

Registered Company No: 06314343

Registered Charity No: 1120148

The Goldman Sachs Charitable Gift Fund (UK)
(a company limited by guarantee)

**Report and financial statements
for the year ended 30 June 2019**

The Goldman Sachs Charitable Gift Fund (UK)

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The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019

The directors, who are also the trustees of The Goldman Sachs Charitable Gift Fund (UK) ("the Fund"), present their report and audited financial statements for the financial year ended 30 June 2019, which have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Companies Act 2006, the Charities Act 2011 and applicable accounting standards in the United Kingdom.

Objectives and activities for the public benefit

The objects of the Fund are to promote for the public benefit the advancement of education, the relief of poverty, the advancement of religion and any other exclusively charitable purposes in both UK and American law. In furtherance of these objects the Fund focuses on supporting charities and charitable activities that build and stabilise communities, increase educational opportunities, advance health, relieve poverty, promote the arts and culture, provide humanitarian relief and further any other charitable purposes.

The ongoing strategy of the Fund is to make grants pursuant to its objects from donated funds solicited from The Goldman Sachs Group, Inc, and its predecessors, subsidiaries, affiliates and successors ("Goldman Sachs"), and current and former senior employees of Goldman Sachs. The Fund, including its Hong Kong branch, operates as a donor advised fund whereby the directors establish donor accounts for individual donors to make recommendations, although the ultimate decision for the distribution of funds rests solely with the directors of the Fund. Consequently, the directors consider that it is appropriate to disclose the funds as unrestricted. The directors pursue a broad strategy of ensuring proper due diligence in the assessment of grant applications with regard, among other things, to:

- proper identification of grant recipients;
- establishing that grant purposes are charitable in both English and American law; and
- ensuring the legality of making grants to the recipients.

The Fund is formally recognised by HM Revenue & Customs for tax purposes within the United Kingdom. The Fund is also the wholly owned subsidiary of, and has elected to be treated for United States federal tax purposes as a disregarded entity of, The Goldman Sachs Charitable Gift Fund, which has been recognised by the United States Internal Revenue Service as a tax-exempt organisation.

The directors have paid due regard to the Charity Commission's guidance on public benefit, as required by the Charities Act 2011, when reviewing the objects and ongoing strategy of the Fund. In particular, the directors have considered whether grants being awarded by the Fund are for the public benefit.

The Fund has established its grant making policy to achieve its objects for the public benefit. The Fund ensures that proper due diligence is undertaken to establish that proposed projects are charitable. In addition, the Fund's grants are made on terms either requiring reporting or entitling the Fund to require reporting at its discretion, and in all cases restrict private benefit to donors to the Fund (and those connected with them).

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019 (continued)

Strategic report

Achievements and performance

The Fund's activities are limited to the making of grants pursuant to its charitable purposes and the public benefit. In this financial year, the Fund has continued to receive donations and ensure that funds are held securely and invested. The Fund has also continued to ensure that processes are in place to enable grant recommendations to be examined with the requisite detail, intended grant purposes and recipients scrutinised appropriately, and grants made subject to appropriate grant conditions, including conditions as to monitoring.

Grants awarded during the financial year amounted to US\$2,196,474 (2018: US\$2,146,690).

The Fund does not raise funds from members of the general public beyond Goldman Sachs, its predecessors, subsidiaries, affiliates and successors and current and former senior employees of Goldman Sachs. Therefore, additional fundraising disclosures as required by the Charities (Protection and Social Investment) Act 2016 are not required.

Financial review

During the financial year, income of US\$2,948,917 (2018: US\$4,168,590) was received. This income was applied to furthering the objects of the Fund and the directors made grants totalling US\$2,196,474 (2018: US\$2,146,690) during the financial year.

The net movement in funds for the financial year, as shown in the statement of financial activities, shows a surplus in the year of US\$981,955 (2018: surplus of US\$2,352,758).

During the financial year, the Fund received investments in publicly traded securities amounting to US\$2,380,997 (2018: US\$3,769,899).

The value of the Fund's net assets at 30 June 2019 is US\$17,669,629 (2018: US\$16,687,674).

