

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 2016**

The Goldman Sachs Charitable Gift Fund (UK)

Contents

	Pages
Directors' report	1 – 8
Independent auditors' report	9 – 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 – 24

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2016

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 2016, 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 English and American law. In furtherance of these objects the Fund focuses on supporting charities and charitable activities that built 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. ("Goldman Sachs") and its predecessors, subsidiaries, affiliates and successors, 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 2016 (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 accounting year, the Fund has continued to receive donations, ensure that funds are held securely and invested, 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\$1,388,766 (2015: US\$2,772,712).

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.

Financial review

During the financial year, income of US\$1,529,681 (2015: US\$2,973,648) was received. This income was applied to furthering the objects of the Fund and the directors made grants totalling US\$1,388,766 (2015: US\$2,772,712) during the financial year.

The net movement in funds for the financial year, as shown in the statement of financial activities, shows a deficit in the year of US\$573,542 (2015: surplus of US\$144,748).

During the financial year, the Fund received investments in publicly traded securities amounting to US\$1,116,172 (2015: US\$1,947,331).

The value of the Fund's net assets at 30 June 2016 is US\$12,878,418 (2015: US\$13,451,960).

Investment policy and performance

In accordance with the Clauses 4.8 and 4.9 of the Fund'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") as investment manager of the Fund pursuant to a Discretionary Advisory and Administrative Services Agreement. 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\$704,462 (2015: US\$282,074) and decreased in value by US\$1,032,011 (2015: increased by US\$31,089) as a result of unrealised losses on the revaluation of investments. Investment income in the financial year amounted to US\$27,971 (2015: US\$2,043).

The Goldman Sachs Charitable Gift Fund (UK)

Directors' report for the year ended 30 June 2016 (continued)

Strategic report (continued)

Policy statement on reserves and going concern

The funds at 30 June 2016 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\$12,878,418 (2015: US\$13,451,960) 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 will continue to have substantially adequate funds to be able to meet 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 policy. The Fund historically has spent a significant percentage of its reserves in any given year and the typical recipient spends the vast majority of their annual allocation within a few years.

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.

Grant making

Charities Aid Foundation ("CAF") and CAF America, 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 one of the directors 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\$1,388,766 (2015: US\$2,772,712) 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 2016 (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 benefiting underserved communities around the world. 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 2016 (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 Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County, 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

The directors did not hold any beneficial interest in the Fund at 30 June 2016 or at any time during the financial year.

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 members.

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 2016 (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 (2015: None). The directors and the key management personnel received no remuneration in respect of their services to the Fund during the financial year (2015: £Nil).

No director or key management personnel received any reimbursement of expenses during the financial year (2015: £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 regulations.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Fund and of the incoming resources and application of resources, including the income and expenditure, of the Fund 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 Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including 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 Fund will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Fund 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 Fund 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 2016 (continued)

Structure, governance and management (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for the maintenance and integrity of the Fund'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 Fund'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 2016 (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 Peterborough Court, 133 Fleet Street, London, EC4A 2BB.

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: 30 November 2016.

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

Report on the financial statements

Our 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 2016 and of its net expenditure 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; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 30 June 2016;
- the statement of financial activities (incorporating an income and expenditure account) for the year then ended; and
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is 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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 6-7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and directors 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

30 November 2016

The Goldman Sachs Charitable Gift Fund (UK)

Registered Company No: 06314343

Statement of financial activities for the year ended 30 June 2016

(incorporating income and expenditure account)

	Note	2016 Unrestricted funds US\$	2015 Unrestricted funds (restated)* US\$
Income			
Donations	2	1,501,710	2,971,605
Investment income	3	27,971	2,043
Total		1,529,681	2,973,648
Expenditure			
Investment management costs	4	(55,056)	(51,789)
Expenditure on charitable activities	4	(1,720,618)	(3,090,274)
Total		(1,775,674)	(3,142,063)
Net (losses) / gains on investments		(327,549)	313,163
Net (expenditure) / income and net movement in funds for the year	5	(573,542)	144,748
Total funds brought forward		13,451,960	13,307,212
Total funds carried forward	17	12,878,418	13,451,960

* Note 20 shows details of the restatement of the 2015 comparatives for the transition to Financial Reporting Standard 102.

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 14 to 24 form part of these financial statements.

