the floor area per staff and leading to more energy efficient offices whilst increasing the variety and choice of work settings.

GS Group is also deploying new technological solutions, including desktop power management, better desktop video conferencing services to reduce global travel requirements and introducing a suite of work-from-home collaboration tools.

GS Group is also working to maximise the operational efficiency of the building infrastructure and technology systems of its data centres by consolidating facilities, increasing the efficiency of powering and cooling systems and utilising more efficient technology equipment.

6. Dividends

The directors declared and paid an interim dividend of US$73.0 million on 30 March 2020 (period ended 30 November 2019: US$97.0 million).

7. 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)

8. 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.

9. Directors

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

Name	Appointed
K. Uniacke (Chair)	
F. Abuali	11 June 2020
L. A. Donnelly	
M. Holmes	
K. Sharpe	5 January 2021
G. R. Thorpe	
C. S. Withey	

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

10. 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)

11. 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.

12. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 26 April 2021.

BY ORDER OF THE BOARD

M. Holmes

M. Holmes

Director

26 April 2021

Report on the audit of the financial statements

Opinion

In our opinion, Goldman Sachs Asset Management International's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the thirteen month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss Account, the Statement of Changes in Equity for the period 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 Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on 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 2020 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 in respect of the financial statements set out on page 13, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained 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.

Mike Wallace (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2021

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2020

	Note	Period ended 31 December 2020 US$'000	Period ended 30 November 2019 US$'000
Turnover		980,480	859,980
Interest receivable and similar income	4	3,478	10,626
Other income	5	2,381	-
Administrative expenses	6	(797,476)	(786,233)
OPERATING PROFIT AND PROFIT BEFORE TAXATION		188,863	84,373
Tax on profit	9	(36,507)	(15,337)
PROFIT FOR THE FINANCIAL PERIOD		152,356	69,036

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 2020

	Note	31 December 2020 US$'000	30 November 2019 US$'000
FIXED ASSETS			
Investments	10	101	101
CURRENT ASSETS			
Cash at bank and in hand		139,881	188,505
Debtors	11	390,934	270,958
		530,815	459,463
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(120,898)	(128,902)
NET CURRENT ASSETS		409,917	330,561
NET ASSETS		410,018	330,662
CAPITAL AND RESERVES			
Called up share capital	13	1,756	1,756
Share premium account		69,232	69,232
Profit and loss account		339,030	259,674
TOTAL SHAREHOLDER'S FUNDS		410,018	330,662

The financial statements were approved by the Board of Directors on 26 April 2021 and signed on its behalf by:

M. Holmes

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 2020

	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 2018		1,756	69,232	287,638	358,626
Profit for the financial period		-	-	69,036	69,036
Dividends paid	14	-	-	(97,000)	(97,000)
Balance at 30 November 2019		1,756	69,232	259,674	330,662
Profit for the financial period		-	-	152,356	152,356
Dividends paid	14	-	-	(73,000)	(73,000)
Balance at 31 December 2020		1,756	69,232	339,030	410,018

Interim dividends paid: US$73.0 million (period ended 30 November 2019: US$97.0 million).

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

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020

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.

The company's immediate parent undertaking is Goldman Sachs Group UK Limited (GSG UK), 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.

Basel III Pillar 3 disclosures

The company is included in the consolidated Pillar 3 disclosures of GSG UK, as required by the E.U. Capital Requirements Regulation. GSG UK's 31 December 2020 Pillar 3 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 2020 country-by-country disclosures will be made available by 31 December 2021 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, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

During the period ended December 2020, the company changed its accounting reference date from November 30 to December 31 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 thirteen months ended 31 December 2020, with comparative information being presented for the twelve months ended 30 November 2019. 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) 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 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. 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 other GS Group entities 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 other GS Group entities to satisfy some or all of the performance obligations to which those GS Group entities 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 separately managed account's average net asset value. All management fees are recognised over the period that the related service is provided.

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 separately managed 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 separately managed 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.

2. ACCOUNTING POLICIES (continued)

c. Foreign currencies

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency.

Transactions denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in operating profit.

d. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholder. Interim equity dividends are recognised and deducted from equity when paid.

e. Fixed asset investments

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

f. 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.

g. Financial assets and financial liabilities

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and the transfer qualifies for 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

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. All of the company's financial assets are measured at amortised cost.

2. **ACCOUNTING POLICIES (continued)**

g. Financial assets and financial liabilities (continued)

(ii) Classification and measurement (continued)

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.

The company classifies its financial liabilities as financial liabilities measured at amortised cost. 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 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 the profit and loss account. All of the company's financial liabilities are measured at amortised cost.

(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.

h. Current and deferred tax

The tax expense for the period comprises 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.

