

ASHMORE INVESTMENT MANAGEMENT LIMITED

REGISTERED NUMBER 3344281

ANNUAL REPORT AND ACCOUNTS

For the year ended 30 June 2020



ASHMORE INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT

The Directors present the Directors' report, Strategic report and financial statements of Ashmore Investment Management Limited (the "Company") which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes 1 to 18 for the year ended 30 June 2020.

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 £88.9 million (2019: £122.5 million). Interim dividends of £84.5 million (2019: £126.6 million) were paid during the year. The Directors do not propose any final dividends.

Charitable contributions

The Company made no charitable or political donations during the year (2019: nil).

Directors

The following Directors of the Company held office during the year and up to the date of approval of this report:

M L Coombs
T A Shippey

The Directors' interests in Ashmore Group are disclosed in the Group 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

The directors who held office at the date of approval of this directors' report confirm that, so far as each of the Directors is aware, there is no relevant audit information of which the company's auditor is unaware; and each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The Board of Directors has considered the resilience of the Company, taking into account its current financial position, and the principal and emerging risks facing the business including the impact of COVID-19 on global markets and potential implications for the Company's financial performance. The Board of Directors considered the impact of COVID-19 by applying stressed scenarios, including plausible downside assumptions, and the impact on assets under management, profitability of the Company and known commitments. While there are significant wider market uncertainties that may impact the Company, all scenarios show that the Company would continue to operate profitably and meet its financial obligations for a period of at least 12 months from the date of approval of the annual financial statements. The financial statements have therefore been prepared on a going concern basis.

ASHMORE INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT (continued)

Future developments in the business

The Directors do not expect there to be significant changes in the business model in the foreseeable future.

Events after the Reporting Period

Details of significant events since the balance sheet date are contained in note 17 to the financial statements.

Approved by the Board and signed on its behalf by:



Tom Shippey
Director
10 September 2020

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

Performance

The Statement of Comprehensive Income for the year is set out on page 9. The Company reported a profit after tax for the year of £88.9 million, compared to a profit after tax of £122.5 million for the year ended 30 June 2019. This decrease was driven by a drop in net revenue of £38.8m and was due to a drop in AuM as the Company transferred underlying funds to another group undertaking at the start of the year.

Assets under management (AuM)

The key business driver of the Company's financial performance is its AuM, which impacts the management fee income generated. At 30 June 2020, the Company's unaudited AuM was US\$60.2 billion (2019: US\$78.0 billion).

Net assets

The Balance Sheet is presented on page 10. The Company had net assets of £52.1 million as at 30 June 2020 compared to £47.6 million as at 30 June 2019. The Company's principal financial assets are debtors and cash balances, and the principal financial liabilities are creditors and intercompany trade payables.

Principle risks and uncertainties

The Company's operations expose it to a variety of business 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 risks expected by the Company 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's Annual Report and Accounts for the year ended 30 June 2020.

Section 172 Statement

Section 172 Companies Act 2006 (Section 172) states that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term
- b. The interests of the company's employees
- c. The need to foster the company's business relationships with suppliers, customers and others
- d. The impact of the company's operations on the community and the environment
- e. The desirability of the company maintaining a reputation for high standards of business conduct, and
- f. The need to act fairly as between members of the company.

ASHMORE INVESTMENT MANAGEMENT LIMITED

STRATEGIC REPORT (continued)

During the year ended 30 June 2020, the Board's principal decision was to approve the payment of a dividend to its parent company. In taking this decision, the directors had regard to the factors listed above and to the interests of stakeholders.

The Financial Conduct Authority's Senior Managers & Certification Regime (SMCR) came into force during the year and the Board approved a management responsibilities map to record the allocation of key functions between directors and senior managers, taking account of the need to maintain high standards of conduct and compliance for the benefit of all stakeholders.

The Company, as part of the Ashmore Group, triggered its business continuity arrangements during the year and switched to remote working in response to the COVID-19 pandemic from late March 2020 to the date of these accounts. Prior to this, the business continuity arrangements were considered periodically by the Board with the aim of avoiding an interruption to the business of the Company, for the benefit of its stakeholders. This aim has been met to date.

