

**SILCHESTER INTERNATIONAL INVESTORS LLP**

**MEMBERS' REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

MONDAY



\*L4AK6V68\*

LD3

29/06/2015

#19

COMPANIES HOUSE

**Silchester International Investors LLP**  
**Members' Report and Financial Statements**

**31 March 2015**

**Index**

Members' Report	1
Statement of Members' Responsibilities	2
Report of the Auditors	3
Consolidated Profit and Loss Account	4
Consolidated Statement of Total Recognised Gains and Losses	5
Consolidated Balance Sheet	6
Consolidated Cash Flow Statement	7
Partnership Balance Sheet	8
Notes to the Financial Statements	9 - 21

## 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 2015. 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 "2015" in headers are to the twelve months ended 31 March 2015 and "2014" to the twelve months ended 31 March 2014. All figures are shown in GBP unless otherwise stated.

#### Results and Members' profit allocation

Consolidated profits for the year before drawings amounted to £138,611,255 (2014: £129,483,100).

#### 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:

	2015	2014
Assets under Management (£'m)	24,388	21,706
Investment management fees	161,346,795	149,302,746
Profit before taxation and drawings	139,148,050	129,873,186

#### 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.

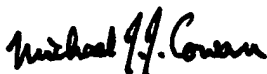
#### Pillar III disclosure

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](http://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  
21 May 2015



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 2015 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**

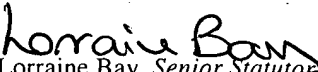
In our opinion the financial statements:

- 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 2015 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 2015

**Silchester International Investors LLP**

**Consolidated Profit and Loss Account**

	Note	2015	2014
<b>Income</b>			
Investment management fees	2	161,346,795	149,302,746
Income from Operational Services Agreement		<u>1,405,445</u>	<u>1,313,054</u>
		<u>162,752,240</u>	<u>150,615,800</u>
<b>Expenses</b>			
Payments under Trademark Licensing Agreement		(1,405,445)	(1,317,613)
Administrative expenses		<u>(22,655,289)</u>	<u>(19,940,120)</u>
		<u>(24,060,734)</u>	<u>(21,257,733)</u>
<b>Operating profit</b>	3	138,691,506	129,358,067
Bank interest		90,704	97,427
Net gain on disposal of investments		240	205,965
Dividend income from securities		<u>365,600</u>	<u>211,727</u>
<b>Profit on ordinary activities before taxation and members' remuneration charged as an expense</b>		139,148,050	129,873,186
Taxation	6	<u>(536,795)</u>	<u>(390,086)</u>
		138,611,255	129,483,100
Members' income profit remuneration charged as an expense		(49,198,087)	(46,065,573)
Members' current year capital loss / (profit) remuneration charged as an expense		<u>80,251</u>	<u>(82,081)</u>
<b>Profit for the financial year</b>	12	<u><u>89,493,419</u></u>	<u><u>83,335,446</u></u>

All amounts are in respect of continuing operations.

**Silchester International Investors LLP**

**Consolidated Statement of Total Recognised Gains and Losses**

	<b>2015</b>	<b>2014</b>
Profit for the financial year available for discretionary division among members	89,493,419	83,335,446
Unrealised appreciation on revaluation of investments	1,832,313	262,123
Currency translation differences	-	(13,387)
	<hr/>	<hr/>
<b>Total recognised gain</b>	<b>91,325,732</b>	<b>83,584,182</b>
	<hr/>	<hr/>

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

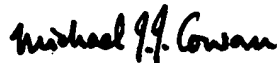
**Silchester International Investors LLP**

**Registration No. OC355490**

**Consolidated Balance Sheet**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Investments</b>	<b>8</b>	16,813,325	14,631,189
<b>Tangible Fixed Assets</b>	<b>9</b>	-	-
		<u>16,813,325</u>	<u>14,631,189</u>
<b>Current assets</b>			
Debtors	<b>10</b>	20,869,487	16,933,579
Cash and short-term deposits		39,156,697	40,001,226
		<u>60,026,184</u>	<u>56,934,805</u>
<b>Creditors: amounts falling due within one year</b>	<b>11</b>	<u>(8,106,097)</u>	<u>(11,270,429)</u>
<b>Net current assets</b>		<u>51,920,087</u>	<u>45,664,376</u>
<b>Total assets attributable to members</b>		<u><u>68,733,412</u></u>	<u><u>60,295,565</u></u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Members' capital classified as a liability	<b>12</b>	845,000	597,561
<b>Members' other interests</b>			
Members' capital classified as equity	<b>12</b>	14,000,000	11,750,000
Revaluation reserve	<b>12</b>	2,183,100	350,787
Other reserves	<b>12</b>	51,705,312	47,597,217
		<u>67,888,412</u>	<u>59,698,004</u>
		<u><u>68,733,412</u></u>	<u><u>60,295,565</u></u>
<b>Memorandum of members' total interests</b>			
Loans and other debts to members		(4,230,997)	1,187,807
Members' other interests		<u>68,733,412</u>	<u>60,295,565</u>
<b>Members' total interests</b>		<u><u>64,502,415</u></u>	<u><u>61,483,372</u></u>

