

LLP Number OC354233

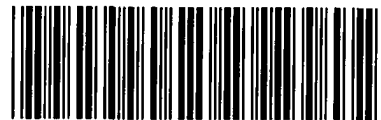
Fundsmith LLP

Report and Financial Statements

Year Ended

31 March 2019

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Report and Financial Statements for the year ended 31 March 2019

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Partnership Information

Members

Terry Smith - (Designated Member)
Mark Laurence - (Designated Member)
Simon Godwin - (Designated Member)
International Value Investments Limited
NoLeLu II, LLC
Greville Ward – (Executive Member)
Conrad Rey – (Executive Member)
Daniel Washburn – (Capital Member)

Registered Office

33 Cavendish Square
London
W1G 0PW

LLP Number

OC354233

Bankers

National Westminster Bank
1 Princes Street
London
EC2R 8BP

Royal Bank of Scotland International
1 Princes Street
London
EC2R 8BP

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Members' Report for the year ended 31 March 2019

The Members present their annual report and consolidated financial statements of Fundsmith LLP (the 'Partnership') for the year to 31 March 2019. The Partnership is a limited liability partnership, incorporated in England and Wales, of which Fundsmith Partners (US) LLC (the 'US Operating Company') and Fundsmith Equity Fund (GP) LLC (the 'US General Partner') are wholly owned subsidiaries (together, the 'Group'). The US Operating Company is a limited liability company incorporated in Connecticut, USA. The US General Partner is a limited liability company incorporated in Delaware, USA.

Principal activity and review of the business

The principal activity of the Partnership is to provide investment management services to the Fundsmith Equity Fund (the 'UK Fund'). It also provides investment management services to Fundsmith Sustainable Equity Fund ('FSEF'), the Fundsmith Equity Fund SICAV (the 'SICAV'), a Luxembourg-based SICAV, the Fundsmith Equity Fund, LP (the 'US Fund'), a fund structured as a Delaware-based limited partnership, Fundsmith Sustainable Equity Fund, LP ('FSEF' LP), a fund structured as a Delaware-based limited partnership, Fundsmith Emerging Equities Trust plc ('FEET'), a listed investment trust, Smithson Investment Trust plc ('SSON'), a listed investment trust, and four segregated accounts. The Partnership is regulated by the Financial Conduct Authority.

Results and distributions

The results for the year are shown in the Consolidated Statement of Comprehensive Income on page 8. The profit for the year was £26,387,125 (2018: £20,957,629). The Group's balance sheet as detailed on page 9 shows Members' total interests amount to £16,900,682 (2018: £11,769,620).

Members' profit allocation

Any profits are shared among the Members as decided by the Members Meeting and governed by the Partnership Agreement dated 7 July 2010, as amended on 20 September 2013 and 19 November 2013 and 31 July 2018.

Members

The Members of the Partnership during the year and up to the date of this report were as follows:

Terry Smith - (Designated Member)
Mark Laurence - (Designated Member)
Simon Godwin - (Designated Member)
International Value Investments Limited
NoLeLu II, LLC
Greville Ward – (Executive Member) Appointed 31st July 2018
Conrad Rey – (Executive Member) Appointed 31st July 2018
Daniel Washburn – (Capital Member) Appointed 31st July 2018

Going concern

The Group and Partnership have sufficient liquid capital and ongoing arrangements for the provision of investment management services. The Members are of the opinion that the Group and Partnership have adequate resources to continue operational activities and to meet their liabilities as they fall due for the foreseeable future. Therefore, the going concern basis is adopted in the preparation of the financial statements.

Pillar 3

Unaudited Pillar 3 disclosure of the Partnership's risk management objectives and policies, capital resources and requirements and on remuneration, in accordance with the rules of the Financial Conduct Authority, is attached to this document as an appendix.

Statement as to disclosure of information to auditors

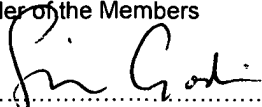
So far as the Members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Partnership's auditors are unaware, and each Member has taken all the steps that he ought to have taken as a Member in order to make himself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Members' Report for the year ended 31 March 2019

Auditors

The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be put to the Members.

By order of the Members



.....
Simon Godwin
Designated Member

10 July 2019

Statement of Members' Responsibilities

The members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulation.

The Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008* require the Members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the Group and Limited Liability Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations 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 group and Limited Liability Partnership and of the profit or loss of the Group 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 and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008*. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to Members of Fundsmith Limited Liability Partnership

We have audited the financial statements of Fundsmith Limited Liability Partnership ("the Limited Liability Partnership") for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and LLP Balance Sheet, the Consolidated Cash Flow Statement, the Statement of Members Interest and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the Limited Liability Partnership's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

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

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

We have nothing to report in this regard.

Independent Auditor's Report to Members of Fundsmith Limited Liability Partnership (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of Members

As explained more fully in the Statement of Members' Responsibilities, 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Taylor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

10 July 2019

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

Consolidated Statement of Comprehensive Income for the year ended 31 March 2019

	Notes	Continuing operations 2019 £	Continuing operations 2018 £
Turnover	2	165,278,904	122,772,245
Administrative expenses	3	(138,877,130)	(101,812,103)
Group operating profit	4	26,401,774	20,960,142
Interest receivable and similar income		-	-
Other income		461	1,262
Profit on ordinary activities before taxation		26,402,235	20,961,404
Taxation on profit on ordinary activities	8	(15,110)	(3,775)
Profit for the financial year available for discretionary division among Members		26,387,125	20,957,629

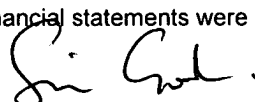
There is no other comprehensive income in the prior or current year.

The notes on pages 13 to 20 form part of these financial statements.

Consolidated Balance Sheet at 31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	7	613	613
Tangible assets	9	<u>279,840</u>	<u>28,743</u>
		280,453	29,356
Current assets			
Debtors	10	147,893,525	119,102,938
Cash at bank and in hand		<u>30,641,218</u>	<u>21,723,625</u>
		178,534,743	140,826,563
Creditors: Amounts falling due within one year	11	(146,904,864)	(115,944,211)
Net current assets		31,629,879	24,882,352
Total assets less current liabilities		<u>31,910,332</u>	<u>24,911,708</u>
Net assets attributable to Members		<u>31,910,332</u>	<u>24,911,708</u>
Represented by			
Members other interest			
Members' capital classified as equity		5,000,000	3,617,750
Members' other interests – other reserves classified as equity		<u>26,910,322</u>	<u>21,293,958</u>
		31,910,332	24,911,708
Total Members' interest			
Amounts due from Members		(15,009,650)	(13,142,088)
Members' other interests		<u>31,910,332</u>	<u>24,911,708</u>
		16,900,682	11,769,620

The financial statements were approved by the Members and authorised for issue:



 Simon Godwin
 Designated Member

10 July 2019

The notes on pages 13 to 20 form part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 31 March 2019

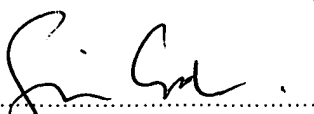
	Notes	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year before Members' remuneration and profit shares		26,387,125	20,957,629
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	9	68,586	7,913
(Increase) in trade and other debtors		(26,904,666)	(36,618,389)
Increase in trade and other creditors		30,960,653	37,335,770
Taxation paid		15,110	3,775
Interest received		-	-
Cash from operations		<u>30,526,808</u>	<u>21,686,698</u>
Tax paid		(15,110)	(3,775)
Members' drawings in relation to remuneration		(21,274,422)	(21,242,578)
Net cash generated from operating activities		<u>9,237,276</u>	<u>440,345</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(319,683)	(27,873)
Interest received		-	-
		<u>(319,683)</u>	<u>(27,873)</u>
Net increase in cash and cash equivalents		8,917,593	412,472
Cash and cash equivalents at beginning of year		21,723,625	21,311,153
Cash and cash equivalents at end of year		<u>30,641,218</u>	<u>21,723,625</u>
Cash and cash equivalents comprise:		<u>30,641,218</u>	<u>21,723,625</u>
Cash at bank and in hand		<u>30,641,218</u>	<u>21,723,625</u>

The notes on page 13 to 20 form part of these financial statements.