The Goldman Sachs Charitable Gift Fund (UK)

Registered Company No: 06314343

Balance sheet as at 30 June 2016

	Note	2016 US\$	2015 US\$
Fixed assets			
Investments	7	<u>12,920,587</u>	<u>13,587,076</u>
Current assets			
Debtors	8	111,262	36,929
Cash at bank and in hand	9	<u>1,318</u>	<u>386</u>
Total current assets		<u>112,580</u>	<u>37,315</u>
Creditors: amounts falling due within one year	10	<u>(154,749)</u>	<u>(152,431)</u>
Net current liabilities		<u>(42,169)</u>	<u>(115,116)</u>
Total assets less current liabilities		<u>12,878,418</u>	<u>13,471,960</u>
Creditors: amounts falling due after more than one year	11	-	(20,000)
Net assets		<u>12,878,418</u>	<u>13,451,960</u>
The funds of the charity:			
Unrestricted income funds			
- General	14	11,862,746	11,404,277
- Fair value reserve	14	1,015,672	2,047,683
Total charity funds	17	<u>12,878,418</u>	<u>13,451,960</u>

The financial statements on pages 11 to 24 were approved by the Board of directors on 30 November 2016 and were signed on their behalf by:



Michael Richard Housden
Director

The notes on pages 14 to 24 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 2016

	Note	2016 US\$	2015 US\$
Cash flows from operating activities			
Donations received		248,271	873,789
Operating expenses paid		(1,656,089)	(2,990,973)
Net cash flow used in operating activities		(1,407,818)	(2,117,184)
Cash flows from investing activities			
Investment income received		449	0
Purchase of investments		(5,892,034)	(4,498,857)
Proceeds from sales of investments		7,300,335	6,543,520
Net cash flow from investing activities		1,408,750	2,044,663
Net increase / (decrease) in cash and cash equivalents		932	(72,521)
Cash and cash equivalents at the beginning of year		386	72,907
Cash and cash equivalents at the end of the year	9	1,318	386

The notes on pages 14 to 24 form part of these financial statements.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016

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.

The Fund has adopted FRS 102 and the new Charities SORP in these financial statements. Details of the transition to FRS 102 are disclosed in note 20.

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:

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

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (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 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. In these circumstances there is a valid expectation by the recipients that they will receive the grant.

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\$1.3368 : £1 (2015: US\$1.5727 : £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.

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.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

1 Principal accounting policies (continued)

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". Financial assets and liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. The Fund initially recognises a financial asset or a financial liability at transaction price, for debtors and other creditors this is the settlement amount. Grant commitments over one year are discounted to reflect present value.

2 Donations

	2016 US\$	2015 US\$
Monetary contributions received	248,271	873,789
Donated investments (see note 7)	1,116,172	1,947,331
Donated services and support	137,267	150,485
	<u>1,501,710</u>	<u>2,971,605</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

2 Donations (continued)

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

	2016 US\$	2015 US\$
Income from fixed asset investments		
- Dividend income	<u>27,971</u>	<u>2,043</u>

4 Expenditure

	Grants US\$	Allocation of support and governance costs US\$	2016 US\$	2015 (restated) US\$
Investment management costs	-	55,056	55,056	51,789
Expenditure on charitable activities	1,388,766	331,852	1,720,618	3,090,274
	<u>1,388,766</u>	<u>386,908</u>	<u>1,775,674</u>	<u>3,142,063</u>

Investment management costs

	2016 US\$	2015 US\$
Donated investment management services	<u>55,056</u>	<u>51,789</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\$	2016 US\$	2015 (restated) US\$
Arts and Culture	108,000	17,138	8,669	133,807	213,344
Community	75,039	11,908	6,023	92,970	40,698
Education	1,008,461	160,030	80,947	1,249,438	2,586,522
Humanitarian	87,574	13,897	7,029	108,500	22,291
Medical	87,192	13,836	6,999	108,027	147,564
Other	22,500	3,570	1,806	27,876	79,855
	<u>1,388,766</u>	<u>220,379</u>	<u>111,473</u>	<u>1,720,618</u>	<u>3,090,274</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

4 Expenditure (continued)

There were a total of 64 (2015: 87) grants made during the year totalling US\$1,388,766 (2015: US\$2,772,712). 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	2016 US\$	2015 US\$
Trustees of Princeton University ^a	Education	347,000	100,000
Australian Independent Schools USA Foundation	Education	200,000	-
Trustees of Tufts College ^b	Education	138,545	170,000
Trustees of the College of the Holy Cross ^b	Education	100,000	200,000
Brooklyn Academy of Music, Inc.	Arts & Culture	85,000	-
Trustees of the University of Pennsylvania ^a	Education	75,000	-
Room to Read	Humanitarian	67,000	-
New York University	Medical	50,000	50,000
School of Leadership - Afghanistan, Inc.	Education	38,000	-
Autism Resource Centre (Singapore)	Medical	34,942	-
Whitby School, Inc	Education	33,000	-

^a Substantially all of these 2016 grants supported need-based aid.

