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SILCHESTER INTERNATIONAL INVESTORS LLP
(formerly Silchester Partners LLP)

**MEMBERS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2012

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Silchester International Investors LLP

Members' Report and Financial Statements

For the year ended 31 March 2012

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Silchester International Investors LLP**Members' Report**

The Supervisory Group present the Consolidated Financial Statements for Silchester International Investors LLP (the "Partnership") for the year ended 31 March 2012. The Partnership was incorporated on 8 June 2010 and was authorised to conduct investment business by the UK Financial Services Authority (the "FSA") on 1 November 2010. On 1 November 2010, Silchester Partners Limited ("SP Limited") transferred its regulated investment management business to the Partnership in exchange for a partnership interest. Prior to 1 November 2010, the Partnership was engaged in a trade but was not engaged in any regulated activity. Prior to 1 November 2010, the Partnership was known as Silchester Partners LLP. In these financial statements, the Partnership and its wholly owned subsidiary, Silchester International Investors, Inc. are referred to as the "Group".

Results and Members' profit allocation

Consolidated profits for the year before drawings amounted to £100,629,046

Activity, business review and future developments

The Group's principal activity is to provide investment management services. The Partnership conducts its activities from its headquarters in London with marketing and client relations assistance provided by its wholly-owned subsidiary in the USA. There are no plans which will significantly change the activities of the Group.

The Group's key financial and performance indicators during the year were as follows

	31 March <u>2012</u> £
Assets under management (£'m)	16,128
Investment management fees (£)	116,478,523
Operating profit before taxation and drawings (£)	100,390,713

Members' capital

Any profits are shared among the Members as decided by the Supervisory Group, subject to the provisions of a Limited Liability Partnership Agreement ("LLP Agreement") dated 1 November 2010. Policies for Members' drawings, subscriptions and repayment of Members' capital are governed by the LLP Agreement.

Principal risks and uncertainties

The principal risks to the Partnership are (i) that its investment performance will fail to satisfy client expectations or (ii) its clients will choose to invest more of their assets in asset classes other than publicly traded non-US equities. Either outcome could lead to decreased assets under management, reduced turnover, and lower operating profits. The Partnership does not utilise forward currency contracts to manage its own financial currency risks or other derivative instruments to reduce the volatility of the earnings.

Price risk arises on financial instruments because of changes in, for example, equity prices or foreign exchange rates. The Partnership maintains investments in a number of privately offered funds which are exposed to price risk. This risk exposure is within the Partnership's risk appetite. The Partnership is not subject to material credit, liquidity or cash flow risks in normal circumstances.

Future developments

The Supervisory Group aims to maintain the policies which have resulted in the Partnership's growth in recent periods.

Silchester International Investors LLP**Members' Report (Continued)****Supervisory Group**

The Members of the Supervisory Group during the period were as follows

S C Butt
M J J Cowan
C B Cowie
T J Linehan

The designated members were S C Butt, M J J Cowan and T J Linehan

Details of the other Members can be obtained from the Partnership's registered office, Time & Life Building, 1 Bruton Street, London, W1J 6TL

Political and charitable contributions

During the year, the Group did not make any political or charitable contributions

Pillar III disclosure

The Partnership has documented the disclosures required by the FSA under BIPRU 11.3. These are available from the Partnership's registered office on request or on its website at www.silchester.com

Insurance

The Partnership maintains professional indemnity and crime insurance cover at a level the Supervisory Group believes is appropriate for the business

Going Concern

The Partnership's business activities, together with the factors likely to affect its future development, their financial position and risk management objectives are described in the business review and review of principal risks and uncertainties on page 1. The Partnership has considerable financial resources together with a number of investment management agreements, and as a consequence, the Supervisory Group believes that the Partnership is well placed to manage its business risks going forward. After making enquiries, the Supervisory Group have a reasonable expectation that the Partnership has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Group's financial statements.

Members' statement as to disclosure of information to auditors

The Supervisory Group, having made enquiries of fellow members and the Partnership's auditors, confirms that

- to the best of each Member's knowledge and belief, there is no information relevant to the preparation of their report of which the Partnership's auditors are unaware, and
- each Member has taken all the steps a Member might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Partnership's auditors are aware of that information

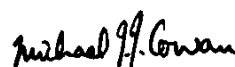
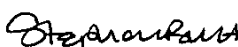
Auditors

During the year Moore Stephens LLP were appointed as auditors to the Partnership

A resolution to reappoint Moore Stephens LLP as auditors will be put to the Members at the Annual General Meeting