Investment policy and performance

In accordance with Clauses 3.8 and 3.9 of the Article's Memorandum of Association the directors have the power to invest in such stocks, shares and investments as they see fit, and, subject to certain limitations, the power to delegate the management of such investments to a financial expert. Mindful of their duties as charity trustees to act prudently and to diversify the investments of the Fund appropriately, the directors engage Goldman Sachs Asset Management, L.P. ("GSAM") and Goldman Sachs Asset Management International ("GSAMI") as investment manager of the Fund pursuant to a Discretionary Advisory and Administrative Services Agreement. The fees of GSAM and GSAMI are not paid for by the Fund, but are donated by Goldman Sachs. The investment policy as adopted in November 2007 and amended thereafter is subject to regular reporting and review and may be amended by the directors as necessary. The directors consider the grant requirements each year and the amount of investment income that will be generated from the investments held.

The directors have monitored the performance of investments in the financial year by reviewing regular investment reports. During the financial year, investments were disposed at a realised gain of US\$391,197 (2018: US\$275,373) and increased in value by US\$193,217 (2018: increased by US\$380,053) as a result of unrealised gains on the revaluation of investments. Investment income in the financial year amounted to US\$197,111 (2018: US\$105,210).

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019 (continued)

Strategic report (continued)

Policy statement on reserves and going concern

The funds at 30 June 2019 will be retained to make grants in accordance with the Fund's charitable objects and policies, including the Fund's policy statement on reserves. The funds available for expenditure amounted to US\$17,669,629 (2018: US\$16,687,674) and are considered to be appropriate and acceptable by the directors taking into account plans for grants to be awarded in future years. The directors review the outstanding reserves at the end of each year to ensure that any future grant making will be aligned to the recommendations of each donor and that the Fund will continue to have substantially adequate funds to be able to meet its payment obligations to any outstanding creditors and meet its future financial commitments. The Fund does not have any programme related investments or any designated funds. The directors intend to distribute substantially all undistributed funds by the making of grants within a reasonable timeframe. The level of grants distributed in the financial year and the funds available for expenditure are consistent with this approach. The Fund historically has spent a significant percentage of its reserves in any given year and the typical donor recommends spending within a few years the vast majority of the amounts in the donor's account.

These financial statements have been prepared on the going concern basis and in accordance with the historical cost convention as modified by the revaluation of investments to fair value.

There are no material uncertainties regarding the Fund's ability to continue operating, on the basis that adequate reserves are available to fund the activities of the Fund for the foreseeable future. Goldman Sachs have indicated that they would provide sufficient funding to the Fund to enable the Fund to meet any future liabilities which the Fund would not be able to meet from its existing reserves. The directors have no reason to believe that Goldman Sachs will not be in a position to provide this support. The directors, having considered the availability of any future funding by Goldman Sachs, if it should be required, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Fund to continue as a going concern. On the basis of their assessment of the Fund's financial position, the directors have a reasonable expectation that the Fund will be able to continue in operational existence for the foreseeable future.

Grant making

Charities Aid Foundation America ("CAFA") and The Ayco Company, L.P. ("Ayco"), a subsidiary of Goldman Sachs, review grant eligibility applications and other requests for grant funding on behalf of the directors. Subject to the express approval of each grant application by a director or an officer of the Fund on behalf of the board of directors, Ayco then distributes funds in furtherance of the Fund's objects. Grants distributed in the financial year of US\$2,196,474 (2018: US\$2,146,690) were to support charities that build and stabilise communities, increase educational opportunities, advance health, relieve poverty, promote the arts and culture, provide humanitarian relief and to further other exclusively charitable purposes under English law and American law.

Principal risks and uncertainties

The directors consider that the Fund has the following principal risks and uncertainties and have determined strategies for managing those risks as set out further below:

Market, credit, currency and interest rate risk

Investments are exposed to various risks, such as market, credit, foreign currency and interest rate risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the fair value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect the net assets of the Fund. The Fund has investment strategies and policies in place to mitigate these risks.

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019 (continued)

Strategic report (continued)

Principal risks and uncertainties (continued)

Concentration risk

The Fund maintains custody accounts with Fidelity and believes they are reputable custodians. However, there is no guarantee that Fidelity will not become insolvent. While Fidelity is a member of the Securities Investor Protection Corporation, and while the U.S. Bankruptcy Code, SEC 15c3-3 Customer Protection Rule and Securities Investor Protection Act of 1970 seek to protect customer property in the event of a failure, insolvency or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Fund's assets, the Fund would not incur losses due to its assets being unavailable for a period of time, ultimately less than full recovery of its assets, or both. Because substantially all of the Fund's assets are in the custody of these brokers, such losses could be significant and could materially impair the ability of the Fund to achieve its charitable objectives.

