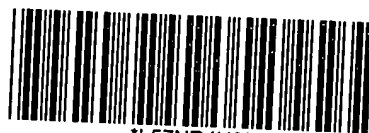


SILCHESTER INTERNATIONAL INVESTORS LLP

**MEMBERS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2016

TUESDAY



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Silchester International Investors LLP
Members' Report and Financial Statements
31 March 2016

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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 those Regulations, 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) including FRS102, the financial reporting standard applicable in the United Kingdom and Republic of Ireland. Under the Regulations, 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 and the Group 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 the Partnership for the year ended 31 March 2016 which are set out on pages 4 to 21. 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) including FRS102 the financial reporting standard applicable in the United Kingdom and Republic of Ireland. 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 2, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

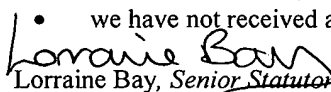
In our opinion the financial statements:

- 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 2016 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
23 May 2016

Silchester International Investors LLP

Consolidated Profit and Loss Account and Statement of Comprehensive Income

	Note	2016	Restated 2015
Income			
Investment management fees	2c, 4	169,295,627	161,346,795
Income from Operational Services Agreement		1,679,874	1,405,445
		<u>170,975,501</u>	<u>162,752,240</u>
Expenses			
Payments under Trademark Licensing Agreement		(1,458,584)	(1,405,445)
Administrative expenses		(25,420,262)	(22,655,289)
		<u>(26,878,846)</u>	<u>(24,060,734)</u>
Operating profit	5	144,096,655	138,691,506
Bank interest		87,270	90,704
Realised (loss) / gains on investments		(1,648)	240
Unrealised (loss) / gains on investments		(684,345)	1,832,313
Dividend income		<u>369,379</u>	<u>365,600</u>
Profit on ordinary activities before taxation and members' remuneration charged as an expense		143,867,311	140,980,363
Taxation	8	(628,224)	(536,795)
		<u>143,239,087</u>	<u>140,443,568</u>
Members' income profit remuneration charged as an expense		(50,873,835)	(49,198,087)
Members' current year capital loss remuneration charged as an expense		173,223	80,251
		<u>173,223</u>	<u>80,251</u>
Profit and total comprehensive income	9	<u><u>92,538,475</u></u>	<u><u>91,325,732</u></u>

All amounts are in respect of continuing operations.

The accounting policies and notes on pages 12 - 21 are an integral part of these accounts.

Silchester International Investors LLP

Registration No. OC355490

Consolidated Balance Sheet

	Note	2016	2015
Investments	10	16,568,846	16,813,325
Tangible Fixed Assets	11	-	-
		<u>16,568,846</u>	<u>16,813,325</u>
Current assets			
Debtors	12	20,986,767	20,869,487
Cash and short-term deposits		<u>38,310,906</u>	<u>39,156,697</u>
		59,297,673	60,026,184
Creditors: amounts falling due within one year	13	<u>(7,190,688)</u>	<u>(8,106,097)</u>
Net current assets		<u>52,106,985</u>	<u>51,920,087</u>
Total assets attributable to members		<u><u>68,675,831</u></u>	<u><u>68,733,412</u></u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		867,500	845,000
Members' other interests			
Members' capital classified as equity		14,000,000	14,000,000
Revaluation reserve		1,498,755	2,183,100
Other reserves		<u>52,309,576</u>	<u>51,705,312</u>
		67,808,331	67,888,412
		<u>68,675,831</u>	<u>68,733,412</u>
Memorandum of members' total interests			
Loans and other debts to members		(5,092,782)	(4,230,997)
Members' other interests		<u>68,675,831</u>	<u>68,733,412</u>
Members' total interests		<u><u>63,583,049</u></u>	<u><u>64,502,415</u></u>

The financial statements were approved by the Supervisory Group on 19 May 2016
For and on behalf of the Supervisory Group:

M J J Cowan

Michael J. J. Cowan

T J Linehan

Tuesday Linehan

The accounting policies and notes on pages 12 - 21 are an integral part of these accounts.