Approved on behalf of the Members

Stephen C Butt
Senior Partner
24 May 2012



Michael J J Cowan
Senior Partner

Silchester International Investors LLP**Statement of Members' Responsibilities**

The Supervisory Group are responsible for preparing the Members' Report and financial statements in accordance with applicable law and regulations

The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements each year Under that regulation the Supervisory Group have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under the regulation the Supervisory Group must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the Group and of the profit or loss of the Group for that period In preparing the accounts, the Supervisory Group are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business

The Supervisory Group are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and the Group and to enable them to ensure that the accounts comply with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 The Supervisory Group are also responsible for safeguarding the assets of the Partnership and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent Auditor's Report to the Members of Silchester International Investors LLP

We have audited the financial statements of Silchester International Investors LLP for the year ended 31 March 2012 which are set out on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members 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). Those standards require us to comply with the Auditing Practices Boards (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent limited liability partnership's affairs as at 31 March 2012 and of the group's profit 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.


Lorraine Bay, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

25 May 2012

Silchester International Investors LLP

Consolidated Profit and Loss Account
For the year ended 31 March 2012

	<u>Note</u>	<u>2012</u> £	As restated for the period from 8 June 2010 to 31 March <u>2011</u> £
Income			
Investment management fees	2	116,478,523	48,337,001
Income from Operational Services Agreement		<u>1,593,637</u>	<u>212,228</u>
		118,072,160	48,549,229
Expenses			
Payments under Trademark Licensing Agreement		(1,028,413)	(414,703)
Administration expenses		<u>(16,896,272)</u>	<u>(7,436,166)</u>
		(17,924,685)	(7,850,869)
Operating profit	3	100,147,475	40,698,360
Bank interest		222,980	38,613
Dividend income from securities		<u>20,258</u>	<u>317</u>
Profit on ordinary activities before taxation and members' remuneration charged as an expense		100,390,713	40,737,290
Taxation	6	<u>238,333</u>	<u>(390,485)</u>
		100,629,046	40,346,805
Members' remuneration charged as an expense		<u>(36,051,301)</u>	<u>(14,454,733)</u>
Profit for the financial period available for discretionary division among members	12	<u>64,577,745</u>	<u>25,892,072</u>
All amounts are in respect of continuing operations			

The accounting policies and notes on pages 10 - 23 are an integral part of these accounts

Silchester International Investors LLP

Consolidated Statement of Total Recognised Gains and Losses
For the year ended 31 March 2012

	<u>Note</u>	<u>2012</u> £	As restated for the period from 8 June 2010 to 31 March <u>2011</u> £
Profit for the financial period available for discretionary division among members		64,577,745	25,892,072
Prior year adjustment	17	(4,661,899)	-
Unrealised appreciation on revaluation of investments		252,535	253,731
Currency translation differences		<u>(15,860)</u>	<u>8,455</u>
Total recognised gain		<u>60,152,521</u>	<u>26,154,258</u>

The accounting policies and notes on pages 10 - 23 are an integral part of these accounts

Silchester International Investors LLP

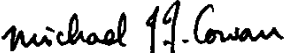
Registration No OC355490

Consolidated Balance Sheet of 31 March 2012

	<u>Note</u>	<u>2012</u> £	As restated <u>2011</u> £
Fixed assets			
Investments	8	9,085,598	9,190,791
Tangible Fixed Assets	9	-	-
		<u>9,085,598</u>	<u>9,190,791</u>
Current assets			
Debtors	10	13,845,963	10,765,434
Cash and short-term deposits		<u>34,836,680</u>	<u>13,724,660</u>
		48,682,643	24,490,094
Creditors: amounts falling due within one year	11	<u>(10,373,083)</u>	<u>(9,490,734)</u>
Net current assets		<u>38,309,560</u>	<u>14,999,360</u>
Total assets attributable to members		<u>47,395,158</u>	<u>24,190,151</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	12	111,100	47,850
Members' other interests			
Members' capital classified as equity	12	9,500,000	9,500,000
Revaluation reserve	12	506,266	253,731
Other reserves	12	<u>37,277,792</u>	<u>14,388,570</u>
		47,284,058	24,142,301
		<u>47,395,158</u>	<u>24,190,151</u>
Memorandum of members' total interests			
Loans and other debts to members		2,331,600	5,605,877
Members' total interests		<u>47,395,158</u>	<u>24,142,301</u>
		<u>49,726,758</u>	<u>29,748,178</u>

The financial statements were approved by the Supervisory Group on 24 May 2012
For and on behalf of the Supervisory Group