The Company is a wholly owned subsidiary of Ashmore Group plc and stakeholder engagement takes place using the resources of the Group. Further details of that engagement are provided in the Ashmore Group plc annual report for the year ended 30 June 2020, a copy of which is available on the Group's web site: www.ashmoregroup.com

ASHMORE INVESTMENT MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

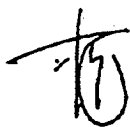
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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
10 September 2020

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

Opinion

We have audited the financial statements of Ashmore Investment Management Limited ("the company") for the year ended 30 June 2020 which comprise the Statement Of Comprehensive Income, Balance Sheet, Statement Of Changed In Equity and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company'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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

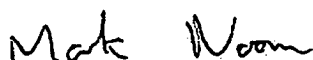
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Mark Noonan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London

10 September 2020

ASHMORE INVESTMENT MANAGEMENT LIMITED
REGISTERED NUMBER 3344281
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £'000	2019 £'000
Management fees		183,113	215,354
Performance fees		1,195	1,831
Other revenue		1,420	4,028
Total revenue		185,728	221,213
Distribution costs		(12,162)	(11,399)
Foreign exchange		3,460	5,964
Net revenue		177,026	215,778
Management charges payable to parent company		(64,765)	(61,838)
Administrative expenses	6	(5,114)	(3,637)
Operating profit		107,147	150,303
Finance income	7	294	672
Share of profit/(losses) from joint ventures and associates	13	(179)	(26)
Profit before tax		107,262	150,949
Tax expense	9	(18,318)	(28,408)
Profit for the year		88,944	122,541
Other comprehensive income/(loss), net of related tax effect			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange gains/(losses) on foreign operations		-	(558)
Other comprehensive income/(loss), net of tax		-	(558)
Total comprehensive income for the year		88,944	121,983

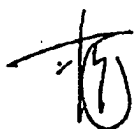
The notes on pages 12 to 19 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED
REGISTERED NUMBER 3344281
BALANCE SHEET
AS AT 30 JUNE 2020

	Notes	2020 £'000	2019 £'000
Assets			
Non-current assets			
Investment in subsidiaries	12	1,428	1,428
Investment in associates	13	425	665
		1,853	2,093
Current assets			
Trade and other receivables	14	87,520	53,233
Current tax		3,665	-
Cash and cash equivalents		20,294	40,497
		111,479	93,730
Total assets		113,332	95,823
Equity and liabilities			
Capital and reserves			
Issued capital	16	35,000	35,000
Retained earnings		17,070	12,611
Foreign exchange reserve		-	-
Total shareholders' funds		52,070	47,611
Liabilities			
Current liabilities			
Current tax	15	-	14,940
Trade and other payables	15	61,262	33,272
Total liabilities		61,262	48,212
Total equity and liabilities		113,332	95,823

The notes on pages 12 to 19 form an integral part of these financial statements.

Approved by the Board on 10 September 2020 and signed on its behalf by:



Tom Shippey
Director

ASHMORE INVESTMENT MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued capital £'000	Retained Earnings £'000	Foreign exchange reserve £'000	Total shareholders' equity £'000
Balance at 30 June 2018	35,000	16,663	558	52,221
Profit for the year	-	122,541	-	122,541
Other comprehensive income/(loss):				
Foreign exchange gains/(losses) on foreign operations	-	-	(558)	(558)
Transaction with owners:				
Dividends to equity holders	-	(126,593)	-	(126,593)
Other items recognised directly in equity	-	-	-	-
Balance at 30 June 2019	35,000	12,611	-	47,611
Profit for the year	-	88,944		88,944
Other comprehensive income/(loss):				
Foreign exchange gains/(losses) on foreign operations	-	-	-	-
Transaction with owners:				
Dividends to equity holders	-	(84,485)		(84,485)
Other items recognised directly in equity	-	-	-	-
Balance at 30 June 2020	35,000	17,070	-	52,070

The notes on pages 12 to 19 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED

Notes to the Financial Statements

For the year ended 30 June 2020

1. General information

Ashmore Investment Management Limited (the "Company") is a private company incorporated, domiciled and registered in England. The registered number of the company is 3344281 and the address of its registered office is 61 Aldwych, London WC2B 4AE, United Kingdom. These financial statements present information about the Company as an individual undertaking.

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.

2. Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

The financial statements are prepared on the historical cost basis except for financial instruments classified as fair value through the profit or loss. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with the United Kingdom Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Financial reporting standard 101 – reduced disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

3. New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the Company considered the standards and interpretations relevant to the Company's operations that were issued by the International Accounting Standards Board (IASB) and included within FRS 101 Reduced Disclosure Framework.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019 with early adoption permitted and replaces IAS17. The objective of IFRS 16 is to report information that faithfully represents lease transactions and provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

The Board considered the effect of the adoption of this standard and concluded that IFRS 16 does not have a material impact on the financial statements of the Company.