The financial statements were approved by the Supervisory Group on 21 May 2015  
For and on behalf of the Supervisory Group:



M J J Cowan



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**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Net cash inflow from operating activities</b>	<b>13</b>	137,091,501	131,006,692
<b>Returns on investments and servicing of finance</b>			
Interest received		78,129	87,137
Dividend income from securities		365,600	211,727
		<u>443,729</u>	<u>298,864</u>
<b>Taxation</b>		(590,290)	(308,955)
<b>Financing</b>			
Capital introduced by SP Ltd		2,250,000	2,250,000
Capital introduced by other members		247,439	245,980
		<u>2,497,439</u>	<u>2,495,980</u>
<b>Transactions with members</b>		(139,942,598)	(113,850,855)
<b>Management of liquid resources</b>			
Net investment in funds		(365,271)	(14,211,827)
Proceeds on disposal of investments		20,961	10,390,335
Net investment in short-term deposits		<u>(5,500,000)</u>	<u>(13,750,000)</u>
		<u>(5,844,310)</u>	<u>(17,571,492)</u>
<b>(Decrease) / Increase in cash</b>	<b>13</b>	<u>(6,344,529)</u>	<u>2,070,234</u>

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


## Silchester International Investors LLP


Registration No. OC355490

## Partnership Balance Sheet

	Note	2015	2014
<b>Investments</b>	<b>8</b>	16,673,320	14,474,488
<b>Tangible Fixed Assets</b>	<b>9</b>	-	-
		<u>16,673,320</u>	<u>14,474,488</u>
<b>Current assets</b>			
Debtors	<b>10</b>	20,864,972	16,915,355
Cash and short-term deposits		<u>35,063,158</u>	<u>36,474,094</u>
		55,928,130	53,389,449
<b>Creditors: amounts falling due within one year</b>	<b>11</b>	<u>(3,954,930)</u>	<u>(7,653,385)</u>
<b>Net current assets</b>		<u>51,973,200</u>	<u>45,736,064</u>
<b>Total assets attributable to members</b>		<u>68,646,520</u>	<u>60,210,552</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Members' capital classified as a liability	<b>12</b>	845,000	597,561
<b>Members' other interests</b>			
Members' capital classified as equity	<b>12</b>	14,000,000	11,750,000
Revaluation reserve	<b>12</b>	2,096,208	265,774
Other reserves	<b>12</b>	<u>51,705,312</u>	<u>47,597,217</u>
		67,801,520	59,612,991
		<u>68,646,520</u>	<u>60,210,552</u>
<b>Memorandum of members' total interests</b>			
Loans and other debts to members		(4,246,966)	1,004,103
Members' other interests		<u>68,646,520</u>	<u>60,210,552</u>
<b>Members' total interests</b>		<u>64,399,554</u>	<u>61,214,655</u>

The financial statements were approved by the Supervisory Group on 21 May 2015  
For and on behalf of the Supervisory Group:

  
M J J Cowan

  
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 Equipment	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. 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.

**(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:

	<b>2015</b>	<b>2014</b>
United States of America	147,929,012	137,115,540
Ireland	13,417,783	12,187,206
	<u>161,346,795</u>	<u>149,302,746</u>

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**3. Operating profit**

This is stated after charging/(crediting):	<b>2015</b>	<b>2014</b>
Auditor's remuneration – audit	37,500	37,500
Auditor's remuneration – tax and non-audit services	198,740	212,240
Operating lease rentals - land and buildings	527,333	503,501
Exchange (gain) / loss	(732,344)	148,637

**4. Members' profit allocations**

	<b>2015</b>	<b>2014</b>
Income profit for the year before members' remuneration and available for division among members	138,691,506	129,401,019
Capital (loss) / profit from the current year payable to SP Ltd	(80,251)	82,081
Income profits attributable to SP Ltd, the member with the largest share of income profits	49,198,087	46,065,573
Income profit attributable to all other working members	89,493,419	83,335,446

The average number of members during the period, calculated on a month by month basis, was fifteen (2014: fourteen) of which fourteen (2014: thirteen) were working partners.