LLP Balance Sheet at 31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	7	614	614
Tangible assets	9	248,821	26,853
		<u>249,435</u>	<u>27,467</u>
Current assets			
Debtors	10	147,400,523	118,812,348
Cash at bank and in hand		30,623,849	21,647,670
		<u>178,024,372</u>	<u>140,460,018</u>
Creditors: Amounts falling due within one year	11	(147,095,905)	(116,080,625)
Net current assets		<u>30,928,467</u>	<u>24,379,393</u>
Total assets less current liabilities		<u>31,177,902</u>	<u>24,406,860</u>
Net assets attributable to Members		<u><u>31,177,902</u></u>	<u><u>24,406,860</u></u>
Represented by:			
Members' other interests			
Members' capital classified as equity		5,000,000	3,617,750
Members' other interests – other reserves classified as equity		26,177,902	20,789,110
		<u>31,177,902</u>	<u>24,406,860</u>
Total Members' interests			
Amounts due from Members		(15,009,650)	(13,142,088)
Members' other interests		31,777,902	24,406,860
		<u>16,168,252</u>	<u>11,246,772</u>

The financial statements were approved by the Members and authorised for issue:



 Simon Godwin
 Designated Member

10 July 2019

The notes on page 13 to 20 form part of these financial statements.

Statement of Members' Interest for the year ended 31 March 2019

Group:	Members' capital classified as equity £	Other reserves £	Total Members' other interests £	Loans and other debts due to/(from) Members £	Total Members' interests £	2018 £
Balance at 31 March 2018	3,617,750	21,312,317*	24,930,067	(13,142,088)	11,787,979	12,054,569
Profit for the financial year available for discretionary division among Members	-	26,387,125	26,387,125	-	26,387,125	20,957,629
Members' interests after profit for the year	3,617,750	47,669,422	51,317,192	(13,142,088)	38,175,104	33,012,198
Allocation of profits to Members	1,382,250	(20,789,110)	(19,406,860)	19,406,860	-	-
Drawings	-	-	-	(21,274,422)	(21,274,422)	(21,242,578)
Amounts due to Members				-		
Amounts due from Members				(15,009,650)		
Balance at 31 March 2019	5,000,000	26,910,332	31,910,332	(15,009,650)	16,900,682	11,769,620

*includes foreign exchange gain of £18,539 on brought forward profits of Fundsmith Partners (US) LLC

Partnership:

	Members' capital classified as equity £	Other reserves £	Total Members' other interests £	Loans and other debts due to/(from) Members £	Total Members' interests £	2018 £
Balance at 31 March 2018	3,617,750	20,789,110	24,406,680	(13,142,088)	11,264,772	11,718,240
Profit for the financial year available for discretionary division among Members	-	26,177,902	-26,177,902	-	26,177,902	20,789,110
Members' interests after profit for the year	3,617,750	46,967,012	50,584,762	(13,142,088)	37,442,674	32,507,350
Allocation of profits to Members	1,382,250	(20,789,110)	(19,406,860)	19,406,860	-	-
Drawings	-	-	-	(21,274,422)	(21,274,422)	(21,242,578)
Amounts due to Members				-		
Amounts due from Members				(15,009,650)		
Balance at 31 March 2019	5,000,000	26,177,902	31,177,902	(15,009,650)	16,168,252	11,264,772

The notes on page 13 to 20 form part of these financial statements.

1. Accounting policies

Fundsmith LLP is a Limited Liability Partnership ('LLP') incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the members' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2017), 'Accounting by Limited Liability Partnerships'.

Parent LLP disclosure exemptions

In preparing the separate financial statements of the parent LLP, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent LLP and;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent LLP as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Fundsmith LLP and its subsidiaries ("the Group") as if they formed a single entity. Intergroup transactions and balances between group companies are therefore eliminated in full.

The Partnership is the parent company of Fundsmith Partners (US) LLC and Fundsmith Equity Fund (GP) LLC. The consolidated financial statements incorporate the financial statements of the Partnership and the two subsidiaries which are referred to together as the Group. The Partnership has not presented its individual profit and loss account as allowed by the exemption under Section 408 of the Companies Act 2006. The Partnership's profit for the year was £26,177,902 (2018: £20,789,110).

Depreciation

Tangible fixed assets are recorded at cost and depreciated. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold land and buildings	-	The term of the lease
Fixtures, fittings, tools and equipment	-	3 years
Computers	-	3 years

Website development costs

Expenditure incurred on maintaining websites and expenditure incurred on developing websites are written off as incurred.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

Profit allocations

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP. Unallocated profits are recognised in equity ('other reserves').