Strategies for managing those risks

The Fund has a risk management process that ensures that appropriate steps are taken to mitigate risk. The directors have assessed these and are satisfied that reasonable steps are being taken to mitigate exposure to these risks. The directors have overall responsibility for ensuring that the Fund has a system of internal control to mitigate the risks identified.

In respect to specific financial risks impacting the Fund, the directors monitor the performance of the Fund's investments, the directors approve the level of grants to be awarded taking into account the funds available, and ongoing expenses are entirely reimbursed by Goldman Sachs. Sufficient reserves have been allocated for working capital needs and there are no long-term borrowings.

Plans for future periods

The Fund aims to encourage its donor pool (including potential donors in the United Kingdom and Hong Kong) to seek out opportunities to recommend grants to high-impact charitable organisations which advance the charitable objects of the Fund. The Fund will continue to make grants, to the extent lawful and prudent, according to those recommendations of donors and the approval of the directors. Over the years, the Fund has honed its due diligence procedures to ensure resources are allocated to their best effect.

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019 (continued)

Structure, governance and management

Governing documents

The Fund is a charitable company limited by guarantee governed by its Memorandum and Articles of Association.

The sole member of the Fund is The Goldman Sachs Charitable Gift Fund, a non-stock corporation incorporated in the State of Delaware, and operating for exclusively charitable purposes, with its registered office at Corporate Trust Centre, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, USA and Internal Revenue Service tax identification number 11-3813663.

Directors and trustees

The directors and trustees of the Fund, who held office during the financial year and up to the date of signing the financial statements, are as follows:

Peter Matthew Fahey
Michael Richard Housden
Robert Katz

Together with one additional individual, the directors of the Fund are also directors and trustees of Goldman Sachs Gives (UK), a charitable company incorporated in England and Wales. Goldman Sachs Gives (UK) receives donations from donors who are required to account for tax in the United Kingdom but not in the United States of America, and is a connected charity of the Fund by virtue of the two charities having The Goldman Sachs Charitable Gift Fund as their respective sole member.

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined in Section 234 Companies Act 2006 is in force for the benefit of each of the directors and the company secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the Fund maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

Appointment of directors

The directors are appointed by The Goldman Sachs Charitable Gift Fund pursuant to the Fund's Articles of Association. The number of directors appointed shall not be less than three but is not subject to any maximum number. A director of the Fund, who is also a director of The Goldman Sachs Charitable Gift Fund, is appointed to serve for as long as he or she is a director of The Goldman Sachs Charitable Gift Fund. Any other director is appointed for a renewable term of three years.

Induction and training of directors

New directors are briefed on their legal obligations and powers as company directors and charity trustees. New directors are also provided with a copy of the Fund's Memorandum and Articles of Association, and information on the history and structure of the Fund, as well as the decision making processes, policies and the future plans and objectives of the Fund.

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019 (continued)

Structure, governance and management (continued)

Organisation

The directors are responsible for the strategic direction and policy of the Fund and, subject to any prudent delegation to advisers and agents, make all substantive decisions in relation to the Fund. In furtherance of this, the directors meet as and when required. The directors have delegated responsibility to management for the oversight of the Fund. The directors have been supported throughout the financial year by the company secretary to the Fund. The directors may delegate any of their powers or functions to committees but the terms of delegation must be agreed in advance.

The directors meet at least three times per year to review the grant activity of the Fund and investment performance. The directors have established procedures for the examination of grant recommendations and the conduct of due diligence. The conduct of due diligence is delegated to specialist service providers. Grant recommendations which satisfy the directors' policy requirements are approved by one of the directors before being made.

No staff were employed by the Fund during the financial year (2018: None). The directors and the key management personnel received no remuneration in respect of their services to the Fund during the financial year (2018: £Nil).

No director or key management personnel received any reimbursement of expenses during the financial year (2018: £Nil). The key management personnel are remunerated by Goldman Sachs and the fair value of the appropriate proportion of their time is included within donated services (see note 2).

