

REGISTERED NUMBER: OC327862

SOMERSET CAPITAL MANAGEMENT LLP

REPORT AND FINANCIAL STATEMENTS

◆ *Year ended 31 March 2019* ◆



SOMERSET CAPITAL MANAGEMENT LLP

CONTENTS	Page
Report of the Members	2-3
Statement of Members' Responsibilities	4
Independent Auditor's Report to the Members of Somerset Capital Management LLP	5-6
Income Statement	7
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Financial Statements	11-17

SOMERSET CAPITAL MANAGEMENT LLP

REPORT OF THE MEMBERS

The members present their annual report and the audited financial statements for the year ended 31 March 2019.

Principal Activity

The principal activity of Somerset Capital Management LLP ("the LLP") is the provision of investment advisory and management services.

Business Review and Future Developments

At 31 March 2019, the LLP provided investment management services to three Delaware limited liability companies incorporated in the United States of America, four authorised UK OEIC funds incorporated in England & Wales, one Irish Collective Asset-management Vehicle and fourteen managed accounts.

The profit for the year is shown in the income statement on page 7.

During the forthcoming year the members expect the LLP to remain profitable.

Members and Drawings

Designated members during the year and up to the date of this report were:

Dominic Johnson
Jacob Rees-Mogg
Edward Robertson

Policies for Members Profits, Bonuses, Drawings, Subscriptions and Repayment of Members Capital

Policies for members' profits, drawings, bonuses, and transfers from equity to debt, subscriptions and repayment of members' capital are governed by the Limited Liability Partnership Agreement (the "Agreement") dated 28 April 2017. In summary, the Executive Committee determines the capital contribution to be made by each member which shall be repayable only on winding-up or except as specifically provided in the Agreement. The Executive Committee has discretion to determine the level of each member's drawings and each member is allowed to withdraw amounts standing to the credit of their Distribution Account. Where the cash requirements of the business conflict with the need for members' drawings, the cash requirements of the business take priority and members' drawings are deferred.

Key Performance Indicator

The level of revenues that the LLP earns is its key performance indicator. For the year ending 31 March 2019 revenues decreased by 14.96% relative to the prior year (2018: increased 30% relative to the prior year).

SOMERSET CAPITAL MANAGEMENT LLP

REPORT OF THE MEMBERS - continued

Principal Risks and Uncertainties

The LLP provides investment management services to several funds and managed accounts, specialising in emerging markets. The principal risk that the LLP faces is loss of reputation resulting from poor investment decisions. Other risks include credit risk arising from trade debtors and cash held with banks and liquidity risk that cash is insufficient for the LLP to meet its obligations associated with financial liabilities. The LLP formally reviews all risks and establishes appropriate procedures and controls to monitor and mitigate them and limit the adverse effects on the financial performance of the LLP. In particular, the LLP assesses the credit quality of its counterparties by taking into account their financial position, past experience, any independent credit ratings and other factors. The financial and regulatory compliance functions are outsourced to a third party provider thus offering a degree of independence during the process of control.

Pillar III Disclosures

The LLP has documented the disclosures required by the FCA under BIPRU 11.3. Access details can be found on the LLP's website <http://somersetcm.com>.

Disclosure of Information to Auditors

It is stated by the members who held office at the date of approval of this Members' Report that, so far as they are aware, there is no relevant audit information of which the LLP's auditors are unaware, and all the members have taken all the steps that they ought to have taken as members to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Auditors

SRG LLP have expressed their willingness to remain in office as auditors of the LLP.

This report was approved and signed on behalf of Somerset Capital Management LLP by:



Dominic Johnson
Designated Member



Jacob Rees-Mogg
Designated Member

24 June 2019

SOMERSET CAPITAL MANAGEMENT LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOMERSET CAPITAL MANAGEMENT LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET CAPITAL MANAGEMENT LLP

OPINION

We have audited the financial statements of Somerset Capital Management LLP (the 'limited liability partnership') for the period ended 31 March 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, 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 FRS 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 limited liability partnership's affairs as at 31 March 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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 other information comprises the information included in the members' report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. 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.

SOMERSET CAPITAL MANAGEMENT LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET CAPITAL MANAGEMENT LLP (Continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 Members' Responsibilities Statement, the members 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.

