



Who we are

Ashmore Group is a leading specialist emerging markets fund manager with long experience of investment outperformance through active management across six core investment themes: external debt, local currency, special situations, equity, corporate high yield and multi-strategy.

Our markets

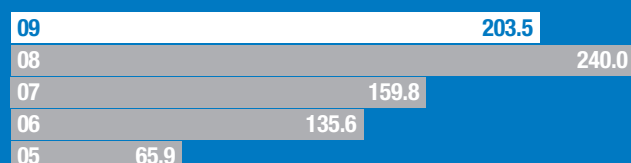
Ashmore manages US\$24.9 billion in 59 accounts for a broad range of predominantly institutional investors, from both developed world and emerging markets sources of capital.

Financial highlights

-15% (2008)

£203.5m

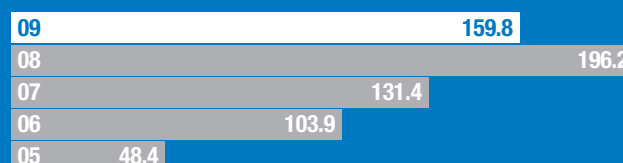
Net revenue



-19% (2008)

£159.8m

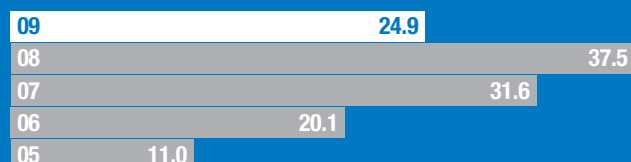
Profit before tax



-34% (2008)

US\$24.9bn

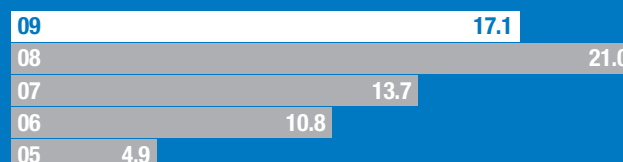
Assets under Management (AuM) at period end



-19% (2008)

17.1p

EPS basic



£44.7m (2008)

£52.5m

Performance fees

8.34p (2008)

8.34p

Final dividend per share

76% (2008)

74%

Operating margin

Overview

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Group at a glance

We are one of the world's leading emerging market investment managers.

Background

- First fund established 1992 within ANZ
- Established as an independent company through MBO in 1999
- Listed on London Stock Exchange in October 2006, within FTSE 250

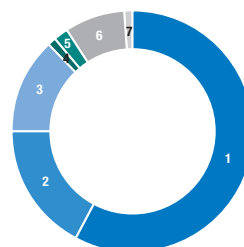
Financial and operations

- Profit before tax £159.8 million (2008: £196.2 million)
- Operating margin 74 per cent (2008: 76 per cent)
- Average management fee margins 107 bps (2008: 103 bps)
- AuM of US\$24.9 billion at 30 June 2009 (2008: US\$37.5 billion)
- Six core themes below, with others in development
 - External debt
 - Local currency
 - Special situations
 - Equity
 - Corporate high yield
 - Multi-strategy
- 59 emerging markets (EM) accounts (funds), 14 managed by local subsidiaries
- 142 employees (2008: 93 employees)
 - 55 investment professionals and 87 support staff
 - 101 centrally and 41 in local asset management subsidiaries
- Headquartered in the UK
 - Other offices in Brazil, India, Singapore, Turkey and USA

Market position

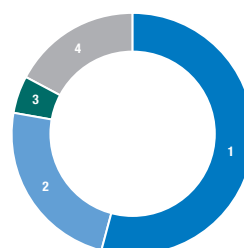
- Emerging market opportunity enhanced following global credit crisis
- Increasing allocations as emerging markets grow

AuM as classified by mandate (%)



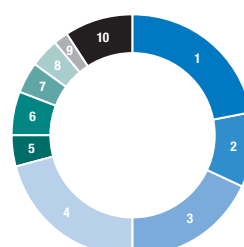
1	External debt	58
2	Local currency	17
3	Special situations	13
4	Equity	1
5	Corporate high yield	2
6	Multi-strategy	8
7	Other	1

Fund classification (No.)



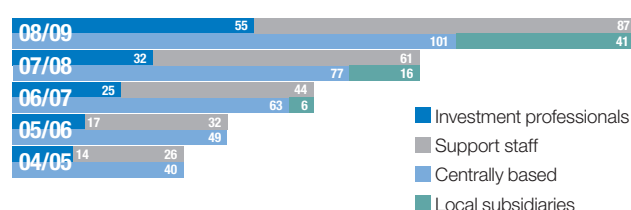
1	Ashmore sponsored	32
2	Segregated	14
3	Structured product	3
4	White label/dual branded	10

AuM by investor type (%)




1	Corporate pension plan	22
2	Bank	10
3	Public pension plan	18
4	Government	21
5	Fund of funds	4
6	Insurance	6
7	Fund/sub advisor	4
8	Other	4
9	Permanent capital	2
10	HNWI/retail	9

Year-end headcount



Dedicated to emerging markets.

Where we operate and invest

-  Offices
-  Markets invested



Performance review

“The Group’s performance in the year has been broadly satisfactory. The opportunity for greater emerging market significance, strong investment returns and AuM growth sees Ashmore very well positioned.”

Chairman's statement

The team at Ashmore has a track record of success built over many years.

The year to 30 June 2009 was one of unprecedented turbulence in the global economy, which resulted in an extreme reduction in the levels of leverage deployed across the world and a significant reduction of liquidity and increased volatility throughout world markets. As the year ended, there were some signs of a recovery in markets with a more stable set of conditions prevailing. Against this background, Ashmore Group ("Ashmore" or the "Group") has had a broadly satisfactory year, with a profit before tax of £159.8 million (year ended 30 June 2008: £196.2 million).

↪ see page 15 for further details

Over the last year the Group has concentrated on its core capabilities of product innovation, asset raising/retention, good investment performance and excellent client service. At the same time, it has continued to strengthen the business through the recruitment of additional talented individuals within the central and local asset management businesses and through the introduction of enhanced core systems and operating processes. The Chief Executive Officer's statement and the Business review provide further detail on these activities.

In recognition of the financial performance, and our confidence in the Group's future prospects, the Directors are recommending a final dividend of 8.34 pence for the year ended 30 June 2009 which, subject to shareholder approval, will be paid on 4 December 2009 to all shareholders who are on the register on 6 November 2009. This makes a total dividend of 12.0 pence for the year (2008: 12.0 pence).

During the year ended 30 June 2009, the following Board changes occurred. In September 2008, Jonathan Asquith joined the Group, having been Vice Chairman and Chief Financial Officer at Schroders plc. Initially he was an independent non-executive Director and member of the audit committee. Subsequently he has become Chairman of the remuneration committee. Jonathan's extensive industry experience and knowledge have added additional strength to the Board and its committee structure. At the Group's AGM in October, Jon Moulton retired, having been a non-executive Director since the Group was established in 1999. I should like to thank Jon for the very considerable contributions he made over those 10 years. In June, the Group announced the appointment to the Board of Melda Donnelly, former Chief Executive Officer of Queensland Investment Corporation and current Deputy Chairperson of the Victoria Funds Management Corporation. Melda has extensive experience of the international pension industry and of institutional shareholder best practice. I would like to welcome Melda to the Board, and she has also become a member of the audit committee from which I have stepped down.