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102 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 charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019 (continued)

Structure, governance and management (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for the maintenance and integrity of the charitable company's charitable information included on the relevant website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

The sole member of the Fund will re-appoint PricewaterhouseCoopers LLP as auditors to the Fund during the relevant year for the appointment of auditors by way of written members' resolution.

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2019 (continued)

Reference and administrative details

Status

The Goldman Sachs Charitable Gift Fund (UK) is a private company limited by guarantee, company number 06314343. It is registered in England and Wales as a charity, number 1120148.

The principal office is at Plumtree Court, 25 Shoe Lane, London, EC4A 4AU.

Secretary

Benjamin Rader

Independent Auditors

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH.

Solicitors

Bates Wells and Braithwaite London LLP, 10 Queen Street Place, London, EC4R 1BE.

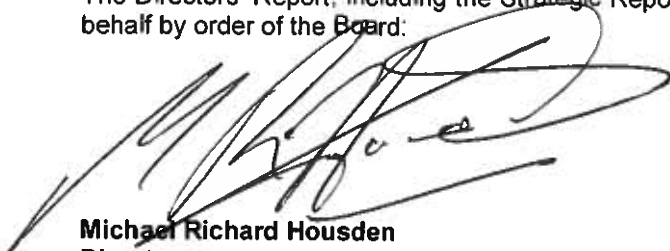
Custodians

Fidelity Brokerage Services LLC, 900 Salem Street, Smithfield, RI 02917, USA

Bankers

Barclays Bank plc, 1 Churchill Place, London, E14 5HP.

The Directors' Report, including the Strategic Report, was approved by the directors and signed on their behalf by order of the Board:



Michael Richard Housden
Director

Date: 19 November 2019

Independent auditors' report to the members of The Goldman Sachs Charitable Gift Fund (UK) (continued)

Report on the audit of the financial statements

Opinion

In our opinion, The Goldman Sachs Charitable Gift Fund (UK)'s financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Report (the "Report"), which comprise: the balance sheet as at 30 June 2019; the statement of financial activities (incorporating the income and expenditure account), the statement of cash flows for the year then ended; and the notes to the financial statements.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charitable company's activities, beneficiaries, suppliers and the wider economy.

Independent auditors' report to the members of The Goldman Sachs Charitable Gift Fund (UK) (continued)

Reporting on other information

The other information comprises all of the information in the Report other than the financial statements and our auditors' report thereon. The trustees 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.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of The Goldman Sachs Charitable Gift Fund (UK) (continued)

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' 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.



Kevin Lowe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 November 2019

The Goldman Sachs Charitable Gift Fund (UK)

Registered Company No: 06314343

Statement of financial activities for the year ended 30 June 2019

(incorporating the income and expenditure account)

	Note	2019 Unrestricted funds US\$	2018 Unrestricted funds US\$
Income			
Donations	2	2,751,806	4,063,380
Investment income	3	197,111	105,210
Total		<u>2,948,917</u>	<u>4,168,590</u>
Expenditure			
Investment management costs	4	(70,292)	(66,426)
Expenditure on charitable activities	4	(2,481,084)	(2,404,832)
Total		<u>(2,551,376)</u>	<u>(2,471,258)</u>
Net gains on investments		584,414	655,426
Net income and net movement in funds for the year	5	<u>981,955</u>	<u>2,352,758</u>
Total funds brought forward		16,687,674	14,334,916
Total funds carried forward	16	<u>17,669,629</u>	<u>16,687,674</u>

All of the Fund's activities are derived from continuing operations.

The statement of financial activities includes all gains and losses recognised in the current and prior year.

The notes on pages 15 to 25 form part of these financial statements.

The Goldman Sachs Charitable Gift Fund (UK)

Registered Company No: 06314343

Balance sheet as at 30 June 2019

	Note	2019 US\$	2018 US\$
Fixed assets			
Investments	7	<u>17,708,779</u>	<u>16,818,144</u>
Current assets			
Debtors	8	64,618	-
Cash at bank and in hand	9	<u>11,864</u>	<u>679</u>
		<u>76,482</u>	<u>679</u>
Creditors: amounts falling due within one year	10	<u>(115,632)</u>	<u>(131,149)</u>
Net current liabilities		<u>(39,150)</u>	<u>(130,470)</u>
Net assets		<u>17,669,629</u>	<u>16,687,674</u>
The funds of the charity:			
Unrestricted income funds			
- General	13	15,028,186	14,239,448
- Fair value reserve	13	2,641,443	2,448,226
Total charity funds	16	<u>17,669,629</u>	<u>16,687,674</u>

The financial statements on pages 12 to 25 were approved by the Board of directors on 19 November 2019 and were signed on their behalf by:



Michael Richard Housden
Director

The notes on pages 15 to 25 form part of these financial statements.