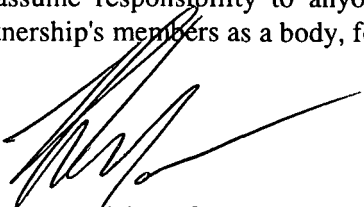
In preparing the financial statements, the directors are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 the Limited Liability Partnerships (Accounts and Audit) (Application of 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Haydn Wood BA FCA (Senior Statutory Auditor)
For and on behalf of SRG LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

25 June 2019

SOMERSET CAPITAL MANAGEMENT LLP

INCOME STATEMENT

for the year ended 31 March 2019

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Turnover	1c	38,821,185	45,650,159
Administration expenses		(12,578,604)	(11,503,243)
Operating profit	2	26,242,581	34,146,916
Interest receivable and similar income		13,148	5,907
Dividends receivable		656	681
(Loss)/gain on investments		(1,099)	1,931
Profit for the year before members' remuneration and profit shares		26,255,286	34,155,435
Members' remuneration charged as an expense		(6,730,280)	(8,866,750)
Profit for the year available for discretionary division among members		19,525,006	25,288,685

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	19,525,006	25,288,685
Other comprehensive income	-	-
Total comprehensive income for the year	19,525,006	25,288,685

All activities related to continuing operations.

The notes on pages 11 to 17 form part of these financial statements.


SOMERSET CAPITAL MANAGEMENT LLP

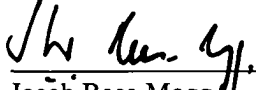
BALANCE SHEET

as at 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Current assets			
Investments	5	39,587	40,686
Debtors	6	17,168,728	18,088,433
Cash at bank and in hand		<u>4,900,439</u>	<u>9,711,672</u>
		22,108,754	27,840,791
Current liabilities			
Creditors: Amounts falling due within one year	7	<u>(639,033)</u>	<u>(1,008,546)</u>
Net assets attributable to members		<u>21,469,721</u>	<u>26,832,245</u>
Represented by:			
Loans and other debts due to members within one year	9	57,720	56,565
Members' other interests classified as equity			
Members' capital	9	1,886,995	1,486,995
Other reserves	9	<u>19,525,006</u>	<u>25,288,685</u>
		21,412,001	26,775,680
		<u>21,469,721</u>	<u>26,832,245</u>
Total members' interests:			
Members' other interests	9	21,412,001	26,775,680
Loans and other debts due from members	9	(10,768,998)	(11,208,634)
Loans and other debts due to members	9	<u>57,720</u>	<u>56,565</u>
		<u>10,700,723</u>	<u>15,623,611</u>

The financial statements were approved on 24 June 2019 and signed on behalf of the members by:


Dominic Johnson
Designated Member


Jacob Rees-Mogg
Designated Member

Somerset Capital Management LLP
Company No: OC327862

The notes on pages 11 to 17 form part of these financial statements.

SOMERSET CAPITAL MANAGEMENT LLP

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Members' capital (classified as equity) £	Other reserves £	Total £
Members' interests at 1 April 2017	1,186,999	21,864,601	23,051,600
Profit for the year available for discretionary division among members	-	34,155,435	34,155,435
Members' interests after profit for the year	1,186,999	56,020,036	57,207,035
Introduced by members	999,996	-	999,996
Repaid to members	(700,000)	-	(700,000)
Allocation of profit	-	(30,731,351)	(30,731,351)
Members' interests at 31 March 2018	<u>1,486,995</u>	<u>25,288,685</u>	<u>26,775,680</u>
Members' interests at 1 April 2018	1,486,995	25,288,685	26,775,680
Profit for the year available for discretionary division among members	-	26,255,286	26,255,286
Members' interests after profit for the year	1,486,995	51,543,971	53,030,966
Introduced by members	400,000	-	400,000
Allocation of profit	-	(32,018,965)	(32,018,965)
Members' interests at 31 March 2019	<u>1,886,995</u>	<u>19,525,006</u>	<u>21,412,001</u>

The notes on pages 11 to 17 form part of these financial statements.

SOMERSET CAPITAL MANAGEMENT LLP

CASH FLOW STATEMENT

for the year ended 31 March 2019

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Net cash generated from operating activities	10	26,352,365	34,137,869
Cash flow from investing activities			
Interest received		13,148	5,907
Dividends received		656	681
Net cash used in investing activities		13,804	6,588
Cash flow from financing activities			
Capital introduced by members		400,000	999,996
Capital repaid to members		-	(700,000)
Drawings paid to members		(31,457,549)	(32,122,120)
Other amounts paid (to)/from members		(120,625)	(286,594)
Net cash used in financing activities		(31,178,174)	(32,108,718)
Net increase in cash and cash equivalents		(4,812,005)	2,035,739
Foreign exchange translation adjustment		772	(11,186)
Cash and cash equivalents at the beginning of the year		9,711,672	7,687,119
Cash and cash equivalents at the end of the year		4,900,439	9,711,672

The notes on pages 11 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 March 2019**

1. ACCOUNTING POLICIES

General information

Somerset Capital Management LLP ("the LLP") is a Limited Liability Partnership incorporated in the United Kingdom. The address of its registered office is 28 Ely Place (3rd Floor), London, EC1N 6TD.