Silchester International Investors LLP

Consolidated Statement of Changes in Equity

Group	Members' Capital (Classified as Equity)	Members' Capital (Classified as Debt)	Restated Other Reserves	Restated Revaluation reserve	Restated Total Members' other interest	Loans and other debts	Restated 2015 Members' total interests
Amounts due to members						4,525,416	
Amounts due from members						(3,337,609)	
At 1 April 2014	11,750,000	597,561	47,597,217	350,787	60,295,565	1,187,807	61,483,372
Capital Contribution	2,250,000	247,439	-	-	2,497,439	-	2,497,439
Members Remuneration	-	-	-	-	-	49,117,837	49,117,837
Profit and total comprehensive income available for discretionary division among members	-	-	91,325,732	-	91,325,732	-	91,325,732
Allocations	-	-	(85,385,324)	-	(85,385,324)	85,385,324	-
Drawings	-	-	-	-	-	(139,942,598)	(139,942,598)
Revaluation	-	-	(1,832,313)	1,832,313	-	-	-
Other transactions with Members	-	-	-	-	-	20,633	20,633
At 31 March 2015	14,000,000	845,000	51,705,312	2,183,100	68,733,412	(4,230,997)	64,502,415
Amounts due to members						-	
Amounts due from members						(4,230,997)	

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

The accounting policies and notes on pages 12 - 21 are an integral part of these accounts.

Silchester International Investors LLP

Consolidated Statement of Changes in Equity (Continued)

Group	Members' Capital (Classified as Equity)	Members' Capital (Classified as Debt)	Other Reserves	Revaluation reserve	Total Members' other interest	Loans and other debts	2016 Members' total interests
Amounts due to members						-	
Amounts due from members						(4,230,997)	
At 1 April 2015	14,000,000	845,000	51,705,312	2,183,100	68,733,412	(4,230,997)	64,502,415
Capital Contribution	-	22,500	-	-	22,500	-	22,500
Members Remuneration	-	-	-	-	-	50,700,612	50,700,612
Profit and total comprehensive income available for discretionary division among members	-	-	92,538,475	-	92,538,475	-	92,538,475
Allocations	-	-	(92,618,556)	-	(92,618,556)	92,618,556	-
Drawings	-	-	-	-	-	(144,098,778)	(144,098,778)
Revaluation	-	-	684,345	(684,345)	-	-	-
Other transactions with Members	-	-	-	-	-	(82,175)	(82,175)
At 31 March 2016	14,000,000	867,500	52,309,576	1,498,755	68,675,831	(5,092,782)	63,583,049
Amounts due to members						-	
Amounts due from members						(5,092,782)	

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

The accounting policies and notes on pages 12 - 21 are an integral part of these accounts.

Silchester International Investors LLP

Partnership Statement of Changes in Equity

Partnership	Members' Capital (Classified as Equity)	Members' Capital (Classified as Debt)	Restated Other Reserves	Restated Revaluation reserve	Restated Total Members' other interest	Loans and other debts	Restated 2015 Members' total interests
Amounts due to members						4,341,712	
Amounts due from members						(3,337,609)	
At 1 April 2014	11,750,000	597,561	47,597,217	265,774	60,210,552	1,004,103	61,214,655
Capital Contribution	2,250,000	247,439	-	-	2,497,439	-	2,497,439
Members Remuneration	-	-	-	-	-	49,306,990	49,306,990
Profit and total comprehensive income available for discretionary division among members	-	-	91,323,853	-	91,323,853	-	91,323,853
Allocations	-	-	(85,385,324)	-	(85,385,324)	85,385,324	-
Drawings	-	-	-	-	-	(139,942,598)	(139,942,598)
Revaluation	-	-	(1,830,434)	1,830,434	-	-	-
Other transactions with Members	-	-	-	-	-	(785)	(785)
At 31 March 2015	14,000,000	845,000	51,705,312	2,096,208	68,646,520	(4,246,966)	64,399,554
Amounts due to members						-	
Amounts due from members						(4,246,966)	

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

The accounting policies and notes on pages 12 - 21 are an integral part of these accounts.