↪ see page 25 for further details

The team at Ashmore is committed to implementing successfully its strategy of developing a global specialist emerging markets business, with assets of all classes managed both centrally and through developing a number of local asset management operations in the key emerging markets.

I would like to thank all the members of the Group for the efforts they continue to make towards achieving our goals. The opportunities and challenges that will be presented in the future will be significant as the global economic prospects become ever more influenced by the emerging markets, where the Group has a track record of success, built over many years.

Michael Benson
Chairman

Chief Executive Officer's statement

World events over the last year have both emphasised and accelerated the increase in the significance of the emerging markets.

The Group's overall financial performance achieved in the year ended 30 June 2009 was broadly satisfactory within the context of the extraordinary global market conditions. In the first half, as a result of significant reductions in asset valuations and sharply increased outflows, assets under management (AuM) were reduced by a third and after a further small fall in the third quarter the final quarter saw an increase to close at a level of US\$24.9 billion.

The opportunity presented now for Ashmore is greater than ever as world events over the last year have both emphasised and accelerated the increase in the significance of the emerging markets within the global economy. We continue to see opportunities going forward across the asset classes we operate in, and during the last year have further improved our operating platform to enable us to take full advantage of these opportunities.

Assets under management and financial performance

The opening AuM at 30 June 2008 stood at US\$37.5 billion. Overall during the year, net redemptions of US\$7.5 billion (H1 US\$5.8 billion, H2 US\$1.7 billion) and negative investment performance of US\$5.1 billion (H1 negative US\$7.1 billion, H2 positive US\$2.0 billion) have resulted in final AuM of US\$24.9 billion.

Whilst all investment themes have seen net redemptions across the year, these slowed significantly in the second half, which also saw a turnaround in markets and investment performance. The pace of recovery varied by theme, with external debt recovering fastest to record a 9 per cent increase in AuM in H2, while local currency still had net redemptions that outweighed its positive performance during that period. Special situations lagged the listed equity markets, as is usual emerging from stress events, and as we waited for corporate and capital market activity – the principal driver of revaluations – to pick up. AuM in the theme remained broadly flat in the second half of the year. Lately there have been some positive signs pointing to the re-establishment of the global IPO market after an almost complete absence of such activity in the last year.

➞ see page 15 for further details

The Group achieved net revenue for the year of £203.5 million (2008: £240.0 million) a reduction of 15 per cent. Management fees (net of distribution costs) in Sterling terms rose marginally to £183.2 million (2008: £182.0 million), reflecting the fact that the reduction in average levels of AuM was offset by the strengthening of the US Dollar and the increase in management fee margin. Total performance fees for the year were £52.5 million (2008: £44.7 million), an increase of 17 per cent, including the maturity of the first Global Special Situations Fund in July 2008, and the August 2008 annual performance fees. Other income was £6.4 million (2008: £10.1 million), the reduction occurring as a result of reduced transaction

activity levels. Foreign exchange losses for the full year were £38.6 million, comprising £38.3 million realised hedging costs related to hedging the US\$-denominated management fee income for the period, £4.1 million unrealised hedging loss related to the hedging of management fees for future periods, and a £3.8 million gain from foreign exchange movements on the Group's non-Sterling-denominated net assets.

After costs of £52.9 million (2008: £58.8 million) and interest income of £9.2 million (2008: £15.0 million) profit before tax was £159.8 million, a decrease of 19 per cent from the previous year. Basic earnings per share for the year were 17.1 pence (2008: 21.0 pence).

The impact of the credit crisis

The events of the global credit crisis have been extensively documented over the last year. There is little merit in recounting them again, rather in looking instead at the impact felt in the emerging markets and at our resultant opportunity set. It is clear that the crisis did not originate in the emerging markets but, in a global crisis as severe as that experienced over the last year, no market or sector could be immune from impact.

Ashmore's experienced fund management team have managed funds through crises before.

Ashmore's experienced fund management team have managed funds through significant crises before, perhaps most notably in 1994 and 1998. On this occasion the global scale of the crisis was greater but the emerging market impacts have been very different. Unlike in the earlier crises the emerging markets are now net creditors in global terms and as a result there has been relatively little increase in the default risk in Latin America and Asia and lower levels of contagion. The impact in those regions has principally been one of collateral damage from either reducing cross-border flows or a reduction in export levels. In Eastern Europe there has been a more direct impact, in part due to the greater direct investment from a concentration of EU countries and institutions and also to the greater extent to which leverage had been employed compared to other emerging market regions.

Following these events the resultant position is an opportunity in three ways. Firstly, in a macro sense we believe that it has accelerated the shift of economic weight to, and the bargaining positions of, the emerging markets. The G20 London summit saw emerging markets deliverables dominating and indicates that the international community recognises that emerging markets will define globalisation in the future.

Secondly, based upon Ashmore's experience in managing across cycles through a number of past crises we believe we are well positioned for strong investment returns in the future. The investment process employed managing a portfolio during periods of market stress is one where the liquidity of a portfolio is retained through the purchase of highly liquid instruments, whilst adding lower liquidity instruments with high embedded value such as special situations and corporate high yield to provide significant alpha over the cycle. This active management approach is not based on market indices and accepts short-term mark-to-market declines, often arising simply as a result of wider bid-offer spreads in distressed markets, to secure long-term gains through the acquisition of attractive assets which will appreciate over the medium to long term. We have, as expected, begun to see the start of such outperformance, and look to realise further upside.

Thirdly, we are confident Ashmore remains well positioned to raise more AuM in the future through the second and third phases of the Group's strategic development – the further diversification of developed world capital sources and themes and the mobilisation of growing emerging market capital pools. Developed world capital sources have undoubtedly been the most affected by the events of the last 18 months with an extreme reduction in leverage available resulting in an overriding reduction in the scale of funds deployed. However, we are beginning to receive subscriptions from these pools again, as investors work out where their capital should best

be allocated. At the same time, levels of redemptions, which were predominantly liquidity-driven rather than asset-allocation-based, have reduced dramatically from the levels we received during the middle of the year ended 30 June 2009. Capital allocators within those largest emerging world sources of capital – central banks, governments/ reserve managers and sovereign wealth funds – are also seriously assessing greater reserve allocations to the emerging markets and so diluting the historic dominance of the US Dollar in this role. Therefore, looking forward, the opportunity for greater emerging market significance, strong investment returns and AuM growth sees Ashmore very well positioned.

 see page 11 for further details

Operational delivery

At the core of Ashmore lies our central investment committee whose established investment processes focus on the maintenance of long-term outperformance. Periods of high market stress drive increased volumes of inputs to those processes, including correspondingly greater analysis to enable the best investment decisions to be implemented. The investment professionals in all themes have been tested extensively this year in successfully implementing active investment management decisions. Some of the public funds with broad mandates not tied to benchmarks saw short-term underperformance for part of the year as we added illiquid assets and subsequently as the special situations valuations lagged more liquid investments in the recovery phase.

