

ASHMORE INVESTMENT MANAGEMENT LIMITED

REGISTERED NUMBER 3344281

ANNUAL REPORT AND ACCOUNTS

For the year ended 30 June 2015

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ASHMORE INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT

The Directors present their Directors' report, Strategic report and financial statements of Ashmore Investment Management Limited (the "Company") which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and related notes 1 to 16 for the year ended 30 June 2015.

Principal activity

The Company provides investment advice and management services to a number of funds and institutions. It is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The Company's ultimate parent and controlling entity is Ashmore Group plc.

Results and dividends

The Company's profit for the year, after tax, was £74.9 million (2014: £141.8 million). Dividends of £111.1 million (2014: £133.2 million) were paid during the year.

Charitable contributions

The Company made no charitable or political donations during the year (2014: nil).

Directors

The following Directors of the Company held office during the year and up to the date of approval of this report (except where otherwise shown):

M L Coombs
T A Shippey

The Directors' interests are disclosed in the Ashmore Group plc accounts, which can be obtained from the Ashmore Group plc offices at 61 Aldwych, London WC2B 4AE, United Kingdom.

Auditor

The Company has elective resolutions to appoint auditors annually. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office 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 510 of the Companies Act 2006 to terminate their appointment.

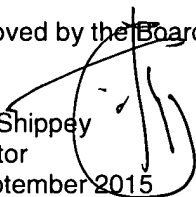
Disclosure of information to Company Auditor

Pursuant to the provisions of section 418 of the Companies Act 2006, each of the Directors of the Company at the date when this report is approved confirms that:

- so far as each of the Directors is aware, there is no relevant audit information (being information needed by the auditor in connection with preparing their report) of which the auditor is unaware; and
- each of the Directors has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company auditor is aware of that information.

Approved by the Board and signed on its behalf by:

Tom Shippey
Director
7 September 2015



Registered Office:
61 Aldwych
London, WC2B 4AE

ASHMORE INVESTMENT MANAGEMENT LIMITED

STRATEGIC REPORT

The report provides a review of the business for the financial year and describes how risks are managed. In addition, the report outlines key developments and financial performance of the Company during the financial year and the position at the end of the year, and discusses the main factors that could affect the future performance, and financial position of the Company.

BUSINESS REVIEW

During the year ended 30 June 2015, as a result of the Alternative Investment Fund Managers Directive, Company's investment management activities of alternative investment funds were transferred to another group entity, Ashmore Investment Advisors Limited.

Accordingly, the current year results reflects the net effect of the funds transferred and hence are proportionately lower than the comparative results.

Performance

The profit and loss account for the year is set out on page 6. The Company reported a profit after tax for the year of £74.9 million, compared to a profit after tax of £141.8 million for the year ended 30 June 2014. The Company has delivered a strong performance against a challenging and volatile market environment, whereas the decrease in the profits is partly attributable to the transfer of the Company's investment management activities of alternative investment funds to its sister entity, Ashmore Investment Advisors Limited in 2015.

Assets under management (AuM)

The key business driver of the Company's financial performance is its AuM, which impacts on the regular management fee income generated and also on the performance fees achievable. At 30 June 2015, the Company's unaudited AuM were US\$49.6 billion (2014: US\$75.0 billion).

Approximately \$6.3billion of the decrease in AuM can be attributed to the transfer of the Company's investment management activities of alternative investment funds to its sister entity, Ashmore Investment Advisors Limited in 2015.

Net management fee margin

The net management fee margin for the year is 48.13 bps (2014: 60 bps). The decrease in the margin is largely attributable to the transfer of alternative assets under management to Ashmore Investment Advisors Limited, which earn a higher margin compared to the assets that are managed by the Company.

Net assets

The balance sheet is presented on page 8. The Company had net assets of £43.5 million as at 30 June 2015 compared to £81.5 million as at 30 June 2014. The Company's principal financial assets are debtors and cash balances.

