

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 2017**

# 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 2017**

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 2017, 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 2017 (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\$1,401,400 (2016: US\$1,388,766).

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\$1,933,375 (2016: US\$1,529,681) was received. This income was applied to furthering the objects of the Fund and the directors made grants totalling US\$1,401,400 (2016: US\$1,388,766) 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\$1,456,498 (2016: deficit of US\$573,542).

During the financial year, the Fund received investments in publicly traded securities amounting to US\$1,526,584 (2016: US\$1,116,172).

The value of the Fund's net assets at 30 June 2017 is US\$14,334,916 (2016: US\$12,878,418).

#### **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") 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\$191,513 (2016: US\$704,462) and increased in value by US\$1,052,501 (2016: decreased by US\$1,032,011) as a result of unrealised gains on the revaluation of investments. Investment income in the financial year amounted to US\$54,086 (2016: US\$27,971).

# The Goldman Sachs Charitable Gift Fund (UK)

## Directors' report for the year ended 30 June 2017 (continued)

### Strategic report (continued)

#### Policy statement on reserves and going concern

The funds at 30 June 2017 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\$14,334,916 (2016: US\$12,878,418) 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 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\$1,401,400 (2016: US\$1,388,766) 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 UK 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 2017 (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 2017 (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 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 2017 (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 (2016: None). The directors and the key management personnel received no remuneration in respect of their services to the Fund during the financial year (2016: £Nil).

No director or key management personnel received any reimbursement of expenses during the financial year (2016: £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 2017 (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 2017 (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.

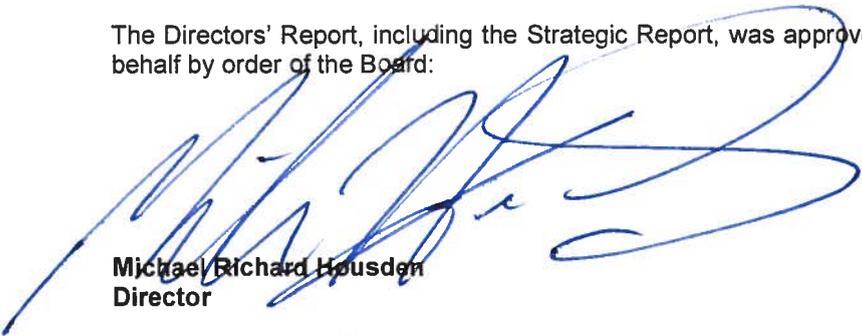
#### **Custodians**

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: 23 November 2017

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

## **Report on the financial statements**

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### **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 2017 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 2017; the statement of financial activities (incorporating the income and expenditure account), the statement of cash flows for the year then ended; the accounting policies; and the notes to the financial statements.

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### **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.

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### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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.

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### **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 directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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.

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

## ***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.

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## **Responsibilities for the financial statements and the audit**

### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### ***Use of this report***

This report, including the opinions, has been prepared for and only for the 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.

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

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## **Other required reporting**

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### **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 directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

23 November 2017

# The Goldman Sachs Charitable Gift Fund (UK)

Registered Company No: 06314343

## Statement of financial activities for the year ended 30 June 2017

(incorporating the income and expenditure account)

	Note	2017 Unrestricted funds US\$	2016 Unrestricted funds US\$
<b>Income</b>			
Donations	2	1,879,289	1,501,710
Investment income	3	54,086	27,971
<b>Total</b>		<b>1,933,375</b>	<b>1,529,681</b>
<b>Expenditure</b>			
Investment management costs	4	(60,013)	(55,056)
Expenditure on charitable activities	4	(1,660,878)	(1,720,618)
<b>Total</b>		<b>(1,720,891)</b>	<b>(1,775,674)</b>
Net gains / (losses) on investments		1,244,014	(327,549)
<b>Net income / (expenditure) and net movement in funds for the year</b>	5	<b>1,456,498</b>	<b>(573,542)</b>
Total funds brought forward		12,878,418	13,451,960
<b>Total funds carried forward</b>	17	<b>14,334,916</b>	<b>12,878,418</b>

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.

