

**SILCHESTER INTERNATIONAL INVESTORS LLP**

**MEMBERS' REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**Silchester International Investors LLP**  
**Members' Report and Financial Statements**  
**31 March 2021**

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## **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 2021. The Partnership is authorised and regulated by the UK Financial Conduct Authority (the "FCA"). Unless otherwise noted, references to "2021" in headers are to the twelve months ended 31 March 2021 and "2020" to the twelve months ended 31 March 2020. 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 £185,791,381 (2020: £195,979,156).

#### **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:

	<b>2021</b>	<b>2020</b>
Assets under Management (£'m)	31,511	26,048
Investment management fees	201,816,198	219,779,456
Profit before drawings	185,791,381	195,979,156

#### **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 R Cheung, M J J Cowan, and T J Linehan. The designated Members were S C Butt, M J J Cowan, T J Linehan and Silchester Continuation Limited ("SCL").

Details of the other Members can be obtained from the Partnership's registered office, Time & Life Building, 1 Bruton Street, 5<sup>th</sup> Floor, 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, crime and cybersecurity insurance cover at a level the Supervisory Group believes is appropriate for the business.

**Silchester International Investors LLP**

**Members' Report (continued)**

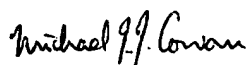
**Streamlined Energy and Carbon Reporting**

Energy and carbon information is not disclosed because the Group is a low energy user as defined in the Environment Reporting Guidelines.

**Going Concern**

The financial position of the Partnership, its liquidity position, and its cash flows are reflected on the Balance Sheet and Cash Flow Statement. The Members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Despite the market turmoil and economic uncertainty caused by the global Covid-19 pandemic the Members expect the Partnership to continue as a going concern for the foreseeable future. The Partnership has a long-term investment philosophy and its commingled funds have one investment programme which is a diversified portfolio of 125-150 publicly traded companies. No single investor holds a large enough investment in any of the commingled funds to pose a risk to it if they withdrew. The Partnership has low operating costs and does not utilise any leverage. The Partnership's disaster recovery and business continuity plans have enabled it to continue to operate effectively throughout this period of uncertainty. Thus, the Members continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Approved on behalf of the Members:



M J J Cowan  
Senior Partner



T J Linehan  
Senior Partner

Date: 21 May 2021

## **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). 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**

### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Limited Liability Partnership's affairs as at 31 March 2021 and of its 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Silchester International Investors LLP ("the Limited Liability Partnership") and its subsidiary (together "the Group") for the year ended 31 March 2021 which comprise the consolidated profit and loss account and statement of comprehensive income; the consolidated balance sheet; the consolidated statement of changes in equity; the Partnership statement of changes in equity; the consolidated cash flow statement; the Partnership balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

In auditing the financial statements, we have concluded that the Supervisory Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILCHESTER  
INTERNATIONAL INVESTORS LLP (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Other Companies Act 2006 reporting as applied to limited liability partnerships**

**We have nothing to report in respect of the following matters in relation to which 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, 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
- we have not received all the information and explanations we require for our audit

**Responsibilities of Members**

As explained more fully in the Statement of Members' Responsibilities, the Supervisory Group are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Group's and the Limited Liability Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the Group or the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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

- We gained an understanding of the legal and regulatory framework applicable to the Partnership and Group and considered the risk of acts by the Partnership or Group which were contrary to applicable laws and regulations, including fraud. These laws and regulations included, but were not limited to, compliance with the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships Regulations 2008, those resulting from being authorised by the Financial Conduct Authority to undertake regulated activities and UK accounting standards.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILCHESTER  
INTERNATIONAL INVESTORS LLP (continued)**

- We considered compliance with laws and regulations that could give rise to a material misstatement in the Partnership's financial statements. Our tests included, but were not limited to, the following:
  - agreement of the financial statement disclosures to underlying supporting documentation;
  - enquiries of management;
  - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
  - testing of journal postings made during the year to identify potential management override of controls; and
  - review of board meeting minutes throughout the period.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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 by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. 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 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.