**5. Employee information**

	<b>2015</b>	<b>2014</b>
Employment costs comprise:		
Salaries and wages	10,526,357	10,864,977
Social security and other costs	632,798	387,325
Pension costs	366,449	265,406
	<u>11,525,604</u>	<u>11,517,708</u>

The average number of employees during the period, calculated on a month by month basis, was twelve (2014: twelve).

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**6. Taxation**

	<b>2015</b>	<b>2014</b>
The Group tax charge is made up as follows:		
UK taxation	-	-
Foreign taxation	<u>536,795</u>	<u>390,086</u>
Total current tax charge for the year	<u><u>536,795</u></u>	<u><u>390,086</u></u>
Profit on ordinary activities before tax	<u>139,148,050</u>	<u>129,873,187</u>
Profit multiplied by standard tax rate of 21% (2014: 23%)	29,221,090	29,870,833
Effects of:		
Partnership profits taxable on members	(29,221,090)	(29,870,833)
Higher rates of foreign tax	<u>536,795</u>	<u>390,086</u>
Current tax charge for the year	<u><u>536,795</u></u>	<u><u>390,086</u></u>

**7. Profit attributable to the Partnership**

The profit of Silchester International Investors LLP (the parent firm) included in the consolidated accounts was £89,493,419 (2014: £83,335,446).

**8. Investments**

<b>Group</b>	<b>Investment in Funds &amp; Equities</b>	<b>Investment in Subsidiary Undertakings</b>	<b>Total</b>
Cost			
At 1 April 2014	14,283,548	-	14,283,548
Additions	365,271	-	365,271
Disposals	<u>(18,594)</u>	<u>-</u>	<u>(18,594)</u>
At 31 March 2015	<u><u>14,630,225</u></u>	<u><u>-</u></u>	<u><u>14,630,225</u></u>
Carry Value			
At 1 April 2014	14,631,189	-	14,631,189
Additions	365,271	-	365,271
Disposals	(20,961)	-	(20,961)
Revaluation	<u>1,837,826</u>	<u>-</u>	<u>1,837,826</u>
At 31 March 2015	<u><u>16,813,325</u></u>	<u><u>-</u></u>	<u><u>16,813,325</u></u>

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**8. Investments (continued)**

<b>Partnership</b>	<b>Investment in Funds &amp; Equities</b>	<b>Investment in Subsidiary Undertakings</b>	<b>Total</b>
<u>Cost</u>			
At 1 April 2014	14,211,828	13	14,211,841
Additions	365,271	-	365,271
Disposals	-	-	-
	<u>14,577,099</u>	<u>13</u>	<u>14,577,112</u>
<u>Carry Value</u>			
At 1 April 2014	14,474,475	13	14,474,488
Additions	365,271	-	365,271
Disposals	-	-	-
Revaluation	1,833,561	-	1,833,561
	<u>16,673,307</u>	<u>13</u>	<u>16,673,320</u>

	<b>Group</b>		<b>Partnership</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Unlisted investments	<u>16,813,325</u>	<u>14,631,189</u>	<u>16,673,320</u>	<u>14,474,488</u>
	<u>16,813,325</u>	<u>14,631,189</u>	<u>16,673,320</u>	<u>14,474,488</u>

Subsidiary undertakings comprise:

<b>Name of Company</b>	<b>Class of Share</b>	<b>% of Class Held</b>	<b>Nature of Business</b>
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

	Furniture and Equipment	Total
<b>Group</b>		
<u>Cost</u>		
At 1 April 2014	572,613	572,613
Disposals	-	-
At 31 March 2015	<u>572,613</u>	<u>572,613</u>
<u>Depreciation</u>		
At 1 April 2014	572,613	572,613
Disposals	-	-
At 31 March 2015	<u>572,613</u>	<u>572,613</u>
Net book value at 31 March 2015	<u>-</u>	<u>-</u>
Net book value at 1 April 2014	<u>-</u>	<u>-</u>
	Furniture and Equipment	Total
<b>Partnership</b>		
<u>Cost</u>		
At 1 April 2014	526,567	526,567
Disposals	-	-
At 31 March 2015	<u>526,567</u>	<u>526,567</u>
<u>Depreciation</u>		
At 1 April 2014	526,567	526,567
Disposals	-	-
At 31 March 2015	<u>526,567</u>	<u>526,567</u>
Net book value at 31 March 2015	<u>-</u>	<u>-</u>
Net book value at 1 April 2014	<u>-</u>	<u>-</u>



