

SILCHESTER INTERNATIONAL INVESTORS LLP

**MEMBERS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2014

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Silchester International Investors LLP
Members' Report and Financial Statements
31 March 2014

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Silchester International Investors LLP

Members' Report

The Supervisory Group present the Members' Report for the Partnership for the year ended 31 March 2014. The Partnership was incorporated on 8 June 2010. On 1 November 2010, Silchester Partners Limited ("SP Ltd") transferred its regulated investment management business to the Partnership in exchange for a partnership interest. The Partnership is currently authorised and regulated by the UK Financial Conduct Authority (the "FCA"). Unless otherwise noted, references to "2014" in headers are to the twelve months ended 31 March 2014 and "2013" to the twelve months ended 31 March 2013. All figures are shown in GBP unless otherwise stated.

Results and Members' profit allocation

Consolidated profits for the year before drawings amounted to £129,483,100 (2013: £105,904,125).

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:

	2014	2013
Assets under Management (£'m)	21,706	19,709
Investment management fees	149,302,746	123,259,680
Profit before taxation and drawings	129,873,186	106,317,853

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 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.

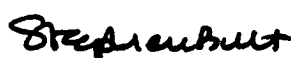
Pillar III disclosure

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.

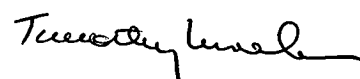
Insurance

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



S C Butt
Senior Partner
22 May 2014



T J Linehan
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 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 Silchester International Investors LLP for the year ended 31 March 2014 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). 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

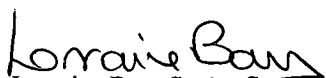
In our opinion the financial statements:

- 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 2014 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 financial statements are not in agreement with the accounting records and returns; 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
22 May 2014

Silchester International Investors LLP

Consolidated Profit and Loss Account

	Note	2014	2013
Income			
Investment management fees	2	149,302,746	123,259,680
Income from Operational Services Agreement		<u>1,313,054</u>	<u>1,556,545</u>
		<u>150,615,800</u>	<u>124,816,225</u>
Expenses			
Payments under Trademark Licensing Agreement		(1,317,613)	(1,087,163)
Administrative expenses		<u>(19,940,120)</u>	<u>(17,577,274)</u>
		<u>(21,257,733)</u>	<u>(18,664,437)</u>
Operating profit	3	129,358,067	106,151,788
Bank interest		97,427	164,770
Net gain on disposal of investments		205,965	-
Dividend income from securities		<u>211,727</u>	<u>1,295</u>
Profit on ordinary activities before taxation and members' remuneration charged as an expense		129,873,186	106,317,853
Taxation	6	<u>(390,086)</u>	<u>(413,728)</u>
		129,483,100	105,904,125
Members' income profit remuneration charged as an expense		(46,065,573)	(37,030,967)
Members' current year capital profit remuneration charged as an expense		<u>(82,081)</u>	<u>(718,003)</u>
Profit for the financial year	12	<u><u>83,335,446</u></u>	<u><u>68,155,155</u></u>

All amounts are in respect of continuing operations.

Silchester International Investors LLP

Consolidated Statement of Total Recognised Gains and Losses

	2014	2013
Profit for the financial year available for discretionary division among members	83,335,446	68,155,155
Unrealised appreciation on revaluation of investments	262,123	1,241,348
Currency translation differences	<u>(13,387)</u>	<u>(39,294)</u>
Total recognised gain	<u><u>83,584,182</u></u>	<u><u>69,357,209</u></u>

Silchester International Investors LLP

Consolidated Balance Sheet

	Note	2014	2013
Investments	8	14,631,189	10,327,945
Tangible Fixed Assets	9	-	-
		<u>14,631,189</u>	<u>10,327,945</u>
Current assets			
Debtors	10	16,933,579	16,375,853
Cash and short-term deposits		<u>40,001,226</u>	<u>24,180,992</u>
		56,934,805	40,556,845
Creditors: amounts falling due within one year	11	<u>(11,270,429)</u>	<u>(10,703,382)</u>
Net current assets		<u>45,664,376</u>	<u>29,853,463</u>
Total assets attributable to members		<u>60,295,565</u>	<u>40,181,408</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	12	597,561	351,581
Members' other interests			
Members' capital classified as equity	12	11,750,000	9,500,000
Revaluation reserve	12	350,787	1,747,614
Other reserves	12	<u>47,597,217</u>	<u>28,582,213</u>
		59,698,004	39,829,827
		<u>60,295,565</u>	<u>40,181,408</u>
Memorandum of members' total interests			
Loans and other debts to members		1,187,807	2,741,838
Members' other interests		<u>60,295,565</u>	<u>40,181,408</u>
Members' total interests		<u>61,483,372</u>	<u>42,923,246</u>

The financial statements were approved by the Supervisory Group on 22 May 2014
For and on behalf of the Supervisory Group:



S C Butt



T J Linehan

The accounting policies and notes on pages 9 - 21 are an integral part of these accounts.