Risk factors

The company's operations expose it to a variety of Company risks and market risk factors that impact the underlying funds and accounts managed by the Company, which in turn could have an impact on the Company's AuM, profitability and financial position.

The main Company risks relate to its ability to maintain a good performance record and to continue to meet the investment objectives of the underlying funds under management. Failure of the Company's investment strategies could lead to lower performance and a failure to attract new business, each of which could affect AuM levels.

The market risks to which the AuM is exposed that could have a material impact on performance and AuM levels primarily relate to interest rate risk, currency related risks, fluctuations on credit markets as well as general risks related to the emerging market environment in which the Company operates.

The Company monitors and manages market and operational risks in line with policies and procedures adopted by its parent company, and are disclosed in the Ashmore Group Strategic report for the year ended 30 June 2015.

ASHMORE INVESTMENT MANAGEMENT LIMITED

FUTURE DEVELOPMENTS

The Directors have reviewed the future prospects of the business and do not envisage any material changes to the existing business model. At the time of approving the financial statements, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic and Directors' Reports and the financial statements in accordance with applicable law and regulations.

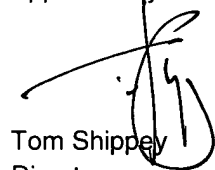
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Approved by the Board and signed on its behalf by



Tom Shippey
Director

7 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHMORE INVESTMENT MANAGEMENT LIMITED

We have audited the financial statements of Ashmore Investment Management Limited for the year ended 30 June 2015 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/aauditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Mills
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

7 September 2015

ASHMORE INVESTMENT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 June 2015 £'000	30 June 2014 £'000
Investment management fees		190,067	258,629
Operating expenses:			
Administrative expenses	4	(25,696)	(35,655)
Management charges payable to parent company		(67,017)	(44,997)
Operating profit		<u>97,354</u>	<u>177,977</u>
Share of profit/(loss) from associate		(1,460)	(2,081)
Interest receivable and similar income	3	969	1,050
Exchange gain/(loss)		(59)	(5,347)
Profit on ordinary activities before taxation		<u>96,804</u>	<u>171,599</u>
Tax on profit on ordinary activities	6	(21,850)	(29,804)
Profit for the financial year		<u><u>74,954</u></u>	<u><u>141,795</u></u>

All operations were continuing in the current and prior year.

The notes on pages 10 to 14 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 £'000	30 June 2014 £'000
Profit for the financial year	74,954	141,795
Gains/(Losses) on foreign exchange hedges recognised directly in equity	(1,808)	2,701
	<hr/>	<hr/>
Total recognised gains and losses for the year	<u>73,146</u>	<u>144,496</u>

The notes on pages 10 to 14 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED

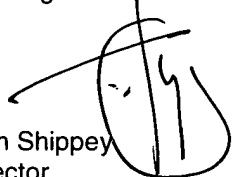
Registered number: 3344281

BALANCE SHEET**AS AT 30 JUNE 2015**

	Notes	30 June 2015 £'000	30 June 2014 £'000
NON CURRENT ASSETS			
Investment in subsidiaries	9	1,889	1,889
Investment in associates	10	5,937	7,397
CURRENT ASSETS			
Debtors	11	51,942	54,151
Cash at bank		158,593	78,966
		<u>210,535</u>	<u>133,117</u>
CREDITORS: amounts falling due within one year	12	(174,847)	(60,935)
NET CURRENT ASSETS		<u>35,688</u>	<u>72,182</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		43,514	81,468
NET ASSETS		<u>43,514</u>	<u>81,468</u>
CAPITAL AND RESERVES			
Share capital	13	35,000	35,000
Profit and loss account		8,514	46,468
TOTAL SHAREHOLDER'S FUNDS		<u>43,514</u>	<u>81,468</u>

These financial statements were approved by the Board of Directors on 7 September 2015 and were signed on its behalf by:

Tom Shippey
Director



The notes on pages 10 to 14 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 June 2015 £'000	30 June 2014 £'000
Shareholder's funds at beginning of year		81,468	70,172
Total recognised gains and losses for the year		73,146	144,496
Dividends	7	(111,100)	(133,200)
Shareholder's funds at end of year		<u>43,514</u>	<u>81,468</u>

The notes on pages 10 to 14 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable UK GAAP accounting standards.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements on the basis that the ultimate parent company, Ashmore Group plc is registered in England and prepares consolidated accounts.