DocuSigned by:  
*Timothy West*  
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Timothy West (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
55 Baker Street, London  
W1U 7EU

Date 21 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**Silchester International Investors LLP**

**Consolidated Profit and Loss Account and Statement of Comprehensive Income**

	Note	2021	2020
<b>Income</b>			
Investment management fees	2c, 4	201,816,198	219,779,456
Income from Operational Services Agreement		1,889,280	2,054,586
		<u>203,705,478</u>	<u>221,834,042</u>
<b>Expenses</b>			
Payments under Trademark Licensing Agreement		(1,889,280)	(2,054,586)
Administrative expenses		(21,071,091)	(22,014,554)
		<u>(22,960,371)</u>	<u>(24,069,140)</u>
<b>Operating profit</b>	5	180,745,107	197,764,902
Interest income		351,961	511,967
Realised gain on investments		3,009	6,418
Unrealised gain / (loss) on investments		4,397,716	(3,129,348)
Foreign exchange losses		(16,680)	(22,584)
Dividend income		<u>426,515</u>	<u>529,850</u>
<b>Profit on ordinary activities before taxation and Members' remuneration charged as an expense</b>		185,907,628	195,661,205
Taxation	8	(116,247)	317,951
		<u>185,791,381</u>	<u>195,979,156</u>
Members' income profit charged as an expense		(74,363,292)	(77,605,911)
Members' current year capital profit charged as an expense		<u>(648,558)</u>	<u>(1,343,602)</u>
<b>Profit and total comprehensive income</b>		<u><u>110,779,531</u></u>	<u><u>117,029,643</u></u>

All amounts are in respect of continuing operations.

*The accounting policies and notes on pages 15 - 23 are an integral part of these accounts.*

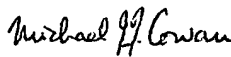
**Silchester International Investors LLP**


**Registration No. OC355490**

**Consolidated Balance Sheet**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Investments</b>	<b>10</b>	21,946,642	17,546,115
		<u>21,946,642</u>	<u>17,546,115</u>
<b>Current assets</b>			
Debtors	<b>11</b>	55,358,950	69,363,180
Cash		15,038,089	4,516,766
		<u>70,397,039</u>	<u>73,879,946</u>
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<u>(8,091,503)</u>	<u>(6,178,108)</u>
<b>Net current assets</b>		<u>62,305,536</u>	<u>67,701,838</u>
<b>Total assets attributable to Members</b>		<u><u>84,252,178</u></u>	<u><u>85,247,953</u></u>
<b>Represented by:</b>			
<b>Loans and other debts due to Members within one year</b>			
Members' capital classified as a liability		925,000	867,500
<b>Members' other interests</b>			
Members' capital classified as equity		14,000,000	14,000,000
Revaluation reserve		6,968,943	2,571,182
Other reserves		62,358,235	67,809,271
		<u>83,327,178</u>	<u>84,380,453</u>
		<u><u>84,252,178</u></u>	<u><u>85,247,953</u></u>
<b>Memorandum of Members' total interests</b>			
Loans and other debts due to Members		(3,857,619)	(4,274,523)
Members' other interests		<u>84,252,178</u>	<u>85,247,953</u>
<b>Members' total interests</b>		<u><u>80,394,559</u></u>	<u><u>80,973,430</u></u>

The financial statements were approved by the Supervisory Group on 21 May 2021.  
For and on behalf of the Supervisory Group:

  
M J J Cowan

  
T J Linehan

*The accounting policies and notes on pages 15 - 23 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)	Other Reserves	Revaluation reserve	Total Members' other interest	Loans and other debts	2020 Members' total interests
Amounts due to Members						542,700	
Amounts due from Members						(5,207,922)	
At 1 April 2019	14,000,000	960,000	69,432,996	5,700,530	90,093,526	(4,665,222)	85,428,304
Capital Contribution	-	7,500	-	-	7,500	-	7,500
Capital Repayment	-	(100,000)	-	-	(100,000)	-	(100,000)
Members' Remuneration	-	-	-	-	-	78,949,513	78,949,513
Profit and total comprehensive income available for discretionary division among Members	-	-	117,029,643	-	117,029,643	-	117,029,643
Allocations	-	-	(121,782,716)	-	(121,782,716)	121,782,716	-
Drawings	-	-	-	-	-	(200,341,530)	(200,341,530)
Revaluation	-	-	3,129,348	(3,129,348)	-	-	-
Other transactions with Members	-	-	-	-	-	-	-
At 31 March 2020	14,000,000	867,500	67,809,271	2,571,182	85,247,953	(4,274,523)	80,973,430
Amounts due to Members						649,513	
Amounts due from Members						(4,924,036)	

