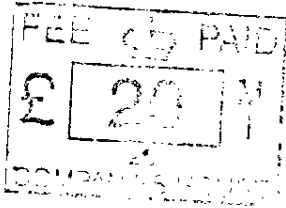


Company Number: FC027789  
Cayman Company Number: MC-191339



C/C 120 21389

**GS FUNDING EUROPE I LTD.**

**ANNUAL REPORT**

**31 DECEMBER 2018**

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## **DIRECTORS' REPORT**

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

### **1. Introduction**

GS Funding Europe I Ltd. (the company) is incorporated in the Cayman Islands as an exempted limited liability company.

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

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. In relation to the company, 'group undertaking' means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries, form 'GS group'. GS group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

The company primarily operates in a U.S. dollar environment as part of GS group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

### **2. Financial overview**

The financial statements have been drawn up for the year ended 31 December 2018. Comparative information has been presented for the year ended 31 December 2017.

The results for the year are shown in the profit and loss account on page 4. Profit before taxation for the year ended 31 December 2018 was US\$346.6 million (31 December 2017: loss of US\$(232.0) million).

The company had total assets of US\$8,000.0 million as at 31 December 2018 (31 December 2017: US\$8,000.0 million).

### **3. Future outlook**

The directors consider that the year end financial position of the company was satisfactory and do not anticipate any significant changes in its activities in the forthcoming year.

### **4. Dividends**

The directors declared and paid an interim dividend of US\$321.2 million (31 December 2017: US\$165.4 million). The directors do not recommend the payment of a final dividend in respect of the year (31 December 2017: US\$nil).

### **5. Exchange rate**

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

### **6. Financial risk management**

The company's financial risk management objectives and policies, as well as its risk exposures, are described in note 13 to the financial statements.

**DIRECTORS' REPORT (continued)**

**7. Directors**

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

**Name**

O. J. Bingham

V. Chima

P. N. Curle

W. T. Gasson

S. B. Scobie

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

**8. Statement of directors' responsibilities**

The directors are responsible for preparing the non-statutory financial statements for each period which give a true and fair view of the state of affairs of the company as at the end of the period and of the profit or loss for the period. The directors must not approve the non-statutory financial statements unless they are satisfied that they have been prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice. In preparing these non-statutory financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

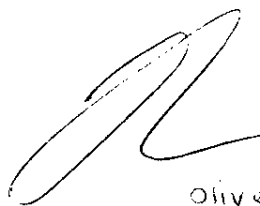
The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the non-statutory financial statements comply with the Companies Act 2006 as applicable to overseas companies. 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)**

**9. Date of authorisation of issue**

The financial statements were authorised for issue by the Board of Directors on ~~7<sup>th</sup>~~ November 2019.

**ON BEHALF OF THE BOARD**



oliver Bingham

**Director**

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**GS FUNDING EUROPE I LTD.**

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**PROFIT AND LOSS ACCOUNT****for the year ended 31 December 2018**

		<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2017</b>
	<b>Note</b>	<b>US\$'000</b>	<b>US\$'000</b>
Income from shares in group undertakings	4	321,150	165,403
Interest payable and similar expenses	5	25,438	(397,445)
<b>OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) BEFORE TAXATION</b>		<b>346,588</b>	<b>(232,042)</b>
Tax on profit/(loss)	7	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>346,588</b>	<b>(232,042)</b>

The operating profits/(losses) of the company are derived from continuing operations in the current and prior years.

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

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

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**GS FUNDING EUROPE I LTD.**

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**BALANCE SHEET****as at 31 December 2018**

		<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>Note</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>FIXED ASSETS</b>			
Investments	8	8,000,002	8,000,002
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	9	(2,960,292)	(2,985,730)
<b>NET ASSETS</b>		<u>5,039,710</u>	<u>5,014,272</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	8,046	8,046
Share premium account		5,332,780	5,332,780
Profit and loss account		<u>(301,116)</u>	<u>(326,554)</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<u>5,039,710</u>	<u>5,014,272</u>

The financial statements were approved by the Board of Directors on 7 November 2019 and signed on its behalf by:



Oliver Bingham

Director

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

Company number: FC027789 / Cayman company number: MC-191339

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**GS FUNDING EUROPE I LTD.**

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**STATEMENT OF CHANGES IN EQUITY****for the year ended 31 December 2018**