4. Accounting policies

(a) Consolidation

The Company's ultimate parent undertaking, Ashmore Group plc, 61 Aldwych, London, WC2B 4AE includes the Company in its consolidated financial statements. The consolidated financial statements of Ashmore Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from United Kingdom Companies House and/or Ashmore Group plc.

The company is exempt by virtue of s400 the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements are separate financial statements.

As the consolidated financial statements of Ashmore Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 7, 'Financial Instruments: Disclosures
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

(b) Going concern

The Board of Directors has considered the resilience of the Company, taking into account its current financial position, and the principal and emerging risks facing the business including the impact of COVID-19 on global markets and potential implications for the Company's financial performance.

The Board of Directors considered the impact of COVID-19 by applying stressed scenarios, including severe but plausible downside assumptions, and the impact on assets under management, profitability of the Company and known commitments.

While there are significant wider market uncertainties that may impact the Company, the stressed scenarios, which assumed a significant reduction in revenue for the entire forecast period, show that the Company would continue to operate profitably and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the annual financial statements. The financial statements have therefore been prepared on a going concern basis.

(c) Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

(d) Investments in associated undertakings

Investments in associated undertakings are held at cost less accumulated impairment losses.

(e) Net revenue

The Company's total revenue includes management fees, performance fees and other revenue. The primary revenue source for the Company is fee income which comprises the fair value of the consideration received or receivable for the provision of investment management services. Revenue is recognised in the statement of comprehensive income as and when the related services are provided. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Net revenue is total revenue less distribution costs and including foreign exchange.

The Company's principal revenue recognition policies are summarised below:

Management fees

Management fees are presented net of rebates and sub-advisory fees, and are calculated as a percentage of net fund assets managed in accordance with individual management agreements. Management fees are recognised as the service is provided and it is probable that the fee will be collected. Where management fees are received in advance, they are recognised over the period of the provision of the asset management service.

Performance fees

Performance fees are presented net of rebates, and are calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle. Performance fees are earned from some arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods, typically over one year. They are only recognised where there is deemed to be a low probability of a significant reversal in future periods. This is usually at the end of the performance period or upon early redemption by a client.

Rebates

Rebates relate to repayments of management and performance fees charged subject to a rebate agreement, typically with institutional investors, are calculated based on an agreed percentage of net fund assets managed and recognised as the service is received. Where rebate agreements exist, management and performance fees are presented on a net basis in the consolidated statement of comprehensive income.

Other revenue

Other revenue principally comprises fees for other services, which are typically driven by levels of fund assets managed, along with revenues that vary in accordance with the volume of transactions. Other revenue includes transaction, structuring and administration fees, and reimbursement by funds of costs incurred by the Company. This revenue is recognised as the relevant service is provided and it is probable that the fee will be collected.

(f) Dividends

Dividends are recognised when shareholders' rights to receive payments have been established.

(g) Management charges payable to parent company

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

(h) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Sterling, which is also the company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains or losses resulting from the translation at year-end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within 'operating profit'. Foreign currency gains and losses are reported on a net basis.

(i) Impairment

Financial assets

Trade receivables comprise balances due from management fees, performance fees, expense recoveries from funds managed, and are generally short term and do not contain financing components. Factors considered in determining whether a default has taken place include how many days past the due date a payment is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a counterparty's ability to pay. The Company assess lifetime expected credit losses based on historical observed default rates, adjusted by forward-looking estimates regarding the economic conditions within the next year.

For cash deposits held with banks, externally derived credit ratings have been identified as representing the best available determinant of counterparty credit risk. Credit risk is deemed to have increased significantly if the credit rating has significantly deteriorated at the reporting date relative to the credit rating at the date of initial recognition.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

(j) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(k) Finance income and expense

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Finance income and expense includes interest receivable on the Company's cash and cash equivalents, unrealised realised gains/losses on cash flow hedges and interest expense.

(l) Trade and other receivables

Trade and other receivables are amounts due from customers for management and performance fees, and for services provided to group undertakings. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(m) Cash and cash equivalents

Cash represents cash at bank and in hand and cash equivalents comprise short-term deposits and investments in money market instruments with an original maturity of three months or less.

(n) Trade and other payables

Trade and other payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers and group undertakings. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Significant judgements and estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future financial years affected. There were no material estimates used in the financial statements for the year ended 30 June 2020.

5. 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.

Auditor's remuneration in respect of the current year audit of the Company's financial statements is £10,967 (2019: £10,967).