Silchester International Investors LLP

Members' Report

The Supervisory Group present the Members' Report for Silchester International Investors LLP (the "Partnership") for the year ended 31 March 2016. The Partnership is authorised and regulated by the UK Financial Conduct Authority (the "FCA"). Unless otherwise noted, references to "2016" in headers are to the twelve months ended 31 March 2016 and "2015" to the twelve months ended 31 March 2015. The Partnership has determined that GBP is its functional currency, as this is the currency of the economic environment in which the Partnership predominantly operates. All figures are shown in GBP unless otherwise stated.

Results and Members' profit allocation

Consolidated profits for the year before drawings amounted to £143,239,087 (2015: £140,443,568).

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:

	2016	2015
Assets under Management (£'m)	23,557	24,388
Investment management fees	169,295,627	161,346,795
Profit before taxation and drawings	143,867,311	140,980,363

Members' capital

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

Supervisory Group

The Members of the Supervisory Group during the period were S C Butt, M J J Cowan, T J Linehan and C B Cowie. The designated members were Silchester Partners Limited, 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.

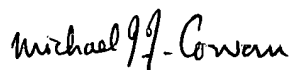
Pillar III disclosure

The Partnership has documented the disclosures required by the FCA 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.

Approved on behalf of the Members:



M J J Cowan
Senior Partner
19 May 2016



T J Linehan
Senior Partner

Silchester International Investors LLP

Partnership Statement of Changes in Equity (Continued)

Partnership	Members' Capital (Classified as Equity)	Members' Capital (Classified as Debt)	Other Reserves	Revaluation reserve	Total Members' other interest	Loans and other debts	2016 Members' total interests
Amounts due to members						-	
Amounts due from members						(4,246,966)	
At 1 April 2015	14,000,000	845,000	51,705,312	2,096,208	68,646,520	(4,246,966)	64,399,554
Capital Contribution	-	22,500	-	-	22,500	-	22,500
Members Remuneration	-	-	-	-	-	50,653,378	50,653,378
Profit and total comprehensive income available for discretionary division among members	-	-	92,539,968	-	92,539,968	-	92,539,968
Allocations	-	-	(92,618,556)	-	(92,618,556)	92,618,556	-
Drawings	-	-	-	-	-	(144,098,778)	(144,098,778)
Revaluation	-	-	682,850	(682,850)	-	-	-
Other transactions with Members	-	-	-	-	-	(31,731)	(31,731)
At 31 March 2016	14,000,000	867,500	52,309,574	1,413,358	68,590,432	(5,105,541)	63,484,891
Amounts due to members						-	
Amounts due from members						(5,105,541)	

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

The accounting policies and notes on pages 12 - 21 are an integral part of these accounts.

Silchester International Investors LLP

Consolidated Cash Flow Statement

	Note	2016	2015
Cash flows from operating activities			
Cash generated from operations	14	143,742,104	137,091,501
Income tax paid		<u>(565,703)</u>	<u>(590,290)</u>
Net cash generated from operating activities		<u>143,176,401</u>	<u>136,501,211</u>
Cash flows from investing activities			
Proceeds of disposal of investments		-	20,961
Investment in funds		(440,699)	(365,271)
Interest received		125,406	78,129
Dividend income from securities		<u>369,379</u>	<u>365,600</u>
Net cash generated in investing activities		<u>54,086</u>	<u>99,419</u>
Cash flows from financing activities			
Members' capital contributed		22,500	2,497,439
Transaction with members		<u>(144,098,778)</u>	<u>(139,942,598)</u>
Net cash used in financing activities		<u>(144,076,278)</u>	<u>(137,445,159)</u>
 Net (decrease) in cash and cash equivalents		 <u>(845,791)</u>	 <u>(844,529)</u>
 Cash and cash equivalents at the start of the year		 <u>39,156,697</u>	 <u>40,001,226</u>
 Cash and cash equivalents at the end of the year	14	 <u><u>38,310,906</u></u>	 <u><u>39,156,697</u></u>

The accounting policies and notes on pages 12 - 21 are an integral part of these accounts.