Chief Executive Officer's statement: Our investment themes

continued

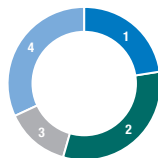
Theme	Theme premise	Overview	Assets under Management (AuM)														
External debt	Ashmore's longest established and largest theme. The external debt theme comprises principally US Dollar and other hard currency denominated instruments, which may include derivatives, investing in mainly sovereign bonds.	<ul style="list-style-type: none">Launched 1992Total AuM at 30 June 2009 US\$14.7 billion22 accounts (funds)5 public (Ashmore sponsored) fundsAuM invested in 36 countries	<table><thead><tr><th colspan="2">Year ended 30 June 2009 US\$bn</th></tr></thead><tbody><tr><td>Opening AuM</td><td>20.9</td></tr><tr><td>Subscriptions</td><td>1.3</td></tr><tr><td>Redemptions</td><td>(5.8)</td></tr><tr><td>Net (redemptions)/subscriptions</td><td>(4.5)</td></tr><tr><td>Performance</td><td>(1.7)</td></tr><tr><td>Closing AuM</td><td>14.7</td></tr></tbody></table>	Year ended 30 June 2009 US\$bn		Opening AuM	20.9	Subscriptions	1.3	Redemptions	(5.8)	Net (redemptions)/subscriptions	(4.5)	Performance	(1.7)	Closing AuM	14.7
Year ended 30 June 2009 US\$bn																	
Opening AuM	20.9																
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Net (redemptions)/subscriptions	(4.5)																
Performance	(1.7)																
Closing AuM	14.7																
Local currency	The local currency theme comprises local currency and local currency denominated debt instruments, which may include derivatives, investing in FX and mainly sovereign bonds.	<ul style="list-style-type: none">Launched 1997Total AuM at 30 June 2009 US\$4.2 billion13 accounts (funds)8 public fundsAuM invested in 30 countries	<table><thead><tr><th colspan="2">Year ended 30 June 2009 US\$bn</th></tr></thead><tbody><tr><td>Opening AuM</td><td>7.2</td></tr><tr><td>Subscriptions</td><td>1.4</td></tr><tr><td>Redemptions</td><td>(3.1)</td></tr><tr><td>Net (redemptions)/subscriptions</td><td>(1.7)</td></tr><tr><td>Performance</td><td>(1.3)</td></tr><tr><td>Closing AuM</td><td>4.2</td></tr></tbody></table>	Year ended 30 June 2009 US\$bn		Opening AuM	7.2	Subscriptions	1.4	Redemptions	(3.1)	Net (redemptions)/subscriptions	(1.7)	Performance	(1.3)	Closing AuM	4.2
Year ended 30 June 2009 US\$bn																	
Opening AuM	7.2																
Subscriptions	1.4																
Redemptions	(3.1)																
Net (redemptions)/subscriptions	(1.7)																
Performance	(1.3)																
Closing AuM	4.2																
Special situations	The special situations theme comprises investments in debt and/or other instruments, typically focusing on situations involving corporate distressed for control investments or restructuring, distressed assets or distressed sellers of assets, and often with a private equity approach.	<ul style="list-style-type: none">Launched 1998Total AuM at 30 June 2009 US\$3.3 billion9 accounts (funds)8 public fundsAuM invested in 21 countries	<table><thead><tr><th colspan="2">Year ended 30 June 2009 US\$bn</th></tr></thead><tbody><tr><td>Opening AuM</td><td>4.6</td></tr><tr><td>Subscriptions</td><td>0.2</td></tr><tr><td>Redemptions</td><td>(0.5)</td></tr><tr><td>Net (redemptions)/subscriptions</td><td>(0.3)</td></tr><tr><td>Performance</td><td>(1.0)</td></tr><tr><td>Closing AuM</td><td>3.3</td></tr></tbody></table>	Year ended 30 June 2009 US\$bn		Opening AuM	4.6	Subscriptions	0.2	Redemptions	(0.5)	Net (redemptions)/subscriptions	(0.3)	Performance	(1.0)	Closing AuM	3.3
Year ended 30 June 2009 US\$bn																	
Opening AuM	4.6																
Subscriptions	0.2																
Redemptions	(0.5)																
Net (redemptions)/subscriptions	(0.3)																
Performance	(1.0)																
Closing AuM	3.3																
Equity	The equity investment theme comprises public equity and equity-related securities. The investments invested in by the funds can include equities, convertibles, warrants and equity derivatives.	<ul style="list-style-type: none">Launched 2000Total AuM at 30 June 2009 US\$0.1 billion6 accounts (funds)5 public fundsAuM invested in 18 countries	<table><thead><tr><th colspan="2">Year ended 30 June 2009 US\$bn</th></tr></thead><tbody><tr><td>Opening AuM</td><td>0.5</td></tr><tr><td>Subscriptions</td><td>0.0</td></tr><tr><td>Redemptions</td><td>(0.1)</td></tr><tr><td>Net (redemptions)/subscriptions</td><td>(0.1)</td></tr><tr><td>Performance</td><td>(0.3)</td></tr><tr><td>Closing AuM</td><td>0.1</td></tr></tbody></table>	Year ended 30 June 2009 US\$bn		Opening AuM	0.5	Subscriptions	0.0	Redemptions	(0.1)	Net (redemptions)/subscriptions	(0.1)	Performance	(0.3)	Closing AuM	0.1
Year ended 30 June 2009 US\$bn																	
Opening AuM	0.5																
Subscriptions	0.0																
Redemptions	(0.1)																
Net (redemptions)/subscriptions	(0.1)																
Performance	(0.3)																
Closing AuM	0.1																
Corporate high yield	The corporate high yield theme comprises investments in corporate debt within emerging markets.	<ul style="list-style-type: none">Launched 2007Total AuM at 30 June 2009 US\$0.5 billion2 accounts (funds)1 public fundAuM invested in 21 countries	<table><thead><tr><th colspan="2">Year ended 30 June 2009 US\$bn</th></tr></thead><tbody><tr><td>Opening AuM</td><td>0.5</td></tr><tr><td>Subscriptions</td><td>0.1</td></tr><tr><td>Redemptions</td><td>0.0</td></tr><tr><td>Net (redemptions)/subscriptions</td><td>0.1</td></tr><tr><td>Performance</td><td>(0.1)</td></tr><tr><td>Closing AuM</td><td>0.5</td></tr></tbody></table>	Year ended 30 June 2009 US\$bn		Opening AuM	0.5	Subscriptions	0.1	Redemptions	0.0	Net (redemptions)/subscriptions	0.1	Performance	(0.1)	Closing AuM	0.5
Year ended 30 June 2009 US\$bn																	
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Subscriptions	0.1																
Redemptions	0.0																
Net (redemptions)/subscriptions	0.1																
Performance	(0.1)																
Closing AuM	0.5																
Multi-strategy	The multi-strategy funds supplement the core product range, investing into the five core themes and any new themes where appropriate. They include Ashmore Global Opportunities Limited, a permanent capital vehicle, which listed on the LSE on 12 December 2007.	<ul style="list-style-type: none">Launched 2003Total AuM at 30 June 2009 US\$2.0 billion3 accounts (funds)2 public fundsAuM invested in underlying funds included in above themes	<table><thead><tr><th colspan="2">Year ended 30 June 2009 US\$bn</th></tr></thead><tbody><tr><td>Opening AuM</td><td>3.8</td></tr><tr><td>Subscriptions</td><td>0.7</td></tr><tr><td>Redemptions</td><td>(1.8)</td></tr><tr><td>Net (redemptions)/subscriptions</td><td>(1.1)</td></tr><tr><td>Performance</td><td>(0.7)</td></tr><tr><td>Closing AuM</td><td>2.0</td></tr></tbody></table>	Year ended 30 June 2009 US\$bn		Opening AuM	3.8	Subscriptions	0.7	Redemptions	(1.8)	Net (redemptions)/subscriptions	(1.1)	Performance	(0.7)	Closing AuM	2.0
Year ended 30 June 2009 US\$bn																	
Opening AuM	3.8																
Subscriptions	0.7																
Redemptions	(1.8)																
Net (redemptions)/subscriptions	(1.1)																
Performance	(0.7)																
Closing AuM	2.0																
Other	New themes developed in line with strategy to diversify capabilities and investor base.	<p>Existing</p> <ul style="list-style-type: none">Fund of third-party fundsLiquidity management <p>In development</p> <ul style="list-style-type: none">InfrastructureReal estateOverlay/strategies hedging	<table><thead><tr><th colspan="2">Year ended 30 June 2009 US\$bn</th></tr></thead><tbody><tr><td>Opening AuM</td><td>0.0</td></tr><tr><td>Subscriptions</td><td>0.1</td></tr><tr><td>Redemptions</td><td>0.0</td></tr><tr><td>Net (redemptions)/subscriptions</td><td>0.1</td></tr><tr><td>Performance</td><td>0.0</td></tr><tr><td>Closing AuM</td><td>0.1</td></tr></tbody></table>	Year ended 30 June 2009 US\$bn		Opening AuM	0.0	Subscriptions	0.1	Redemptions	0.0	Net (redemptions)/subscriptions	0.1	Performance	0.0	Closing AuM	0.1
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Net (redemptions)/subscriptions	0.1																
Performance	0.0																
Closing AuM	0.1																