The Goldman Sachs Charitable Gift Fund (UK)

Registered Company No: 06314343

Statement of cash flows for the year ended 30 June 2019

	Note	2019 US\$	2018 US\$
Cash flows from operating activities			
Donations received		219,102	148,895
Operating expenses paid		(2,479,805)	(2,296,721)
Net cash flow used in operating activities		(2,260,703)	(2,147,826)
Cash flows from investing activities			
Purchase of investments		(3,622,004)	(5,238,026)
Proceeds from sales of investments		5,893,892	7,385,554
Net cash flow generated from investing activities		2,271,888	2,147,528
Net increase / (decrease) in cash and cash equivalents		11,185	(298)
Cash and cash equivalents at the beginning of year		679	977
Cash and cash equivalents at the end of the year	9	11,864	679

The notes on pages 15 to 25 form part of these financial statements.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

The Fund has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Fund's activities.

The Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost or transactions value unless otherwise stated in the relevant accounting policies.

Going concern

These financial statements have been prepared on the going concern basis and in accordance with the historical cost convention as modified by the revaluation of investments to fair value.

There are no material uncertainties regarding the Fund's ability to continue, on the basis that adequate reserves are available to fund the activities of the Fund for the foreseeable future. Goldman Sachs have indicated that they would provide sufficient funding to the Fund to enable the Fund to meet any future liabilities which the Fund would not be able to meet from its existing reserves. The directors have no reason to believe that Goldman Sachs will not be in a position to provide this support. The directors, having considered the availability of any future funding by Goldman Sachs, if it should be required, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Fund to continue as a going concern. On the basis of their assessment of the Fund's financial position, the directors have a reasonable expectation that the Fund will be able to continue in operational existence for the foreseeable future.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas of estimation and judgement that affect items in the financial statements are as follows:

Judgements:

- Unrestricted funds – The Fund operates as a donor advised fund whereby the directors establish donor accounts for individual donors to make recommendations, although the ultimate decision for the distribution of funds rests solely with the directors of the Fund. Consequently, the directors consider that it is appropriate to disclose the funds as unrestricted.
- Income – Donations received are not restricted in nature and the directors have no restrictions in how they can be spent by the Fund.
- Grants payable – Grants are recognised as liabilities after they have been approved by the directors, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Fund.

Estimates:

- Revaluation of investments – The fair value of investments is obtained by GSAM from the relevant third party pricing sources for review by the directors.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

1 Principal accounting policies (continued)

Functional currency

The financial statements are prepared in US\$, which is the functional currency of the Fund, since this is the currency of the primary economic environment in which the Fund operates. All significant donations received and grants awarded during the year have been in US\$.

Income

Donations are credited to the statement of financial activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy and valued on date of entitlement. Donated shares are valued at fair value on the date of receipt. Investment income is stated inclusive of recoverable taxation, where appropriate.

Donated services and facilities are included in the financial statements in the period in which they are receivable, where they are quantifiable, and where a third party is bearing the cost. Services provided by or paid for by Goldman Sachs are recorded at fair value and include grant processing, administrative services, investment management services, professional and other operating costs (see note 2).

Expenditure

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Fund to the expenditure.

Grants, both single and multi-year, if any, are recognised in the financial statements as expenses in the period where paid or unconditionally promised to give, whichever occurs first.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs associated with meeting the constitutional and statutory requirements of the Fund. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities are allocated to activities based on the amount spent for each activity. The allocation of support and governance costs is set out in note 4.

Charitable activities

The cost of charitable activities comprise grants to institutions, governance costs and an apportionment of support costs as set out in note 4.