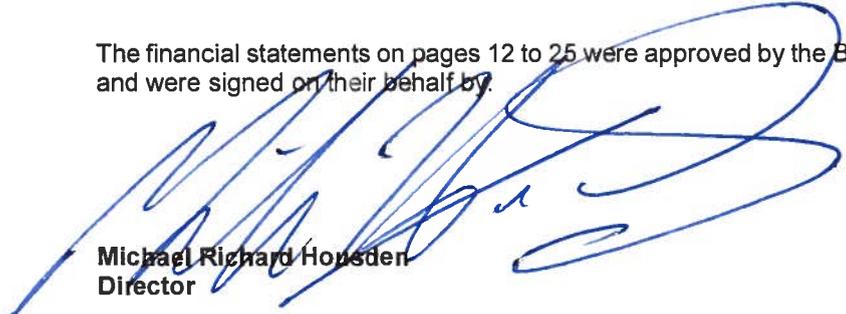
# The Goldman Sachs Charitable Gift Fund (UK)

Registered Company No: 06314343

## Balance sheet for the year ended 30 June 2017

	Note	2017 US\$	2016 US\$
<b>Fixed assets</b>			
Investments	7	<u>14,435,137</u>	<u>12,920,587</u>
<b>Current assets</b>			
Debtors	8	-	111,262
Cash at bank and in hand	9	<u>977</u>	<u>1,318</u>
<b>Total current assets</b>		<u>977</u>	<u>112,580</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(101,198)</u>	<u>(154,749)</u>
<b>Net current liabilities</b>		<u>(100,221)</u>	<u>(42,169)</u>
<b>Total assets less current liabilities</b>		<u>14,334,916</u>	<u>12,878,418</u>
<b>Creditors: amounts falling due after more than one year</b>	11	-	-
<b>Net assets</b>		<u>14,334,916</u>	<u>12,878,418</u>
<b>The funds of the charity:</b>			
Unrestricted income funds			
- General	14	12,266,743	11,862,746
- Fair value reserve	14	2,068,173	1,015,672
<b>Total charity funds</b>	17	<u>14,334,916</u>	<u>12,878,418</u>

The financial statements on pages 12 to 25 were approved by the Board of directors on 23 November 2017 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 2017

	Note	2017 US\$	2016 US\$
<b>Cash flows from operating activities</b>			
Donations received		218,341	248,271
Operating expenses paid		(1,640,078)	(1,656,089)
<b>Net cash flow used in operating activities</b>		<u>(1,421,737)</u>	<u>(1,407,818)</u>
<b>Cash flows from investing activities</b>			
Investment income received		-	449
Purchase of investments		(2,373,560)	(5,892,034)
Proceeds from sales of investments		3,794,956	7,300,335
<b>Net cash flow from investing activities</b>		<u>1,421,396</u>	<u>1,408,750</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(341)</b>	<b>932</b>
Cash and cash equivalents at the beginning of year		1,318	386
<b>Cash and cash equivalents at the end of the year</b>	9	<u><b>977</b></u>	<u><b>1,318</b></u>

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 2017 (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:

- 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 2017 (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\$1.2990 : £1 (2016: US\$1.3368 : £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 2017 (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 2017 (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

	2017 US\$	2016 US\$
Monetary contributions received	218,341	248,271
Donated investments (see note 7)	1,526,584	1,116,172
Donated services and support	134,364	137,267
	<u>1,879,289</u>	<u>1,501,710</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