New funds, new themes, potential clients and strategic initiatives are underway which we hope will bring significant value over the coming years.

Accounts by theme

Fund classification (No.)

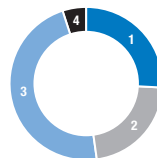
1 Ashmore sponsored	5
2 Segregated	7
3 Structured product	3
4 White label/dual branded	7
Total	22



Geography by theme

AuM as invested by geography (%)

1 Eastern Europe	26
2 Asia	22
3 Latin America	47
4 Middle East and Africa	5

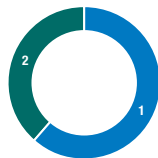


Current markets/opportunities

- Now widely accepted as an asset class within fixed income.
- Dominated by long-term institutional investors.
- Strategic allocation benefits from improving fundamentals and global importance of emerging economies.

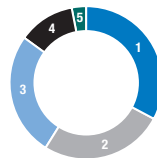
Fund classification (No.)

1 Ashmore sponsored	8
2 Segregated	5
Total	13



AuM as invested by geography (%)

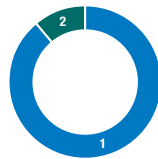
1 Eastern Europe	33
2 Asia	26
3 Latin America	26
4 Middle East and Africa	12
5 G7 and other	3



- Rapidly growing asset class.
- Best hedge against the long-term structural decline in the US Dollar.
- Many countries are looking to develop domestic yield curves to help develop local capital markets and stimulate growth.

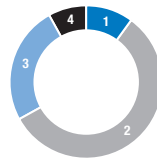
Fund classification (No.)

1 Ashmore sponsored	8
2 Segregated	1
Total	9



AuM as invested by geography (%)

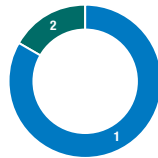
1 Eastern Europe	10
2 Asia	57
3 Latin America	25
4 Middle East and Africa	8



- Unique access to private investments in emerging markets which are often complex and difficult situations.
- Aim to create value through an event(s) which transforms the Company, hence preference for distressed for control.
- Provides investors with potentially high returns and low correlations to public markets.

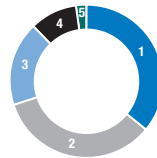
Fund classification (No.)

1 Ashmore sponsored	5
2 Segregated	1
Total	6



AuM as invested by geography (%)

1 Eastern Europe	36
2 Asia	34
3 Latin America	18
4 Middle East and Africa	10
5 G7 and other	2



- Attractive, potentially high, returns from growing and deepening emerging equity markets.
- Index returns have seen ten-year periods of negative returns, emphasising the benefit of active management of country risk.

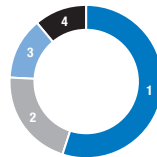
Fund classification (No.)

1 Ashmore sponsored	1
2 Segregated	1
Total	2



AuM as invested by geography (%)

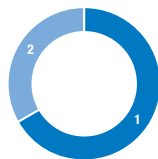
1 Eastern Europe	55
2 Asia	21
3 Latin America	13
4 Middle East and Africa	11



- Emerging markets corporate high yield is a fast-growing segment of emerging debt markets.
- Offers historically attractive risk-adjusted returns, and a strong alternative to G7 corporates.

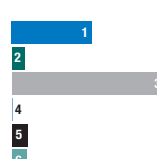
Fund classification (No.)

1 Ashmore sponsored	2
2 White label/dual branded	1
Total	3



Allocation by investment theme (%)

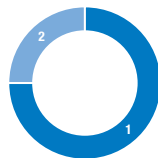
1 External debt	29.1
2 Local currency	4.4
3 Special situations	55.8
4 Equity	0.1
5 Corporate high yield	5.4
6 Cash/other	5.2



- An ideal strategy for investors who prefer to let Ashmore make the dynamic asset allocation decisions across Ashmore's investment themes.
- Early access to new asset classes as the number of themes increases, for example real estate.

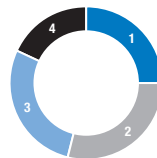
Fund classification (No.)

1 Ashmore sponsored	3
2 White label/dual branded	1
Total	4



AuM as invested by geography (%)

1 Eastern Europe	25
2 Asia	29
3 Latin America	28
4 Middle East and Africa	18



- For every asset class in the developed world there is a potential asset class in the emerging world.
- There is a strong strategic case for investing in the emerging world across a growing number of asset classes, particularly at their nascent stages.

Chief Executive Officer's statement

continued

Our long-term institutional investor base has a good understanding of our approach but nevertheless a feature of last year was a significant increase in the time spent by our marketing and client relationship teams in reinforcing and enhancing this understanding.

In the area of new product launches, the period has naturally seen somewhat reduced levels achieved compared with recent periods. The second half saw the fifth global special situations fund launched with AuM of US\$0.1 billion and in May we launched the Global Consolidation & Recovery Fund giving financial institutions a way of addressing some or all of their distressed or other emerging market balance sheet exposures. In addition to these public fund launches, the period saw two new segregated mandates funded in external debt and corporate high yield. At the same time we have been working hard on future initiatives to provide our clients with further diversification into those asset classes where we see significant opportunity in the next one to three years.

↪ see page 14 for further details

It has been another very busy year in the area of infrastructure projects with the implementation of a new portfolio management system which, in conjunction with the fund accounting system implemented last year, provides the backbone upon which to execute our long-term fund management strategy. In addition we have deployed new core systems in the human resources and company secretarial areas and implemented a new general ledger system. In all cases these provide us with further robust scalable applications that can be used across the Group.