Silchester International Investors LLP

Consolidated Cash Flow Statement

	Note	2014	2013
Net cash inflow from operating activities	13	131,006,692	103,592,046
Returns on investments and servicing of finance			
Interest received		87,137	164,770
Dividend income from securities		211,727	1,295
		<u>298,864</u>	<u>166,065</u>
Taxation		(308,955)	(409,266)
Financing			
Capital introduced by SP Ltd		2,250,000	-
Capital introduced by other members		245,980	-
		<u>2,495,980</u>	<u>-</u>
Transactions with members		(113,850,855)	(113,982,110)
Management of liquid resources			
Investment in funds		(14,211,827)	(2,686,258)
Proceeds on disposal of investments		10,390,335	2,663,835
Net investment in short-term deposits		<u>(13,750,000)</u>	<u>16,250,000</u>
		<u>(17,571,492)</u>	<u>16,227,577</u>
Increase in cash	13	<u><u>2,070,234</u></u>	<u><u>5,594,312</u></u>

Silchester International Investors LLP

Registration No. OC355490

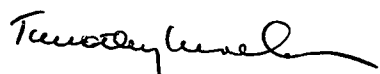
Partnership Balance Sheet

	Note	2014	2013
Investments	8	14,474,488	10,099,758
Tangible Fixed Assets	9	-	-
		<u>14,474,488</u>	<u>10,099,758</u>
Current assets			
Debtors	10	16,915,355	16,346,203
Cash and short-term deposits		<u>36,474,094</u>	<u>22,306,440</u>
		53,389,449	38,652,643
Creditors: amounts falling due within one year	11	<u>(7,653,385)</u>	<u>(8,363,079)</u>
Net current assets		<u>45,736,064</u>	<u>30,289,564</u>
Total assets attributable to members		<u>60,210,552</u>	<u>40,389,323</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	12	597,561	351,581
Members' other interests			
Members' capital classified as equity	12	11,750,000	9,500,000
Revaluation reserve	12	265,774	1,646,998
Other reserves	12	<u>47,597,217</u>	<u>28,890,744</u>
		59,612,991	40,037,742
		<u>60,210,552</u>	<u>40,389,323</u>
Memorandum of members' total interests			
Loans and other debts to members		1,004,103	2,169,256
Members' other interests		<u>60,210,552</u>	<u>40,389,323</u>
Members' total interests		<u>61,214,655</u>	<u>42,558,579</u>

The financial statements were approved by the Supervisory Group on 22 May 2014
For and on behalf of the Supervisory Group:



S C Butt



T J Linehan

The accounting policies and notes on pages 9 – 21 are an integral part of these accounts.

Silchester International Investors LLP

Financial Statements

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:

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

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 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 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 Ltd, 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.

(k) Liquid Resources

The Partnership considers liquid resources to include cash, short term deposits, investments in regulated and unregulated collective investment schemes offering reasonable liquidity provisions, governmental bonds and similar instruments.

2. Income

Income is from one principal activity: investment management and advice. A geographical breakout follows:

	2014	2013
United States of America	137,115,540	114,287,576
Ireland	12,187,206	8,972,104
	<u>149,302,746</u>	<u>123,259,680</u>

Silchester International Investors LLP

Financial Statements

Notes (Continued)

3. Operating profit

This is stated after charging/(crediting):	2014	2013
Auditor's remuneration – audit	37,500	20,000
Auditor's remuneration – tax and non-audit services	212,240	95,704
Depreciation of tangible fixed assets	-	-
Operating lease rentals - land and buildings	503,501	553,078
Exchange gain / (loss)	148,637	(327,820)

4. Members' profit allocations

	2014	2013
Income profit for the year before members' remuneration and available for division among members	129,401,019	105,186,122
Capital profit from the current year payable to SP Ltd	82,081	718,003
Income profits attributable to SP Ltd, the member with the largest share of income profits	46,065,573	37,030,967
Income profit attributable to all other working members	83,335,446	68,155,155

The average number of members during the period, calculated on a month by month basis, was fourteen (2013: fifteen) of which thirteen (2013: fourteen) were working partners.