**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**10. Debtors**

Debtors comprise:

	<b>Group</b>		<b>Partnership</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Trade debtors	15,043,150	12,659,300	15,043,150	12,659,300
Amount due from SP Ltd	386,220	-	402,189	-
Prepayments and accrued income	1,355,158	871,312	1,355,158	871,312
Due from members	3,844,777	3,337,609	3,844,777	3,337,609
Other debtors	240,182	65,358	219,698	47,134
	<u>20,869,487</u>	<u>16,933,579</u>	<u>20,864,972</u>	<u>16,915,355</u>

**11. Creditors**

Amounts due within one year:

	<b>Group</b>		<b>Partnership</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Trade creditors	1,731,390	695,970	1,700,873	665,739
Taxation	49,045	102,540	-	-
Other taxes and social security costs	24,558	27,495	24,558	27,495
Amount due to subsidiary undertakings	-	-	842,018	826,023
Amount due to SP Ltd	-	4,525,416	-	4,341,712
Other accruals and deferred income	6,301,104	5,919,008	1,387,481	1,792,416
	<u>8,106,097</u>	<u>11,270,429</u>	<u>3,954,930</u>	<u>7,653,385</u>

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

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

<b>Group</b>	<b>Members' Capital (Classified as Equity)</b>	<b>Members' Capital (Classified as Debt)</b>	<b>Other Reserves</b>	<b>Revaluation reserve</b>	<b>Total Members' other interest</b>	<b>Loans and other debts</b>	<b>2015 Members' total interests</b>	<b>2014 Members' total interests</b>
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	42,923,246
Capital Contribution	2,250,000	247,439	-	-	2,497,439	-	2,497,439	2,495,980
Members Remuneration	-	-	-	-	-	49,117,837	49,117,837	46,147,654
Profit for the year available for discretionary division among members	-	-	89,493,419	-	89,493,419	-	89,493,419	83,335,446
Allocations	-	-	(85,385,324)	-	(85,385,324)	85,385,324	-	-
Drawings	-	-	-	-	-	(139,942,598)	(139,942,598)	(113,850,855)
Movement on reserves	-	-	-	1,832,313	1,832,313	-	1,832,313	(1,396,827)
Other transactions with Members	-	-	-	-	-	20,633	20,633	1,828,728
At 31 March 2015	14,000,000	845,000	51,705,312	2,183,100	68,733,412	(4,230,997)	64,502,415	61,483,372
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

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**12. Reconciliation of movements in Members' other and Members' total interests (continued)**

<b>Partnership</b>	<b>Members' Capital (Classified as Equity)</b>	<b>Members' Capital (Classified as Debt)</b>	<b>Other Reserves</b>	<b>Revaluation reserve</b>	<b>Total Members' other interest</b>	<b>Loans and other debts</b>	<b>2015 Members' total interests</b>	<b>2014 Members' total interests</b>
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	42,558,579
Capital Contribution	2,250,000	247,439	-	-	2,497,439	-	2,497,439	2,495,980
Members Remuneration	-	-	-	-	-	49,306,990	49,306,990	46,392,437
Profit for the year available for discretionary division among members	-	-	89,493,419	-	89,493,419	-	89,493,419	83,335,446
Allocations	-	-	(85,385,324)	-	(85,385,324)	85,385,324	-	-
Drawings	-	-	-	-	-	(139,942,598)	(139,942,598)	(113,850,855)
Movement on reserves	-	-	-	1,830,434	1,830,434	-	1,830,434	(1,381,224)
Other transactions with Members	-	-	-	-	-	(785)	(785)	1,664,292
At 31 March 2015	14,000,000	845,000	51,705,312	2,096,208	68,646,520	(4,246,966)	64,399,554	61,214,655
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

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

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

	<b>2015</b>	<b>2014</b>
Operating profit	138,691,506	129,358,067
Foreign exchange movement	(732,344)	148,637
Net (increase) in debtors	(3,029,945)	(432,387)
Net increase in creditors	2,162,284	1,932,375
	<hr/>	<hr/>
Net cash inflow from operating activities	137,091,501	131,006,692
	<hr/>	<hr/>