The Group's local asset management subsidiaries now operate in Brazil, Turkey and India. At the beginning of January we launched equity funds managed in our Sao Paulo office mirroring the onshore and offshore fund structures established there last year with the local currency funds. All these funds have begun to see some subscriptions following the establishment of good opening track records. In Turkey, having established the local asset management business in Istanbul following regulatory approval in August last year, we launched three Ashmore mutual funds in May this year. In India the period has been a busy one for both the locally based special situations team and our mid-market private equity venture.

Following the acquisition of a majority interest in Dolomite Capital, a New York-based emerging market fund of third-party funds manager and independent advisor, in November we completed the acquisition of the balance before the year ended to enable us to consolidate the team with our existing staff and grow our overall Ashmore marketing and distribution presence in the United States.

People and culture

Ashmore has been successful over the long term because we have combined a successful operating model with good people and a robust culture. At the heart of the culture we believe are two overriding principles – alignment with our clients and alignment with our shareholders. The performance of the team at Ashmore over the year to 30 June 2009 has been one of immense effort and significant achievement in many areas. Nonetheless, as in past years, the financial rewards for the team have been reduced, mirroring the negative absolute returns delivered by

a number of the Group's funds, and by Ashmore's shares. This demonstrates the long-term nature of our commitment to make returns for both our investors and our shareholders. Our culture doesn't change.

↪ see page 35 for further details

The organisation has grown as we have recruited a significant number of people into the Ashmore team during the last two years. The experiences we have shared in the delivery of investment performance, client management, support and infrastructure development over the last year have been stretching, but nevertheless highly enjoyable and rewarding. I would like to thank everyone for the part they have played over the period in providing Ashmore with the platform to seize the significant opportunities going forward and I look forward to us all getting on and seizing them.

↪ see page 12 for further details

Performance fees

Unaudited annual performance fees for the funds with performance years ended 31 August 2009 (including EMLIP and LCD) were £5.1 million (August 2008: £31.0 million) which will be recognised in the financial year ended 30 June 2010.

At the heart of the culture we believe are two overriding principles – alignment with our clients and alignment with shareholders.

Outlook statement

The outlook can be assessed from two standpoints, the internal perspective of the firm and the external perspective of the markets in which we operate. Our outlook based on the first of these is as positive as at any time I can remember as the number of new opportunities, projects and initiatives that are being worked upon across the firm is extensive. New funds, new themes, potential clients and strategic initiatives are underway which we hope will bring significant value over the coming years. July and August have seen net inflows and positive investment performance,

following the trend established in May and June.

As far as the prospects for emerging market investment are concerned we believe the reshaping of the emerging markets' role within the global order has received a significant boost in the last year. We are also optimistic that we are seeing investors begin to allocate capital again and our challenge remains, as always, to persuade them of the compelling investment opportunities presented in the emerging markets. The long-term trend of an increasing allocation from investors towards

emerging markets as these markets make up an ever greater proportion of world markets, whether measured by market capitalisation in debt or equity or through alternatives like GDP or growth potential, continues to be very positive for Ashmore. The largest source of capital to manage over the long term remains the capital from within the emerging markets themselves, and we are increasingly focused on this, and on the resources required to access it.

Mark Coombs
Chief Executive Officer

Our strategy

The Group remains focused on its stated strategy to deliver long-term investment outperformance; generate and diversify net management fee income through the attraction of net subscriptions across investment themes; and develop the Ashmore brand and business model through a number of phases:

Developed world capital → EM investment

1 Phase I: Establish emerging market asset class Status: Largely completed

- Establish Ashmore emerging markets investment processes
- Enhance understanding of emerging markets debt in the developed world
- Provide access to emerging markets, and their rapid development opportunities
- Develop strong performance track record
- Increase developed world investor allocations into emerging markets

2 Phase II: Diversify developed world capital sources and themes Status: Underway – significant growth available

- Establish new investment themes to diversify emerging market product offerings
- Develop new product structures and capabilities
- Establish Ashmore as trusted allocator
- Broaden and deepen developed world investor base
- Deliver strong performance consistently

3 Phase III: Mobilise emerging markets capital Status: Commenced – enormous future growth opportunities

- Mobilise emerging markets capital managed offshore:
 - Capital sourced initially from largest pools, i.e. central banks, governments, reserve managers and sovereign wealth funds
- Develop network of domestic asset management businesses:
 - Manage domestic capital locally
 - Create strong local performance track record

EM capital → EM investment

Key performance indicators: the Group's progress towards its strategic objectives.

Business review

The financial and operational highlights previously described are analysed further in the following Financial and Business review, providing a detailed account of the Group's activities and their financial impact in the period.

Key performance indicator

Definition

Year-end assets under management/ Average assets under management (AuM)

The movement between opening and closing assets under management provides a good indication of the overall success of the business during the period, both in terms of net subscriptions/redemptions and investment performance.

The average AuM balance during the period, along with the average margins achieved, determine the level of management fee revenues. The AuM and margin trends are lead indicators for short-term profitability.

Average net management fee margins (bps)

The average net management fee margin is calculated in US Dollars, and is assessed after management fee rebates. The average is affected by changes in the product and investor mix. Certain themes attract higher gross fee levels, generally where investment return opportunities are higher.

Operating profit margin

The operating profit margin measures total operating profits against net revenues. Net revenues are calculated after deducting third-party distribution costs and any rebates. Included within total operating costs are both fixed and variable personnel expenses, and other operating expenses.

Variable compensation ("VC")/EBVCIT

The Group's variable compensation represents the majority of the overall personnel expenses payable, and is assessed as percentage of profit before tax, interest, and variable compensation. The amount includes performance-related bonuses, share-based payments and associated social security costs.

Year-end headcount

The Group analyses its headcount by function (investment vs. support), and by geography (central vs. local asset management subsidiaries).

2008/09 achievements

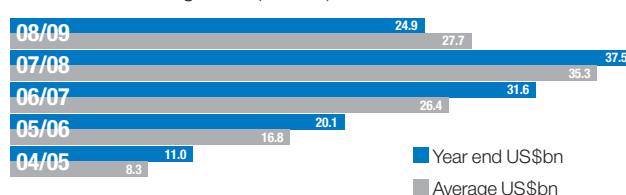
US\$24.9 billion/US\$27.7 billion

The decline in AuM in the period reflects the difficult and volatile market conditions, particularly in the first half, with AuM closing at US\$24.6 billion at 31 December 2008. Outflows peaked at the end of the first and through the second quarter, before slowing in the third quarter, and May and June saw modest net inflows – reaching a closing level of US\$24.9 billion at 30 June 2009.

➞ see page 14 for further details

Long-term achievements

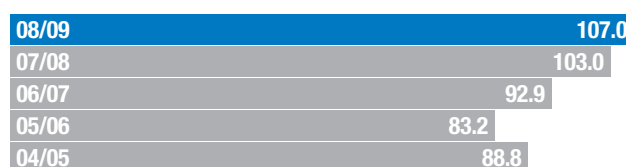
Assets under management (US\$bn)

**107.0 basis points (bps)**

During the period average net management fee margins increased from 103bps in 2007/08, largely driven by the timing of outflows and the resultant AuM mix, rather than by a long-term expansion in margin levels. However, the maintenance of high revenue margins, reflecting the specialist characteristics of many of the themes we manage and the active nature of our investment process, remains our aim.