^b These grants in 2016 and 2015 were provided for need-based aid.

Analysis of allocation of governance and support costs

	Governance costs	Investment management costs	Donated grant processing costs	Other grant processing costs	2016	2015 (restated)
	US\$	US\$	US\$	US\$	US\$	US\$
Investment management costs	-	55,056	-	-	55,056	51,789
Charitable activities	220,379	-	56,354	55,119	331,852	317,562
	<u>220,379</u>	<u>55,056</u>	<u>56,354</u>	<u>55,119</u>	<u>386,908</u>	<u>369,351</u>

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

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

4 Expenditure (continued)

Analysis of governance costs

	2016	2015 (restated)
	US\$	US\$
Audit and accountancy fees	101,725	108,300
Legal fees	78,024	25,139
Donated administrative services	25,857	34,807
Other costs	14,773	14,741
	<u>220,379</u>	<u>182,987</u>

5 Net (expenditure) / income for the year

The net (expenditure) / income for the year is stated after charging / (crediting):

	2016	2015
	US\$	US\$
Auditors' remuneration		
- Audit	65,437	74,310
- Other services	36,288	33,990
Net losses / (gains) on investments	<u>327,549</u>	<u>(313,163)</u>

6 Staff costs and directors' remuneration

No staff were employed by the Fund during the financial year (2015: None).

The directors and the key management personnel received no remuneration in respect of their services to the Fund during the financial year (2015: £Nil). No director and key management personnel received any reimbursement of expenses during the financial year (2015: £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

	2016	2015
	US\$	US\$
Quoted investments		
Fair value at 1 July	13,587,076	13,388,956
Additions at cost	5,916,974	4,500,880
Additions – donated investments	1,116,172	1,947,331
Disposals	(6,667,624)	(6,281,180)
Unrealised (losses) / gains on revaluation	(1,032,011)	31,089
Fair value at 30 June	<u>12,920,587</u>	<u>13,587,076</u>
Cost at 30 June	<u>11,904,915</u>	<u>11,539,393</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

7 Investments (continued)

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 2016 are as follows:

	2016 US\$	%	2015 US\$	%
Goldman Sachs US\$ Treasury Liquid Reserve Fund	3,791,588	29	3,415,139	25
Goldman Sachs Global Fixed Income Plus Portfolio (hedged)	2,803,912	22	2,529,540	19
Goldman Sachs Global Equity Partners Portfolio	2,204,358	17	3,228,408	24
Vanguard Total World Stock	1,294,637	10	-	-
Goldman Sachs Growth & Emerging Markets Core Equity Portfolio	1,064,600	8	1,500,419	11
Goldman Sachs Global Small Cap Core Equity Portfolio	677,362	5	1,056,155	8
Goldman Sachs Emerging Markets Debt Fund	<u>621,486</u>	<u>5</u>	<u>338,758</u>	<u>3</u>

8 Debtors

	2016 US\$	2015 US\$
Other debtors	<u>111,262</u>	<u>36,929</u>

9 Cash at bank and in hand

	2016 US\$	2015 US\$
Cash at bank and in hand	<u>1,318</u>	<u>386</u>

10 Creditors: amounts falling due within one year

	2016 US\$	2015 US\$
Grants payable (see note 11)	20,000	20,000
Accruals	134,749	132,431
	<u>154,749</u>	<u>152,431</u>

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

11 Creditors: amounts falling due after more than one year

	2016 US\$	2015 US\$
Grants payable	-	20,000

The Fund has committed to paying a grant of US\$100,000 (2015: US\$100,000) to the Trustees of Columbia University, New York, to be paid in equal annual instalments over a period of five years. The grant is predominately for needs based scholarships. The first instalment of US\$20,000 was paid in June 2013, the second instalment of US\$20,000 was paid in June 2014, the third instalment of US\$20,000 was paid in June 2015 and the fourth instalment of US\$20,000 was paid in June 2016. The remaining liability of US\$20,000 is due to be paid within the next year.