	2017 US\$	2016 US\$
Income from fixed asset investments		
- Dividend income	<u>54,086</u>	<u>27,971</u>

# The Goldman Sachs Charitable Gift Fund (UK)

## Notes for the financial statements for the year ended 30 June 2017 (continued)

### 4 Expenditure

	Grants US\$	Allocation of support and governance costs US\$	2017 US\$	2016 US\$
Investment management costs	-	60,013	60,013	55,056
Expenditure on charitable activities	1,401,400	259,478	1,660,878	1,720,618
	<u>1,401,400</u>	<u>319,491</u>	<u>1,720,891</u>	<u>1,775,674</u>

### Investment management costs

	2017 US\$	2016 US\$
Donated investment management services	<u>60,013</u>	<u>55,056</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\$	2017 US\$	2016 US\$
Arts and Culture	280,594	28,055	23,899	332,548	133,807
Community	135,240	13,522	11,519	160,281	92,970
Education	752,966	75,285	64,131	892,382	1,249,438
Humanitarian	4,000	400	341	4,741	108,500
Medical	68,100	6,809	5,800	80,709	108,027
Other	160,500	16,047	13,670	190,217	27,876
	<u>1,401,400</u>	<u>140,118</u>	<u>119,360</u>	<u>1,660,878</u>	<u>1,720,618</u>

# The Goldman Sachs Charitable Gift Fund (UK)

## Notes for the financial statements for the year ended 30 June 2017 (continued)

### 4 Expenditure (continued)

There were a total of 80 (2016: 64) grants made during the year totalling US\$1,401,400 (2016: US\$1,388,766). 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 UK law and American law. In line with the Charities SORP, material grants have been listed below.

Name of institution	Grant classification	2017 US\$	2016 US\$
Trustees of Princeton University <sup>a</sup>	Education	306,000	347,000
Carnegie Hall Society, Inc.	Arts & Culture	136,594	-
Trustees of the College of the Holy Cross <sup>b</sup>	Education	100,000	100,000
Whitby School, Inc	Education	77,000	33,000
Grange Park Opera	Arts & Culture	71,250	9,500
Rhino Conservation Botswana (UK) Trust	Other	60,000	-
The British Museum	Arts & Culture	51,000	-
New York University <sup>b</sup>	Medical	50,000	50,000
The Chatham House Foundation, Inc.	Community	44,000	7,800
Inner-City Scholarship Fund, Inc.	Education	41,200	-

<sup>a</sup> Substantially all of these 2017 and 2016 grants supported need-based aid.

<sup>b</sup> These grants in 2017 and 2016 were provided for need-based aid.

### 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\$	2017 US\$	2016 US\$
Investment management costs	-	60,013	-	-	60,013	55,056
Charitable activities	140,118	-	53,534	65,825	259,477	331,852
	<u>140,118</u>	<u>60,013</u>	<u>53,534</u>	<u>65,825</u>	<u>319,490</u>	<u>386,908</u>

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

### Analysis of governance costs

	2017 US\$	2016 US\$
Audit and accountancy fees	93,078	101,725
Legal fees	11,306	78,024
Donated administrative services	20,818	25,857
Other costs	14,916	14,773
	<u>140,118</u>	<u>220,379</u>

# The Goldman Sachs Charitable Gift Fund (UK)

## Notes for the financial statements for the year ended 30 June 2017 (continued)

### 5 Net income / (expenditure) for the year

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

	2017 US\$	2016 US\$
Auditors' remuneration		
- Audit	63,798	65,437
- Other services	29,280	36,288
Net (gains) / losses on investments	<u>(1,244,014)</u>	<u>327,549</u>

### 6 Staff costs and directors' remuneration

No staff were employed by the Fund during the financial year (2016: None).