➞ see page 18 for further details

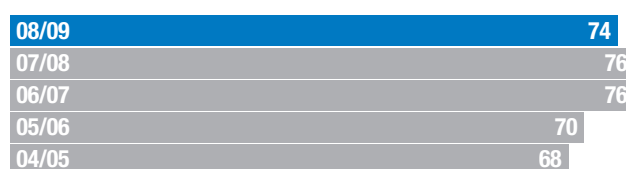
Average management fee margins (bps)

**74 per cent**

The Group has maintained a market-leading operating margin position. Whilst we have remained focused on growing our platform, we retain a significant degree of flexibility in our cost base, restricting fixed costs where possible. As we have outlined previously, we do expect this to normalise in the mid 60s over the long term.

➞ see pages 18 and 19 for further details

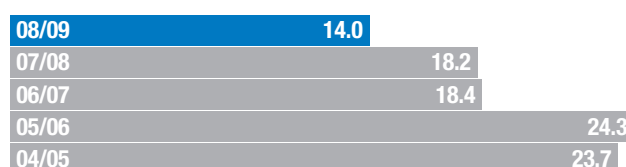
Operating profit margin (%)

**14 per cent**

The VC/EBVCIT percentage was lowered in 2008/09 to 14.0 per cent (2007/08: 18.2 per cent). This reflects the reduction in the performance of the business, and demonstrates a strong alignment with shareholders and fund investors, many of whom have experienced negative absolute returns in the period.

➞ see page 19 for further details

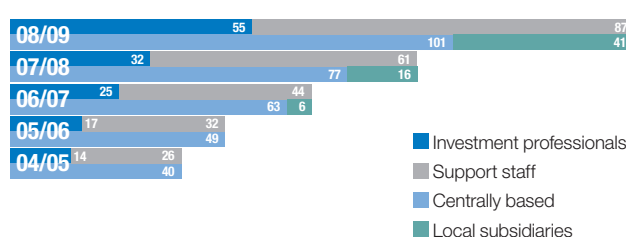
Variable compensation ratio (%)



The Group's overall headcount has grown as planned in the period, reflecting the Group's success in achieving targeted expansion of local asset management subsidiaries, and the further diversification of our EM capabilities managed centrally. The growth in support headcount reflects the Group's confidence in its strategy, preparing the infrastructure platform for the next growth phase as market conditions improve.

➞ see page 19 for further details

Year-end headcount



Business review

continued

Ashmore Group result

The Group recorded an operating profit before tax for the year ended 30 June 2009 of £150.6 million (2008: £181.2 million), giving rise to an operating margin of 74 per cent (2008: 76 per cent); a profit before tax of £159.8 million (2008: £196.2 million); and a profit after tax of £115.5 million (2008: £141.0 million). The financial results are analysed further below.

Assets under management and fund flows

Global market conditions during the first half were extremely challenging, particularly with the aggressive falls in global markets in the aftermath of Lehman's failure on 15 September 2008. The significant fall in valuations, coupled with the redemption of assets by clients for liquidity reasons, impacted the Group's assets under management. Inflows fell away, as those clients with liquidity held off from making EM allocations in turbulent markets. Despite some signs of stabilisation late on, all relevant indices were down on the opening 1 July position by 31 December 2008, some significantly.

As a result, the significant majority of the decline in AuM during the financial year occurred between September and December 2008, with a decline from US\$37.5 billion at 30 June 2008 to US\$24.6 billion by 31 December 2008, through a combination of net redemptions (US\$5.8 billion) and adverse performance (US\$7.1 billion).

The second half of the financial year opened with further market falls, which again undermined investor confidence and erased some gains made in December. Outflows continued on from the first half, at a much reduced rate, and these were concentrated in the local currency funds. At the end of the third quarter AuM had fallen a further US\$1.1 billion to US\$23.5 billion.

Since then, AuM has stabilised, reflecting the improvement in market conditions. AuM rose by US\$1.4 billion in the fourth quarter to close at US\$24.9 billion on 30 June 2009, US\$1.9 billion being attributable to performance and US\$0.5 billion to net outflows, all of which arose in April 2009. The quarter ended with outflows having stabilised, and modest inflows. This resulted in an aggregate uplift in AuM during the second half of US\$0.3 billion, being attributable to favourable performance of US\$2.0 billion, and net outflows of US\$1.7 billion.

New funds

The year saw levels of new funds launched reduced from earlier years in terms of both numbers of funds and levels of AuM raised. In the public funds category, four funds were launched: the Global Special Situations Fund 5 (US\$0.1 billion); the Global Consolidation & Recovery Fund (US\$0.1 billion); and two Brazilian equity funds (one onshore, and an offshore equivalent) managed by our Brazilian local asset management subsidiary. Additionally, three dual-branded Turkish mutual funds were launched – specialising in Turkish equities, debt, and liquidity respectively, managed by our Turkish local asset management subsidiary; and two new segregated mandates won in the period – within the external debt and corporate high yield themes. The Group also laid the foundations in respect of a number of other initiatives, which we expect to be a success in 2009/10, markets permitting.

AuM movements in the period

	Year ended 30 June 2009 US\$bn	Year ended 30 June 2008 US\$bn
Opening AuM	37.5	31.6
Gross subscriptions	3.8	11.0
Gross redemptions	(11.3)	(8.0)
Net (redemptions)/subscriptions	(7.5)	3.0
Performance	(5.1)	2.9
Closing AuM	24.9	37.5

To provide visibility around multi-strategy funds and new initiatives, we intend to analyse AuM by the theme by which we are mandated.

Further analysis of AuM

Since becoming listed, AuM has been reported on a quarterly basis for each of the core investment themes by external debt, local currency, special situations, and equity. Corporate high yield, the most recently launched strategy, is included within external debt from where the majority of funds invested

in it were drawn. This has meant that multi-strategy funds, where we make the asset allocation decision dynamically between the themes, have been included in the themes rather than as an AuM category in their own right. The information has been presented in this format in the table below for the financial year to 30 June 2009.

AuM movements by investment theme as managed

	AuM at 30 June 2008 US\$bn	Net subs (reds) US\$bn	Net performance US\$bn	AuM at 31 December 2008 US\$bn	Net subs (reds) US\$bn	Net performance US\$bn	AuM at 30 June 2009 US\$bn	Avg mgt fee margin bps
External debt	22.7	(3.9)	(4.1)	14.7	(0.4)	1.7	16.0	85
Local currency	8.5	(1.2)	(1.9)	5.4	(1.5)	0.6	4.5	111
Special situations	5.5	(0.3)	(0.8)	4.4	0.2	(0.3)	4.3	195
Equity	0.8	(0.4)	(0.3)	0.1	-	-	0.1	128
Total	37.5	(5.8)	(7.1)	24.6	(1.7)	2.0	24.9	107

However, as the business has developed, to provide visibility of those multi-strategy funds in the manner most relevant to their financial impact on the Group's performance, and to provide an additional explicit "other" category for

new initiatives as they are launched, we intend in future to provide AuM analysis by the principal component of the theme by which we are mandated. Accordingly, the table below sets out the AuM movement on this basis.