12 Financial instruments

	2016 US\$	2015 US\$
Financial assets		
Financial assets that are debt instruments measured at amortised cost:		
- Fixed asset investments	12,920,587	13,587,076
- Other debtors	111,262	36,929
	<u>13,031,849</u>	<u>13,624,005</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
- Grants payable	<u>20,000</u>	<u>40,000</u>

13 Financial risk management

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

14 Unrestricted income funds

	At 1 July 2015 US\$	Income US\$	Expenditure US\$	Investment gains US\$	At 30 June 2016 US\$
General	11,404,277	1,529,681	(1,775,674)	704,462	11,862,746
Fair value reserve	2,047,683	-	-	(1,032,011)	1,015,672
	<u>13,451,960</u>	<u>1,529,681</u>	<u>(1,775,674)</u>	<u>(327,549)</u>	<u>12,878,418</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 and financial instruments.

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

15 Analysis of net assets between funds

	General US\$	Fair value reserve US\$	Total US\$
Fixed asset investments	11,904,915	1,015,672	12,920,587
Debtors	111,262	-	111,262
Cash at bank and in hand	1,318	-	1,318
Creditors	(154,749)	-	(154,749)
	<u>11,862,746</u>	<u>1,015,672</u>	<u>12,878,418</u>

16 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.

17 Reconciliation of movements in funds

	2016 US\$	2015 US\$
Net movements in funds	(573,542)	144,748
Net addition to funds	<u>(573,542)</u>	<u>144,748</u>
Opening funds	13,451,960	13,307,212
Closing funds	<u>12,878,418</u>	<u>13,451,960</u>

18 Related party transactions

No donations were received from the Trustees during the year (2015: £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.

Michael Richard Housden, a director and trustee of the Fund, is also employed by Goldman Sachs International ("GSI"). 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 services are based upon the cost of time spent by Goldman Sachs employees in providing the services and fees charged by The Ayco Company, L.P., a subsidiary of Goldman Sachs, for similar services provided to similar institutions. Goldman Sachs has agreed to donate such services to the Fund (see note 2).

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

19 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.

20 Transition to FRS 102

This is the first year that the Fund has presented its results under FRS 102 and the new Charities SORP 2015. The financial statements of the Fund for the year ended 30 June 2016 have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities 2015" and Financial Reporting Standard (FRS 102), which came into effect from 1 January 2015. The 2015 comparatives and associated disclosures have been restated to meet the above requirements. The restatement changes are analysed below.

Net gains on investments

Realised and unrealised gains on investments have been aggregated in the Statement of Financial Activities.

	2015 Published Total US\$	Aggregation of gains on investments US\$	2015 (restated) Total US\$
Realised gains on disposal of investments	282,074	(282,074)	-
Unrealised gains on revaluation of investments	31,089	(31,089)	-
Net gains on investments	-	313,163	313,163
Net gains on investments	313,163	-	313,163

Expenditure

Expenditure has been reclassified into the revised SORP classifications and a reallocation of governance costs.

	2015 Published Total US\$	Reallocation of governance costs US\$	2015 (restated) Total US\$
Investment management costs	51,789	-	51,789
Charitable activities	2,907,287	182,987	3,090,274
Governance costs	182,987	(182,987)	-
Total expenditure	3,142,063	-	3,142,063

The Goldman Sachs Charitable Gift Fund (UK)

Notes for the financial statements for the year ended 30 June 2016 (continued)

20 Transition to FRS 102 (continued)

Reallocation of governance and support costs

Expenditure has been reclassified and apportioned to charitable activities on a pro rata basis based on the value of the grants to institutions.

	2015 Published Total US\$	Allocation of governance costs US\$	Allocation of support costs US\$	2015 (restated) Total US\$
Grants to institutions				
Arts and Culture	191,420	12,633	9,291	213,344
Community	36,516	2,410	1,772	40,698
Education	2,320,726	153,158	112,638	2,586,522
Humanitarian	20,000	1,320	971	22,291
Medical	132,400	8,738	6,426	147,564
Other	71,650	4,728	3,477	79,855
Support costs				
Donated grant processing costs	63,889	-	(63,889)	-
Other grant processing costs	70,686	-	(70,686)	-
	<u>2,907,287</u>	<u>182,987</u>	<u>-</u>	<u>3,090,274</u>

Expenditure on charitable activities

	Grants to institutions US\$	Governance costs US\$	Support costs US\$	2015 (restated) US\$
Arts and Culture	191,420	12,633	9,291	213,344
Community	36,516	2,410	1,772	40,698
Education	2,320,726	153,158	112,638	2,586,522
Humanitarian	20,000	1,320	971	22,291
Medical	132,400	8,738	6,426	147,564
Other	71,650	4,728	3,477	79,855
	<u>2,772,712</u>	<u>182,987</u>	<u>134,575</u>	<u>3,090,274</u>