

SILCHESTER CONTINUATION LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Silchester Continuation Limited

Financial Statements

31 March 2022

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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 2022. Unless otherwise noted, references to "2022" in headers are to the year ended 31 March 2022 and "2021" to the year ending 31 March 2021. 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 Silchester International Investors LLP (the "Partnership"), a UK based investment management partnership.

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

	2022	2021
Silchester International Investors LLP	31,946	31,511

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

	2022	2021
Operating profit	87,686,763	74,932,679
Profit after tax	76,352,104	74,163,152

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, however, there is potentially significant impairment risk given the goodwill implicit in the balance sheet valuation. 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. The Directors have considered the current market and economic situations and 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 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: 25 May 2022

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. An interim dividend of £35,478,148 was paid in October 2021 to shareholders of record as of 30 September 2021. A final dividend of £38,435,821 was paid on 4 April 2022 to shareholders of record as of 31 March 2022. Ordinary shares held by the Directors and any other shareholder with a holding of greater than 10% are:

	Ordinary Shares 2022	Ordinary Shares 2021
Silchester Partners Limited	5,389,262	5,389,262
TJ Linehan	100,000	90,000
Total shares in issue	6,005,597	5,921,075

SC Butt, MJJ Cowan and TJ Linehan are also shareholders in and directors of Silchester Partners Limited ("SP Ltd").

Directors

The Directors at 31 March 2022, 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: 25 May 2022

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 THE MEMBERS OF SILCHESTER CONTINUATION LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 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.

We have audited the financial statements of Silchester Continuation Limited ("the Company") for the year ended 31 March 2022 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 Company'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 Directors with respect to going concern are described in the relevant sections of this report.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILCHESTER CONTINUATION LIMITED (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

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

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

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 or the Directors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILCHESTER CONTINUATION LIMITED (continued)

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 company and considered the risk of acts by the company 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 and UK accounting standards.
- We considered compliance with laws and regulations that could give rise to a material misstatement in the company'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 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.

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 25 May 2022

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	Year Ended 31 March 2022	Year Ended 31 March 2021
Income profit distribution from the Partnership	3	87,048,087	74,363,292
Capital profit distribution from the Partnership	3	718,061	648,558
		<u>87,766,148</u>	<u>75,011,850</u>
Administrative Expenses	4	(79,385)	(79,171)
Operating Profit	5	<u>87,686,763</u>	<u>74,932,679</u>
Fund Rebates		306,568	174,801
Interest income		54,229	16,649
Unrealised gain on investments		3,722,117	14,705,234
Dividend income		2,358,570	1,478,033
Profit on ordinary activities before taxation		<u>94,128,247</u>	<u>91,307,396</u>
Taxation	7	<u>(17,776,143)</u>	<u>(17,144,244)</u>
Profit and total comprehensive income		<u><u>76,352,104</u></u>	<u><u>74,163,152</u></u>

All amounts are in respect of continuing activities.

The accounting policies and notes on pages 13 - 19 are an integral part of these accounts.

Silchester Continuation Limited

Registration No. 09923007

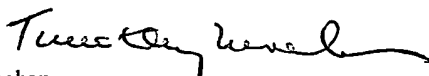
Balance Sheet

	Note	At 31 March 2022	At 31 March 2021
Fixed Assets			
Investments in the Calleva Trust	8	93,636,820	76,097,451
Investments in the Partnership	9	538,926,101	538,926,101
		<u>632,562,921</u>	<u>615,023,552</u>
Current Assets			
Debtors	10	29,578,053	25,406,656
Cash		9,889,370	8,757,043
		<u>39,467,423</u>	<u>34,163,699</u>
Creditors: amounts falling due within one year	11	(153,489)	(630)
Net current assets		<u>39,313,934</u>	<u>34,163,069</u>
Total assets less current liabilities		<u>671,876,855</u>	<u>649,186,621</u>
Provision for liabilities and charges	7	(2,115,312)	(893,015)
Net assets		<u>669,761,543</u>	<u>648,293,606</u>
Capital and reserves			
Share capital	14	6,005,597	5,921,075
Share premium		617,181,944	603,751,307
Revaluation reserve		8,422,199	4,700,082
Retained earnings		38,151,803	33,921,142
Shareholders' funds		<u>669,761,543</u>	<u>648,293,606</u>

The financial statements were approved and authorised for issue by the Board of Directors on 25 May 2022 and signed on its behalf by:



