

SILCHESTER CONTINUATION LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



Silchester Continuation Limited

Financial Statements

31 March 2020

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Silchester Continuation Limited

Strategic Report

The Directors present their Strategic Report and audited Accounts for Silchester Continuation Limited (“the Company”) for the year ending 31 March 2020. Unless otherwise noted, references to “2020” in headers are to the year ended 31 March 2020, and “2019” to the period ending 31 March 2019. The Company has determined that GBP is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates. All figures are shown in GBP unless otherwise noted.

Activity, business review and future developments

The Company engages in investment management by providing on-going operational, intellectual, financial and other support to investment management firms in which it has an economic interest. The Company is a legal member of the Partnership, a UK based investment management partnership.

The Partnership’s assets under management, shown in millions of GBP, were as follows:

	2020	2019
Silchester International Investors LLP	26,048	30,009

The Company’s key financial and performance indicators during the year were as follows:

	2020	2019
Operating profit	78,997,503	74,677,365
Profit after tax	58,293,867	60,444,373

Principal risks and uncertainties

The principal risks to the Company are that (i) Partnership’s investment performance will fail to satisfy client expectations or (ii) clients will choose to invest more of their assets in asset classes other than those provided by the Partnership. Either outcome could lead to decreased assets under management, reduced turnover, and lower profits and, as a result, lower dividends or distributions to the Company. The Company does not utilise forward currency contracts to manage its own financial currency risks or other derivative instruments to reduce the volatility of its earnings.

Price risk arises on financial instruments because of changes in, for example, equity prices or foreign exchange rates. The Company’s investment in the Partnership is held at cost and is therefore not exposed to price risk. The Company maintains investments in the Calleva Trust, an Irish UCITS, that is exposed to price risk. This risk exposure is within the Company’s risk appetite. The Company is not subject to material credit, liquidity or cash flow risks in normal circumstances.

Going Concern

The financial position of the Company, its liquidity position, and its cash flows are reflected on the Balance Sheet and Cash Flow Statement. The Directors have a reasonable expectation that the Company 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 Directors expect the Company to continue as a going concern for the foreseeable future. The Company has ongoing cash flows from its partnership interest in the Partnership and has low operating costs. The Company also has significant liquid investments in the Calleva Trust, an Irish UCITS for which the Partnership has been appointed as investment manager. The Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Silchester Continuation Limited

Strategic Report (continued)

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Partnership's first priority is to its respective clients. Over the short to long term, the Partnership's clients look for the Partnership to have a clear focus on their investment needs; to offer continuity; to provide a consistent investment approach; to deliver an alignment between the asset management firm and themselves; to have ethics appropriate to their fiduciary obligations; and to oversee a manageable amount of assets. If the Partnership is looking after its clients appropriately, then the Company and the Partnership are allowed to organise their affairs in a way that is beneficial to their respective stakeholders. The partners and employees within the Group look for continuity and the opportunity to participate in the prosperity of the business. The Company aims to be a good business citizen. The Company contributes, directly and indirectly, substantial tax revenues to the UK and the USA. It also provides direct and indirect employment to many individuals. Locally, in the United Kingdom, it is a substantial export earner.

The Strategic Report was approved by the Directors and was signed on their behalf by:



Stephen C. Butt
Director



Timothy J. Linehan
Director

Date: 18 MAY 2020

Silchester Continuation Limited

Report of the Directors

Please refer to the Strategic Report for a description of the Company's activities and likely future developments, a review of the business and a description of the principal risks and uncertainties facing the Company.

Results, share purchases and dividends

The profit after taxation for the year is disclosed within the Strategic Report on page 1. An interim dividend of £31,532,806 was paid in October 2019 to shareholders of record as of 30 September 2019. A final dividend of £33,265,981 is proposed to be paid in May 2020 to shareholders of record as of 31 March 2020. Ordinary shares held by the Directors and any other shareholder with a holding of greater than 10% are:

	Ordinary Shares 2020	Ordinary Shares 2019
Silchester Partners Limited	5,389,262	5,389,262
TJ Linehan	80,000	65,000
Total shares in issue	5,836,137	5,712,592

SC Butt, MJJ Cowan and TJ Linehan are also shareholders in and directors of SP Ltd.