**Analysis of changes in net funds**

	<b>At 01-Apr-14</b>	<b>Cash Flow</b>	<b>At 31-Mar-15</b>
Cash at bank	12,251,226	(6,344,529)	5,906,697
Short-term deposits, maturity in excess of 24 hours	27,750,000	5,500,000	33,250,000
	<hr/>		<hr/>
Cash and short-term deposits	40,001,226	(844,529)	39,156,697
	<hr/>		<hr/>

**14. Financial commitments**

The commitment in the coming year is as follows:

Group: land and buildings

<u>Date of lease termination</u>	<b>2015</b>	<b>2014</b>
Within one year	-	-
Within two to five years	112,768	531,628
Over five years	621,477	-
	<hr/>	<hr/>
	734,245	531,628
	<hr/>	<hr/>

Heads of terms for the London lease renewal effective on 12<sup>th</sup> April 2015 were agreed in October 2014. The actual lease was executed on 9<sup>th</sup> April 2015.

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**14. Financial commitments (continued)**

Group: other financial commitments

<u>Date of lease termination</u>	<b>2015</b>	<b>2014</b>
Within one year	-	-
Within two to five years	648,294	592,339
Over five years	-	-
	<hr/> 648,294 <hr/>	<hr/> 592,339 <hr/>

**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 2015, this fee was £1,405,445 (for the year ended 31 March 2014: £1,313,054).

*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 2015, this fee was £1,405,445 (for the year ended 31 March 2014: £1,317,613).

Colchester Global Investors Limited ("CGIL")

*Currency Research Agreement*

SP Ltd, a partner in the Partnership, is a 48.6525% (2014: 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 2015, the Partnership paid and accrued £20,000 (for the year ended to 31 March 2014: £20,000).

For the year ended 31 March 2015, CGIL reimbursed the Partnership for £4,756 of costs (for the year ended to 31 March 2014: £4,274). For the year ended 31 March 2015 the outstanding balance due to the Partnership was £11,401 (for the year ended 31 March 2014: £0).

**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 2015, SAM reimbursed the Partnership for £149,979 of costs (for the year ended to 31 March 2014: £122,433). For the year ended 31 March 2015 the outstanding balance due to the Partnership was £62,314 (for the year ended 31 March 2014: £0).

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 2015, HIM reimbursed the Partnership for £149,980 of costs (for the year ended to 31 March 2014: £27,037). For the year ended 31 March 2015 the outstanding balance due to the Partnership was £53,272 (for the year ended 31 March 2014: £0).

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 2015, HII reimbursed the Partnership for £153,871 of costs (for the year ended to 31 March 2014: £59,547). For the year ended 31 March 2015 the outstanding balance due to the Partnership was £53,372 (for the year ended 31 March 2014: £0).

Edgbaston Investment Partners Limited ("EIP")

SP Ltd, a partner in the Partnership, is a 49.9% shareholder in Edgbaston Investment Partner Limited. Pursuant to the terms of a Services Agreement, the Partnership provides certain technology and infrastructure support to EIP. For the year ended 31 March 2015, EIP reimbursed the Partnership for £162,770 of costs (for the year ended from to 31 March 2014: £96,774). For the year ended 31 March 2015 the outstanding balance due to the Partnership was £15,514 (for the year ended 31 March 2014: £0).

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 2015, the Partnership purchased £nil of research from KP pursuant to the terms of the Research Agreement (for the year ended to 31 March 2014: £130,541). The Research Agreement 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. This Operational Services Agreement terminated on 30<sup>th</sup> September 2014. Pursuant to the terms of a Service Agreement, the Partnership provides certain technology and infrastructure support to KP. For the year ended 31 March 2015, KP reimbursed the Partnership for £165,295 of costs (for the year ended to 31 March 2014: £63,968). For the year ended 31 March 2015 the outstanding balance due to KP was £1,228 (for the year ended 31 March 2014: £59,400).

**Silchester International Investors LLP****Financial Statements****Notes (Continued)****16. Capital and Profits Interests; Ownership**

SP Ltd has contributed in excess of 90% (2014: 90%) of the Partnership's capital, and 100% of the Partnership's regulatory capital. The remaining capital has been contributed by fourteen (2014: thirteen) working members. Seven (2014: seven) of these members are legally considered to be Senior Partners and seven (2014: 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 or losses 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.