		<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total shareholder's funds</b>
	<b>Note</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Balance at 1 January 2017</b>		46	4,540,779	70,891	4,611,716
Loss for the financial year		-	-	(232,042)	(232,042)
Proceeds from shares issued		8,000	792,001	-	800,001
Dividends paid	10	-	-	(165,403)	(165,403)
<b>Balance at 31 December 2017</b>		8,046	5,332,780	(326,554)	5,014,272
Profit for the financial year		-	-	346,588	346,588
Dividends paid	10	-	-	(321,150)	(321,150)
<b>Balance at 31 December 2018</b>		8,046	5,332,780	(301,116)	5,039,710

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

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## **GS FUNDING EUROPE I LTD.**

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

#### **1. GENERAL INFORMATION**

The company is an exempted limited liability company and is incorporated in the Cayman Islands.

The immediate parent undertaking is GS Funding Europe, a company incorporated and registered in England and Wales.

The ultimate parent undertaking and the parent company of the smallest and largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, or at [www.goldmansachs.com/shareholders/](http://www.goldmansachs.com/shareholders/).

#### **2. ACCOUNTING POLICIES**

##### **a. Basis of preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 as applicable to overseas companies.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

- (i) IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc.;
- (ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);
- (iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (iv) IAS 7 'Statement of Cash Flows';
- (v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (vi) IAS 24 'Related Party Disclosures' paragraph 17; and
- (vii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS group.

The company is a subsidiary undertaking of Group Inc., a company incorporated within the United States of America, whose consolidated financial statements include the company and are publicly available. As a result the company has elected not to prepare consolidated financial statements as permitted by section 401 of the Companies Act 2006.



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

**2. ACCOUNTING POLICIES (continued)**

**b. Changes in accounting policies**

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

As permitted by the transitional provisions of IFRS 9, the company elected not to restate comparative figures. The consequential amendments to IFRS 7 disclosures have only been applied in the current year.

The adoption of IFRS 9 has resulted in changes in the company's accounting policies for classification and measurement of financial assets and liabilities, and impairment of financial assets - refer to notes 2f for further details.

The company had no financial assets at 1 January 2018. There were no changes to the classification and measurement of financial liabilities.

**c. 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.

**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 the profit and loss account.

**e. Fixed asset investments**

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

**f. 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).

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018****2. ACCOUNTING POLICIES (continued)****ii. Classification and measurement**

The company has no financial assets. Financial liabilities comprise all of the company's creditors.

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 are subsequently remeasured 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 liability 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 liability but does not consider future credit losses. Finance costs, including discounts allowed on issue, are recorded in interest payable and similar expenses.

**g. Current and deferred tax**

The tax expense comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred at 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 timing 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 timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no judgements made that had a significant effect on amounts recognised in the financial statements.

**4. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Income from shares in group undertakings (see note 8)	321,150	165,403

# GS FUNDING EUROPE I LTD.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2018	Year ended 31 December 2017
	US\$'000	US\$'000
Net finance income/(expense) on debt instruments	25,438	(397,445)

Net finance income/(expense) on debt instruments comprises interest payable and foreign exchange gains and losses arising on redeemable ordinary shares deemed liabilities (see note 9).

### 6. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by group undertakings and no costs are borne by the company.

### 7. TAX ON (LOSS)/PROFIT

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

The table below presents a reconciliation between tax on profit/(loss) and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 19.00% (2017: 19.25%) to the profit/(loss) before taxation:

	Year ended 31 December 2018	Year ended 31 December 2017
	US\$'000	US\$'000
Profit/(loss) before taxation	346,588	(232,042)
Profit/(loss) multiplied by the weighted average rate in the U.K. of 19.00% (2017: 19.25%)	65,852	(44,668)
Permanent differences	(65,852)	44,668
<b>Total tax on profit/(loss)</b>	-	-

## GS FUNDING EUROPE I LTD.

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

#### 8. FIXED ASSET INVESTMENTS

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

	Cost and net book value
	US\$'000
At 1 January 2017	7,200,001
Additions	800,001
At 1 January 2018	8,000,002
	-
At 31 December 2018	8,000,002

During the prior year, the company acquired 398,593 ordinary shares of \$0.01 each in the capital of GS Funding Europe II Ltd., a group undertaking. In exchange, the company issued 631,129,519 ordinary shares of £0.01 each to GS Funding Europe, a group undertaking.