Drawings

Drawings represent payments on account of profits which may be allocated to Members. Unallocated profits are included within Members' other interests, classified as equity, advanced drawings in excess of allocated profits are included within 'Amounts due from Members' in debtors, and allocated profits in excess of drawings are included within 'Amounts due to Members' as a liability.

Members' capital

Initial capital contributions ('principal capital') of each of the Members are amounts as set out in the LLP agreement. Further Members shall contribute upon admission to the LLP such capital as determined by the Members.

No Member can withdraw or receive back any part of their principal capital contribution account except for in specific circumstances as detailed in the LLP deed and approved by the Members. Members' principal capital is therefore classified as equity.

Subsequent capital is repaid to Members shortly after ceasing to be a Member of the LLP, or at such other time as is determined by the Members. Members' subsequent capital is therefore classified as a liability due within one year. There is no opportunity for the appreciation of capital subscribed.

Taxation

Taxation on a Members' share of the LLP's profits is solely the personal liability of the individual Members and consequently is not dealt with in these financial statements. The tax within these consolidated financial statements relate to the corporate subsidiaries of the Group.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term. The value of any rent free period is amortised over the life of the operating lease.

Client money

The Group and partnership holds money on behalf of clients in accordance with the client money rules of the Financial Conduct Authority. As at 31st March the total balance on designated client money accounts was £32,447,068.74 (2018:£15,613,483.74). These amounts are not included in cash and cash equivalents as the LLP does not have title of right to the monies.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

2. Analysis of Turnover

	2019 £	2018 £
Turnover	165,278,904	122,772,245

Turnover is attributable to one continuing activity, the provision of regulated investment management services provided in the United Kingdom to funds domiciled in the UK, US and Luxembourg. Turnover is recorded on an accrual basis.

3. Administrative expenses

Administrative expenses include services fees (see note 15) and professional fees. Expenses incurred have been accounted for on the accrual basis.

4. Operating profit

	2019 £	2018 £
This is arrived at after charging/(crediting):		
Depreciation of tangible assets	68,586	7,913
Operating lease rentals	498,882	210,696
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	20,000	20,000
Fees payable to the LLP's auditors and its associates for other services	51,263	16,750
Exchange differences	(28,597)	7,630

Non-audit services comprise the provision other assurance services

The creation and liquidation of shares in the UK Fund are transacted through the Partnership, through the operation of a manager's box. The net expense recognised comprises the following balances:

	2019 £	2018 £
Sale of units	5,022,652,203	4,538,344,637
Repurchase of units	(5,186,799,621)	(2,006,514,001)
Creation of units	(2,787,785,347)	(2,873,592,006)
Liquidation of units	2,951,957,727	341,785,300
Bank interest on the box	-	-
Bank charges on the box	(101,397)	(123,056)
	(76,435)	(99,126)

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

5. Employees

	2019 £	2018 £
Staff costs consist of:		
Wages and salaries	7,719,673	5,585,869
Social security costs	988,365	768,093
	<u>8,708,038</u>	<u>6,353,962</u>

The average number of employees during the year was as follows:

	2019 Number	2018 Number
Administration	22	18
	<u>22</u>	<u>18</u>

6. Members' remuneration

Profits are shared among the Members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

	2019 Number	2018 Number
Average number of members during the year	8	5
	<u>8</u>	<u>5</u>
	£	£
Profit attributable to the Member with the largest entitlement	16,169,324	11,995,316
	<u>16,169,324</u>	<u>11,995,316</u>

7. Investments

	Group £	Partnership £
Investment Fundsmith Equity Fund, LP	613	-
Investment 100% Fundsmith partners (US) LLC	-	1
Investment 100% Fundsmith Equity Fund (GP) LLC	-	613
	<u>613</u>	<u>614</u>
Net book value at 31 March 2019 and 31 March 2018	<u>613</u>	<u>614</u>

The Group has a £613 investment in Fundsmith Equity Fund, LP, (the 'US Fund'), a company incorporated in Delaware, USA.

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

The Partnership has a £1 investment in a wholly owned subsidiary, Fundsmith Partners (US) LLC (the 'US Company'), a company incorporated in Connecticut, USA. The US Company provides research services to the Group and support for its US operations.

The Partnership has a £613 investment in Fundsmith Equity Fund (GP), LLC (the 'US General Partner'), a company incorporated in Delaware, USA. The US General Partner is the General Partner to the Fundsmith Equity Fund, LP, the US fund.