Foreign currencies

Transactions in foreign currencies are translated into US\$ at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into US\$ at the rate of exchange ruling at the balance sheet date US\$1.2727 : £1 (2018: US\$1.3293 : £1). Exchange differences are charged / credited to the statement of financial activities and hence are taken into account in arriving at the net movement in funds.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

1 Principal accounting policies (continued)

Taxation

The Fund is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. VAT is included within expenditure where it is not recoverable.

Fixed asset investments

Investments are included in the financial statements at fair value at the balance sheet date. Realised and unrealised gains and losses are credited or debited to the statement of financial activities in the period in which they arise.

Debtors

Trade debtors and other receivables are recognised at their transaction price less any allowance for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but not held for investment purposes.

Creditors

Trade creditors and other payables are recognised when a past event results in an obligation to transfer funds to a third party and the amount payable can be measured or reliably estimated. Trade creditors and other payables are recognised at their nominal value.

Fund accounting

The unrestricted fund comprises a general fund which is used to meet the charitable objects of the Fund at the discretion of the directors.

The Fund operates as a donor advised fund whereby the directors establish donor accounts for individual donors to make recommendations, although the ultimate decision for the distribution of funds rests solely with the directors of the Fund, and therefore these funds are unrestricted.

Included within unrestricted funds, if relevant, is a fair value reserve that represents the cumulative unrealised gains on fixed asset investments held.

Financial assets and liabilities

The Fund has applied the provisions of FRS 102, Section 11, "Basic Financial Instruments" and Section 12, "Other Financial Instrument Issues".

(i) Financial assets

Basic financial assets, including other debtors and cash and bank balances are initially recognised at transaction price. Such assets are subsequently measured at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

1 Principal accounting policies (continued)

Financial assets and liabilities (continued)

Other financial assets, including investments in fixed asset investments are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of financial activities.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial instruments, including other creditors are initially recognised at transaction price.

Other creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Grant commitments over one year are discounted to reflect present value.

2 Donations

	2019 US\$	2018 US\$
Monetary contributions received	219,102	148,895
Donated investments (see note 7)	2,380,997	3,769,899
Donated services and support	151,707	144,586
	<u>2,751,806</u>	<u>4,063,380</u>

Donated services and support represent the fair value of services provided by or paid for by Goldman Sachs and include grant processing, administrative services, investment management services, professional and other operating costs.

3 Investment income

	2019 US\$	2018 US\$
Income from fixed asset investments		
- Dividend income	<u>197,111</u>	<u>105,210</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

4 Expenditure

	Grants US\$	Allocation of support and governance costs US\$	2019 US\$
Investment management costs	-	70,292	70,292
Expenditure on charitable activities	2,196,474	284,610	2,481,084
	<u>2,196,474</u>	<u>354,902</u>	<u>2,551,376</u>

	Grants US\$	Allocation of support and governance costs US\$	2018 US\$
Investment management costs	-	66,426	66,426
Expenditure on charitable activities	2,146,690	258,142	2,404,832
	<u>2,146,690</u>	<u>324,568</u>	<u>2,471,258</u>

Investment management costs

	2019 US\$	2018 US\$
Donated investment management services	<u>70,292</u>	<u>66,426</u>

The Fund does not pay fees to GSAM and GSAMI (both are affiliates of Goldman Sachs International (GSI)) for the investment management services they provide. Instead the imputed cost of the fees is included in donated services with a corresponding amount included in income.

Expenditure on charitable activities

	Grants to institutions US\$	Governance costs US\$	Support costs US\$	2019 US\$
Arts and Culture	178,000	11,559	11,505	201,064
Community	225,444	14,640	14,572	254,656
Education	1,239,883	80,517	80,141	1,400,541
Humanitarian	272,278	17,682	17,599	307,559
Medical	105,119	6,826	6,795	118,740
Other	175,750	11,414	11,360	198,524
	<u>2,196,474</u>	<u>142,638</u>	<u>141,972</u>	<u>2,481,084</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

4 Expenditure (continued)

Expenditure on charitable activities (continued)

	Grants to institutions US\$	Governance costs US\$	Support costs US\$	2018 US\$
Arts and Culture	138,000	10,704	5,890	154,594
Community	115,800	8,982	4,943	129,725
Education	1,825,030	141,564	77,898	2,044,492
Humanitarian	25,560	1,983	1,091	28,634
Medical	2,300	178	99	2,577
Other	40,000	3,103	1,707	44,810
	<u>2,146,690</u>	<u>166,514</u>	<u>91,628</u>	<u>2,404,832</u>

There were a total of 87 (2018: 59) grants made during the year totalling US\$2,196,474 (2018: US\$2,146,690). Grants were made to support charities that build and stabilise communities, increase educational opportunities, advance health, relieve poverty, promote the arts and culture, provide humanitarian relief and to further other exclusively charitable purposes under English law and American law. In line with the Charities SORP, material grants have been listed below.