S C Butt 

M J J Cowan 

The accounting policies and notes on pages 10 - 23 are an integral part of these accounts

Silchester International Investors LLP

Consolidated Cash Flow Statement
For the year ended 31 March 2012

	<u>Note</u>	<u>2012</u> £	For the period from 8 June 2010 to 31 <u>March 2011</u> £
Net cash inflow from operating activities	13	101,230,380	32,059,608
Returns on investments and servicing of finance			
Interest received		222,980	38,613
Dividend income from securities		<u>20,258</u>	<u>317</u>
		243,238	38,930
Taxation		(619,504)	(246,567)
Capital expenditure			
Purchase of tangible fixed assets		(13,457)	(20,285)
Transactions with members	13	(79,992,529)	(9,546,732)
Management of liquid resources			
Purchase of securities		-	(38,624)
Purchase of government securities		-	(4,459,520)
Investment in funds		(19,139)	(4,062,150)
Proceeds on disposal of investments		283,031	-
Net investment in short-term deposits		<u>(20,450,000)</u>	<u>(9,800,000)</u>
		<u>(20,186,108)</u>	<u>(18,360,294)</u>
Increase in cash	13	<u>662,020</u>	<u>3,924,660</u>

The accounting policies and notes on pages 10 - 23 are an integral part of these accounts

Silchester International Investors LLP

Registration No OC355490

Partnership Balance Sheet at 31 March 2012

	<u>Note</u>	<u>2012</u> £	As restated <u>2011</u> £
Fixed assets			
Investments	8	8,895,944	8,725,633
Tangible Fixed Assets	9	-	-
		<u>8,895,944</u>	<u>8,725,633</u>
Current assets			
Debtors	10	13,832,349	10,753,544
Cash and short-term deposits		<u>31,490,992</u>	<u>13,153,577</u>
		45,323,341	23,907,121
Creditors: amounts falling due within one year	11	<u>(6,674,720)</u>	<u>(8,270,010)</u>
Net current assets		<u>38,648,621</u>	<u>15,637,111</u>
Total assets attributable to members		<u>47,544,565</u>	<u>24,362,744</u>
Represented by.			
Loans and other debts due to members within one year			
Members' capital classified as a liability	12	111,100	47,850
Members' other interests			
Members' capital classified as equity	12	9,500,000	9,500,000
Revaluation reserve	12	439,343	227,476
Other reserves	12	<u>37,494,122</u>	<u>14,587,418</u>
		47,433,465	24,314,894
	12	<u>47,544,565</u>	<u>24,362,744</u>
Memorandum of members' total interests			
Loans and other debts to members		1,500,863	5,558,027
Members' total other interests		<u>47,544,565</u>	<u>24,362,744</u>
		<u>49,045,428</u>	<u>29,920,771</u>

The financial statements were approved by the Supervisory Group on 24 May 2012
For and on behalf of the Supervisory Group

S C Butt 

M J J Cowan 

The accounting policies and notes on pages 10 – 23 are an integral part of these accounts

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes

1 Accounting policies

(a) Basis of preparation

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain investments, and in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (SORP) issued in March 2010

(b) Consolidated accounts

The consolidated accounts include the accounts of the Partnership and its wholly owned subsidiary Silchester International Investors, Inc (collectively the "Group") All material intercompany transactions and balances have been eliminated in the Group accounts

No profit and loss account is presented for Silchester International Investors LLP (the parent entity) as permitted by Section 408 of the Companies Act

(c) Turnover

Management fees are derived from United Kingdom operations principally from clients domiciled outside the United Kingdom and are accrued as earned

(d) Pensions

The Group operates defined contribution pension schemes for employees Contributions are charged in the profit and loss account as they become payable

(e) Tangible fixed assets

Tangible fixed assets are depreciated on a straight line basis over the estimated useful lives of the assets as shown below

Computer Equipment	1 to 5 years
Office Equipment	1 to 3 years
Furniture and Fittings	3 years

De minimus amounts of expenditure on fixed assets are depreciated in full in the month of addition

(f) Investments

Investments in commingled funds are stated at the net asset value of the Group's proportionate share of the applicable fund Investments in gilts are stated at market value Unrealised appreciation on gilts and investments in commingled funds is taken to the revaluation reserve Unrealised depreciation on investments in commingled funds is taken to the revaluation reserve or, if the value is below cost, to the profit and loss account Investments in subsidiary undertakings are stated at the lower of cost and net realisable value

(g) Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

1 Accounting policies

(h) Foreign currency

Foreign currency transactions are translated at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date, and any differences arising are taken to the profit and loss account.