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 15 - 23 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	2021 Members' total interests
Amounts due to Members						649,513	
Amounts due from Members						(4,924,036)	
At 1 April 2020	14,000,000	867,500	67,809,271	2,571,182	85,247,953	(4,274,523)	80,973,430
Capital Contribution	-	57,500	-	-	57,500	-	57,500
Members' Remuneration	-	-	-	-	-	75,011,850	75,011,850
Profit and total comprehensive income available for discretionary division among Members	-	-	110,779,531	-	110,779,531	-	110,779,531
Allocations	-	-	(111,832,806)	-	(111,832,806)	111,832,806	-
Drawings	-	-	-	-	-	(186,427,752)	(186,427,752)
Revaluation	-	-	(4,397,716)	4,397,716	-	-	-
Foreign exchange movement on prior year revaluation reserve	-	-	(45)	45	-	-	-
Other transactions with Members	-	-	-	-	-	-	-
At 31 March 2021	14,000,000	925,000	62,358,235	6,968,943	84,252,178	(3,857,619)	80,394,559
Amounts due to Members						1,311,850	
Amounts due from Members						(5,169,469)	

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 15 - 23 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)	Other Reserves	Revaluation reserve	Total Members' other interest	Loans and other debts	2020 Members' total interests
Amounts due to Members						202,036	
Amounts due from Members						(5,207,922)	
At 1 April 2019	14,000,000	960,000	69,432,996	5,700,530	90,093,526	(5,005,886)	85,087,640
Capital Contribution	-	7,500	-	-	7,500	-	7,500
Capital Repayment	-	(100,000)	-	-	(100,000)	-	(100,000)
Members Remuneration	-	-	-	-	-	78,653,534	78,653,534
Profit and total comprehensive income available for discretionary division among Members	-	-	117,029,643	-	117,029,643	-	117,029,643
Allocations	-	-	(121,782,716)	-	(121,782,716)	121,782,716	-
Drawings	-	-	-	-	-	(201,007,288)	(201,007,288)
Revaluation	-	-	3,128,905	(3,128,905)	-	-	-
Other transactions with Members	-	-	-	-	-	485,877	485,877
At 31 March 2020	14,000,000	867,500	67,808,828	2,571,625	85,247,953	(5,091,047)	80,156,906
Amounts due to Members						(167,011)	
Amounts due from Members						(4,924,036)	

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 15 - 23 are an integral part of these accounts.

**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	2021 Members' total interests
Amounts due to Members						(167,011)	
Amounts due from Members						(4,924,036)	
At 1 April 2020	14,000,000	867,500	67,808,828	2,571,625	85,247,953	(5,091,047)	80,156,906
Capital Contribution	-	57,500	-	-	57,500	-	57,500
Members Remuneration	-	-	-	-	-	75,192,884	75,192,884
Profit and total comprehensive income available for discretionary division among Members	-	-	110,779,531	-	110,779,531	-	110,779,531
Allocations	-	-	(111,832,806)	-	(111,832,806)	111,832,806	-
Drawings	-	-	-	-	-	(186,131,773)	(186,131,773)
Revaluation	-	-	(4,396,957)	4,397,957	-	-	-
Other transactions with Members	-	-	-	-	-	(151,094)	(151,094)
At 31 March 2021	14,000,000	925,000	62,358,596	6,968,582	84,252,178	(4,348,224)	79,903,954
Amounts due to Members						821,245	
Amounts due from Members						(5,169,469)	

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 15 - 23 are an integral part of these accounts.*