Name of institution	Grant classification	2019 US\$	2018 US\$
Trustees of Columbia University in the City of New York	Education	500,000	-
Trustees of Princeton University*	Education	313,980	1,311,980
Room to Read	Humanitarian	104,928	-
Trustees of the College of the Holy Cross*	Education	100,000	100,000
Telluride Council for the Arts and Humanities	Arts & Culture	100,000	10,000
Amnesty International of the USA, Inc.	Humanitarian	100,000	-
Royal College of Art USA, Inc.	Education	77,472	-
Autism Resource Centre (Singapore)	Medical	72,460	-
Prince of Wales Foundation	Humanitarian	65,000	-

*These grants were provided for need-based financial aid.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

4. Expenditure (continued)

Analysis of allocation of governance and support costs

	Governance costs US\$	Investment management costs US\$	Donated grant processing costs US\$	Other grant processing costs US\$	2019 US\$
Investment management costs	-	70,292	-	-	70,292
Charitable activities	142,638	-	59,715	82,257	284,610
	<u>142,638</u>	<u>70,292</u>	<u>59,715</u>	<u>82,257</u>	<u>354,902</u>

Analysis of allocation of governance and support costs (continued)

	Governance costs US\$	Investment management costs US\$	Donated grant processing costs US\$	Other grant processing costs US\$	2018 US\$
Investment management costs	-	66,426	-	-	66,426
Charitable activities	166,514	-	55,135	36,493	258,142
	<u>166,514</u>	<u>66,426</u>	<u>55,135</u>	<u>36,493</u>	<u>324,568</u>

Governance and support costs are allocated to activities based on the amount spent for each activity.

Analysis of governance costs

	2019 US\$	2018 US\$
Audit and accountancy fees	92,726	106,409
Legal fees	21,481	23,762
Donated administrative services	21,700	23,025
Other costs	6,731	13,318
	<u>142,638</u>	<u>166,514</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

5 Net income and net movement in funds for the year

The net income and net movement in funds for the year is stated after charging / (crediting):

	2019 US\$	2018 US\$
Auditors' remuneration		
- Audit	58,711	76,589
- Other services	24,671	24,850
Net gains on investments	<u>(584,414)</u>	<u>(655,426)</u>

6 Staff costs and directors' remuneration

No staff were employed by the Fund during the financial year (2018: None).

The directors and the key management personnel received no remuneration in respect of their services to the Fund during the financial year (2018: £Nil). No director and key management personnel received any reimbursement of expenses during the financial year (2018: £Nil). The key management personnel are remunerated by Goldman Sachs and fair value of the appropriate proportion of their time is included within donated services (see note 2).

7 Investments

	2019 US\$	2018 US\$
Quoted investments		
Fair value at 1 July	16,818,144	14,435,137
Additions at cost	3,819,115	5,362,748
Additions - donated investments	2,380,997	3,769,899
Disposals	(5,502,694)	(7,129,693)
Unrealised gains on revaluation	193,217	380,053
Fair value at 30 June	<u>17,708,779</u>	<u>16,818,144</u>
Cost at 30 June	<u>15,067,336</u>	<u>14,369,918</u>

The fixed asset investments are principally invested in Goldman Sachs Mutual Funds, Money Market Funds and Vanguard Total World Stock. Investments included in the above with a fair value greater than 5% of the total portfolio fair value at 30 June 2019 are as follows:

	2019 US\$	%	2018 US\$	%
Goldman Sachs US\$ Treasury Liquid Reserve Fund	7,330,401	41	6,295,312	37
Goldman Sachs Global Fixed Income Plus Portfolio (hedged)	2,965,890	17	3,006,507	18
Goldman Sachs Global Equity Partners Portfolio	2,756,610	16	2,800,631	17
Vanguard Total World Stock	1,538,626	9	1,385,951	8
Goldman Sachs Growth & Emerging Markets Core Equity Portfolio	1,255,739	7	1,366,212	8
Goldman Sachs Global Small Cap Core Equity Portfolio	841,407	5	838,577	5