Silchester International Investors LLP

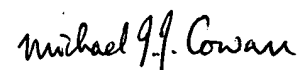
Registration No. OC355490

Partnership Balance Sheet

	Note	2016	2015
Investments	10	16,359,849	16,673,320
Tangible Fixed Assets	11	-	-
		<u>16,359,849</u>	<u>16,673,320</u>
Current assets			
Debtors	12	20,978,370	20,864,972
Cash and short-term deposits		<u>33,937,696</u>	<u>35,063,158</u>
		54,916,066	55,928,130
Creditors: amounts falling due within one year	13	<u>(2,685,483)</u>	<u>(3,954,930)</u>
Net current assets		<u>52,230,583</u>	<u>51,973,200</u>
Total assets attributable to members		<u><u>68,590,432</u></u>	<u><u>68,646,520</u></u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		867,500	845,000
Members' other interests			
Members' capital classified as equity		14,000,000	14,000,000
Revaluation reserve		1,413,358	2,096,208
Other reserves		<u>52,309,574</u>	<u>51,705,312</u>
		<u>67,722,932</u>	<u>67,801,520</u>
		<u><u>68,590,432</u></u>	<u><u>68,646,520</u></u>
Memorandum of members' total interests			
Loans and other debts to members		(5,105,541)	(4,246,966)
Members' other interests		<u>68,590,432</u>	<u>68,646,520</u>
Members' total interests		<u><u>63,484,891</u></u>	<u><u>64,399,554</u></u>

The financial statements were approved by the Supervisory Group on 19 May 2016

For and on behalf of the Supervisory Group:



M J J Cowan



T J Linehan

The accounting policies and notes on pages 12 – 21 are an integral part of these accounts.

Silchester International Investors LLP

Financial Statements

Notes

1. General information

The Partnership is a United Kingdom limited liability partnership that is incorporated and domiciled in England. The address of its registered office is Time & Life Building, 1 Bruton Street, 5th Floor, London, W1J 6TL.

2. Summary of Significant Accounting Policies

a Basis of preparation

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards ("United Kingdom Generally Accepted Accounting Practice") including Financial Reporting Standard 102 ("FRS 102") as issued by the Financial Reporting Council.

The financial statements for the year ended 31 March 2016 are the Partnership's first financial statements that comply with FRS 102. The Partnership's date of transition to FRS 102 is 1 April 2014. The Partnership's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The transition to FRS 102 has resulted in a number of changes in the Partnership's accounting policies to those used when applying the previous UK GAAP. The following explanatory notes describe the differences between the equity and profit and loss presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the year ended 31 March 2015, as well as the equity presented in the opening financial position. They also describe the changes in accounting policies made on first time adoption of FRS 102. To conform with FRS 102, movements in the fair value of investments in commingled funds are now included within profit and loss. Under previous UK GAAP these movements in fair value were recognised in a revaluation reserve.

The impact of the transition to FRS 102 has been to recognise £1,832,313 of unrealised gains on investments, previously recognised in revaluation reserve, in profit and loss for the year ended 31 March 2015. There was no impact of the transition to FRS 102 on net assets in previously reported net assets for the year ended 31 March 2015.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Partnership. Use of available information and application of judgements are inherent in the formation of estimates. Actual outcomes could differ from such estimates.

b Consolidated accounts

The consolidated accounts include the accounts of the Partnership and its wholly owned subsidiary Silchester International Investors, Inc., incorporated in the US (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 as applied to Limited Liability Partnerships.

c Turnover

Management fees are derived from 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.