8. Taxation on profit on ordinary activities

The profits of the partnership is not subject to UK corporation tax. The £15,110 (2018:£3,775) in the consolidated profit and loss account is the amount of tax paid by the US subsidiary during the financial year.

9. Tangible fixed assets

Group	Leasehold improvements	Furniture & fixtures	Computer Equipment	Total
	£	£	£	£
<i>Cost or valuation</i>				
At 1 April 2018	86,209	7,710	82,150	176,069
Additions	102,173	113,007	104,503	319,683
At 31 March 2019	188,382	120,717	186,653	495,752
<i>Depreciation</i>				
At 1 April 2018	86,209	7,710	53,407	147,326
Depreciation in year	8,503	25,377	34,706	68,586
Depreciation at 31 March 2019	94,712	33,087	88,113	215,918
<i>Net book value</i>				
At 31 March 2019	93,670	87,630	98,540	279,840
At 31 March 2018	-	-	28,743	28,743

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

LLP	Leasehold improvements	Furniture & fixtures	Computer Equipment	Total
	£	£	£	£
<i>Cost or valuation</i>				
At 1 April 2018	86,209	7,710	73,817	167,636
Additions	102,173	88,975	95,290	286,438
At 31 March 2019	188,832	96,685	169,107	454,174
<i>Depreciation</i>				
At 1 April 2018	86,209	7,710	46,964	140,833
Depreciation in year	8,503	19,746	36,221	64,470
Depreciation at 31 March 2019	94,712	27,456	83,185	205,353
<i>Net book value</i>				
At 31 March 2019	93,670	69,229	85,922	248,821
At 31 March 2018	-	-	26,853	26,853

10. Debtors

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Amounts due from Members	15,009,650	13,142,088	15,009,650	13,142,088
Trade debtors*	131,918,111	105,437,606	131,918,111	105,437,606
Other debtors	22,000	20,859	18,022	18,022
Rent deposit	53,577	-	-	-
Prepayments and accrued income	890,187	502,385	454,740	214,632
	147,893,525	119,102,938	147,400,523	118,812,348

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

11. Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Trade creditors**	100,407,258	84,101,881	100,407,258	84,101,881
Other creditors	206,333	93,334	206,333	93,334
Accruals and deferred income	5,971,728	4,592,190	5,972,261	4,592,189
Amounts due to associate companies	40,319,545	27,156,806	40,319,545	27,156,806
Amounts due to subsidiary	-	-	190,508	136,415
	<u>146,904,864</u>	<u>115,944,211</u>	<u>147,095,905</u>	<u>116,080,625</u>

*,** Trade debtors and creditors include the debtors and creditors of the manager's box that the LLP operates as the ACD of the Fundsmith Equity Fund. Debtors of the box were £109,450,596 and creditor £100,284,093 at the year end (2018: £84,721,029 and creditor £83,685,565)

12. Financial Instruments

Financial instruments may be analysed as follow:

Financial assets

		Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Financial assets	10	<u>37,552,742</u>	<u>33,879,524</u>	<u>37,495,187</u>	<u>33,876,687</u>

Financial liabilities

		Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Financial liabilities	11	<u>46,620,771</u>	<u>32,258,646</u>	<u>46,811,812</u>	<u>32,395,061</u>

13. Ultimate controlling party

The ultimate controlling party is deemed to be Terry Smith, based on his direct and indirect holding of over 50% of the voting rights of the Partnership.

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

14. Other financial commitments and contingencies

At 31 March 2019, the Partnership had commitments under non-cancellable operating leases as set out below.

	2019	2018
	£	£
Operating lease which expires		
Within one year	511,323	191,405
Within two to five years	2,041,099	766,143
Over five years	1,498,469	379,663
	<hr/>	<hr/>

15. Related party transactions

The Partnership has taken advantage of the exemption in FRS102, 33.1A 'Related Party Disclosures' relating to transactions between 100% controlled subsidiaries, by not disclosing information on related party transactions within entities that are part of the Group.

The LLP is related to Fundsmith Investment Services Limited (FISL) due to common control. During the year, the LLP was charged £115,848,766 (2018: £88,379,814) by FISL in respect of delegated services.

At the year-end £40,319,545 (2018: £27,156,806) remained payable.