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

8 Debtors

	2019 US\$	2018 US\$
Other debtors	<u>64,618</u>	<u>-</u>

9 Cash at bank and in hand

	2019 US\$	2018 US\$
Cash at bank and in hand	<u>11,864</u>	<u>679</u>

10 Creditors: amounts falling due within one year

	2019 US\$	2018 US\$
Accruals	<u>115,632</u>	<u>131,149</u>

11 Financial instruments

	2019 US\$	2018 US\$
Financial assets		
Financial assets that are debt instruments measured at amortised cost:		
- Fixed asset investments	17,708,779	16,818,144
- Other debtors	64,618	-
	<u>17,773,397</u>	<u>16,818,144</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
- Accruals	<u>(115,632)</u>	<u>(131,149)</u>

12 Financial risk management

The financial risks are disclosed in the directors' report on pages 3 to 4.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

13 Unrestricted income funds

	At 1 July 2018 US\$	Income US\$	Expenditure US\$	Investment gains US\$	At 30 June 2019 US\$
General	14,239,448	2,948,917	(2,551,376)	391,197	15,028,186
Fair value reserve	2,448,226	-	-	193,217	2,641,443
	<u>16,687,674</u>	<u>2,948,917</u>	<u>(2,551,376)</u>	<u>584,414</u>	<u>17,669,629</u>

	At 1 July 2017 US\$	Income US\$	Expenditure US\$	Investment gains US\$	At 30 June 2018 US\$
General	12,266,743	4,168,590	(2,471,258)	275,373	14,239,448
Fair value reserve	2,068,173	-	-	380,053	2,448,226
	<u>14,334,916</u>	<u>4,168,590</u>	<u>(2,471,258)</u>	<u>655,426</u>	<u>16,687,674</u>

General

The general fund is used for the furtherance of the objectives of the Fund.

Fair value reserve

The fair value reserve represents the unrealised gains on fixed asset investments.

14 Analysis of net assets between funds

	General US\$	Fair value reserve US\$	Total US\$
At 30 June 2019			
Fixed asset investments	15,067,336	2,641,443	17,708,779
Debtors	64,618	-	64,618
Cash at bank and in hand	11,864	-	11,864
Creditors	(115,632)	-	(115,632)
	<u>15,028,186</u>	<u>2,641,443</u>	<u>17,669,629</u>
At 30 June 2018			
Fixed asset investments	14,369,918	2,448,226	16,818,144
Debtors	-	-	-
Cash at bank and in hand	679	-	679
Creditors	(131,149)	-	(131,149)
	<u>14,239,448</u>	<u>2,448,226</u>	<u>16,687,674</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2019 (continued)

15 Capital

The Fund is a company limited by guarantee and has no share capital. In the event of the Fund being wound up, the liability of the sole member, The Goldman Sachs Charitable Gift Fund, is limited to £1.

16 Reconciliation of movements in funds

	2019 US\$	2018 US\$
Net movements in funds	981,955	2,352,758
Net addition to funds	<u>981,955</u>	<u>2,352,758</u>
Opening funds	16,687,674	14,334,916
Closing funds	<u>17,669,629</u>	<u>16,687,674</u>

17 Related party transactions

No donations were received from the directors during the year (2018: £Nil)

The Fund is included in the consolidated financial statements of its sole member, The Goldman Sachs Charitable Gift Fund, which are publicly available and may be obtained from 200 West Street, New York, New York 10282. The Fund is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are wholly owned by The Goldman Sachs Charitable Gift Fund.

The investment manager of the Fund, GSAM, and the investment managers of the Fund's investment options, GSAM and GSAMI, are affiliates of GSI. GSAM and GSAMI's services were paid for by Goldman Sachs and are included in donated services (see note 2).

Goldman Sachs provides grant processing, administrative services, investment management services, professional and other operating services to the Fund. The fees for such donated services are based upon the cost of time spent by Goldman Sachs employees in providing the services and fees charged. Goldman Sachs has agreed to donate such services to the Fund (see note 2).

18 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is The Goldman Sachs Charitable Gift Fund, a charity registered in the USA.