

Goldman Sachs Group UK Limited

# Country by Country Reporting

For the year ended December 31, 2021

## Introduction

Goldman Sachs Group UK Limited (GSGUKL), together with its subsidiary undertakings (collectively “GSGUK”), provides a wide range of financial services to clients located worldwide.

GSGUK is supervised on a consolidated basis by the Prudential Regulation Authority (PRA).

GSGUKL’s ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. Group Inc., together with its consolidated subsidiaries, form “GS Group”. GS Group is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments and individuals.

The majority of GSGUK’s business activity is conducted through legal entities incorporated in England and Wales and regulated by the PRA, including Goldman Sachs International, the group’s broker dealer in the Europe, Middle East and Africa (EMEA) region, and Goldman Sachs International Bank, the group’s U.K. registered bank.

GSGUK is required to comply with the provisions of Statutory Instrument 2013 No. 3118 Capital Requirements (Country by Country Reporting) Regulations 2013.

### Overview of the table

Table 1 below presents GSGUK’s turnover, profit/(loss) before tax, cash tax paid and number of employees, allocated on the basis of each entity’s tax domicile.

This report has been prepared for the twelve months ended December 31, 2021. All references to December 2021 refer to the twelve months ended, or the date, as the context requires, December 31, 2021.

Turnover has been interpreted as net revenue and gives an illustration of the size of business in each country. Turnover is disclosed in accordance with local accounting requirements in each country resulting in an element of double counting across regions. These differences are adjusted for at the bottom of the table.

Corporation tax paid represents actual payments made in each country during the year ended December 2021. Corporation tax paid in any given period does not generally relate to the profits earned in the same period, as tax on profits is paid across multiple periods, and taxable profits are calculated based on tax legislation and can differ from accounting profits.

Withholding tax represents overseas tax charged on dividends or similar income received. This tax is typically deducted by the payer when such items are paid to a recipient outside the payer’s jurisdiction of residence. For the year ended December 2021 the U.K. entities of GSGUK suffered \$204 million of withholding tax on their overseas income. In order to prevent the same income being taxed twice, U.K. tax law allows, under certain circumstances, overseas withholding tax to be offset against U.K. corporation tax. The withholding tax offset against the U.K. corporation tax liability has been disclosed separately from corporate income tax paid in the table below.

Employee numbers represent average full time equivalent employees excluding consultants and temporary staff.

**Table 1: Country by Country Reporting for the year ended December 2021**

As shown below, the majority of GSGUK's profit before tax arises in the United Kingdom. In the year ended December 2021, GSGUK reported a tax expense of US\$699 million on accounting profits of US\$4,321 million, resulting in an effective tax rate of 16.2%.

GSGUK received no public subsidies during the year ended December 2021.

<b>Country</b>	<b>Net revenues US\$'000</b>	<b>Profit/(loss) before tax US\$'000</b>	<b>Corporation tax paid/(received) US\$'000</b>	<b>Average number of employees</b>
United Kingdom	12,241,544	4,259,984	569,393	3,900
United Arab Emirates	66,548	16,702	-	58
France	38,862	14,480	4,287	13
South Africa	17,789	5,874	10,922	24
Republic of Ireland	17,076	13,006	(97)	-
Switzerland	16,839	4,139	429	17
Sweden	12,137	250	3,043	25
Luxembourg	7,505	7,149	-	-
Poland	4,038	392	-	-
Spain	3,921	(1,332)	448	7
Germany	2,507	330	(2,156)	5
Italy	384	297	-	-
Qatar	268	(12)	-	-
Netherlands	-	1	34	-
Isle of Man	(23)	4	-	-
Turkey	(288)	74	68	2
Jersey	(615)	(706)	-	-
UK Group consolidation adjustment	(39,772)	-	-	-
<b>SUB-TOTAL</b>	<b>12,388,720</b>	<b>4,320,632</b>	<b>586,371</b>	<b>4,051</b>
<b>Withholding tax</b>			<b>203,533</b>	
<b>TOTAL</b>	<b>12,388,720</b>	<b>4,320,632</b>	<b>789,904</b>	<b>4,051</b>

**Table 2: List of legal entities and branches included in the Country by Country Reporting for the year ended December 2021\***