Assets and liabilities of subsidiaries are denominated in foreign currencies and translated into sterling at the rate of exchange prevailing at the balance sheet date. Revenue and expense items of such subsidiaries are translated at the average monthly exchange rate during the year. The resulting exchange differences are taken directly to reserves.

(i) Taxation

A provision has been included for taxation in the financial statements in respect of Silchester International Investors, Inc. No provision has been made for taxation in respect of the Partnership. Each Member is individually liable for any tax liabilities arising out of their interest in the Partnership. Tax is assessed on the individual Members and not on the Partnership.

(j) Members' profit allocations

Discretionary and non-discretionary profit allocations are recognised when formally approved by the Supervisory Group. Under the terms of the LLP Agreement, 100% of all of the Partnership's capital profits accrue to SP Limited, 32.5% of the Partnership's income profits accrue to SP Limited and 67.5% of the Partnership's income profits are allocated to the working partners and employees of the Partnership and its wholly owned subsidiary, Silchester International Investors, Inc.

2 Income

Income is from one principal activity: investment management and advice.
Income by geographical market is as follows:

	<u>2012</u> £	For the period from 8 June 2010 to 31st <u>March 2011</u> £
United States of America	108,832,552	44,984,783
Other	<u>7,645,971</u>	<u>3,352,218</u>
	<u>116,478,523</u>	<u>48,337,001</u>

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

3 Operating profit

	<u>2012</u>	For the period from 8 June 2010 to 31 <u>March 2011</u>
	£	£
This is stated after charging		
Auditors' remuneration – audit	20,000	19,000
Auditors' remuneration – taxation advice and other non audit services	26,637	49,990
Depreciation	13,457	80,464
Operating lease rentals - land and buildings	745,015	290,229
Exchange gain	<u>726,958</u>	<u>95,383</u>

4 Members' drawings

	LLP <u>2012</u>	For the period from 8 June 2010 to 31 <u>March 2011</u>
	£	£
Income profit for the year before Members' remuneration and available for division among Members	100,629,046	40,307,875
Capital profit for the year payable to SP Limited	441,960	38,930
Profit attributable to SP Limited, the Member with the largest share of income profits	35,609,341	14,454,733
Profit attributable to the working partners	64,577,745	25,892,072

The average number of Members during the period, calculated on a month by month basis, was fourteen (2011 thirteen) of which thirteen (2011 twelve) were working partners

5 Employee information

	<u>2012</u>	For the period from 8 June 2010 to 31 <u>March 2011</u>
	£	£
Employment costs comprise		
Salaries and wages	9,941,631	4,134,920
Social security and other costs	269,399	185,066
Pension costs	<u>203,116</u>	<u>148,979</u>
	<u>10,414,146</u>	<u>4,468,965</u>

The average number of employees during the period, calculated on a month by month basis, was seventeen (2011 twenty)

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

6 Taxation

	<u>2012</u>	For the period from 8 June 2010 to 31 March 2011
	£	£
The Group tax charge is made up as follows		
UK taxation	-	-
Adjustments for prior periods	(653,780)	-
Foreign taxation	<u>415,447</u>	<u>390,485</u>
Total current tax (credit)/charge for the year	<u>(238,333)</u>	<u>390,485</u>
Profit on ordinary activities before tax	<u>100,390,713</u>	<u>40,737,290</u>
Profit multiplied by standard tax rate of 26% (2011 28%)	26,101,585	11,406,441
Effects of		
Partnership profits taxable on members	(26,101,585)	(11,355,147)
Adjustments for prior periods	(653,780)	-
Higher rates of foreign tax	<u>415,447</u>	<u>339,191</u>
Current tax (credit)/charge for the year	<u>(238,333)</u>	<u>390,485</u>

7 Profit attributable to the Partnership

The profit of Silchester International Investors LLP (the parent company) included in the consolidated accounts was £64,577,745, (2011 £25,892,072)

8 Investments

Group	Investment in Funds & Equities £	Investment in Subsidiary Undertakings £	Treasury Gilts £	Total £
Cost				
At 31 March 2011	4,477,540	-	4,459,520	8,937,060
Additions	19,139	-	-	19,139
Disposals	<u>(425,416)</u>	<u>-</u>	<u>-</u>	<u>(425,416)</u>
At 31 March 2012	<u>4,071,263</u>	<u>-</u>	<u>4,459,520</u>	<u>8,530,783</u>
Carry Value				
At 31 March 2011	4,664,631	-	4,526,160	9,190,791
Additions	19,139	-	-	19,139
Disposals	(344,466)	-	-	(344,466)
Revaluations	<u>207,414</u>	<u>-</u>	<u>12,720</u>	<u>220,134</u>
At 31 March 2012	<u>4,546,718</u>	<u>-</u>	<u>4,538,880</u>	<u>9,085,598</u>

