

REGISTERED NUMBER: OC327862

SOMERSET CAPITAL MANAGEMENT LLP

REPORT AND FINANCIAL STATEMENTS

◆ *Year ended 31 March 2020* ◆



SOMERSET CAPITAL MANAGEMENT LLP

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REPORT OF THE MEMBERS

The members present their annual report and the audited financial statements for the year ended 31 March 2020.

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 2020, 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, two Irish Collective Asset-management Vehicles, one authorised UK Unit Trust incorporated in England & Wales and twelve managed accounts.

The profit for the year, as shown in the income statement on page 7, was reduced by lower revenues in March 2020 following the dramatic fall in global stock markets as the result of Covid-19.

During the forthcoming year the members expect the profitability of the LLP to decrease as a result of the ongoing Covid-19 pandemic for a number of reasons. Firstly, stock market valuations are expected to remain at lower levels, at least in the early part of the year, and may even fall further before any rebound. Secondly, the global pandemic continues to have a negative impact on general investor sentiment and confidence in the higher risk emerging markets asset class where the LLP specialises. Finally, the restrictions imposed by governments around the world in the face of Covid-19 will make it more challenging for the LLP to market its services to clients and raise new assets. The members remain confident however that the LLP will continue to remain profitable and it is well positioned to benefit from any recovery in global markets.

Members and Drawings

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

Dominic Johnson

Edward Robertson

Jacob Rees-Mogg (resigned as designated member on 25 July 2019)

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 2020 revenues decreased by 12.31% (2019: 14.96%) relative to the prior year).

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>.

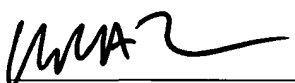
Disclosure of Information to Auditors

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



Edward Robertson
Designated Member

26 June 2020

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.

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 year ended 31 March 2020 which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 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 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 members are responsible for the other information. The other information comprises the information included in the members' 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.

**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 members 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 members 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

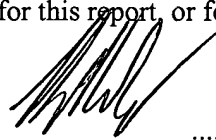
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by 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**

 26 June 2020

**Chartered Accountants
Statutory Auditor**

28 Ely Place
Third Floor
London
EC1N 6AA

SOMERSET CAPITAL MANAGEMENT LLP

INCOME STATEMENT

for the year ended 31 March 2020

	Note	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Turnover	1c	34,044,226	38,821,185
Administration expenses		<u>(13,253,917)</u>	<u>(12,578,604)</u>
Operating profit	2	20,790,309	26,242,581
Interest receivable and similar income		31,951	13,148
Dividends receivable		673	656
Loss on investments		<u>(6,313)</u>	<u>(1,099)</u>
Profit for the year before members' remuneration and profit shares		20,816,620	26,255,286
Members' remuneration charged as an expense		<u>(5,867,789)</u>	<u>(6,730,280)</u>
Profit for the year available for discretionary division among members		<u>14,948,831</u>	<u>19,525,006</u>

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	14,948,831	19,525,006
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>14,948,831</u>	<u>19,525,006</u>

All activities related to continuing operations.

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

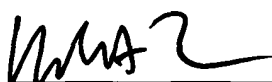
SOMERSET CAPITAL MANAGEMENT LLP

BALANCE SHEET

as at 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
Current assets			
Investments	5	33,275	39,587
Debtors	6	13,440,435	17,168,728
Cash at bank and in hand		<u>4,019,948</u>	<u>4,900,439</u>
		17,493,658	22,108,754
Current liabilities			
Creditors: amounts falling due within one year	7	<u>(353,106)</u>	<u>(639,033)</u>
Net assets attributable to members		<u>17,140,552</u>	<u>21,469,721</u>
Represented by:			
Loans and other debts due to members within one year	9	43,634	57,720
Members' other interests classified as equity			
Members' capital	9	2,148,087	1,886,995
Other reserves	9	<u>14,948,831</u>	<u>19,525,006</u>
		17,096,918	21,412,001
		<u>17,140,552</u>	<u>21,469,721</u>
Total members' interests:			
Members' other interests	9	17,096,918	21,412,001
Loans and other debts due from members	9	(9,123,188)	(10,768,998)
Loans and other debts due to members	9	<u>43,634</u>	<u>57,720</u>
		<u>8,017,364</u>	<u>10,700,723</u>

The financial statements were approved on 26 June 2020 and signed on behalf of the members by:



Dominic Johnson
Designated Member



Edward Robertson
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 2020

	Members' capital (classified as equity) £	Other reserves £	Total £
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	1,886,995	19,525,006	21,412,001
Members' interests at 1 April 2019	1,886,995	19,525,006	21,412,001
Profit for the year available for discretionary division among members	-	20,816,620	20,816,620
Members' interests after profit for the year	1,886,995	40,341,626	48,228,621
Introduced by members	261,092	-	261,092
Allocation of profit	-	(25,392,795)	(25,392,795)
Members' interests at 31 March 2020	2,148,087	14,948,831	17,096,918

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 2020

	Note	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Net cash generated from operating activities	10	22,557,652	26,352,365
Cash flow from investing activities			
Interest received		31,951	13,148
Dividends received		<u>673</u>	<u>656</u>
Net cash used in investing activities		<u>32,624</u>	<u>13,804</u>
Cash flow from financing activities			
Capital introduced by members		261,092	400,000
Drawings paid to members		(23,876,277)	(31,457,549)
Other amounts paid from/(to) members		<u>115,207</u>	<u>(120,625)</u>
Net cash used in financing activities		<u>(23,499,978)</u>	<u>(31,178,174)</u>
Net increase in cash and cash equivalents		(909,702)	(4,812,005)
Foreign exchange translation adjustment		29,211	772
Cash and cash equivalents at the beginning of the year		<u>4,900,439</u>	<u>9,711,672</u>
Cash and cash equivalents at the end of the year		<u><u>4,019,948</u></u>	<u><u>4,900,439</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

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 (2018 version). Applicable accounting standards and policies in the United Kingdom are applied consistently.

b) Going concern

As outlined in the Report of the Members, although the Covid-19 pandemic is expected to result in an immediate fall in profitability, the members have a reasonable expectation, based on their assessment of the LLP's financial position and resources, that the LLP will continue in operational existence for the foreseeable future and meet its debts as they fall due. The members therefore 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 2020

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 2020

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.