**Silchester International Investors LLP**

**Consolidated Cash Flow Statement**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	<b>13</b>	195,629,765	172,093,448
Foreign exchange		243,322	(149,127)
Income tax paid		499,817	(83,483)
<b>Net cash generated from operating activities</b>		<u>196,372,904</u>	<u>171,860,838</u>
<b>Cash flows from investing activities</b>			
Proceeds of disposal of investments		3,009	6,418
Investment in funds		(3,009)	(6,419)
Interest received		351,961	511,967
Dividend income from securities		426,515	529,850
<b>Net cash generated in investing activities</b>		<u>778,476</u>	<u>1,041,816</u>
<b>Cash flows from financing activities</b>			
Members' capital contributed		57,500	7,500
Members' capital repaid		-	(100,000)
Transactions with Members		(186,427,752)	(200,341,530)
<b>Net cash used in financing activities</b>		<u>(186,370,252)</u>	<u>(200,434,030)</u>
 Net increase / (decrease) in cash and cash equivalents		<u>10,781,128</u>	<u>(27,531,376)</u>
 Cash and cash equivalents at the start of the year		<u>4,516,766</u>	<u>31,921,715</u>
 Exchange (losses) / gain on cash and cash equivalents		<u>(259,805)</u>	<u>126,427</u>
 <b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<u><u>15,038,089</u></u>	<u><u>4,516,766</u></u>

*The accounting policies and notes on pages 15 - 23 are an integral part of these accounts.*

**Silchester International Investors LLP**

**Registration No. OC355490**

**Partnership Balance Sheet**


	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Investments</b>	<b>10</b>	21,944,159	17,544,173
		<u>21,944,159</u>	<u>17,544,173</u>
<b>Current assets</b>			
Debtors	<b>11</b>	55,204,541	69,188,869
Cash and short-term deposits		13,104,973	2,161,870
		<u>68,309,514</u>	<u>71,350,739</u>
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<u>(6,001,495)</u>	<u>(3,646,959)</u>
<b>Net current assets</b>		<u>62,308,019</u>	<u>67,703,780</u>
<b>Total assets attributable to Members</b>		<u><u>84,252,178</u></u>	<u><u>85,247,953</u></u>
<b>Represented by:</b>			
<b>Loans and other debts due to Members within one year</b>			
Members' capital classified as a liability		925,000	867,500
<b>Members' other interests</b>			
Members' capital classified as equity		14,000,000	14,000,000
Revaluation reserve		6,968,582	2,571,625
Other reserves		<u>62,358,596</u>	<u>67,808,828</u>
		<u>83,327,178</u>	<u>84,380,453</u>
		<u><u>84,252,178</u></u>	<u><u>85,247,953</u></u>
<b>Memorandum of Members' total interests</b>			
Loans and other debts to Members		(4,348,224)	(5,091,047)
Members' other interests		<u>84,252,178</u>	<u>85,247,953</u>
<b>Members' total interests</b>		<u><u>79,903,954</u></u>	<u><u>80,156,906</u></u>

The profit of Silchester International Investors LLP (the parent firm) included in the consolidated accounts was £110,628,437 (2020: £117,515,520).

The financial statements were approved by the Supervisory Group on 21 May 2021.

For and on behalf of the Supervisory Group:

  
M J J Cowan

  
T J Linehan

*The accounting policies and notes on pages 15 - 23 are an integral part of these accounts.*



## Silchester International Investors LLP

### Financial Statements

#### Notes

##### 1. General information

The Partnership is a limited liability partnership that is incorporated and domiciled in England. The address of its registered office is Time & Life Building, 1 Bruton Street, 5<sup>th</sup> 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 and the Statement of Recommended Practice: Accounting by Limited Liability Partnerships (issued 14 December 2018).

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. Please refer to the notes in the financial statements for further information.

###### 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.

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

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

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**f Financial assets and liabilities, including investments**

Financial instruments are recognised on the balance sheet when the Group 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 Group'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. Investments in subsidiaries are held at cost less any provision for impairment in value.

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 profit or loss 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 as 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. The Partnership could become subject to tax in various countries and/or U.S. States in which the underlying unitholders of its commingled funds are located, and any necessary provisions have been made under Administrative Expenses. In the UK, each Member is currently individually liable for any tax liabilities arising out of their interest in the Partnership. In other words, tax is currently 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 the Partnership's regulatory capital provider. Income profits are shared between the regulatory capital provider and 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. These percentages may be varied subject to the provisions of the LLP Agreement.