5. Employee information

	2014	2013
Employment costs comprise:		
Salaries and wages	10,864,977	9,165,200
Social security and other costs	387,325	378,282
Pension costs	265,406	107,605
	<u>11,517,708</u>	<u>9,651,087</u>

The average number of employees during the period, calculated on a month by month basis, was fourteen (2013: sixteen).

Silchester International Investors LLP

Financial Statements

Notes (Continued)

6. Taxation

	2014	2013
The Group tax charge is made up as follows:		
UK taxation	-	-
Foreign taxation	<u>390,086</u>	<u>413,728</u>
Total current tax charge/(credit) for the year	<u><u>390,086</u></u>	<u><u>413,728</u></u>
Profit on ordinary activities before tax	<u>129,873,187</u>	<u>106,317,853</u>
Profit multiplied by standard tax rate of 23% (2013: 24%)	29,870,833	25,516,285
Effects of:		
Partnership profits taxable on members	(29,870,833)	(25,516,285)
Adjustments for prior periods	-	-
Higher rates of foreign tax	<u>390,086</u>	<u>413,728</u>
Current tax charge for the year	<u><u>390,086</u></u>	<u><u>413,728</u></u>

7. Profit attributable to the Partnership

The profit of Silchester International Investors LLP (the parent firm) included in the consolidated accounts was £83,335,446 (2013: £68,155,155).

8. Investments

Group	Investment in Funds & Equities	Investment in Subsidiary Undertakings	Treasury Gilts	Total
Cost				
At 1 April 2013	6,409,508	-	2,174,016	8,583,524
Additions	14,211,827	-	-	14,211,827
Disposals	<u>(6,337,787)</u>	<u>-</u>	<u>(2,174,016)</u>	<u>(8,511,803)</u>
At 31 March 2014	<u><u>14,283,548</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>14,283,548</u></u>
Carry Value				
At 1 April 2013	8,152,057	-	2,175,888	10,327,945
Additions	14,211,827	-	-	14,211,827
Disposals	<u>(8,008,483)</u>	<u>-</u>	<u>(2,175,888)</u>	<u>(10,184,371)</u>
Revaluation	<u>275,788</u>	<u>-</u>	<u>-</u>	<u>275,788</u>
At 31 March 2014	<u><u>14,631,189</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>14,631,189</u></u>

Silchester International Investors LLP

Financial Statements

Notes (Continued)

8. Investments (continued)

Partnership	Investment in Funds & Equities	Investment in Subsidiary Undertakings	Treasury Gilts	Total
<u>Cost</u>				-
At 1 April 2013	6,281,879	13	2,174,016	8,455,908
Additions	14,211,827	-	-	14,211,827
Disposals	(6,281,878)	-	(2,174,016)	(8,455,894)
At 31 March 2014	<u>14,211,828</u>	<u>13</u>	<u>-</u>	<u>14,211,841</u>
<u>Carry Value</u>				
At 1 April 2013	7,923,857	13	2,175,888	10,099,758
Additions	14,211,827	-	-	14,211,827
Disposals	(7,923,332)	-	(2,175,888)	(10,099,220)
Revaluation	262,123	-	-	262,123
At 31 March 2014	<u>14,474,475</u>	<u>13</u>	<u>-</u>	<u>14,474,488</u>

	Group		Partnership	
	2014	2013	2014	2013
Listed investments	-	2,175,888	-	2,175,888
Unlisted investments	<u>14,631,189</u>	<u>8,152,057</u>	<u>14,474,488</u>	<u>7,923,870</u>
	<u>14,631,189</u>	<u>10,327,945</u>	<u>14,474,488</u>	<u>10,099,758</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

Silchester International Investors LLP

Financial Statements

Notes (Continued)

9. Tangible Fixed Assets

	Computer Equipment	Furniture and Equipment	Total
Group			
<u>Cost</u>			
At 1 April 2013	-	572,613	572,613
Disposals	-	-	-
At 31 March 2014	-	572,613	572,613
<u>Depreciation</u>			
At 1 April 2013	-	572,613	572,613
Disposals	-	-	-
At 31 March 2014	-	572,613	572,613
Net book value at 31 March 2014	-	-	-
Net book value at 1 April 2013	-	-	-
	Computer Equipment	Furniture and Equipment	Total
Partnership			
<u>Cost</u>			
At 1 April 2013	-	526,567	526,567
Disposals	-	-	-
At 31 March 2014	-	526,567	526,567
<u>Depreciation</u>			
At 1 April 2013	-	526,567	526,567
Disposals	-	-	-
At 31 March 2014	-	526,567	526,567
Net book value at 31 March 2014	-	-	-
Net book value at 1 April 2013	-	-	-