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2020**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 2020	Year ended 31 March 2019
This is stated after charging/(crediting):	£	£
Auditor's remuneration:		
- fees payable for the audit of the financial statements	4,900	4,900
- fees payable for other services:		
- other services relating to taxation	1,200	1,200
Foreign exchange gain	<u>(85,161)</u>	<u>(210,635)</u>

A management charge of £9,643,514 (2019: £9,453,660) 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 LLP has no direct employees.

4. MEMBERS' REMUNERATION

The profit for the year available for discretionary division among members was £14,948,831 (2019: £19,525,006).

The largest entitlement to profit of a member during the year was £1,282,304 (2019: £1,753,853).

Average monthly number of members	Year ended 31 March 2020	Year ended 31 March 2019
Office and management	17	15
Corporate members	<u>6</u>	<u>6</u>
	<u>23</u>	<u>21</u>

SOMERSET CAPITAL MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020**5. CURRENT ASSET INVESTMENTS**

	31 March 2020 £	31 March 2019 £
Other investments:		
MI Somerset Global Emerging Markets Fund	<u>33,275</u>	<u>39,587</u>

6. DEBTORS

	31 March 2020 £	31 March 2019 £
Amounts due from members (note 9)	9,123,188	10,768,998
Trade debtors	4,006,934	6,217,150
Amounts due from Somerset Capital Management (Cayman) Limited (note 11)	-	30,689
Amounts due from Somerset Capital Management USA LLC (note 11)	24,176	-
Somerset Capital Management Singapore Pte. Ltd (note 11)	86,584	-
Prepayments and accrued income	170,273	151,891
Other debtors	<u>29,280</u>	<u>-</u>
	<u>13,440,435</u>	<u>17,168,728</u>

7. CREDITORS: Amounts falling due within one year

	31 March 2020 £	31 March 2019 £
Trade creditors	200,345	42,661
Amounts due to Somerset Capital Management Singapore Pte Ltd (note 11)	-	322,952
Other creditors	31,635	45,831
VAT payable	1,621	47,174
Accruals	<u>119,505</u>	<u>180,415</u>
	<u>353,106</u>	<u>639,033</u>

SOMERSET CAPITAL MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2020

8. FINANCIAL INSTRUMENTS BY CATEGORY

	31 March 2020 £	31 March 2019 £
Financial assets at fair value through profit and loss	-	-
Financial assets that are debt instruments measured at amortised cost	13,323,330	17,083,817
Financial liabilities measured at amortised cost	395,118	649,579
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 £	2020 Total £	Loans and other debts due to/from members £	2020 Total £	2019 Total £
Amounts due to members	-	-	-	57,720	-	-
Amounts due from members	-	-	-	(10,768,998)	-	-
Opening Members' interests	1,886,995	19,525,006	21,412,001	(10,711,278)	10,700,723	15,623,611
Profit for the financial year available for division among members	-	20,816,620	20,816,620	-	20,816,620	26,255,286
Members' interests after profit for the year	1,886,995	40,341,626	42,228,621	(10,711,278)	31,517,343	41,878,897
Division of profit	-	(25,392,795)	(25,392,795)	25,392,795	-	-
Introduced by members	261,092	-	261,092	-	261,092	400,000
Drawings	-	-	-	(23,876,277)	(23,876,277)	(31,457,549)
Other movements	-	-	-	115,206	115,206	(120,625)
	2,148,087	14,948,831	17,096,918	(9,079,554)		10,700,723
Amounts due to members	-	-	-	43,634	-	-
Amounts due from members	-	-	-	(9,123,188)	-	-
Members' interests at 31 March 2020	2,148,087	14,948,831	17,096,918	(9,079,554)	8,017,364	10,700,723

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 2020

10. RECONCILIATION OF PROFIT TO CASH FROM OPERATING ACTIVITIES

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Profit for the year available for discretionary division among members	14,948,831	19,525,006
Members' remuneration charged as an expense	5,867,789	6,730,280
Interest income	(31,951)	(13,148)
Dividend income	(673)	(656)
Loss on investments	6,313	1,099
Operating profit	20,790,309	26,242,581
Decrease in debtors	2,082,481	480,070
Decrease in creditors	(285,927)	(369,514)
Foreign exchange differences	(29,211)	(772)
Net cash generated from operating activities	22,557,652	26,352,365

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 £9,643,514 (2019: £9,453,660) in respect of expenses incurred on behalf of the LLP.

At 31 March 2020 SCM Limited owed the LLP £379,572 (2019: £447,073).

During the year the LLP paid service management fees of £2,328,168 (2019: £2,090,346) to Somerset Capital Management Singapore Pte. Ltd ("SCMS").

At 31 March 2020, SCMS owed the LLP £86,584 (2019: the LLP owed SCMS £322,952).

At 31 March 2020, Somerset Capital Management (Cayman) Limited ("SCMC") owed the LLP £Nil (2019: £30,689). SCM Limited is the parent undertaking of SCMC.

At 31 March 2020, Somerset Capital Management USA LLC ("SCM USA") owed the LLP £24,176 (2019: £Nil). SCM Limited is the parent undertaking of SCM USA.