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

##### d Foreign exchange risk

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

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**4. Income**

A geographical breakdown of income from investment management fees is as follows:

	2021	2020
United States of America	182,981,091	197,921,256
Ireland	18,835,107	21,858,200
	<u>201,816,198</u>	<u>219,779,456</u>

**5. Operating profit**

	2021	2020
This is stated after charging:		
Auditor's remuneration - audit	71,834	65,625
Auditor's remuneration - tax and non-audit services	128,450	152,630
Operating lease rentals - land and buildings	982,592	864,068

**6. Members' profit allocations**

The average number of Members during the year, calculated on a month by month basis, was seventeen (2020: seventeen) of which seventeen (2020: seventeen) were working partners.

	2021	2020
Income profit for the year before Members' remuneration and available for division among Members	180,745,107	197,764,902
Capital profit from the current year payable to the Partnership's regulatory capital provider	648,558	1,343,602
Income profits attributable to the Partnership's regulatory capital provider, the member with the largest aggregate share of income profits	74,363,292	77,605,911
Income profit attributable to all other working Members including key management personnel	110,779,531	117,029,643

**7. Employee information**

	2021	2020
Employment costs comprise:		
Salaries and wages	6,068,280	5,694,745
Social security and other costs	299,067	274,717
Pension costs	126,199	136,274
	<u>6,493,546</u>	<u>6,105,736</u>

The average number of employees during the period, calculated on a month by month basis, was eight (2020: seven).

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**8. Taxation**

	2021	2020
The Group tax charge is made up as follows:		
Foreign taxation	116,247	(317,951)
Total current tax charge / (credit) for the year	<u>116,247</u>	<u>(317,951)</u>
Profit on ordinary activities before tax	185,907,628	195,661,205
Profit multiplied by tax rate of 19% (2020: 19%)	35,322,449	37,175,629
Effects of:		
Partnership profits taxable on Members	(35,322,449)	(37,175,629)
Tax adjustment in relation to prior years	-	(442,509)
Higher rates of foreign tax	<u>116,247</u>	<u>124,558</u>
Current tax charge / (credit) for the year	<u><u>116,247</u></u>	<u><u>(317,951)</u></u>

**9. Profit attributable to the Partnership**

The profit of Silchester International Investors LLP (the parent firm) included in the consolidated accounts was £110,628,437 (2020: £117,515,520).

**10. Investments**

Group	Investment in Funds & Equities	Investment in Subsidiary Undertakings	Total
<u>Cost</u>			
At 1 April 2020	14,974,935	-	14,974,935
Additions	3,029	-	3,029
Foreign Exchange	(243)	-	(243)
Disposals	<u>(21)</u>	<u>-</u>	<u>(21)</u>
At 31 March 2021	<u><u>14,977,700</u></u>	<u><u>-</u></u>	<u><u>14,977,700</u></u>
<u>Carry Value</u>			
At 1 April 2020	17,546,115	-	17,546,115
Additions	3,029	-	3,029
Foreign Exchange	(198)	-	(198)
Disposals	(20)	-	(20)
Change in the fair value of investments	<u>4,397,716</u>	<u>-</u>	<u>4,397,716</u>
At 31 March 2021	<u><u>21,946,642</u></u>	<u><u>-</u></u>	<u><u>21,946,642</u></u>

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**10. 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 2020	14,972,548	13	14,972,561
Additions	3,029	-	3,029
Disposals	-	-	-
At 31 March 2021	<u>14,975,577</u>	<u>13</u>	<u>14,975,590</u>
<u>Carry Value</u>			
At 1 April 2020	17,544,160	13	17,544,173
Additions	3,029	-	3,029
Disposals	-	-	-
Change in the fair value of investments	4,396,957	-	4,396,957
At 31 March 2021	<u>21,944,146</u>	<u>13</u>	<u>21,944,159</u>

	<b>Group</b>		<b>Partnership</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Unlisted investments	<u>21,946,642</u>	<u>17,546,115</u>	<u>21,944,159</u>	<u>17,544,173</u>
	<u>21,946,642</u>	<u>17,546,115</u>	<u>21,944,159</u>	<u>17,544,173</u>

Subsidiary undertakings comprise:

