

ASHMORE INVESTMENTS (UK) LIMITED

REGISTERED NUMBER 3345198

ANNUAL REPORT AND ACCOUNTS

For the year ended 30 June 2001



ASHMORE INVESTMENTS (UK) LIMITED

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements of the Company, for the year ended 30 June 2001.

1 PRINCIPAL ACTIVITIES

The Company acts as a holding company for six UK companies:

- Ashmore Investment Management Limited, regulated by the Investment Management Regulatory Organisation Limited and provides fund investment management and investment advice to a number of funds;
- Ashmore Corporate Finance Limited, regulated by the Securities and Futures Authority Limited and provides advice on corporate finance;
- Ashmore Management Company Limited, a Guernsey company, regulated by the Guernsey Financial Services Commission and acts as the manager for a number of funds;

The following three Companies were acquired during the year:

- International Administration (Guernsey) Limited, a Guernsey company, regulated by the Guernsey Financial Services Commission and provides administration services to a number of funds;
- Ashmore AOF(GP) Limited, a Cayman Island company and acts as manager for a limited partnership;
- Ashmore Asset Management Limited, a dormant company.

2 RESULT FOR THE YEAR

The result of the Company for the year was a profit of £110,156 compared with a loss of £4,811 for the year ended 30 June 2000.

3 DIVIDENDS

During the year, interim dividends were paid on 2 November 2000 of £9,500,000, on 29 December 2000 of £4,500,000, on 16 January 2001 of £2,500,000 and on 2 May 2001 of £1,190,000. (2000: £7,704,800).

4 **DIRECTORS**

The Directors of the Company, all of whom were Directors for the whole of the period, are:

M L Coombs
J Moulton (Non Executive)

5 **DIRECTORS' INTERESTS**

The Directors' interests are disclosed in the Ashmore Group Limited accounts.

6 **DIRECTORS' RESPONSIBILITIES**

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed; and

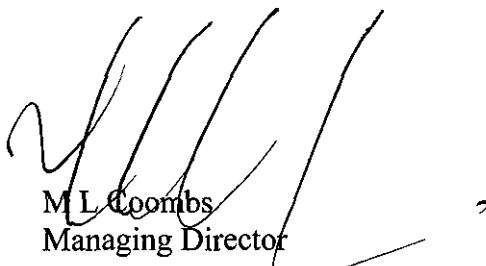
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

The Company has elective resolutions in force to dispense with the laying of accounts before the shareholders in general meeting, the holding of Annual General Meetings and the obligation to appoint auditors annually, pursuant to sections 252, 366A and 386(1) of the Companies Act 1985. KPMG Audit plc will therefore be deemed to have been re-appointed auditors of the Company at the end of the period of 28 days commencing with the day on which copies of the report and accounts are sent to the members, unless a resolution is passed under section 303 of the Companies Act 1985 to terminate their appointment.

BY ORDER OF THE BOARD



M L Coombs
Managing Director

9 October 2001

Registered Office:
110 Cannon Street
London EC4N 6AR

REPORT OF THE AUDITORS, KPMG Audit Plc,

TO THE MEMBERS OF

ASHMORE INVESTMENTS (UK) LIMITED

We have audited the financial statements on pages 6 to 10.

Respective responsibilities of Directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom statute, the Auditing Practices Board and by our profession's ethical guidance. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB

10 October 2001

ASHMORE INVESTMENTS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2001

	<u>Notes</u>	<u>Year ended</u> <u>30 June 2001</u> £	<u>Year ended</u> <u>30 June 2000</u> £
Administrative expenses		(18)	(11)
Income from shares in group undertakings		17,800,000	7,700,000
Profit/(loss) before interest and tax		17,799,982	7,699,989
Interest receivable and similar income		191	-
Profit on ordinary activities before taxation		17,800,173	7,699,989
Tax on ordinary activities	4	(17)	-
Profit on ordinary activities after taxation		17,800,156	7,699,989
Ordinary dividends:			
Interim dividends		(17,690,000)	(7,704,800)
Retained profit/(loss) for the year		110,156	(4,811)
Statement of retained earnings			
Earnings retained at 1 July		111,306	116,117
Profit/(Loss) for the year		110,156	(4,811)
Earnings retained at year end:		221,462	111,306

A separate statement of total recognised gains and losses as required by Financial Reporting Standard 3 has not been prepared on the grounds that the Company has no recognised gains or losses other than the profit for the period.