Directors

The Directors at 31 March 2020, who served during the year, were as follows:

M J J Cowan
T J Linehan
S C Butt

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the Auditor in connection with preparing its reports, of which the Auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the Auditor is aware of that information.

Auditors

BDO LLP will be re-appointed in accordance with Chapter 2 of Part 16 of the Companies Act 2006.

This report was approved by the Directors and signed on their behalf by:



Stephen C. Butt
Director



Timothy J. Linehan
Director

Date: 18 MAY 2020

Silchester Continuation Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to members of Silchester Continuation Limited

Opinion

We have audited the financial statements of Silchester Continuation Limited ("the Company") for the year ended 31 March 2020 which comprise the profit and loss account and statement of comprehensive income; the balance sheet; the statement of changes in equity; the cash flow statement 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 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.

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 Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors 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 Directors 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company 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.

A further description of our responsibilities for the audit of the financial statements is located 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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lorraine Bay (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
150 Aldersgate Street, London
EC1A 4AB

Date 19th May 2020

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

Silchester Continuation Limited

Profit and Loss Account and Statement of Comprehensive Income

	Note	2020	2019
Income profit distribution from the Partnership	3	77,605,911	73,986,948
Capital profit distribution from the Partnership	3	1,343,602	689,242
		<u>78,949,513</u>	<u>74,676,190</u>
Miscellaneous income	4	47,990	1,175
Operating Profit	5	<u>78,997,503</u>	<u>74,677,365</u>
Interest income		128,709	132,950
Unrealised losses on investments		(9,334,296)	(1,534,183)
Dividend income		1,474,059	957,726
Profit on ordinary activities before taxation		<u>71,265,975</u>	<u>74,233,858</u>
Taxation	7	<u>(12,972,108)</u>	<u>(13,789,485)</u>
Profit and total comprehensive income		<u><u>58,293,867</u></u>	<u><u>60,444,373</u></u>

All amounts are in respect of continuing activities.

The accounting policies and notes on pages 13 - 18 are an integral part of these accounts.

Silchester Continuation Limited

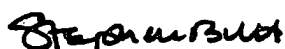
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Balance Sheet

	Note	2020	2019
Fixed Assets			
Investments in the Calleva Trust	8	48,838,354	40,003,337
Investments in the Partnership	9	538,926,101	538,926,101
		<u>587,764,455</u>	<u>578,929,438</u>
Current Assets			
Debtors	10	29,940,949	27,606,980
Cash		4,582,890	7,461,323
		<u>34,523,839</u>	<u>35,068,303</u>
Creditors: amounts falling due within one year	11	(21,929)	(3,863,825)
Net current assets		<u>34,501,910</u>	<u>31,204,478</u>
Total assets less current liabilities		<u>622,266,365</u>	<u>610,133,916</u>
Provision for liabilities and charges	7	1,900,979	114,045
Net assets		<u><u>624,167,344</u></u>	<u><u>610,247,961</u></u>
Capital and reserves			
Share capital	14	5,836,137	5,712,592
Share premium		591,455,240	573,572,466
Revaluation reserve		(10,005,152)	(670,856)
Retained earnings		36,881,119	31,633,759
Shareholders' funds		<u><u>624,167,344</u></u>	<u><u>610,247,961</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on ^{18 MAY} 2020 and signed on its behalf by:

Stephen C. Butt



Timothy J. Linehan



The accounting policies and notes on pages 13 - 18 are an integral part of these accounts

Silchester Continuation Limited
Statement of Changes in Equity (continued)