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

8 Investments (continued)

Partnership	Investment in Funds & Equities	Investment in Subsidiary Undertakings	Treasury Gilts	Total
At 31 March 2011	4,038,624	13	4,459,520	8,498,157
Additions	19,139	-	-	19,139
Disposals	(60,686)	-	-	(60,686)
At 31 March 2012	3,997,077	13	4,459,520	8,456,610
Carry Value				
At 31 March 2011	4,199,460	13	4,526,160	8,725,633
Additions	19,139	-	-	19,139
Disposals	(63,191)	-	-	(63,191)
Revaluation	201,643	-	12,720	214,363
At 31 March 2012	4,357,051	13	4,538,880	8,895,944
	Group 2012 £	Group 2011 £	Partnership 2012 £	Partnership 2011 £
Listed investments	4,538,880	4,526,160	4,538,880	4,526,160
Unlisted investments	4,546,718	4,664,631	4,357,064	4,199,473
	9,085,598	9,190,791	8,895,944	8,725,633

Subsidiary undertakings comprise

<u>Name of Company</u>	<u>Class of Share</u>	<u>% of Class Held</u>	<u>Nature of Business</u>
Silchester International Investors, Inc (incorporated in the United States of America)	Ordinary	100	Marketing and Client Relations

Silchester International Investors, Inc, was transferred to the Partnership on 1 November 2010

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

9 Tangible fixed assets

Group	Computer Equipment £	Furniture and Equipment £	Total £
Cost			
At 31 March 2011	362,413	559,411	921,824
Additions	255	13,202	13,457
At 31 March 2012	362,668	572,613	935,281
Depreciation			
At 31 March 2011	362,413	559,411	921,824
Charge for the year	255	13,202	13,457
At 31 March 2012	362,668	572,613	935,281
Net book value at 31 March 2012	-	-	-
Net book value at 31 March 2011	-	-	-

Partnership	Computer Equipment £	Furniture and Equipment £	Total £
Cost			
At 31 March 2011	333,647	513,365	847,012
Additions	255	13,202	13,457
At 31 March 2012	333,902	526,567	860,469
Depreciation			
At 31 March 2011	333,647	513,365	847,012
Charge for the year	255	13,202	13,457
At 31 March 2012	333,902	526,567	860,469
Net book value at 31 March 2012	-	-	-
Net book value at 31 March 2011	-	-	-

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

10 Debtors

Debtors comprise

	Group <u>2012</u> £	Group <u>2011</u> £	Partnership <u>2012</u> £	Partnership <u>2011</u> £
Trade debtors	9,910,350	10,376,003	9,908,659	10,376,003
Prepayments and accrued income	926,479	377,539	926,479	377,541
Due from members	2,951,600	-	2,951,600	-
Other debtors	57,534	11,892	45,611	-
	<u>13,845,963</u>	<u>10,765,434</u>	<u>13,832,349</u>	<u>10,753,544</u>

11 Creditors

Amounts due within one year

	Group <u>2012</u> £	Group <u>2011</u> £	Partnership <u>2012</u> £	Partnership <u>2011</u> £
Trade creditors	339,947	347,732	283,845	354,158
Taxation	16,945	876,997	-	-
Other taxes and social security costs	26,949	41,548	26,949	41,548
Amount due to subsidiary undertakings	-	-	474,716	1,080,992
Amount due to SP Limited	5,283,200	5,558,027	4,452,463	5,558,027
Other accruals and deferred income	4,706,042	2,666,430	1,436,747	1,235,285
	<u>10,373,083</u>	<u>9,490,734</u>	<u>6,674,720</u>	<u>8,270,010</u>