Silchester International Investors LLP

Financial Statements

Notes (Continued)

2. Summary of Significant Accounting Policies (continued)

e Tangible fixed assets

Tangible fixed assets are recorded at cost less accumulated depreciation. Tangible fixed assets are depreciated on a straight line basis over the estimated useful lives of the assets:

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

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

f Financial assets and liabilities, including investments

Financial instruments are recognised on the balance sheet when the Partnership becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Publicly quoted prices are unavailable for the commingled funds. The fair value of investments in commingled funds is determined with reference to the net asset value of the Partnership's proportionate share of the applicable fund at the reporting date. The movement in fair value at each year end is recognised in profit or loss account. Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

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.

h Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments which are readily convertible, being those with original maturities of three months or less. Cash and cash equivalents are measured the undiscounted amount of cash expected to be received, based on the relevant exchange rates at the reporting date.

i 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 GBP 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. The resulting differences are taken directly to Other Comprehensive Income.

j Taxation

Income tax expense represents the sum of the current tax incurred by Silchester International Investors, Inc. The Partnership is not, itself, subject to corporation tax in the UK. 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.

Silchester International Investors LLP

Financial Statements

Notes (Continued)

k 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 Silchester Partners Limited ("SP Ltd"), a partner in the Partnership, 32.5% of the Partnership's income profits accrue to SP Ltd 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. Broadly speaking, the term "capital profits or losses" means any profits or losses that arise from the disposal, or part disposal, of any business asset as well as any interest, dividend income or foreign exchange gain or loss on a business asset, or other capital gain or losses derived from capital howsoever employed on a net of tax basis.

3. **Financial Risk Management**

The Partnership is required by the FCA rules to maintain adequate capital for the type, size and the complexity of its business. The Partnership currently satisfies the capital requirements of the FCA, Alternative Investment Fund Manager's Directive and ERISA. Regulatory capital is invested in the Calleva Trust, a UCITS.

a Liquidity risk management

The Group manages liquidity risk by monitoring forecast cash flows. The Group has not made any significant guarantees of third party or related party actual or potential obligations. Trade receivables principally relate to accrued investment management fees.

b Credit risk management

Potential material areas of credit risk consist of cash, trade accounts receivable and investments in commingled funds and the balance of these accounts represents the Partnership's maximum credit risk. The Partnership manages credit risk with respect to cash by holding such assets at global financial institutions, therefore the credit risk on these balances is considered to be limited. Trade accounts receivable and investments in commingled funds are primarily due from funds managed by the Partnership and so the credit risk on these balances is considered to be limited.

c Market price risk

The Partnership is exposed to equity securities price risk in respect of investments held by the Partnership and measured in the balance sheet at fair value through profit or loss. The potential impact is not material to the affairs of the Partnership and the Partnership has taken no steps to control market price risk.

d Foreign Exchange risk

The Partnership is exposed to foreign exchange risk in respect of some investment management fees, cash at bank and investments held by the Partnership. The potential impact is not material to the Partnership's affairs and it has taken no steps to control foreign exchange risk.

4. **Income**

Income is from one principal activity: investment management. A geographical breakdown is as follows:

	2016	2015
United States of America	154,938,515	147,929,012
Ireland	14,357,112	13,417,783
	<u>169,295,627</u>	<u>161,346,795</u>

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Notes (Continued)

5. Operating profit

	2016	2015
This is stated after charging/(crediting):		
Auditor's remuneration – audit	38,825	37,500
Auditor's remuneration – tax and non-audit services	140,271	198,740
Operating lease rentals - land and buildings	595,624	527,333
Exchange (gain)	(72,028)	(732,344)

6. Members' profit allocations

The average number of members during the period, calculated on a month by month basis, was eighteen (2015: fifteen) of which seventeen (2015: fourteen) were working partners.