The directors and the key management personnel received no remuneration in respect of their services to the Fund during the financial year (2016: £Nil). No director and key management personnel received any reimbursement of expenses during the financial year (2016: £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

	2017 US\$	2016 US\$
<b>Quoted investments</b>		
Fair value at 1 July	12,920,587	13,587,076
Additions at cost	2,430,228	5,916,974
Additions – donated investments	1,526,584	1,116,172
Disposals	(3,494,763)	(6,667,624)
Unrealised gains / (losses) on revaluation	1,052,501	(1,032,011)
<b>Fair value at 30 June</b>	<u>14,435,137</u>	<u>12,920,587</u>
<b>Cost at 30 June</b>	<u>12,366,964</u>	<u>11,904,915</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 2017 are as follows:

	2017 US\$	%	2016 US\$	%
Goldman Sachs US\$ Treasury Liquid Reserve Fund	4,511,594	31	3,791,588	29
Goldman Sachs Global Fixed Income Plus Portfolio (hedged)	2,837,802	20	2,803,912	22
Goldman Sachs Global Equity Partners Portfolio	2,583,519	18	2,204,358	17
Vanguard Total World Stock	1,338,658	9	1,294,637	10
Goldman Sachs Growth & Emerging Markets Core Equity Portfolio	1,282,520	9	1,064,600	8
Goldman Sachs Global Small Cap Core Equity Portfolio	<u>770,645</u>	<u>5</u>	<u>677,362</u>	<u>5</u>

# The Goldman Sachs Charitable Gift Fund (UK)

## Notes for the financial statements for the year ended 30 June 2017 (continued)

### 8 Debtors

	2017 US\$	2016 US\$
Other debtors	-	111,262

### 9 Cash at bank and in hand

	2017 US\$	2016 US\$
Cash at bank and in hand	977	1,318

### 10 Creditors: amounts falling due within one year

	2017 US\$	2016 US\$
Grants payable (see note 11)	-	20,000
Accruals	101,198	134,749
	<u>101,198</u>	<u>154,749</u>

### 11 Creditors: amounts falling due after more than one year

	2017 US\$	2016 US\$
Grants payable	-	-

The Fund had committed to paying a grant of US\$100,000 (2016: 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 was 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, the fourth instalment of US\$20,000 was paid in June 2016 and the final instalment of US\$20,000 was paid in June 2017.

# The Goldman Sachs Charitable Gift Fund (UK)

## Notes for the financial statements for the year ended 30 June 2017 (continued)

### 12 Financial instruments

	2017 US\$	2016 US\$
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost:		
- Fixed asset investments	14,435,137	12,920,587
- Other debtors	-	111,262
	<u>14,435,137</u>	<u>13,031,849</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost:		
- Grants payable	-	20,000
	<u>-</u>	<u>20,000</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 2016 US\$	Income US\$	Expenditure US\$	Investment gains US\$	At 30 June 2017 US\$
General	11,862,746	1,933,375	(1,720,891)	191,513	12,266,743
Fair value reserve	1,015,672	-	-	1,052,501	2,068,173
	<u>12,878,418</u>	<u>1,933,375</u>	<u>(1,720,891)</u>	<u>1,244,014</u>	<u>14,334,916</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.

# The Goldman Sachs Charitable Gift Fund (UK)

## Notes for the financial statements for the year ended 30 June 2017 (continued)

### 15 Analysis of net assets between funds

	General US\$	Fair value reserve US\$	Total US\$
<b>At 30 June 2017</b>			
Fixed asset investments	12,366,964	2,068,173	14,435,137
Debtors	-	-	-
Cash at bank and in hand	977	-	977
Creditors	(101,198)	-	(101,198)
	<u>12,266,743</u>	<u>2,068,173</u>	<u>14,334,916</u>
<b>At 30 June 2016</b>			
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

	2017 US\$	2016 US\$
Net movements in funds	1,456,498	(573,542)
Net addition / (reduction) to funds	<u>1,456,498</u>	<u>(573,542)</u>
Opening funds	12,878,418	13,451,960
Closing funds	<u>14,334,916</u>	<u>12,878,418</u>

# **The Goldman Sachs Charitable Gift Fund (UK)**

## **Notes for the financial statements for the year ended 30 June 2017 (continued)**

### **18 Related party transactions**

No donations were received from the directors during the year (2016: £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 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).

### **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.