	Called up share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
Balance at 31 March 2018	<u>5,652,593</u>	<u>564,930,343</u>	<u>863,327</u>	<u>31,511,047</u>	<u>602,957,310</u>
Profit and total comprehensive income					
Profit for the year	-	-	-	60,444,373	60,444,373
Reallocation of unrealised losses on investment	-	-	(1,534,183)	1,534,183	-
	<u>-</u>	<u>-</u>	<u>(1,534,183)</u>	<u>62,340,131</u>	<u>60,444,373</u>
Transactions with owners					
Shares issued during the 2020 financial year	59,999	8,642,123	-	-	8,702,122
Dividends paid during the 2020 financial year	-	-	-	(61,855,844)	(61,855,844)
	<u>59,999</u>	<u>8,642,123</u>	<u>-</u>	<u>(61,855,844)</u>	<u>(53,153,722)</u>
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2019	<u>5,712,592</u>	<u>573,572,466</u>	<u>(670,856)</u>	<u>31,633,759</u>	<u>610,247,961</u>

The accounting policies and notes on pages 13 - 18 are an integral part of these accounts.

Silchester Continuation Limited

Statement of Changes in Equity

	Called up share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
Balance at 31 March 2019	<u>5,712,592</u>	<u>573,572,466</u>	<u>(670,856)</u>	<u>31,633,759</u>	<u>610,247,961</u>
Profit and total comprehensive income					
Profit for the year	-	-		58,293,867	58,293,867
Reallocation of unrealised losses on investment	-	-	(9,334,296)	9,334,296	-
	<u>-</u>	<u>-</u>	<u>(9,334,296)</u>	<u>67,628,163</u>	<u>58,293,867</u>
Transactions with owners					
Shares issued during the 2020 financial year	123,545	17,882,774	-	-	18,006,319
Dividends paid during the 2020 financial year	-	-	-	(62,380,803)	(62,380,803)
Total transactions with owners	<u>123,545</u>	<u>17,882,774</u>	<u>-</u>	<u>(62,380,803)</u>	<u>(44,374,484)</u>
Balance at 31 March 2020	<u>5,836,137</u>	<u>591,455,240</u>	<u>(10,005,152)</u>	<u>36,881,119</u>	<u>624,167,344</u>

The accounting policies and notes on pages 13 - 18 are an integral part of these accounts.

Silchester Continuation Limited

Cash Flow Statement

	Note	2020	2019
Cash flows from operating activities			
Cash generated from operations	12	78,905,702	74,539,509
Income tax paid		<u>(19,049,397)</u>	<u>(16,600,605)</u>
Net cash generated from operating activities		59,865,305	57,938,904
Cash flows from investing activities			
Investments in the Calleva Trust	8	(18,169,312)	(8,773,074)
Interest received		128,709	132,950
Dividends received		<u>1,474,059</u>	<u>957,726</u>
Net cash generated in investing activities		(16,566,544)	(7,682,398)
Cash flow from financing activities			
Issue of share capital		18,006,319	8,702,121
Loan to SP Ltd		(1,793,710)	2,682,605
Dividends paid		<u>(62,380,803)</u>	<u>(61,855,844)</u>
Net cash used in financing activities		<u>(46,168,194)</u>	<u>(50,471,118)</u>
Net increase in cash and cash equivalents		<u>(2,878,433)</u>	<u>(214,612)</u>
Cash and cash equivalents at the start of the year	13	<u>7,461,323</u>	<u>7,675,935</u>
Cash and cash equivalents at end of the year	13	<u><u>4,582,890</u></u>	<u><u>7,461,323</u></u>

The accounting policies and notes on pages 13 - 18 are an integral part of these accounts.

Silchester Continuation Limited

Financial Statements

Notes

1. General information

The Company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in England. The address of its registered office is Time & Life Building, 1 Bruton Street, 5th Floor, London, W1J 6TL.

2 Summary of Significant Accounting Policies

a Basis of preparation

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

The 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 Company. 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 Investments in Partnership

Investments in the Partnership are accounted for using the cost method less impairment. Dividends or distributions received from associates are recognised in profit or loss.

c 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.

d Financial assets and liabilities

Financial instruments are recognised on the balance sheet when the Company 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 Company'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.

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.

e Taxation and deferred tax

The charge for current tax is based on the profit for the current year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date. The income tax expense includes deferred tax liabilities arising from unrealised gains on revaluations of investments.