	2016	2015
Income profit for the year before members' remuneration and available for division among members	144,096,655	138,691,506
Capital loss from the current year payable to SP Ltd	(173,223)	(80,251)
Income profits attributable to SP Ltd, the member with the largest share of income profits	50,873,835	49,198,087
Income profit attributable to all other working members	93,222,820	89,493,419

7. Employee information

	2016	2015
Employment costs comprise:		
Salaries and wages	10,780,368	10,526,357
Social security and other costs	434,939	632,798
Pension costs	199,820	366,449
	<u>11,415,127</u>	<u>11,525,604</u>

The average number of employees during the period, calculated on a month by month basis, was sixteen (2015: twelve).

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Notes (Continued)

8. Taxation

	2016	2015
The Group tax charge is made up as follows:		
Foreign taxation	628,224	536,795
Total current tax charge for the year	628,224	536,795
Profit on ordinary activities before tax	143,867,311	140,980,363
Profit multiplied by standard tax rate of 20% (2015: 21%)	28,773,462	29,605,876
Effects of:		
Partnership profits taxable on members	(28,773,462)	(29,605,876)
Higher rates of foreign tax	628,224	536,795
Current tax charge for the year	628,224	536,795

9. Profit attributable to the Partnership

The profit of Silchester International Investors LLP (the parent firm) included in the consolidated accounts was £92,539,968 (2015: £91,323,853).

10. Investments

Group	Investment in Funds & Equities	Investment in Subsidiary Undertakings	Total
<u>Cost</u>			
At 1 April 2015	14,630,225	-	14,630,225
Additions	440,699	-	440,699
Disposals	(821)	-	(821)
At 31 March 2016	15,070,103	-	15,070,103
<u>Carry Value</u>			
At 1 April 2015	16,813,325	-	16,813,325
Additions	440,699	-	440,699
Disposals	(833)	-	(833)
Change in the fair value of investments	(684,345)	-	(684,345)
At 31 March 2016	16,568,846	-	16,568,846

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Notes (Continued)

10. Investments (continued)

Partnership	Investment in Funds & Equities	Investment in Subsidiary Undertakings	Total
<u>Cost</u>			
At 1 April 2015	14,577,099	13	14,577,112
Additions	369,379	-	369,379
Disposals	-	-	-
	<u>14,946,478</u>	<u>13</u>	<u>14,946,491</u>
At 31 March 2016			
	<u>14,946,478</u>	<u>13</u>	<u>14,946,491</u>
<u>Carry Value</u>			
At 1 April 2015	16,673,307	13	16,673,320
Additions	369,379	-	369,379
Disposals	-	-	-
Change in the fair value of investments	(682,850)	-	(682,850)
	<u>16,359,836</u>	<u>13</u>	<u>16,359,849</u>
At 31 March 2016			
	<u>16,359,836</u>	<u>13</u>	<u>16,359,849</u>

	Group		Partnership	
	2016	2015	2016	2015
Unlisted investments	<u>16,568,846</u>	<u>16,813,325</u>	<u>16,359,849</u>	<u>16,673,320</u>
	<u>16,568,846</u>	<u>16,813,325</u>	<u>16,359,849</u>	<u>16,673,320</u>

Subsidiary undertakings comprise:

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

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Notes (Continued)

11. Tangible Fixed Assets

	Furniture and Equipment	Total
Group		
<u>Cost</u>		
At 1 April 2015	572,613	572,613
Disposals	-	-
At 31 March 2016	572,613	572,613
<u>Depreciation</u>		
At 1 April 2015	572,613	572,613
Disposals	-	-
At 31 March 2016	572,613	572,613
Net book value at 31 March 2016	-	-
Net book value at 1 April 2015	-	-
	Furniture and Equipment	Total
Partnership		
<u>Cost</u>		
At 1 April 2015	526,567	526,567
Disposals	-	-
At 31 March 2016	526,567	526,567
<u>Depreciation</u>		
At 1 April 2015	526,567	526,567
Disposals	-	-
At 31 March 2016	526,567	526,567
Net book value at 31 March 2016	-	-
Net book value at 1 April 2015	-	-