6. Administrative expenses

	2020 £'000	2019 £'000
Professional fees	1,377	1,403
Information technology and communications	877	361
Other expenses	2,860	1,873
	<u>5,114</u>	<u>3,637</u>

The Company did not have employees during the year (2019: nil).

7. Finance income

	2020 £'000	2019 £'000
Finance income		
Interest income	294	672
Total finance income	<u>294</u>	<u>672</u>
Finance expense	-	-
Net finance income	<u>294</u>	<u>672</u>

Interest income comprise interest on bank deposits and cash held daily dealing liquidity funds.

8. Directors' remuneration

Directors are employed and remunerated by Ashmore Group plc in respect of services provided to the group as a whole. As such, no remuneration was paid to the Directors by the Company in 2020 (2019: nil).

9. Taxation

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

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the year	19,705	27,604
Overseas corporation tax charge	472	538
Adjustments in respect of prior years	(1,859)	266
	<u>18,318</u>	<u>28,408</u>
Deferred tax		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior years	-	-
Effect of changes in corporation tax rates	-	-
Total tax charge	<u>18,318</u>	<u>28,408</u>

Factors affecting tax charge for the year

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	<u>107,262</u>	<u>150,949</u>
Current tax using the average standard rate of corporation tax in the UK of 19% (2019: 19%)	20,380	28,680
Non-taxable income	(263)	(570)
(Gain)/loss on associate	34	5
Non-deductible expenses	26	27
Adjustments in respect of prior years	(1,859)	266
Total tax charge	<u>18,318</u>	<u>28,408</u>

The 2020 tax charge is lower than 2019 (2019: higher than 2018) resulting from a decrease in profits.

The expected reduction in the UK tax rate to 17% from 1 April 2020 enacted by Finance Act 2016 was reversed in Finance Act 2020.

10. Dividends

Interim dividends of £84.5 million (2019: £126.6 million) were declared and paid during the year.

11. 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 2020 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, associate undertakings and joint ventures.

Name	Classification	% Interest	Registered Address
PT Ashmore Asset Management Indonesia	Subsidiary	60.04	18 Parc SCBD Tower E, 8th Floor, Jl. Jend. Sudirman Kav.52-53, Jakarta 12190, Indonesia
Taiping Fund Management Company	Associate	8.5	Unit 101, Building No.5, 135 Handan Road, Shanghai, China

12. Investments in Subsidiaries

The Company currently owns 60.04% (2019: 66.67%) of the equity share capital of PT Ashmore Asset Management Indonesia ("Ashmore Indonesia").

	2020 £'000	2019 £'000
Investment		
At 1 July	1,428	1,428
Additions	-	-
Disposals	-	-
At 30 June	<u>1,428</u>	<u>1,428</u>
Net book value		
At 30 June	<u>1,428</u>	<u>1,428</u>

13. Investments in Associates

The Company owns an 8.5% equity stake in Taiping Fund Management Company which is classified as an associate. The movement in the carrying value of the associate during the year is as follows:

	2020 £'000	2019 £'000
Carrying value		
At 1 July	665	692
Share of losses for the year	(179)	(26)
Foreign exchange gain/(loss)	(61)	(1)
At 30 June	<u>425</u>	<u>665</u>

14. Trade and other Receivables

	2020 £'000	2019 £'000
Trade debtors	37,619	52,186
Amounts owed by group undertakings	49,901	1,047
	<u>87,520</u>	<u>53,233</u>

15. Trade and other Payables

	2020 £'000	2019 £'000
Amounts falling due within one year		
Due to group undertakings	51,204	21,061
Corporation tax	-	14,940
Other creditors	10,058	12,211
	<u>61,262</u>	<u>48,212</u>

16. Share Capital

	2020 £'000	2019 £'000
Authorised:		
35,000,000 (2019: 35,000,000) £1 ordinary shares	<u>35,000</u>	<u>35,000</u>
Issued and fully paid:		
35,000,000 (2019: 35,000,000) £1 ordinary shares	<u>35,000</u>	<u>35,000</u>

17. Events after the End of the Reporting Period

There are no post balance sheet events that require adjustment or disclosure in the financial statements.

The financial statements reflect the impact of the COVID-19 pandemic up to the end of the reporting period. The Board of Directors has considered the continued spread of COVID-19 to be a non-adjusting post balance sheet event.

18. Parent Undertakings

Ashmore Investments (UK) Limited incorporated in England, is the immediate holding company.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Ashmore Group plc. Copies of the Ashmore Group plc's consolidated financial statements can be obtained at the Ashmore registered address, 61 Aldwych, London, WC2B 4AE as well as U.K. Companies House.