Statement of compliance

The financial statements of the LLP are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), including Amendments to FRS 102 (issued in July 2015).

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, as applied to Limited Liability Partnerships. The financial statements have also been prepared in compliance with the Statement of Recommended Practice: Accounting by Limited Liability Partnerships (2014 version). Applicable accounting standards and policies in the United Kingdom are applied consistently.

b) Going concern

On the basis of their assessment of the LLP financial position and resources, the members believe that the LLP is well placed to manage its business risks and have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Turnover

Turnover comprises investment management fees. Fees are accounted for in the profit and loss account on an accruals basis exclusive of value added tax.

d) Administrative expenses

Administrative expenses relate to costs incurred by the LLP in relation to the administration and business of the LLP and are recognised on an accruals basis.

e) Taxation

No provision for taxation is made in the LLP's financial statements as any liability arising is assessable directly on the individual members.

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2019

f) Foreign currencies

(i) Functional and presentation currency

The LLP's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within the operating profit.

g) Current asset investments

All investments are initially recorded at cost and measured at fair value at the balance sheet date. Provision is made for any permanent diminution in value.

h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

i) Financial instruments

The LLP has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income immediately.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income immediately.

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2019

i) Financial instruments - continued

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to related party undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

j) Members' remuneration and interests

Members' rights to participate in the profits or losses, or assets of the LLP are analysed between those that give rise to, from the LLP's perspective, either a financial liability or equity, in accordance with Section 11 and 12, 'of FRS 102 - Financial Instruments: Disclosure and Presentation' and Section 22 of FRS 102 'Members' Shares in Co-operative Entities and Similar Instruments'. Members' different participation rights are analysed separately into liability and equity elements. Where the LLP has a contractual obligation to deliver cash or another financial asset to the member, the capital is treated as debt. Where the LLP has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts (i.e. repayment of the member's capital is discretionary), it is treated as equity.

(i) Members' remuneration

Non-discretionary amounts becoming due to members in respect of participation rights in the profits of the LLP for an accounting period that give rise to liabilities are presented as an expense within the income statement (within the heading Members' remuneration charged as an expense).

Amounts becoming due to members in respect of equity participation rights, following a discretionary division of profits, are debited directly to equity in the accounting period in which the division occurs.

SOMERSET CAPITAL MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS – continued for the year ended 31 March 2019

j) Members' remuneration and interests - continued

(ii) Members' interests

Such amounts are not presented as an expense within the income statement. A discretionary division of profits that takes place after the balance sheet date is a non-adjusting event under section 32 of FRS 102, 'Events after the balance sheet date'.

k) Critical judgements and estimates in applying the accounting policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. OPERATING PROFIT

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
This is stated after charging:		
Auditor's remuneration:		
- fees payable for the audit of the financial statements	4,900	4,850
- fees payable for other services:		
- other services relating to taxation	1,200	1,200
Foreign exchange (gain)/loss	<u>(210,635)</u>	<u>532,285</u>

A management charge of £9,453,660 (2018: £9,489,170) was paid to the corporate member, Somerset Capital Management Limited (see note 11 on Related Party Transactions). This includes the auditors' remuneration shown above.

3. EMPLOYEES

The partnership has no direct employees.

4. MEMBERS' REMUNERATION

The profit for the year available for discretionary division among members was £19,525,006 (2018: £25,288,685).

The largest entitlement to profit of a member during the year was £1,753,853 (2018: £2,459,191).