<b>JURISDICTION</b>	<b>ENTITIES AND BRANCHES</b>	<b>DESCRIPTION OF ACTIVITIES</b>
<b>United Kingdom</b>	Broad Street Principal Investments UK LTD	Investment company
	ELQ Investors VIII LTD	Investment company
	Fleet Trade & Transport Limited	Oil and shipping operations
	Goldman Sachs Asset Management International**	Asset management company
	Goldman Sachs Group Holdings (U.K.) Limited	Holding company
	Goldman Sachs Group U.K. Finance Limited	Investment company
	Goldman Sachs Group UK Limited	Holding company
	Goldman Sachs International	Financial services
	Goldman Sachs International - Brussels Representative Office	Representation office of Goldman Sachs International
	Goldman Sachs International Bank	Lending and deposit taking activities
	Goldman Sachs International Bank Beijing Representative Office	Representation office of Goldman Sachs International Bank
	Goldman Sachs MB Services Limited	Asset management company
	GS EM Limited	Investment company
	Nufcor International Limited	Commodities dealer
	Prosta Acquisitions Ltd	Investment company
<b>France</b>	Goldman Sachs International Succursale de Paris	Branch of Goldman Sachs International
<b>Germany</b>	Goldman Sachs International Bank Zweigniederlassung Frankfurt	Branch of Goldman Sachs International Bank
	Goldman Sachs International Zweigniederlassung**	Branch of Goldman Sachs International
<b>Isle of Man</b>	Goldman Sachs Europe Limited	Service company
<b>Italy</b>	Goldman Sachs International - Filiale Italiana	Branch of Goldman Sachs International
<b>Jersey</b>	PIL Holding 2 Limited	Investment company
<b>Luxembourg</b>	ELQ VIII Acquisition S.A.R.L.	Investment company
	Sky Mundi S.A.R.L.	Investment company
<b>Netherlands</b>	Goldman Sachs International, Amsterdam Branch**	Branch of Goldman Sachs International
	Parrot B.V.	Investment company
	Parrot Management B.V.	Investment company
<b>Poland</b>	Prosta Investments SP Z.O.O.	Investment company
	Trinity II Investments SP Z.O.O.	Investment company
<b>Qatar</b>	Goldman Sachs International - Qatar Branch	Branch of Goldman Sachs International
<b>Republic of Ireland</b>	Goldman Sachs International, Ireland Branch**	Branch of Goldman Sachs International
	GS EM (Ireland) Designated Activity Company	Investment company
	Goldman Sachs Ireland Finance Limited	Investment company
	Obsidian Irish Collective Asset-Management Vehicle	Investment company
<b>South Africa</b>	Goldman Sachs International Inc In England - Johannesburg Branch	Branch of Goldman Sachs International
	Goldman Sachs International Bank - Johannesburg Branch	Branch of Goldman Sachs International Bank
<b>Spain</b>	Goldman Sachs International Sucursal En Espana	Branch of Goldman Sachs International
<b>Sweden</b>	Goldman Sachs International - Stockholm Branch	Branch of Goldman Sachs International

GOLDMAN SACHS GROUP UK LIMITED  
**Country by Country Reporting**

<b>JURISDICTION</b>	<b>ENTITIES AND BRANCHES</b>	<b>DESCRIPTION OF ACTIVITIES</b>
<b>Switzerland</b>	Goldman Sachs International, London, Zweigniederlassung Zürich	Branch of Goldman Sachs International
<b>Turkey</b>	Goldman Sachs TK Danismanlik Hizmetleri Anonim Sirketi	Service company
<b>United Arab Emirates</b>	Goldman Sachs International - Dubai Branch	Branch of Goldman Sachs International

\* The list of entities and branches does not include subsidiaries that have no impact on the net revenue, profit before tax, corporation tax paid or number of employees disclosed or that were sold or dissolved during the year with minimal impact.

\*\* Sold, transferred or dissolved during the year.

# ***Independent auditors' report to the directors of Goldman Sachs Group UK Limited***

## **Report on the audit of the country-by-country information**

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### **Opinion**

In our opinion, Goldman Sachs Group UK Limited's country-by-country information for the year ended 31 December 2021 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2021 in Table 1 of the Country-by-Country Report.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the country-by-country information 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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### **Emphasis of matter - Basis of preparation**

In forming our opinion on the country-by-country information, which is not modified, we draw attention to the Introduction of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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### **Reporting on other information**

The other information comprises all of the information in the Country-by-Country Report other than the country-by-country information and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the country-by-country information does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the country-by-country information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the country-by-country information 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 country-by-country information 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.

## **Responsibilities for the country-by-country information and the audit**

### *Responsibilities of the directors for the country-by-country information*

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation and accounting policies to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

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

### *Auditors' responsibilities for the audit of the country-by-country information*

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is 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 this country-by-country information.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company/industry, we identified that the principal risks of non-compliance with laws and regulations related to Financial Conduct Authority ("FCA"), Prudential Regulation Authority ("PRA"), United Kingdom tax legislation and equivalent local laws and regulations applicable to other countries in which the group operates, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as applicable tax legislation and the Capital Requirements (Country-by-Country Reporting) Regulations 2013. We evaluated management's incentives and opportunities for fraudulent manipulation of the country-by-country information (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries and discussions with management, including Internal Audit, and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud. Audit procedures performed included:

- Assessing management's controls designed to prevent and detect fraud in financial reporting;
- Assessing matters reported on the company's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing key correspondence with regulatory authorities (the FCA and the PRA);
- Identifying and testing journal entries, in particular any journal entries posted by senior management;
- Testing of information security controls relating to system access and change management; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the country-by-country information. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC'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 opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, 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.

The engagement partner responsible for this audit is Mike Wallace.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
30 June 2022