Stephen C. Butt



Timothy J. Linehan

The accounting policies and notes on pages 13 - 19 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 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>
Profit and total comprehensive income					
Profit for the year	-	-	-	74,163,152	74,163,152
Reallocation of unrealised gains on investment	-	-	14,705,234	(14,705,234)	-
	<u>-</u>	<u>-</u>	<u>14,705,234</u>	<u>59,457,918</u>	<u>74,163,152</u>
Transactions with owners					
Shares issued during the 2021 financial year	84,938	12,296,067	-	-	12,381,005
Dividends paid during the 2021 financial year	-	-	-	(62,417,895)	(62,417,895)
Total transactions with owners	<u>84,938</u>	<u>12,296,067</u>	<u>-</u>	<u>(62,417,895)</u>	<u>(50,036,890)</u>
Balance at 31 March 2021	<u>5,921,075</u>	<u>603,751,307</u>	<u>4,700,082</u>	<u>33,921,142</u>	<u>648,293,606</u>

The accounting policies and notes on pages 13 - 19 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 2021	<u>5,921,075</u>	<u>603,751,307</u>	<u>4,700,082</u>	<u>33,921,142</u>	<u>648,293,606</u>
Profit and total comprehensive income					
Profit for the year	-	-	-	76,352,104	76,352,104
Reallocation of unrealised gains on investment	<u>-</u>	<u>-</u>	<u>3,722,117</u>	<u>(3,722,117)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>3,722,117</u>	<u>72,700,627</u>	<u>76,352,104</u>
Transactions with owners					
Shares issued during the 2022 financial year	84,522	13,430,637	-	-	13,515,159
Dividends paid during the 2022 financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,399,326)</u>	<u>(68,399,326)</u>
Total transactions with owners	<u>84,522</u>	<u>13,430,637</u>	<u>-</u>	<u>(68,399,326)</u>	<u>(54,884,167)</u>
Balance at 31 March 2022	<u>6,005,597</u>	<u>617,181,944</u>	<u>8,422,199</u>	<u>38,151,803</u>	<u>669,761,543</u>

The accounting policies and notes on pages 13 - 19 are an integral part of these accounts.

Silchester Continuation Limited

Cash Flow Statement

	Note	Year Ended 31 March 2022	Year Ended 31 March 2021
Cash flows from operating activities			
Cash generated from operations	12	89,151,232	74,249,151
Income tax paid		<u>(17,000,000)</u>	<u>(14,000,000)</u>
Net cash generated from operating activities		72,151,232	60,249,151
Cash flows from investing activities			
Investments in the Calleva Trust	8	(13,510,684)	(12,379,062)
Interest received		40,995	16,649
Dividends received		<u>2,358,570</u>	<u>1,478,033</u>
Net cash used in investing activities		(11,111,119)	(10,884,380)
Cash flow from financing activities			
Share Issuance		13,515,159	12,381,005
(Loan) / Repayment to SP Ltd		(5,023,619)	4,846,272
Dividends paid		<u>(68,399,326)</u>	<u>(62,417,895)</u>
Net cash used in financing activities		<u>(59,907,786)</u>	<u>(45,190,618)</u>
Net increase in cash and cash equivalents		<u>1,132,327</u>	<u>4,174,153</u>
Cash and cash equivalents at the start of the year	13	<u>8,757,043</u>	<u>4,582,890</u>
Cash and cash equivalents at end of the year	13	<u>9,889,370</u>	<u>8,757,043</u>

The accounting policies and notes on pages 13 - 19 are an integral part of these accounts.

Silchester Continuation Limited

Financial Statements

Notes

1. General information

The Company is a 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)

e Taxation and deferred tax (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.

h. Restatement of consolidated profit and loss account and consolidated cash flow statement

The Fund Rebates have been separated into a separate line item in the current year financial statements, such presentation is relevant to the understanding of the entity's financial performance and comparatives.

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:	2022	2021
Auditors' remuneration – audit	6,100	9,133
Auditors' remuneration – tax and non-audit services	8,355	7,950

Silchester Continuation Limited

Financial Statements

Notes (Continued)

6. Employee information

	2022	2021
Employment costs, including executive directors, are:		
Salaries and wages	45,000	45,000
Social security and other costs	5,905	5,907
	<u>50,905</u>	<u>50,907</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.

7. Taxation and deferred tax

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

	2022	2021
Current tax:		
UK corporation tax at 19% (2021: 19%)	16,553,846	14,348,123
Under Provisions in prior years	-	2,126
Tax on profit on ordinary activities	<u>16,553,846</u>	<u>14,350,249</u>
Deferred tax for unrealised gains on investments	<u>1,222,297</u>	<u>2,793,995</u>
Tax on profit on ordinary activities	<u>17,776,143</u>	<u>17,144,244</u>
Profit on ordinary activities before tax	94,128,247	91,307,396
Profit multiplied by standard tax rate of 19% (2021: 19%)	17,884,367	17,348,405
Effects of:		
Non-taxable income	(448,128)	(280,826)
Non deductible expenses	3,232	570
Share of Partnership taxable profits	(178,421)	73,969
Adjustment in respect of prior year – ordinary activities	-	2,126
Adjustment in respect of prior year – deferred tax at 25% (2021: 19%)	(38,245)	-
Change in deferred tax rates	507,675	-
Other tax adjustments	45,663	-
Current tax charge for the year	<u>17,776,143</u>	<u>17,144,244</u>