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020

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 2020 US$'000	Period ended 30 November 2019 US$'000
Interest on overnight deposits	1,337	6,307
Interest on loans to group undertakings (note 11)	2,141	4,319
	3,478	**10,626**

5. OTHER INCOME

Other income comprises amounts due from Goldman Sachs Bank Europe SE in relation to transfer of contractual arrangements for certain institutional clients.

6. ADMINISTRATIVE EXPENSES

	Period ended 31 December 2020 US$'000	Period ended 30 November 2019 US$'000
Management fees charged by group undertakings	250,535	262,240
Fees charged by group undertakings for sub-delegated functions	518,525	476,338
Fees charged by external parties for sub-delegated functions	24,539	22,704
Transaction based expenses	2,126	22,997
Market development	4	32
Other expenses	1,673	1,854
Auditors' remuneration - audit services	74	68
	797,476	**786,233**

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

7. STAFF COSTS

As in the prior period, the company has no employees. All persons involved in the company's operations are employed by group undertakings. The charges made by these group undertakings for all services provided to the company are included in the management fees charged by group undertakings (see note 6).

296 persons as of 31 December 2020 and 299 persons as of 30 November 2019 who were employed by group undertakings were seconded to the company through employee arrangements.

Services were also provided to the company by employees of other group undertakings under a Master Services Agreement supplemented by Service Level Agreements.

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020

8. DIRECTORS' EMOLUMENTS

The table below presents the company's directors' emoluments:

	Period ended 31 December 2020 US$'000	Period ended 30 November 2019 US$'000
Directors:		
Aggregate emoluments	1,256	2,572
Company pension contributions to money purchase schemes	2	7
	1,258	**2,579**

	US$'000	US$'000
Highest paid director:		
Aggregate emoluments	642	2,302
Company pension contributions to money purchase schemes	-	5

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. This total only includes the value of cash and benefits in kind, and does not include the value of equity awards in accordance with 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, four directors were members of a defined contribution scheme. Five 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.

9. TAX ON PROFIT

	Period ended 31 December 2020 US$'000	Period ended 30 November 2019 US$'000
Current tax:		
U.K. corporation tax	36,449	15,389
Adjustments in respect of prior periods	58	(52)
Total tax on profit	**36,507**	**15,337**

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 30 November 2019: 19%) to the profit before taxation.

	Period ended 31 December 2020 US$'000	Period ended 30 November 2019 US$'000
Profit before taxation	188,863	84,373
Profit multiplied by the standard rate in the U.K. of 19% (period ended 30 November 2019: 19%)	35,884	16,031
Exchange differences	565	(642)
Adjustments in respect of prior periods	58	(52)
Total tax on profit	**36,507**	**15,337**

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2020

10. INVESTMENTS

	31 December 2020 US$'000	30 November 2019 US$'000
Investments	**101**	**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.

11. DEBTORS

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

	31 December 2020 US$'000	30 November 2019 US$'000
Amounts due from group undertakings	338,525	221,754
Amounts due from customers	52,145	49,158
Other debtors	264	46
	390,934	**270,958**

Amounts due from group undertakings includes a loan of US$165.4 million (30 November 2019: US$144.4 million) advanced by the company to Goldman Sachs International, a fellow group undertaking. The loan is unsecured and carries interest at a variable margin over the U.S. Federal Reserve's federal funds rate. 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 'Financial Instruments'. The results calculated by the model were not material and therefore the company has not recorded any credit losses.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2020 US$'000	30 November 2019 US$'000
Amounts due to group undertakings	56,502	102,477
Accruals	38,567	10,129
Group relief payable	25,829	16,296
	120,898	**128,902**

13. CALLED UP SHARE CAPITAL

As at 31 December 2020 and 30 November 2019 called up share capital comprised:

	31 December 2020		30 November 2019	
	No.	US$'000	No.	US$'000
Allotted, called up and fully paid				
Ordinary shares of US$1 each	1,755,712	1,756	1,755,712	1,756
Class B ordinary shares of £1 each	2	-	2	-
		1,756		**1,756**

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

14. DIVIDENDS PAID

	Period ended 31 December 2020 US$'000	Period ended 30 November 2019 US$'000
Interim dividends paid	73,000	97,000

15. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at period end (30 November 2019: US$ nil).

16. 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 2020 and period ended 30 November 2019, the company was in compliance with the capital requirements set by the FCA.

Tier 1 capital as at 31 December 2020 was US$410.0 million (30 November 2019: US$330.7 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.

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 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 2020 would increase/decrease by US$0.8 million (period ended 30 November 2019: US$0.7 million).

16. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

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 2020 and 30 November 2019.

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. Fees from investment 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.

17. 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.

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

The company has US$530.6 million (30 November 2019: US$459.5 million) of current financial assets and US$91.2 million (30 November 2019: US$128.3 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 are due within one month of the balance sheet date.