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

12 Reconciliation of movements in Members' other and Members' total interests

Group	Members' Capital (Classified as Equity) £	Members Capital (Classified as Debt) £	Other Reserves £	Revaluation Reserve £	Total Member's other interest £	Loans and other debits £	Member's total interests £
At 31 March 2011	9,500,000	47,850	19,050,469	253,731	28,852,050	896,128	29,748,178
Prior Period Adjustment	-	-	(4,661,899)	-	(4,661,899)	4,661,899	-
Restated b/f Balance	9,500,000	47,850	14,388,570	253,731	24,190,151	5,558,027	29,748,178
Capital Contribution Members	-	63,250	-	-	63,250	-	63,250
Remuneration	-	-	-	-	-	36,051,301	36,051,301
Profit for the period available for discretionary division among members	-	-	64,577,745	-	64,577,745	-	64,577,745
Allocations	-	-	(41,671,041)	-	(41,671,041)	41,671,041	-
Drawings	-	-	-	-	-	(80,055,779)	(80,055,779)
Other reserves	-	-	(17,482)	252,535	235,053	-	235,053
Other transactions with members	-	-	-	-	-	(892,990)	(892,990)
At 31 March 2012	9,500,000	111,100	37,277,792	506,266	47,395,158	2,331,600	49,726,758

The amounts due to members would rank pari passu with other creditors in the event of a winding up of the LLP

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

12 Reconciliation of movements in Members' other and Members' total interests (Continued)

Partnership	Members' Capital (Classified as Equity) £	Members Capital (Classified as Debt) £	Other Reserves £	Revaluation Reserve £	Total Member's other interest £	Loans and other debits £	Member's total interests £
At 31 March 2011	9,500,000	47,850	19,249,317	227,476	29,024,643	896,128	29,920,771
Prior Period Adjustment	-	-	(4,661,899)	-	(4,661,899)	4,661,899	-
Restated b/f Balance	9,500,000	47,850	14,587,418	227,476	24,362,744	5,558,027	29,920,771
Capital Contribution Members	-	63,250	-	-	63,250	-	63,250
Remuneration Profit for the period available for discretionary division among members	-	-	-	-	-	35,220,564	35,220,564
Allocations	-	-	64,577,745 (41,671,041)	-	64,577,745 (41,671,041)	-	64,577,745
Drawings	-	-	-	-	-	41,671,041 (80,055,779)	-
Other Reserves	-	-	-	211,867	211,867	-	(80,055,779) 211,867
Other transactions with members	-	-	-	-	-	(892,990)	(892,990)
At 31 March 2012	9,500,000	111,100	37,494,122	439,343	47,544,565	1,500,863	49,045,428

The amounts due to members would rank pari passu with other creditors in the event of a winding up of the LLP

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Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

13 Reconciliation of operating profit to net cash inflow from operating activities

	<u>2012</u> £	For the period from 8 June 2010 to 31 March 2011 £
Operating profit	100,147,475	40,698,360
Depreciation	13,457	80,464
Foreign exchange movement	1,381	-
Fund management fees	60,200	-
Net increase in debtors	(128,929)	(10,342,093)
Net (decrease) / increase in creditors	<u>1,136,796</u>	<u>1,622,877</u>
Net cash inflow from operating activities	<u>101,230,380</u>	<u>32,059,608</u>
Transactions with Members:		
Distributions to members	(80,055,779)	(21,304,781)
Capital introduced	<u>63,250</u>	<u>11,758,049</u>
	<u>(79,992,529)</u>	<u>(9,546,732)</u>

Analysis of changes in net funds

	31st March <u>2011</u> £	Cash flows £	31st March <u>2012</u> £
Cash and short-term deposits as shown in balance sheet	13,724,660	21,112,020	34,836,680
Less Short-term deposits with maturity in excess of 24 hours	<u>(9,800,000)</u>	<u>(20,450,000)</u>	<u>(30,250,000)</u>
Cash at bank	<u>3,924,660</u>	<u>662,020</u>	<u>4,586,680</u>

14 Financial commitments

The commitment in respect of non-cancellable operating leases for land and buildings for the London lease is with SP Limited. However, the liability for this falls to the Partnership under the terms of the Operational Service Agreement. The commitment in respect of non-cancellable operating leases for land and buildings for the USA office is with Silchester International Investors, Inc. The commitment in the coming year is as follows:

Group land and buildings	<u>2012</u> £	<u>2011</u> £
<u>Date of lease termination</u>		
Within one year	105,369	105,369
Within two to five years	<u>644,450</u>	<u>713,909</u>
	<u>749,819</u>	<u>819,278</u>

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

14 Financial commitments (continued)

Group other financial commitments

	<u>2012</u>	<u>2011</u>
	£	£
<u>Date of lease termination</u>		
Within one year	-	-
Within two to five years	414,852	-
	<u>414,852</u>	<u>-</u>

15 Related party transactions

Silchester Partners Limited ("SP Limited")

On 1 November 2010, SP Limited, a partner in the Partnership, transferred its regulated investment management business to the Partnership and entered into the LLP Agreement with the working partners. At the same time, two material contracts were executed:

Service Agreement

Under the terms of an Operational Service Agreement (the "Service Agreement"), the Partnership agreed to provide certain administration, trade settlement, financial accounting, regulatory reporting, compliance, legal, tax, company secretary and other operational support services to SP Limited and its various associated firms. In exchange, SP Limited has agreed to pay the Partnership a fee equal to approximately 1% of the Partnership's income profits plus certain other on charged costs and expenses. For the year ended 31 March 2012, this fee was £1,573,637 (for the period from 8 June 2010 to 31 March 2011 £212,228).