Effective from 1 July 2015, the Company will adopt FRS 101 (Reduced Disclosure Framework) as part of Ashmore Group plc's decision to implement FRS 101 as the applicable accounting framework for all of its UK incorporated subsidiaries, upon the cessation of UK GAAP.

Dividends payable

Dividends are recognised when they have been declared and approved.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provisions for impairment.

Investment management fees

Investment management fees comprise of management and performance fees.

Management fees

Management fees net of rebates are accrued over the period which the service is provided based on funds under management.

Performance fees

Performance fees net of rebates are receivable based upon the performance of the respective underlying funds during their own financial year. These are recognised by the company when the underlying accounts of the funds are approved by all parties, or at such times when they can be reliably measured.

Management charges payable to parent company

Management charges payable to the parent company are accrued on a monthly basis in line with services performed.

Foreign currencies

Assets and liabilities in foreign currencies are expressed in Sterling at rates of exchange ruling on the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Hedging

The Company applies cash flow hedge accounting when the transactions meet the specified hedge accounting criteria. To qualify, the following conditions must be met:

- Formal documentation of the relationship between the hedging instrument(s) and hedged item(s) must exist at inception.
- The hedged cash flows must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit and loss.
- The effectiveness of the hedge can be reliably measured.
- The hedge must be highly effective, with effectiveness assessed on an on-going basis.

1. ACCOUNTING POLICIES (CONTINUED)

For qualifying cash flow hedges, the change in fair value of the effective hedging instrument is initially recognised in other comprehensive income and is released to profit for the year as part of comprehensive income in the same period during which the relevant financial asset or liability affects profit or loss.

Where the hedge is highly effective overall, any ineffective portion of the hedge is immediately recognised in profit and loss. Where the instrument ceases to be highly effective as a hedge, or is sold, terminated or exercised, hedge accounting is discontinued.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2. AUDIT FEES

The fee for the audit of these financial statements was borne by the Company's parent, Ashmore Group plc. Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ashmore Group plc.

3. INTEREST AND SIMILAR INCOME

	2015 £'000	2014 £'000
Other income	969	1,050
	<u>969</u>	<u>1,050</u>

4. ADMINISTRATION EXPENSES

	2015 £'000	2014 £'000
Advisory and related fees	24,854	33,080
Other expenses	842	2,575
	<u>25,696</u>	<u>35,655</u>

The company did not have employees during the year (2014: nil).

5. DIRECTORS' REMUNERATION

Directors are employed and remunerated by Ashmore Group plc in respect of services provided to the group as a whole. As such, they have not received any remuneration for their services in respect of the Company (2014: nil).

6. TAX ON ORDINARY ACTIVITIES

The charge is based on the taxable result for the period and comprises:

	2015 £'000	2014 £'000
Corporation tax	19,835	29,098
Overseas tax	552	603
Prior year adjustments	1,463	103
Total tax charge	<u>21,850</u>	<u>29,804</u>

The current tax charge is higher than (2014: lower than) than that resulting from applying the average standard rate of corporation tax in the UK for the year of 20.75% (2014: 22.5%). The main differences are explained below:

Current tax reconciliation:	2015 £'000	2014 £'000
Profit on ordinary activities before tax	<u>96,804</u>	<u>171,599</u>
Current tax using the average standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	20,087	38,610
Write-off of intercompany balances	(103)	572
Group relief from Ashmore Group plc	-	(9,955)
Loss on associate	303	468
Disallowable expenditure	100	-
Prior year adjustments to current tax	1,463	109
Total tax charge	<u>21,850</u>	<u>29,804</u>

A reduction to the main rate of UK corporation tax from 21% to 20%, effective from 1 April 2015, was enacted in the Finance Act 2013. The effect of this rate reduction has been reflected in the figures above.