<b>Name of Company</b>	<b>Class of Share</b>	<b>Nominal Value</b>	<b>% of Class Held</b>	<b>Nature of Business</b>
Silchester International Investors, Inc. (incorporated in the United States of America)	Ordinary Shares	\$20	100% owned	Marketing and Client Relations
Registered Office Address 780 Third Avenue, 42 Floor New York, New York 10017				

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

**11. Debtors**

Debtors comprise:

	<b>Group</b>		<b>Partnership</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Trade debtors	18,302,965	15,927,009	18,302,965	15,927,009
Amount due from SPL	29,194,080	45,761,505	29,194,080	45,761,505
Prepayments and accrued income	2,251,818	2,347,649	2,119,450	2,197,863
Due from Members	5,169,470	4,924,036	5,169,470	4,924,036
Other debtors	440,617	402,981	418,576	378,456
	<u>55,358,950</u>	<u>69,363,180</u>	<u>55,204,541</u>	<u>69,188,869</u>

**12. Creditors**

Amounts due within one year:

	<b>Group</b>		<b>Partnership</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Trade creditors	699,188	1,009,394	678,306	934,259
Taxation	578,352	(37,712)	773,814	20,203
Other taxes and social security costs	24,191	30,463	24,191	21,793
Amount due to subsidiary undertakings	-	-	604,741	820,115
Amount due to SCL	1,311,850	649,513	821,246	(167,011)
Other accruals and deferred income	5,477,922	4,526,450	3,099,197	2,017,600
	<u>8,091,503</u>	<u>6,178,108</u>	<u>6,001,495</u>	<u>3,646,959</u>

**Silchester International Investors LLP**

**Financial Statements**

**Notes (Continued)**

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

	2021	2020
Operating profit	180,745,107	197,764,902
Net decrease / (increase) in debtors	14,249,664	(26,271,449)
Net increase in creditors	634,994	599,995
	<u>195,629,765</u>	<u>172,093,448</u>
Net cash inflow from operating activities	<u>195,629,765</u>	<u>172,093,448</u>

**Analysis of changes in net debt**

	At 01-Apr-20	Cash Flow	At 31-Mar-21
Cash at bank	4,516,766	10,521,323	15,038,089
Cash and short-term deposits	4,516,766	10,521,323	15,038,089

**14. Financial commitments**

The commitment is as follows:

Land and buildings	Group		Partnership	
<u>Future amounts payable by period</u>	2021	2020	2021	2020
Within one year	817,282	867,107	668,394	701,439
Within two to five years	2,647,837	3,357,443	2,024,715	2,675,046
Over five years	353,365	587,878	-	18,063
	<u>3,818,484</u>	<u>4,812,428</u>	<u>2,693,109</u>	<u>3,394,548</u>

Other financial commitments	Group		Partnership	
<u>Future amounts payable by period</u>	2021	2020	2021	2020
Within one year	1,663,925	1,751,005	1,663,925	1,751,005
Within two to five years	371,573	1,964,918	371,573	1,964,918
Over five years	-	-	-	-
	<u>2,035,498</u>	<u>3,715,923</u>	<u>2,035,498</u>	<u>3,715,923</u>



## Silchester International Investors LLP

### Financial Statements

#### Notes (Continued)

#### 15. 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. These contracts remain in place.

##### *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 2021, this fee was £1,889,280 (for the year ended 31 March 2020: £2,054,586).

##### *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 2021, this fee was £1,889,280 (for the year ended 31 March 2020: £2,054,586).

During the period, the Partnership advanced £58,500,000 (2020: £73,000,000) to SPL and received £354,274 (2020: £462,669) of interest. SPL repaid the Partnership £75,448,182 (2020: £45,781,780) of which £448,182 (2020: 281,781) related to interest. At 31 March 2021, the balance of the loan was £29,000,000 (2020: £45,500,000) and the interest due on the loan was £167,597 (2020: £261,505).

#### 16. Capital and Profits Interests; Ownership

SCL has contributed in excess of 90% of the Partnership's capital, and 100% of the Partnership's regulatory capital. 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. On 1 July 2016, SP Ltd transferred all its economic interest in the Partnership to SCL in exchange for shares of SCL. SCL then assumed all of SP Ltd's rights and responsibilities under the terms of the LLP Agreement.