AuM movements by investment theme as classified by mandate

	AuM at 30 June 2008 US\$bn	Net subs (reds) US\$bn	Net performance US\$bn	AuM at 31 December 2008 US\$bn	Net subs (reds) US\$bn	Net performance US\$bn	AuM at 30 June 2009 US\$bn	Avg mgt fee margin bps
External debt	20.9	(4.0)	(3.6)	13.3	(0.5)	1.9	14.7	79
Local currency	7.2	(0.5)	(1.7)	5.0	(1.2)	0.4	4.2	106
Special situations	4.6	(0.4)	(0.7)	3.5	0.1	(0.3)	3.3	196
Equity	0.5	(0.1)	(0.3)	0.1	0.0	0.0	0.1	124
Corporate high yield	0.5	0.0	(0.1)	0.4	0.1	0.0	0.5	183
Multi-strategy	3.8	(0.9)	(0.7)	2.2	(0.2)	0.0	2.0	135
Other	0.0	0.1	0.0	0.1	0.0	0.0	0.1	n/m *
Total	37.5	(5.8)	(7.1)	24.6	(1.7)	2.0	24.9	107

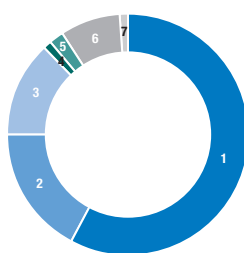
* not meaningful at present

Business review

continued

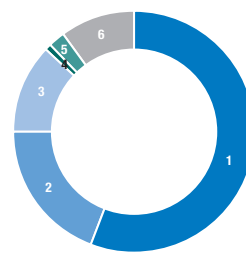
The change in AuM reporting does not invalidate the basis of reporting AuM by the theme that assets are ultimately invested in. Such analysis will demonstrate the impact of the allocation of the multi-strategy funds and of cross-over investing. Cross-over investment refers to the process whereby funds in one investment theme, principally external debt, are permitted to invest a proportion of their value into individual assets from other Ashmore themes. The charts on this page illustrate the impact of moving between the “as classified by mandate” and the “as invested” analysis as at 30 June 2009, and the previous year.

AuM as classified by mandate 2009 (%)



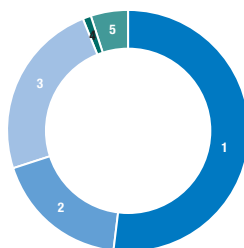
1 External debt	58
2 Local currency	17
3 Special situations	13
4 Equity	1
5 Corporate high yield	2
6 Multi-strategy	8
7 Other	1

AuM as classified by mandate 2008 (%)



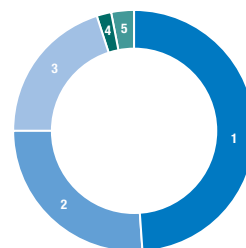
1 External debt	56
2 Local currency	19
3 Special situations	12
4 Equity	1
5 Corporate high yield	2
6 Multi-strategy	10

AuM as invested in underlying asset classes 2009 (%)



1 External debt	52
2 Local currency	18
3 Special situations	24
4 Equity	1
5 Corporate high yield	5

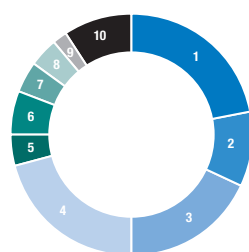
AuM as invested in underlying asset classes 2008 (%)



1 External debt	49
2 Local currency	26
3 Special situations	20
4 Equity	2
5 Corporate high yield	3

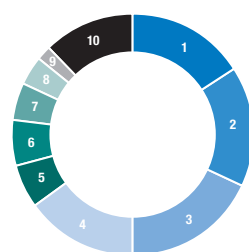
The profile of the Group's AuM remains diversified.

AuM by investor type 2009 (%)



1 Corporate pension plan	22
2 Bank	10
3 Public pension plan	18
4 Government	21
5 Fund of funds	4
6 Insurance	6
7 Fund/sub advisor	4
8 Other	4
9 Permanent capital	2
10 HNWI/retail	9

AuM by investor type 2008 (%)



1 Corporate pension plan	16
2 Bank	16
3 Public pension plan	18
4 Government	15
5 Fund of funds	6
6 Insurance	6
7 Fund/sub advisor	5
8 Other	4
9 Permanent capital	2
10 HNWI/retail	12

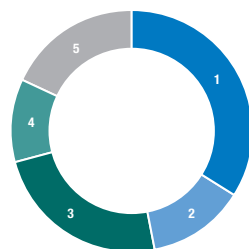
Investor profile – type and geography

The Group has a broad range of investors in the funds it manages, predominantly institutional in type (30 June 2009: 91 per cent; 30 June 2008: 88 per cent), which includes banks, insurers, pension providers, corporates and government agencies. The balance comprises 9 per cent retail/high net worth individuals (30 June 2008: 12 per cent). Ashmore does not currently access the Retail market directly, though some institutional business, particularly via banks, is intermediated business of this nature.

Within the institutional investor profile, the most significant shift during the period has been the increase in corporate pension plans (from 16 per cent to 22 per cent) and government investments (from 15 per cent to 21 per cent) as a percentage relative to 2008. The investor proportion attributable to banks has, by contrast, fallen (from 16 per cent to 10 per cent), which is to be expected given the liquidity concerns many banks experienced during the financial year.

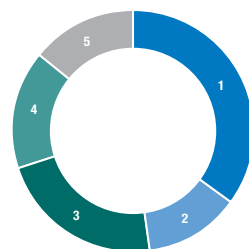
The geographical profile of the Group's investors remains diversified.

AuM by geography 2009 (%)



1 Europe	34
2 UK	13
3 Americas	24
4 Asia	11
5 Middle East	18

AuM by geography 2008 (%)



1 Europe	35
2 UK	13
3 Americas	22
4 Asia	16
5 Middle East	14

Business review

continued

Management fee margins and performance fees

As the Group's AuM is predominantly US Dollar-based, the majority of management and performance fees are also US Dollar-denominated. The table below therefore sets out AuM, net management fees, and performance fees, by theme in US Dollar – as the best means of analysing the underlying trend of management fees, performance fees and margins.

For the purposes of the income statement, these fees are converted into Sterling during the year at the appropriate exchange rate. For management fees the effective average exchange rate during the period is GBP1:1.62USD. This is weighted by reference to the timing and extent of management fees as they arose, and compares to a GBP1:1.60 average monthly rate for the financial year (un-weighted). The effective average exchange rate during the period for performance fees was GBP1:1.84USD, reflecting the crystallisation of the majority of these fees in the first quarter of the year (30 June 2009: GBP1:1.60USD; 30 June 2008: GBP1:1.99USD).

Management fee margins

The Group's policy of maintaining high and stable management fee margins has been continued during the period, despite the volatility in markets and tough operating environment for asset managers. Across the first half average net management fee margins actually increased relative to 2007/08, as a function of the AuM mix, with the timing of outflows at different margins having an impact, because of the size of mandate or asset class invested in. However, this re-balanced during the second half, such that although the average revenue margin for 2008/09 remained 4 bps higher than the 103bps experienced during 2007/08, average net management fee margins for the final quarter returned to the 2007/08 levels.

Performance fees

It is the Group's policy to maintain a good balance between those funds where the Group is eligible to earn performance fees and those that generate revenues for the Group solely through management fees. At the year end the Group was eligible to earn performance fees on 67 per cent of AuM (2008: 65 per cent), and 61 per cent of funds (2008: 60 per cent). Within those funds that are eligible to generate performance fees, 14 per cent were ineligible in the year under review, either

because such fees are earned at the end of the multi-year fund life or because they are subject to rebate agreements. Total performance fee income for the year ended 30 June 2009 was £52.5 million (2008: £44.7 million).