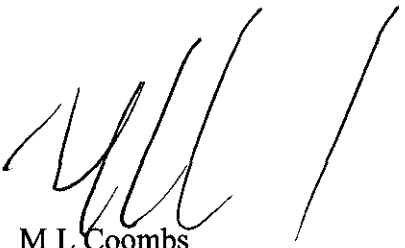
ASHMORE INVESTMENTS (UK) LIMITED

BALANCE SHEET

AS AT 30 JUNE 2001

	<u>Note</u>	<u>2001</u> £	<u>2000</u> £
FIXED ASSETS			
Shares in Group Undertakings	5	1,121,104	1,010,000
CURRENT ASSETS			
Cash at bank and in hand		448	1,306
CREDITORS: Amounts falling due within one year		(90)	-
NET CURRENT ASSETS		<hr/> 358	<hr/> 1,306
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 1,121,462	<hr/> 1,011,306
CAPITAL AND RESERVES			
Share Capital	6	900,000	900,000
Profit and loss account		221,462	111,306
Equity shareholders funds	7	<hr/> 1,121,462	<hr/> 1,011,306

These financial statements were approved by the
Board of Directors on 9 October 2001


M L Coombs
Managing Director

ASHMORE INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. AUDIT FEES

Audit fees are paid by Ashmore Group Limited as part of an overall fee for audit services for the Ashmore group of companies.

3. DIRECTORS' REMUNERATION

The current Executive Director is employed and remunerated in respect of his services to the group as a whole and his remuneration was borne by Ashmore Group Limited. The Non Executive Director's remuneration was borne by Ashmore Group Limited for his services to the group as a whole.

4. TAX ON ORDINARY ACTIVITIES

	<u>2001</u>	<u>2000</u>
	£	£
Corporation tax - current year @ 10% (2000: 0%)	17	-
	<u>17</u>	<u>-</u>

Taxable income falls in the lower tax limit bands for taxation purposes.

5. SHARES IN GROUP UNDERTAKINGS

	Cost	Provisions	Carrying Value
	£	£	£
Subsidiary undertakings:			
At 30 June 2000	1,010,000	-	1,010,000
Acquisitions	111,104	-	111,104
Disposals	-	-	-
At 30 June 2001	1,121,104	-	1,121,104

The principal subsidiary undertakings at 30 June 2001 are:

	Classes of share and date of acquisition	Interest per cent	Principal area of operation and country of incorporation	Nature of business
<u>United Kingdom</u>				
Ashmore Corporate Finance Limited	GBP 1 ORD 24 February 1999	100	England	Corporate finance advisory
Ashmore Investment Management Limited	GBP 1 ORD 24 February 1999	100	England	Investment Fund Management
Ashmore Asset Management Limited	GBP 1 ORD 8 August 2000	100	England	Dormant
<u>Guernsey</u>				
Ashmore Management Company Limited	GBP 1 ORD 29 June 1999	100	Guernsey	Fund Manager
International Administration Guernsey Limited	GBP 1 ORD 14 February 2001	75.1	Guernsey	Fund Administration
<u>Grand Cayman</u>				
Ashmore AOF (GP) Limited	USD 1 ORD 5 July 2000	100	Grand Cayman	Fund Partnership Manager

6. SHARE CAPITAL

	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
Ordinary shares of £1 each	1,000,000	1,000,000	900,000	900,000

7. **EQUITY SHAREHOLDERS' FUNDS**

Reconciliation of movements in shareholders' funds:

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Shareholders' funds at 1 July	1,011,306	1,016,117
Profit/(loss) for the period	110,156	(4,811)
Shareholders' funds at 30 June	1,121,462	1,011,306

8. **CASH FLOW STATEMENT**

Under Financial Reporting Standard 1 (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking whose cash flows are included within a consolidated cash flow statement.

9. **RELATED PARTY DISCLOSURES**

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with the Ashmore Group and its associated undertakings, on the grounds that it is a wholly owned subsidiary undertaking of Ashmore Group Limited.

10. **ULTIMATE HOLDING COMPANY**

Ashmore Group Limited, incorporated in England, is the immediate and ultimate holding company. A copy of its report and accounts may be obtained from Companies House.