Silchester International Investors LLP

Financial Statements

Notes (Continued)

10. Debtors

Debtors comprise:

	Group		Partnership	
	2014	2013	2014	2013
Trade debtors	12,659,300	11,940,183	12,659,300	11,940,183
Prepayments and accrued income	871,312	1,093,201	871,312	1,083,561
Due from members	3,337,609	3,212,270	3,337,609	3,212,270
Other debtors	65,358	130,199	47,134	110,189
	<u>16,933,579</u>	<u>16,375,853</u>	<u>16,915,355</u>	<u>16,346,203</u>

11. Creditors

Amounts due within one year:

	Group		Partnership	
	2014	2013	2014	2013
Trade creditors	695,970	403,005	665,739	450,241
Taxation	102,540	21,407	-	-
Other taxes and social security costs	27,495	23,436	27,495	23,436
Amount due to subsidiary undertakings	-	-	826,023	686,315
Amount due to SP Ltd	4,525,416	5,954,108	4,341,712	5,381,526
Other accruals and deferred income	5,919,008	4,301,426	1,792,416	1,821,561
	<u>11,270,429</u>	<u>10,703,382</u>	<u>7,653,385</u>	<u>8,363,079</u>

Silchester International Investors LLP

Financial Statements

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 debts	2014 Member's total interests	2013 Member's total interests
Amounts due to members						5,954,108		
Amounts due from members						(3,212,270)		
At 1 April 2013	9,500,000	351,581	28,582,213	1,747,614	40,181,408	2,741,838	42,923,246	49,726,758
Capital Contribution	2,250,000	245,980	-	-	2,495,980	-	2,495,980	240,481
Members Remuneration	-	-	-	-	-	46,147,654	46,147,654	37,748,970
Profit for the year available for discretionary division among members	-	-	83,335,446	-	83,335,446	-	83,335,446	68,155,155
Allocations	-	-	(63,740,290)	-	(63,740,290)	63,740,290	-	-
Drawings	-	-	-	-	-	(113,850,855)	(113,850,855)	(114,222,591)
Movement on reserves on disposal of investments	-	-	-	(1,396,827)	(1,396,827)	-	(1,396,827)	1,258,102
Other transactions with Members	-	-	(580,152)	-	(580,152)	2,408,880	1,828,728	16,371
At 31 March 2014	11,750,000	597,561	47,597,217	350,787	60,295,565	1,187,807	61,483,372	42,923,246
Amounts due to members						4,525,416		
Amounts due from members						(3,337,609)		

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

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 debts	2014 Member's total interests	2013 Member's total interests
Amounts due to members						5,381,526		
Amounts due from members						(3,212,270)		
At 1 April 2013	9,500,000	351,581	28,890,744	1,646,998	40,389,323	2,169,256	42,558,579	49,045,428
Capital Contribution	2,250,000	245,980	-	-	2,495,980	-	2,495,980	240,481
Members Remuneration	-	-	-	-	-	46,392,437	46,392,437	38,008,488
Profit for the year available for discretionary division among members	-	-	83,335,446	-	83,335,446	-	83,335,446	68,155,155
Allocations	-	-	(63,740,290)	-	(63,740,290)	63,740,290	-	-
Drawings	-	-	-	-	-	(113,850,855)	(113,850,855)	(114,222,591)
Movement on reserves on disposal of investments	-	-	-	(1,381,224)	(1,381,224)	-	(1,381,224)	1,316,610
Other transactions with Members	-	-	(888,683)	-	(888,683)	2,552,975	1,664,292	15,008
At 31 March 2014	11,750,000	597,561	47,597,217	265,774	60,210,552	1,004,103	61,214,655	42,558,579
Amounts due to members						4,341,712		
Amounts due from members						(3,337,609)		

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

Notes (Continued)

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

	2014	2013
Operating profit	129,358,067	106,151,787
Depreciation	-	-
Foreign exchange movement	148,637	16,751
Fund management fees	-	21,424
Net (increase)/decrease in debtors	(432,387)	(2,269,221)
Net increase/(decrease) in creditors	1,932,375	(328,696)
	<hr/>	<hr/>
Net cash inflow from operating activities	131,006,692	103,592,045
	<hr/>	<hr/>

Analysis of changes in net funds

	At 01-Apr-13	Cash Flow	At 31-Mar-14
Cash at bank	10,180,992	2,070,234	12,251,226
Short-term deposits, maturity in excess of 24 hours	14,000,000	13,750,000	27,750,000
	<hr/>	<hr/>	<hr/>
Cash and short-term deposits	24,180,992	15,820,234	40,001,226
	<hr/>	<hr/>	<hr/>