Silchester Continuation Limited

Financial Statements

Notes (Continued)

2 Summary of Significant Accounting Policies (continued)

Deferred tax liabilities are recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which timing differences can be utilised. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor the total comprehensive income.

f 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 based on the relevant exchange rates at the reporting date. Cash and cash equivalents are measured at the undiscounted amount of cash expected to be received based on the relevant exchange rates at the reporting date.

g Revenue Recognition

Revenue is recognised to the extent that the Company obtains the right to distributions from the Partnership. Revenue is measured at the fair value of the consideration received, excluding VAT. Dividend income is recognised when the Company's right to receive payment is established.

3 Turnover

Income by way of the distribution of income and capital profit from the Partnership are continuing activities and arise in the United Kingdom. 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.

4 Operating Expenses

Administrative expenses include costs associated with director services as well as legal, tax and audit fees.

5 Operating Profit

This is stated after charging/(crediting):	2020	2019
Auditors' remuneration – audit	5,550	4,250
Auditors' remuneration – tax and non-audit services	7,950	10,723
6 Employee information	2020	2019
Employment costs, including executive directors, are:		
Salaries and wages	45,000	45,000
Social security and other costs	5,912	5,919
	<u>50,912</u>	<u>50,919</u>

The Company had no employees. Employment costs relate to the Directors who are considered the only key management of the Company. All Directors earned the same Director Service fee.

Silchester Continuation Limited

Financial Statements

Notes (Continued)

7 Taxation and deferred tax

The Company's tax charge is made up as follows:

	2020	2019
Current tax:		
UK corporation tax at 19% (2019 - 19%)	14,774,399	14,050,296
Under / (Over) Provisions in prior years	<u>(15,357)</u>	<u>14,050,296</u>
Tax on profit on ordinary activities	14,759,042	14,050,296
Deferred tax for unrealised losses on investments	<u>(1,786,934)</u>	<u>(260,811)</u>
Tax on profit on ordinary activities	<u>12,972,108</u>	<u>13,789,485</u>
Profit on ordinary activities before tax	71,265,975	74,233,858
Profit multiplied by standard tax rate of 19% (2019: 19%)	13,540,535	14,104,433
Effects of:		
Non-taxable income	(179,551)	(140,005)
Share of Partnership taxable profits	(360,486)	(205,622)
Expenses non deductible	1,773,901	291,495
Double taxation relief	<u>-</u>	<u>(5)</u>
Current tax charge for the year	<u>14,774,399</u>	<u>14,050,296</u>

Deferred tax provisions have been recognised in respect of the unrealised gains that arise from the revaluation of the investments. The deferred tax included in the balance sheet is as follows:

	2020	2019
At 1 April 2019	(114,045)	146,766
Adjustment for unrealised losses on investments	<u>(1,786,934)</u>	<u>(260,811)</u>
At 31 March 2020	<u>(1,900,979)</u>	<u>(114,045)</u>

The Partnership currently has an unrealised gain of £2,571,182 (2019: £5,700,530) on investments it holds in various commingled funds. This would result in £488,525 (2019: £1,083,101) of tax being payable by the Company on disposal. Under current UK accounting requirements the Company has not been allowed to accrue this deferred tax liability on its balance sheet. Had this been accrued, the Company's profit after tax and net assets would have been reduced by £488,525 (2019: £1,083,101).

Silchester Continuation Limited

Financial Statements

Notes (Continued)

8 Investments

	Investment in Calleva Trust
<u>Cost</u>	
At 1 April 2019	40,674,193
Additions	18,169,312
	<hr/>
At 31 March 2020	58,843,505
	<hr/>
<u>Carry value</u>	
At 1 April 2019	40,003,337
Additions	18,169,312
Revaluation	(9,334,296)
	<hr/>
At 31 March 2020	48,838,353
	<hr/>
At 31 March 2019	40,003,337
	<hr/>

9 Investments in the Partnership

On 1 July 2016, SP Ltd transferred its partnership interest in the Partnership to the Company in exchange for shares in the Company. The Company then assumed all of SP Ltd's rights and responsibilities under the terms of the Partnership's limited liability partnership agreement. A non-cash accounting amount (shown below) was recognised as part of this reorganisation.