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Notes (Continued)

12. Debtors

Debtors comprise:

	Group		Partnership	
	2016	2015	2016	2015
Trade debtors	14,465,665	15,043,150	14,465,666	15,043,150
Amount due from SP Ltd	659,385	386,220	672,145	402,189
Prepayments and accrued income	1,223,617	1,355,158	1,223,617	1,355,158
Due from members	4,433,397	3,844,777	4,433,397	3,844,777
Other debtors	204,703	240,182	183,545	219,698
	<u>20,986,767</u>	<u>20,869,487</u>	<u>20,978,370</u>	<u>20,864,972</u>

13. Creditors

Amounts due within one year:

	Group		Partnership	
	2016	2015	2016	2015
Trade creditors	1,362,274	1,731,390	1,318,745	1,700,873
Taxation	111,566	49,045	-	-
Other taxes and social security costs	33,721	24,558	33,721	24,558
Amount due to subsidiary undertakings	-	-	241,834	842,018
Other accruals and deferred income	5,683,127	6,301,104	1,091,183	1,387,481
	<u>7,190,688</u>	<u>8,106,097</u>	<u>2,685,483</u>	<u>3,954,930</u>

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Notes (Continued)

14. Reconciliation of operating profit to net cash inflow from operating activities

	2016	2015
Operating profit	144,096,655	138,691,506
Foreign exchange movement	(72,028)	(732,344)
Net decrease / (increase) in debtors	624,086	(3,029,945)
Net (decrease) / increase in creditors	<u>(906,609)</u>	<u>2,162,284</u>
Net cash inflow from operating activities	<u><u>143,742,104</u></u>	<u><u>137,091,501</u></u>

Analysis of changes in net debt

	At 01-Apr-15	Cash Flow	At 31-Mar-16
Cash at bank	5,906,697	32,404,208	38,310,906
Short-term deposits, maturity in excess of 24 hours	<u>33,250,000</u>	<u>(33,250,000)</u>	<u>-</u>
Cash and short-term deposits	<u><u>39,156,697</u></u>	<u><u>(845,792)</u></u>	<u><u>38,310,906</u></u>

15. Financial commitments

The commitment in the coming year is as follows:

Group: land and buildings

<u>Date of lease termination</u>	2016	2015
Within one year	739,883	734,245
Within two to five years	2,604,315	2,711,444
Over five years	<u>2,485,908</u>	<u>3,107,386</u>
	<u><u>5,830,106</u></u>	<u><u>6,553,075</u></u>

Group: other financial commitments

<u>Date of lease termination</u>	2016	2015
Within one year	362,761	464,886
Within two to five years	168,511	362,761
Over five years	<u>-</u>	<u>-</u>
	<u><u>531,272</u></u>	<u><u>827,647</u></u>

Silchester International Investors LLP

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Notes (Continued)

16. Related party transactions

SP Ltd

On 1 November 2010, SP Ltd, 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 Ltd and its various associated firms. In exchange, SP Ltd 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 2016, this fee was £1,679,874 (for the year ended 31 March 2015: £1,405,445).

Trademark Agreement

"Silchester International Investors" is a registered trademark of SP Ltd. In return for a sole non-transferable licence to use this trademark and other intellectual property, the Partnership pays SP Ltd a fee equal to 1% of its income profits. For the year ended 31 March 2016, this fee was £1,458,584 (for the year ended 31 March 2015: £1,405,445).

17. Capital and Profits Interests; Ownership

SP Ltd has contributed in excess of 90% (2015: in excess of 90%) of the Partnership's capital, and 100% (2015: 100%) of the Partnership's regulatory capital. The remaining capital has been contributed by seventeen (2015: fourteen) working members. Seven (2015: seven) of these members are legally considered to be Senior Partners and ten (2015: seven) 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.