Trademark Agreement

"Silchester International Investors" is a registered trademark of SP Limited. In return for a sole non-transferable licence to use this trademark and other intellectual property, the Partnership pays SP Limited a fee equal to 1% of its income profits. For the year ended 31 March 2012, this fee was £1,028,414 (for the period from 8 June 2010 to 31 March 2011 £414,703).

Colchester Global Investors Limited ("CGIL")*Currency Research Agreement*

SP Limited, a partner in the Partnership, is a 48.65% (2011 49.9%) shareholder in CGIL. Under a Currency Research Agreement dated 1 November 2010, CGIL agreed to make certain of CGIL's research on currency and economic measures available to the Partnership on a monthly basis. An annual fee of £20,000 has been agreed. For the year ended 31 March 2012, the Partnership paid and accrued £20,000, (for the period from 8 June 2010 to 31 March 2011 £5,000).

For the year ended 31 March 2012 CGIL reimbursed the Partnership for £8,063 of costs (for the period from 8 June 2010 to 31 March 2011 £6,513).

Sanderson Asset Management Limited ("SAM")

SP Limited, a partner in the Partnership, is a 49.9% shareholder in SAM. Pursuant to the terms of the Service Agreement, the Partnership provides certain technology and infrastructure support to SAM. For the year ended 31 March 2012, SAM reimbursed the Partnership for £295,130 of costs (for the period from 8 June 2010 to 31 March 2011 £11,680).

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

15 Related party transactions (continued)

Heronbridge Investment Management LLP ("HIM")

SP Limited, a partner in the Partnership, is a 49.9% shareholder in Heronbridge Limited, a partner in HIM. On 1 November 2010, the Partnership and HIM signed a Research Agreement pursuant to which the Partnership assumed certain benefits of a predecessor research agreement entered into by SP Limited and HIM. Under the terms of the Research Agreement, HIM agreed to make available their equity research in approximately 21 UK incorporated companies to the Partnership on an annual basis at a price approximately equal to £25,000 per research report. HIM retained the right to periodically suspend the provision of these research reports. As of 31 March 2011, the Research Agreement was suspended and HIM had notified the Partnership that it would not provide some nine research reports, the costs of which had been previously accrued by the Partnership. As a result, the Partnership recognised £229,313 of income related to the reversal of accrued costs during the period ended 31 March 2011. The research agreement has since been terminated.

Pursuant to the term of the Service Agreement, the Partnership provides certain technology and infrastructure support to HIM and Heronbridge Limited. For the year ended 31 March 2012, HIM reimbursed the Partnership for £45,321 of costs (for the period from 8 June 2010 and 31 March 2011 £9,333).

Highclere International Investors LLP ("HII")

SP Limited, a partner in the Partnership, is a 49.9% shareholder in Highclere Investment Management Limited, a partner in HII. Pursuant to the terms of the Service Agreement, the Partnership provides certain technology and infrastructure support to HII and Highclere Investment Management Limited. For the year ended 31 March 2012, HII reimbursed the Partnership for £129,493 of costs (for the period 8 June 2010 to 31 March 2011 £37,855).

Nippon Value Investors KK ("NVI")

SP Limited, a partner in the Partnership, is a 49.9% shareholder in NVI. On 1 November 2010, the Partnership and NVI signed a Subadvisory Agreement. Under the terms of this Subadvisory Agreement, NVI agreed to act as the subadvisor to the accounts included in the Japanese Equity Programme. The Partnership agreed to pay NVI a minimum of 50% of the investment management fees earned by the Partnership from US client accounts invested in the Japanese Equity Programme less any direct costs incurred by the Partnership. The Partnership also agreed to pay NVI a minimum of 50% of the net of investment management fees earned and costs incurred by the Partnership from non-US client accounts invested in the Japanese Equity Programme. At 31 March 2012, NVI received 80% of the investment management fees from all accounts included in the Japanese Equity Programme, adjusted as described in the foregoing sentences. It was also agreed that the Subadvisory Agreement would terminate as of 30 April 2011 and NVI would be appointed as the investment manager for the various accounts in the Japanese Equity Programme. For the year ended 31 March 2012, the Partnership paid NVI £234,522 under the terms of the Subadvisory Agreement and NVI reimbursed the Partnership for £15,535 of costs (for the period 8 June 2010 to 31 March 2011 paid NVI £2,478,469, NVI reimbursed £101,821).

