

ASHMORE INVESTMENT MANAGEMENT LIMITED

REGISTERED NUMBER 3344281

ANNUAL REPORT AND ACCOUNTS

For the year ended 30 June 2023



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 2023.

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 result of the Company for the year was a profit after tax of £41.0 million (2022: £68.2 million). During the year, interim dividends of £68.2 million (2022: £87.2 million) were paid. The Directors do not propose any final dividends.

Charitable contributions

The Company made no charitable or political donations during the year (2022: 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. A resolution for the appointment of Ernst & Young LLP will be proposed at the forthcoming Annual General Meeting.

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 in the context of the current economic outlook. The Board reviewed cash flow forecasts for a period of 12 months with reasonable plausible downside scenarios from the date of approval of these financial statements which indicate that the Company will continue to operate profitably and have sufficient funds to meet its liabilities as they fall due for that period. 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

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

Approved by the Board and signed on its behalf by:



Tom Shippey
Director
6 September 2023

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 11. The Company reported a profit after tax for the year of £41.0 million, compared to a profit after tax of £68.2 million for the year ended 30 June 2022. This decrease was driven by a fall in total revenue of £36.8 million due to a drop in average AuM compared to the prior year and foreign exchange losses of £2.0 million in the year compared to gains of £2.0 million in the year to 30 June 2022.

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 2023, the Company's regulatory AuM was US\$49.5 billion (2022: US\$56.8 billion).

Net assets

The Balance Sheet is presented on page 12. The Company had net assets of £76.1 million as at 30 June 2023 compared to £103.3 million as at 30 June 2022. The Company's principal financial assets are trade and other debtors, current tax asset 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 2023.

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)

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 2023, 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.

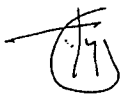
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure 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
6 September 2023

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

Our opinion is unmodified

We have audited the financial statements of Ashmore Investment Management Limited ("the company") for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes 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 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK-adopted international 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.
- we have nothing material to add or draw attention to in relation to the directors' statement to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 4 to be acceptable.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Audit and Risk Committee meeting minutes.

- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, client asset rules, employment law, data protection, anti-money laundering, market abuse regulations including Client Assets, financial services regulations and specific areas of regulatory capital and liquidity and certain aspects of company legislation and financial services legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information

and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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.

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 strategic report and the directors' report;
- in our opinion the information given in those reports 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.

We have nothing to report on the other 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.

Respective responsibilities

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.



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

6 September 2023

ASHMORE INVESTMENT MANAGEMENT LIMITED
REGISTERED NUMBER 3344281
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £'000	2022 £'000
Management fees		116,959	155,540
Performance fees		4,405	2,637
Other revenue		3,506	3,501
Total revenue		124,870	161,678
Distribution costs		(2,041)	(2,961)
Advisory fees		(21,154)	(22,506)
Foreign exchange gains/(losses)		(1,950)	1,953
Net revenue		99,725	138,164
Management charges payable to parent company		(49,253)	(62,632)
Administrative expenses	6	(2,230)	(2,925)
Operating profit		48,242	72,607
Finance income	7	2,387	580
Share of profit/(losses) from joint ventures and associates	13	453	1,299
Profit before tax		51,082	74,486
Tax charge	9	(10,040)	(6,283)
Profit for the year		41,042	68,203
Total comprehensive income for the year		41,042	68,203

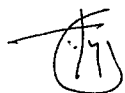
The notes on pages 14 to 20 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED
REGISTERED NUMBER 3344281
BALANCE SHEET
AS AT 30 JUNE 2023

	Notes	2023 £'000	2022 £'000
Assets			
Non-current assets			
Investment in subsidiaries	12	1,428	1,428
Investment in associates	13	2,257	2,094
		3,685	3,522
Current assets			
Trade and other receivables	14	35,694	35,844
Current tax		7,017	14,426
Cash and cash equivalents		54,039	131,110
		96,750	181,380
Total assets		100,435	184,902
Equity and liabilities			
Capital and reserves			
Issued capital	16	35,000	35,000
Retained earnings		41,142	68,303
Total shareholders' funds		76,142	103,303
Liabilities			
Current liabilities			
Trade and other payables	15	24,293	81,599
Total liabilities		24,293	81,599
Total equity and liabilities		100,435	184,902

The notes on pages 14 to 20 form an integral part of these financial statements.

Approved by the Board on 6 September 2023 and signed on its behalf by:



Tom Shippey
Director

ASHMORE INVESTMENT MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital £'000	Retained Earnings £'000	Total shareholders' equity £'000
Balance at 30 June 2021	35,000	87,251	122,251
Profit for the year	-	68,203	68,203
Transaction with owners:			
Dividends to equity holders	-	(87,151)	(87,151)
Balance at 30 June 2022	35,000	68,303	103,303
Profit for the year	-	41,042	41,042
Transaction with owners:			
Dividends to equity holders	-	(68,203)	(68,203)
Balance at 30 June 2023	35,000	41,142	76,142

The notes on pages 14 to 20 form an integral part of these financial statements.