Average monthly number of members	Year ended 31 March 2019	Year ended 31 March 2018
Office and management	15	14
Corporate members	<u>7</u>	<u>7</u>
	<u>22</u>	<u>21</u>

SOMERSET CAPITAL MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2019

5. CURRENT ASSET INVESTMENTS

	31 March 2019 £	31 March 2018 £
Other investments:		
MI Somerset Global Emerging Markets Fund	<u>39,587</u>	<u>40,686</u>

6. DEBTORS

	31 March 2019 £	31 March 2018 £
Amounts due from members (note 9)	10,768,998	11,208,634
Trade debtors	6,217,150	6,125,535
Amounts due from Somerset Capital Management (Cayman) Limited (note 11)	30,689	28,541
Prepayments and accrued income	151,891	708,955
Other debtors	<u>-</u>	<u>16,768</u>
	<u>17,168,728</u>	<u>18,088,433</u>

7. CREDITORS: Amounts falling due within one year

	31 March 2019 £	31 March 2018 £
Trade creditors	42,661	182,188
Amounts due to Somerset Capital Management Singapore Pte Limited (note 11)	322,952	653,645
Other creditors	45,831	75,544
VAT payable	47,174	6,255
Accruals	<u>180,415</u>	<u>90,914</u>
	<u>639,033</u>	<u>1,008,546</u>

SOMERSET CAPITAL MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2019

8. FINANCIAL INSTRUMENTS BY CATEGORY

	31 March 2019 £	31 March 2018 £
Financial assets at fair value through profit and loss	-	-
Financial assets that are debt instruments measured at amortised cost	17,083,817	18,045,656
Financial liabilities measured at amortised cost	649,579	1,058,857
Financial liabilities at fair value through profit and loss	-	-

9. RECONCILIATION OF MOVEMENTS IN MEMBERS OTHER AND TOTAL INTERESTS

	Members' capital £	Other reserves classified as equity £	2019 Total £	Loans and other debts due to/from members £	2019 Total £	2018 Total £
Amounts due to members	-	-	-	56,565	-	-
Amounts due from members	-	-	-	(11,208,634)	-	-
Opening Members' interests	1,486,995	25,288,685	26,775,680	(11,152,069)	15,623,611	13,576,894
Profit for the financial year available for division among members	-	26,255,286	26,255,286	-	26,255,286	34,155,435
Members' interests after profit for the year	1,486,995	51,543,971	53,030,966	(11,152,069)	41,878,897	47,732,329
Division of profit	-	(32,018,965)	(32,018,965)	32,018,965	-	-
Introduced by members	400,000	-	400,000	-	400,000	999,996
Repaid to members	-	-	-	-	-	(700,000)
Drawings	-	-	-	(31,457,549)	(31,457,549)	(32,122,120)
Other movements	-	-	-	(120,625)	(120,625)	(286,594)
	1,886,995	19,525,006	21,412,001	(10,711,278)	10,700,723	15,623,611
Amounts due to members	-	-	-	57,720	-	-
Amounts due from members	-	-	-	(10,768,998)	-	-
Members' interests at 31 March 2019	1,886,995	19,525,006	21,412,001	(10,711,278)	10,700,723	15,623,611

Amounts due to members rank pari passu with the claims of other creditors in a winding up of the LLP.

SOMERSET CAPITAL MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2019

10. RECONCILIATION OF PROFIT TO CASH FROM OPERATING ACTIVITIES

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Profit for the year available for discretionary division among members	19,525,006	25,288,685
Members' remuneration charged as an expense	6,730,280	8,866,750
Interest income	(13,148)	(5,907)
Dividend income	(656)	(681)
Gain on investments	1,099	(1,931)
Operating profit	26,242,581	34,146,916
Decrease/(increase) in debtors	480,070	(782,039)
(Decrease)/increase in creditors	(369,514)	761,806
Foreign exchange differences	(772)	11,186
Net cash generated from operating activities	26,352,365	34,137,869

11. RELATED PARTY TRANSACTIONS

Transactions with related party undertakings

Somerset Capital Management LLP ("the LLP") is under the control of the designated members.

During the year the LLP paid to its corporate member, Somerset Capital Management Limited ("SCM Limited"), management charges of £9,453,660 (2018: £9,489,170) in respect of expenses incurred on behalf of the LLP.

At 31 March 2019 SCM Limited owed the LLP £447,073 (2018: SCM Limited owed the LLP £163,113).

During the year the LLP received no management fees (2018: £428,148) from Somerset Capital Management Singapore Pte Limited ("SCMS Limited"), a subsidiary of SCM Limited, in respect of research advisory, operational and administrative services. During the year the LLP paid service management fees of £2,090,346 (2018: 801,473) to SCMS Limited.

At 31 March 2019, the LLP owed SCMS Limited £322,952 (2018: £653,645).

At 31 March 2019, Somerset Capital Management (Cayman) Limited ("SCMC Limited") owed the LLP £30,689 (2018: £28,541). SCM Limited, the corporate member, is the parent undertaking of SCMC Limited.

12. POST BALANCE SHEET EVENTS

During June 2019 the LLP allocated profits of £19,525,006 to members (June 2018: £25,288,685).