Silchester International Investors LLP

Financial Statements for the year ended 31 March 2012

Notes (Continued)

15 Related party transactions (continued)

Edgbaston Investment Partners Limited ("EIP")

SP Limited, a partner in the Partnership, is a 49.9% shareholder in EIP. On 1 November 2010, the Partnership and EIP signed a Research Agreement. Under the terms of the Research Agreement, EIP agreed to make available their equity research in approximately 55 companies incorporated in Asia on an annual basis at a price approximately equal to £10,000 per research report. EIP retained the right to periodically suspend the provision of these research reports. For the year ended 31 March 2012, the Partnership purchased £105,411 of research from EIP pursuant to the terms of this Research Agreement (for the period 8 June 2010 to 31 March 2011: £216,779).

As an integral part of the Shareholders Agreement between SP Limited and EIP, SP Limited agreed to provide operational and other support services to EIP to 30 April 2013 pursuant to the terms of a Services Agreement. The Partnership has agreed to provide these services on behalf of SP Limited. No direct payments are due from EIP to the Partnership for the services rendered under this agreement, although EIP is responsible for its own direct custody, fund administration, legal, tax, audit, technology/software licensing and other costs. EIP is required to provide notice of termination of the Services Agreement immediately upon its assets under management exceeding US\$350 million as of the close of any one calendar quarter. For the period ended 31 March 2012, EIP reimbursed the Partnership for £38,046 of costs (for the period from 8 June 2010 to 31 March 2011: £7,796).

Kiltearn Partners LLP ("KP")

SP Ltd, a partner in the Partnership, is a 49.9% shareholder in Kiltearn Limited, a Partner in KP. On 8 August 2011, the Partnership and KP signed a Research Agreement. Under the terms of the Research Agreement, KP agreed to make available their equity research in approximately 60 companies on an annual basis at a price approximately equal to £10,000 per research report. KP retained the right to periodically suspend the provision of these research reports. For the year ended 31 March 2012, the Partnership purchased £227,372 of research from KP pursuant to the terms of the Research Agreement.

As an integral part of the Shareholders Agreement between SP Limited and Kiltearn Limited, SP Limited agreed to provide operational and other support services to KP and Kiltearn Limited to 31 March 2015 pursuant to the terms of a Services Agreement. The Partnership has agreed to provide these services on behalf of SP Limited. No direct payments are due from KP or Kiltearn Limited to the Partnership for the services rendered under this agreement, although both entities are responsible for their own direct custody, fund administration, legal, tax, audit, technology/software licensing and other costs. KP and Kiltearn Limited are required to provide notice of termination of the Services Agreement immediately upon KP's assets under management exceeding US\$350 million as of the close of any one calendar quarter provided, however, that termination shall not take effect prior to 31 March 2013. For the period ended 31 March 2012, KP reimbursed the Partnership for £40,451 of costs (for the period from 8 June 2010 to 31 March 2011: £nil).

16 Capital and Profits Interests, Ownership

SP Limited has contributed in excess of 90% (2011: 99.5%) of the Partnership's capital, and 100% of the Partnership's regulatory capital. The remaining capital has been contributed by thirteen (2011: twelve) working members. Seven (2011: six) of these members are legally considered to be Senior Partners and six are legally considered to be Partners. Under the terms of the LLP Agreement, the Senior Partners have the right to nominate individuals who will form part of the Partnership's governing body, the Supervisory Group. The appointment or removal of individuals to/from the Supervisory Group is determined by vote, with voting rights determined by capital ownership. Under the terms of the LLP Agreement a majority of the Supervisory Group must be working partners.

Silchester International Investors LLP**Financial Statements for the year ended 31 March 2012****Notes (Continued)****16 Capital and Profits Interests; Ownership (continued)**

Under the terms of the LLP Agreement, 100% of all of the Partnership's capital profits accrue to SP Limited, 32.5% of the Partnership's income profits accrue to SP Limited, and 67.5% of the Partnership's income profits are allocated to the working partners and employees of the Partnership and its wholly owned subsidiary, Silchester International Investors, Inc.

17 Prior Year Adjustment

In the prior period members' remuneration of £14,454,733 was classified as a profit allocation. The opening balances and comparative figures have been restated to reclassify this.