	Total
<u>Cost</u>	
At 31 March 2019	538,926,101
Additions	-
	<hr/>
At 31 March 2020	538,926,101
	<hr/>
At 31 March 2019	538,926,101
	<hr/>

Investments in the Partnership are not listed and are held at cost less impairment as fair value cannot be reliably determined.

<u>Name of Company</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>% of total capital</u>	<u>Income profits</u>	<u>Proportion of net assets</u>
Silchester International Investors LLP	England	Investment Management	94.2%	77,605,911	14,000,000

Silchester Continuation Limited

Financial Statements

Notes (Continued)

10 Debtors

Debtors comprise:	2020	2019
Amounts due from Partnership	649,513	542,700
Prepayments and accrued income	-	1,020
Amounts due from SP Ltd	28,853,522	27,059,812
Taxation	434,960	-
Other debtors	2,954	3,448
	<u>29,940,949</u>	<u>27,606,980</u>

11 Creditors

Amounts due within one year:	2020	2019
Trade creditors	21,554	4,805
Taxation	-	3,855,394
Other accruals and deferred income	375	3,626
	<u>21,929</u>	<u>3,863,825</u>

12 Reconciliation of operating profit to operating cash flows

	2020	2019
Operating profit	78,997,503	74,677,365
Net (increase) in debtors	(105,299)	(130,570)
Net increase / (decrease) in creditors	13,498	(7,286)
	<u>78,905,702</u>	<u>74,539,509</u>

13 Analysis of changes in net funds

	At 31-Mar-19	Cash Flow	At 31-Mar-20
Cash at bank	<u>7,461,323</u>	<u>(2,878,433)</u>	<u>4,582,890</u>

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14 Equity share capital

	2020	2019
Issued:		
Ordinary shares of £1 each issued as of 1 July 2016	5,389,262	5,389,262
Ordinary shares of £1 each issued as of 1 October 2016	107,195	107,195
Ordinary shares of £1 each issued as on 1 April 2017	118,066	118,066
Ordinary shares of £1 each issues as on 1 October 2017	38,070	38,070
Ordinary shares of £1 each issues as on 1 April 2018	34,647	34,647
Ordinary shares of £1 each issues as on 1 October 2018	25,352	25,352
Ordinary shares of £1 each issues as on 1 April 2019	73,244	-
Ordinary shares of £1 each issues as on 1 October 2019	50,301	-
	<u>5,836,137</u>	<u>5,712,592</u>

The ordinary shares each carry one voting right.

15 Related party transactions

Silchester International Investors LLP

The Company 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, 100% of all of the Partnership's capital profits or losses accrue to the Company. The Company shares in a proportion of the Partnership's income profits.

Silchester Partners Limited

Silchester Partners Limited has a majority shareholding in the Company. On a monthly basis, the Company provides a loan to SP Ltd of an amount approximately equal to SP Ltd's dividend entitlement with respect of that month. The loan attracted an interest rate of 0.25% per annum up until 31 October 2017 and 0.5% per annum until 31 July 2018. Thereafter the loan attracted an interest rate of 0.75% per annum until 10 March 2020 and 0.25% until 18 March 2020. The current interest rate on the loan is 0.1% in line with the Bank of England base interest rate. The loans are repayable out of any dividends ultimately paid by the Company.

During the year, the Company advanced £55,700,000 (2019: £53,800,000) to SP Ltd and received £128,709 (2019: £121,313) of interest. The Company also paid SP Ltd £58,473,493 (2019: £58,796,848) of dividends, £54,035,000 (2019: £56,500,000) of which were used to partially repay the advanced moneys. At 31 March 2020, the balance of the loan was £28,853,522 (2019: £27,059,812) and the interest included on this loan was £53,522 (2019: £59,813). SP Ltd is expected to repay these balances from its share of the final dividend payable by the Company in May 2020.

16 Controlling Shareholder

SP Ltd is the largest and smallest group in which the results of the Company are consolidated. The controlling shareholder of SP Ltd is deemed under UK accounting rules to be the ultimate controlling shareholder of the Company. The ultimate controlling shareholder of SP Ltd is SC Butt and his family.