7. DIVIDENDS PAYABLE

Dividends of £111.1 million (2014: £133.2million) were paid during the year.

8. SUBSIDIARIES AND RELATED UNDERTAKINGS

The following is a full list of the Company's subsidiaries and related undertakings of the Company as at 30 June 2015 pursuant to the requirements of Statutory Instrument 2015 No. 80, The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. The list includes the Company's subsidiaries, related undertakings, significant holdings (greater than 20% interest), associate undertakings and joint ventures.

Name	Interest per cent (%)	Country of incorporation/formation/ and principal place of operation	Classification
PT Ashmore Asset Management Indonesia	70.00	Indonesia	Subsidiary
Ashmore-CCSC Fund Management Company Limited	49.00	China	Joint Venture

9. INVESTMENT IN SUBSIDIARIES

	2015 £'000	2014 £'000
Cost		
At 1 July	1,889	1,889
Additions	-	-
Winding up of a subsidiary	-	-
At 30 June	<u>1,889</u>	<u>1,889</u>
Net book value		
At 30 June	<u>1,889</u>	<u>1,889</u>

10. INVESTMENT IN ASSOCIATES

	2015 £'000	2014 £'000
Cost		
At 1 July	7,397	9,479
Additions	-	-
Share of losses for the year	(1,460)	(2,082)
At 30 June	<u>5,937</u>	<u>7,397</u>
Net book value		
At 30 June	<u>5,937</u>	<u>7,397</u>

11. DEBTORS

	2015 £'000	2014 £'000
Trade debtors	<u>51,942</u>	<u>54,151</u>
	<u>51,942</u>	<u>54,151</u>

12. CREDITORS

	2015 £'000	2014 £'000
Amounts falling due within one year		
Due to group undertakings	144,530	19,389
Corporation tax	15,083	14,165
Other creditors	<u>15,234</u>	<u>27,381</u>
	<u>174,847</u>	<u>60,935</u>

Other creditors include derivative assets/liabilities in respect of the Company's foreign exchange hedging instruments. Movements in the fair value are taken through reserves.

	2015 £'000	2014 £'000
Derivative liability at beginning of year	(2,376)	2,081
Movement in intrinsic value in the year	<u>2,274</u>	<u>(4,457)</u>
Derivative (asset)/liability at end of year	<u>(102)</u>	<u>(2,376)</u>

13. SHARE CAPITAL

	2015 £'000	2014 £'000
Authorised:		
35,000,000 (2014: 35,000,000) £1 ordinary shares	<u>35,000</u>	<u>35,000</u>
Issued and fully paid:		
35,000,000 (2014: 35,000,000) £1 ordinary shares	<u>35,000</u>	<u>35,000</u>

14. CASH FLOW STATEMENT

Under Financial Reporting Standard 1 (revised): *Cash Flow Statements*, the Company is exempt from the requirement to prepare a cash flow statement on the basis that it is a wholly owned subsidiary undertaking whose cash flows are included within the consolidated cash flow statement of its ultimate holding company.

15. RELATED PARTY DISCLOSURES

The Company has elected to avail itself of the exemption under Financial Reporting Standard 8: *Related Party Disclosures*, not to disclose related party transactions with the Ashmore Group plc and its associated undertakings. Directors and staff regularly participate in the funds managed by the group on terms available generally subject to internal compliance controls and with the exception that up-front fees are waived.

16. PARENT UNDERTAKINGS

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