14. Financial commitments

The commitment in the coming year is as follows:

Group: land and buildings

<u>Date of lease termination</u>	2014	2013
Within one year	-	-
Within two to five years	531,628	365,784
Over five years	-	103,521
	<hr/>	<hr/>
	531,628	469,305
	<hr/>	<hr/>

Silchester International Investors LLP

Financial Statements

Notes (Continued)

14. Financial commitments (continued)

Group: other financial commitments

<u>Date of lease termination</u>	2014	2013
Within one year	-	-
Within two to five years	592,339	602,213
Over five years	-	-
	<u>592,339</u>	<u>602,213</u>

15. Related party transactions

Silchester Partners Limited ("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 2014, this fee was £1,313,054 (for the year ended 31 March 2013: £1,556,545).

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 2014, this fee was £1,317,613 (for the year ended 31 March 2013: £1,087,163).

Colchester Global Investors Limited ("CGIL")

Currency Research Agreement

SP Ltd, a partner in the Partnership, is a 48.6525% (2013: 48.6525%) 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 2014, the Partnership paid and accrued £20,000, (for the year ended to 31 March 2013: £30,000).

For the year ended 31 March 2014, CGIL reimbursed the Partnership for £4,274 of costs (for the year ended to 31 March 2013: £7,992).

Silchester International Investors LLP

Financial Statements

Notes (Continued)

15. Related party transactions (continued)

Sanderson Asset Management Limited ("SAM")

SP Ltd, a partner in the Partnership, is a 49.9% shareholder in SAM. Pursuant to the terms of a Service Agreement, the Partnership provides certain technology and infrastructure support to SAM. For the year ended 31 March 2014, SAM reimbursed the Partnership for £122,433 of costs (for the year ended to 31 March 2013: £260,519).

Heronbridge Investment Management LLP ("HIM")

SP Ltd, a partner in the Partnership, is a 49.9% shareholder in Heronbridge Limited, a partner in HIM. Pursuant to the terms of a Service Agreement, the Partnership provides certain technology and infrastructure support to HIM and Heronbridge Limited. For the year ended 31 March 2014, HIM reimbursed the Partnership for £27,037 of costs (for the year ended to 31 March 2013: £47,842).

Highclere International Investors LLP ("HII")

SP Ltd, a partner in the Partnership, is a 49.9% shareholder in Highclere Investment Management Limited, a partner in HII. Pursuant to the terms of a Service Agreement, the Partnership provides certain technology and infrastructure support to HII and Highclere Investment Management Limited. For the year ended 31 March 2014, HII reimbursed the Partnership for £59,547 of costs (for the year ended to 31 March 2013: £81,059).

Edgbaston Investment Partners Limited ("EIP")

SP Ltd, 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 2014, the Partnership purchased £nil of research from EIP pursuant to the terms of this Research Agreement (for the year ended to 31 March 2013: £229,457). The Research Agreement terminated on 1st April 2013.

As an integral part of the Shareholders Agreement between SP Ltd and EIP, SP Ltd agreed to provide operational and other support services to EIP to 30 April 2013 pursuant to the terms of an Operational Services Agreement. The Partnership agreed to provide these services on behalf of SP Ltd. This Operational Services Agreement terminated on 30 April 2013. Pursuant to the terms of a Services Agreement, the Partnership provides certain technology and infrastructure support to EIP. For the year ended 31 March 2014, EIP reimbursed the Partnership for £96,774 of costs (for the year ended from to 31 March 2013: £49,865).

Silchester International Investors LLP

Financial Statements

Notes (Continued)

15. Related party transactions (continued)

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 2014, the Partnership purchased £130,541 of research from KP pursuant to the terms of the Research Agreement (for the year ended to 31 March 2013: £230,925). The Research Agreement was not in effect and was terminated as of 31 March 2014.

As an integral part of the Shareholders Agreement between SP Ltd and Kiltearn Limited, SP Ltd 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 Ltd. 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 2015. For the year ended 31 March 2014, KP reimbursed the Partnership for £63,968 of costs (for the year ended to 31 March 2013: £54,084). The Services Agreement will terminate as of 30 September 2014.

16. Capital and Profits Interests; Ownership

SP Ltd has contributed in excess of 90% (2013: 90%) of the Partnership's capital, and 100% of the Partnership's regulatory capital. The remaining capital has been contributed by thirteen (2013: thirteen) working members. Seven (2013: seven) of these members are legally considered to be Senior Partners and six (2013: 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.

Under the terms of the LLP Agreement, 100% of all of the Partnership's capital profits accrue to SP Ltd, 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.