Silchester Continuation Limited

Financial Statements

Notes (Continued)

7. Taxation (continued)

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:

	2022	2021
At 1 April 2021	893,015	(1,900,979)
Adjustment for unrealised gains on investments	990,613	2,793,994
Effect of change in tax rate on opening balance	269,928	-
Adjustments in respect of prior periods	(38,244)	-
	<hr/>	<hr/>
At 31 March 2022	<u>2,115,312</u>	<u>893,015</u>

Deferred tax for temporary/timing differences that are forecast to unwind in the UK on or after 1 April 2023 may need to be re-measured and recognised at 25% / the marginal rate if company profits are expected to be in excess of £250,000 / £50,000, given those rates have been substantively enacted at the balance sheet date.

The Partnership currently has a cumulative unrealised gain of £7,990,797 (2021: £6,968,943) on investments it holds in various commingled funds. This would result in £1,997,699 (2021: £1,324,099) 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 £1,997,699 (2021: £1,324,099).

8. Investments

	Investment in Calleva Trust
<u>Cost</u>	
At 1 April 2021	71,397,369
Additions – contributions	13,510,684
Additions – fund rebates	306,568
	<hr/>
At 31 March 2022	<u>85,214,621</u>
<u>Carry value</u>	
At 1 April 2021	76,097,451
Additions – contributions	13,510,684
Additions – fund rebates	306,568
Revaluation	3,722,117
	<hr/>
At 31 March 2022	<u>93,636,820</u>
At 31 March 2021	<u>76,097,451</u>

Silchester Continuation Limited

Financial Statements

Notes (Continued)

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 2021	538,926,101
Additions	-
	<u>538,926,101</u>
At 31 March 2022	
	<u>538,926,101</u>
At 31 March 2021	<u>538,926,101</u>

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>Share of income profits</u>	<u>Proportion of net assets</u>
Silchester International Investors LLP	England	Investment Management	93.65%	87,048,087	14,000,000

10. Debtors

Debtors comprise:	2022	2021
Amounts due from Partnership	-	1,311,850
Amounts due from SP Ltd	29,030,869	24,007,250
Taxation	544,098	84,710
Other debtors	3,086	2,846
	<u>29,578,053</u>	<u>25,406,656</u>

11. Creditors

Amounts due within one year:	2022	2021
Trade creditors	18,568	28
Amounts due to Group undertakings	134,572	-
Other accruals and deferred income	349	602
	<u>153,489</u>	<u>630</u>

Silchester Continuation Limited

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Notes (Continued)

12. Reconciliation of operating profit to operating cash flows

	2022	2021
Operating profit	87,686,763	74,932,679
Net decrease / (increase) in debtors	1,311,610	(662,229)
Net increase / (decrease) in creditors	152,859	(21,299)
	<u>89,151,232</u>	<u>74,249,151</u>
Net cash inflow from operating activities	<u>89,151,232</u>	<u>74,249,151</u>

13. Analysis of changes in net funds

	At 31-Mar-21	Cash Flow	At 31-Mar-22
Cash at bank	<u>8,757,043</u>	<u>1,132,327</u>	<u>9,889,370</u>

14. Equity share capital

	2022	2021
Issued:		
Ordinary shares of £1 each issued as of 31 March 2020	5,836,137	5,836,137
Ordinary shares of £1 each issues as on 1 April 2020	41,265	41,265
Ordinary shares of £1 each issues as on 1 October 2020	43,673	43,673
Ordinary shares of £1 each issues as on 1 April 2021	41,639	-
Ordinary shares of £1 each issues as on 1 October 2021	42,883	-
	<u>6,005,597</u>	<u>5,921,075</u>

The ordinary shares each carry one voting right.

Silchester Continuation Limited

Financial Statements

Notes (Continued)

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 in line with the Bank of England base interest rate. The loans are repayable out of any dividends ultimately paid by the Company. The interest rates are as follows:

Rate used	From	To
0.10%	19 March 2020	16 December 2021
0.25%	17 December 2021	02 February 2022
0.50%	03 February 2022	16 March 2022
0.75%	17 March 2022	31 March 2022

During the year, the Company advanced £57,500,000 (2021: £48,000,000) to SP Ltd and received £40,994 (2021: £16,650) of interest. The Company also paid SP Ltd £62,030,406 (2021: £57,449,533) of dividends, £52,500,000 (2021: £52,800,000) of which were used to partially repay the advanced moneys. At 31 March 2022, the balance of the loan was £29,030,869 (2021: £24,007,250) and the interest included on this loan was £30,869 (2021: £7,250). SP Ltd is expected to repay these balances from its share of the final dividend payable by the Company in April 2022.

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.

17. Subsequent Events

On 4 April 2022, a final dividend of £38,435,821 was paid to shareholders of record as of 31 March 2022.