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

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
GS Funding Europe II Ltd. <sup>1</sup>	Investment company	75.02%	Ordinary shares

The subsidiaries, over which the company exercises control via ordinary shares held by subsidiary undertaking at the year end, are:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
GS Funding Europe V Limited <sup>2</sup>	Investment company	75.02%	Ordinary shares

Registered office address at:

<sup>1</sup> P.O. Box 309, Ugland House, South Church Street, George Town, KY1-1104, Cayman Islands

<sup>2</sup> Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom

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

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Liability component of redeemable ordinary shares (see note 11)	2,960,292	2,985,730

#### 10. DIVIDENDS PAID

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Interim dividends paid	321,150	165,403

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## GS FUNDING EUROPE I LTD.

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

#### 11. CALLED UP SHARE CAPITAL

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

	31 December 2018		31 December 2017	
	No.	US\$	No.	US\$
<b><u>Allotted, called up and fully paid</u></b>				
Ordinary shares of £0.01 each	631,129,520	8,000,008	631,129,520	8,000,008
Redeemable ordinary shares of £0.01 each	3,587,333	73,294	3,587,333	73,294
		<b><u>8,073,302</u></b>		<b><u>8,073,302</u></b>
<b><u>Shares classified as liabilities</u></b>				
Redeemable ordinary shares (see note 10)		(27,064)		(27,064)
		<b><u>8,046,238</u></b>		<b><u>8,046,238</u></b>

In the prior year, the company issued 631,129,519 ordinary shares of £0.01 each to GS Funding Europe for consideration of 398,593 ordinary shares of \$0.01 each in the capital of GS Funding Europe II Ltd.

Ordinary shares and redeemable ordinary shares rank pari passu in respect of dividends and voting rights. In the event of winding up or other return of capital, the redeemable ordinary shareholders are entitled to receive payment of the amount paid up on those shares in priority to any repayment to the holders of the ordinary shareholders and thereafter any surplus shall be distributed pari passu among the redeemable ordinary shareholders and the ordinary shareholders.

The redeemable ordinary shares must be redeemed no later than 20 years after the date of issuance. Due to the mandatory redemption requirements, the redeemable ordinary shares are classified as a compound instrument, with the liability component included within Creditors: Amounts falling due after more than one year (see note 9), determined at issuance as the net present value of the amount payable upon redemption.

Share capital issued is translated at the historical rates prevailing on the date of issuance.

#### 12. FINANCIAL COMMITMENTS AND CONTINGENCIES

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

#### 13. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

The company is not subject to any externally imposed capital requirements.

The directors consider that the most important components of the company's financial risk are market risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

## GS FUNDING EUROPE I LTD.

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

#### 13. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

##### a. Market risk

Market risk is the risk of loss in value of investments 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. A relevant market risk for the company is currency risk.

Currency risk results from exposures to changes in spot prices, forward prices and volatilities of currencies.

The company's functional currency is the U.S. dollar. At 31 December 2018, the company had net British pound denominated liabilities of US\$2,960.3 million (2017: US\$2,985.7 million).

The company manages its currency risk as part of GS group's risk management policy, by establishing economic hedges, in a group affiliate, as appropriate to the circumstances of the company.

##### b. Liquidity risk

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

#### 14. FINANCIAL LIABILITIES

##### a. Financial liabilities by category

All financial liabilities are categorised as liabilities held at amortised cost in the current and prior years.

##### b. Fair value of financial liabilities not measured at fair value

As of 31 December 2018 and 31 December 2017, none of the company's financial liabilities are measured at fair value. The carrying amounts of these instruments in the balance sheet are a reasonable approximation of fair value.

##### c. Maturity of financial liabilities

The tables below present the undiscounted cash flows of the company's financial liabilities by contractual maturity including interest that will accrue.

	31 December 2018					Total US\$'000
	Less than 1 month US\$'000	1-3 months US\$'000	3 months to 1 year US\$'000	1-5 years US\$'000	5+ years US\$'000	
<b>Financial liabilities</b>						
Creditors: amounts falling due after more than one year	-	-	-	-	4,490,824	4,490,824
<b>Total</b>	-	-	-	-	4,490,824	4,490,824

## GS FUNDING EUROPE I LTD.

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

#### 14. FINANCIAL LIABILITIES (continued)

##### c. Maturity of financial liabilities (continued)

	31 December 2017					
	Less than 1 month US\$'000	1-3 months US\$'000	3 months to 1 year US\$'000	1-5 years US\$'000	5+ years US\$'000	Total US\$'000
<b>Financial liabilities</b>						
Creditors: amounts falling due after more than one year	-	-	-	-	4,766,201	4,766,201
<b>Total</b>	-	-	-	-	4,766,201	4,766,201