ASHMORE INVESTMENT MANAGEMENT LIMITED

Notes to the Financial Statements

For the year ended 30 June 2023

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").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom, and are in compliance with the 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

There were no Standards or Interpretations that were in issue and required to be adopted by the Company as at the date of authorisation of these financial statements. No other Standards or Interpretations have been issued that are expected to have a material impact on the Company's financial statements.

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 UK 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 in the context of the current economic outlook. The Board reviewed cash flow forecasts for a period of 12 months with reasonable plausible downside scenarios from the date of approval of these financial statements which indicate that the Company will continue to operate profitably and have sufficient funds to meet its liabilities as they fall due for that period.

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 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.

Distribution costs

Distribution costs are costs of sales incurred for marketing and investor servicing. Distribution costs vary based on fund assets managed and the associated management fee revenue, and are expensed over the period in which the service is provided.

Advisory fees

Advisory fees include sub-advisory fees payable to other group companies for the provision of non-discretionary fund management related services including research, portfolio management, trade execution and other advice to funds for which the Company acts as the investment manager. Sub-advisory fees vary based on fund assets managed and the associated management fee revenue, and are expensed over the period in which the service is provided.

(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 2023.

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 £13,668 (2022: £12,425).

6. Administrative expenses

	2023 £'000	2022 £'000
Professional fees	418	1,124
Information technology and communications	1,144	1,043
Other expenses	668	758
	<u>2,230</u>	<u>2,925</u>

The Company did not have employees during the year (2022: nil).

7. Finance income

	2023 £'000	2022 £'000
Finance income		
Interest income	2,387	580
Total finance income	<u>2,387</u>	<u>580</u>
Finance expense	-	-
Net finance income	<u>2,387</u>	<u>580</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. Included within management charges payable to the parent company in the year is £664,354 (30 June 2022: £573,132) relating to Directors' remuneration for the Company.

9. Taxation

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

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profits for the year	9,030	12,967
Overseas corporation tax charge	1,036	682
Adjustments in respect of prior years	(26)	(7,366)
	<u>10,040</u>	<u>6,283</u>
Deferred tax	-	-
Total tax charge	<u>10,040</u>	<u>6,283</u>

Factors affecting tax charge for the year

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	51,082	74,486
Current tax using the average standard rate of corporation tax in the UK of 20.5% (2022: 19%)	10,472	14,153
Overseas tax not creditable	349	351
Non-taxable income	(715)	(664)
Share of profits from associates	(93)	(247)
Non-deductible expenses	53	56
Adjustments in respect of prior years	(26)	(7,366)
Total tax charge	10,040	6,283

The 2023 tax charge is higher than 2022 (2022: lower than 2021) due to the decrease in prior year credit adjustments offset by lower profits.

An increase in the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023 was enacted in the Finance Act 2021.

10. Dividends

Dividends of £68.2 million (2022: £87.2 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 2023 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	5.23	Unit 101, Building No.5, 135 Handan Road, Shanghai, China

12. Investments in Subsidiaries

The Company currently owns 60.04% (2022: 60.04%) of the equity share capital of PT Ashmore Asset Management Indonesia ("Ashmore Indonesia").

	2023 £'000	2022 £'000
Investment		
At 1 July	1,428	1,428
At 30 June	1,428	1,428
Net book value		
At 30 June	1,428	1,428

13. Investments in Associates

The Company owns a 5.23% 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:

	2023 £'000	2022 £'000
Carrying value		
At 1 July	2,094	650
Share of gains/(losses) for the year	453	1,299
Foreign exchange gains/(losses)	(290)	145
At 30 June	<u>2,257</u>	<u>2,094</u>

14. Trade and other Receivables

	2023 £'000	2022 £'000
Trade debtors	25,187	30,434
Amounts owed by group undertakings	10,507	5,410
	<u>35,694</u>	<u>35,844</u>

Credit risk

The Company's maximum exposure to credit risk is represented by the carrying value of its current assets. The Directors of the Company have assessed trade and other receivables, all of which are considered to be fully recoverable (30 June 2022: fully recoverable).

15. Trade and other Payables

	2023 £'000	2022 £'000
Amounts falling due within one year		
Due to group undertakings	19,397	74,748
Other creditors	4,896	6,851
	<u>24,293</u>	<u>81,599</u>

16. Share Capital

	2023 £'000	2022 £'000
Authorised:		
35,000,000 (2022: 35,000,000) £1 ordinary shares	<u>35,000</u>	<u>35,000</u>
Issued and fully paid:		
35,000,000 (2022: 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.

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.