Operating costs and operating margin

The Group maintains a tightly controlled cost structure, but has invested significantly in infrastructure in recent periods to provide a platform for growth without the need for further comparable support cost expansion. Rather, the focus in the coming periods will be on extending our distribution reach, and on enhancing the Group's investment capabilities where suitable opportunities arise.

Retaining a low proportion of fixed personnel expenses relative to variable performance-related personnel costs remains core to this philosophy, ensuring employees are strongly aligned with fund investors and shareholders. Salaries represent the Group's biggest category of fixed cost, so a strict base salary cap is enforced. For the year to 30 June 2009 fixed personnel costs increased by £4.1 million to £11.5 million (2007/08: £7.4 million) of total personnel cost of £36.0 million (2007/08: £47.7 million).

Underlying US Dollar management and performance fees

	AuM at 30 June 2008 US\$bn	AuM at 30 June 2009 US\$bn	Net management fees to 30 June 2009 US\$m	Proportion of net management fees %	Performance fees to 30 June 2009 US\$m	Proportion of performance fees %
External debt	20.9	14.7	120.9	40.7	31.9	33.0
Local currency	7.2	4.2	58.4	19.7	28.7	29.7
Special situations	4.6	3.3	72.0	24.2	32.3	33.5
Equity	0.5	0.1	2.2	0.7	0.1	0.1
Corporate high yield	0.5	0.5	7.9	2.7	0.1	0.1
Multi-strategy	3.8	2.0	35.1	11.8	3.4	3.6
Other	0.0	0.1	0.6	0.2	0.0	0.0
Total (US\$)	37.5	24.9	297.1	100	96.5	100
Total (GBP)	18.8	15.1	183.2	100	52.5	100

The Group's policy of maintaining high and stable management fee margins has been continued.

Variable compensation includes performance-related bonuses, share-based payments and associated social security costs. For 2008/09 this fell to £24.5 million, 14.0 per cent as a percentage of earnings before variable compensation, interest, and tax "EBVCIT", (2007/08: £40.3 million, 18.2 per cent), reflecting the reduced performance of the business and market conditions.

As we highlighted at the time of the Interim Results, the Group executed a planned headcount increase during the first half, growing from 93 to 138 employees at 31 December 2008. Subsequently, the Group has added a further four heads, taking the year-end headcount to 142, of whom 41 are employed in relatively newly established local asset management operations. The increased headcount has been focused on two areas: first, improving the Group's infrastructure; and secondly expanding the number of investment professionals based in overseas jurisdictions, in keeping with the Group's strategy of establishing local asset management operations in emerging economies.

The Group's investment in infrastructure initiatives to support the development of the business have also affected other operating costs, which increased by £5.8 million (52 per cent) to £16.9 million during the period. As reported in last year's Annual Report, an additional £1.8 million was incurred in respect of full-year charges on the Group's new premises in London and amortisation of the deferred acquisition costs (DAC) associated with the launch of AGOL in December 2007. In addition, a further £1.3 million of the increment on 2007/08 relates to enhancing information technology capabilities across the business; £0.8 million to legal and professional fees, including corporate development and due diligence activities; and £0.8 million to higher travel costs, reflecting the Group's increased headcount.

As a result, the operating profit margin for the year ended 30 June 2009 was 74 per cent (2008: 76 per cent).

Taxation

The vast majority of the Group's profit is subject to UK taxation and typically the Group has a limited number of non-tax-deductible expenses. Consequently the Group's effective tax rate (27.8 per cent) has historically tracked close to the UK corporation tax rate (currently 28.0 per cent).

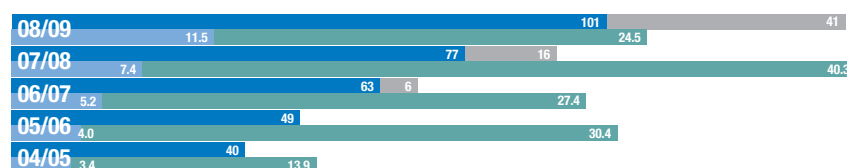
There is a £14.0 million deferred tax asset on the Group's balance sheet at 30 June 2009, as a result of timing differences in the recognition of the accounting expense and actual tax deductions in connection with share price appreciation on share-based awards.

Dividend

In recognition of the financial performance during the period, and our confidence in the Group's future prospects, the Directors are recommending a final dividend of 8.34 pence per share for the year ended 30 June 2009 which, subject to shareholder approval, will be paid on 4 December 2009 to all shareholders who are on the register on 6 November 2009.

An interim dividend for the six-month period to 31 December 2008 of 3.66 pence (2007: 3.66 pence) was paid on 24 April 2009. Together, these result in a full-year dividend of 12.0 pence (2008: 12.0 pence).

Headcount by geography and personnel costs



- Centrally based
- Local subsidiaries
- Fixed personnel costs (£m)
- Variable compensation (£m)

Business review

continued

Purchase of own shares

In line with authorities granted at the AGM in October 2008, the Company purchased 5,368,331 shares for an aggregate consideration of £6.9 million, which are held in treasury.

Balance sheet management and cash flow

It is the Group's policy to maintain a strong balance sheet in order to support regulatory capital requirements, to meet the commercial demands of current and prospective investors, and to fulfil the development needs across the business. Development needs include funding the establishment costs of local asset management ventures, seeding new funds and other strategic initiatives.

As at 30 June 2009, total equity attributable to shareholders of the parent was £308.5 million, as compared to £271.8 million at 30 June 2008. There is no debt on the Group's balance sheet.

Cash

The Group's cash and cash equivalents balance increased by £9.2 million in the period to £288.4 million. The Group continues to generate significant cash from operations, totalling £150.9 million in the year (year to 30 June 2008: £195.5 million), from which it paid the following significant items: £81.9 million in cash dividends (2007/08: £70.1 million); £47.7 million of taxation (2007/08: £46.5 million); £11.6 million for new seed investments (2007/08: £15.1 million); £6.9 million for Ashmore Group plc shares held in treasury (2007/08: nil); £3.7 million to acquire new subsidiaries (2007/08: nil); and £2.1 million to purchase property, plant and equipment, largely IT-related (2007/08: £3.5 million).

The Group's cash balances are invested with the objective of optimising returns within a strict framework which emphasises capital preservation, security, liquidity and counterparty risk. Cash is invested only in institutions with approved credit ratings of A or better. Typically, during the financial year, investments have been in short-term cash deposits. Based on the level of cash balances at 30 June 2009, a 1 per cent change in UK interest rates would have a £2.9 million impact on the Group's profit before tax.

Seeding

The Group supports the creation of new business by seeding new funds where necessary. As at 30 June 2009 the amount invested was £26.6 million (at cost), with a market value of £32.2 million, and an aggregated annualised return for 2008/09 of 13 per cent (including foreign exchange).

Foreign exchange management

The Group's long-standing policy is to hedge up to two-thirds of the foreign exchange exposure in connection with its net management fee cash flows, using a combination of forward foreign exchange contracts and options for up to two years forward.

The period to 30 June 2009 was characterised by extreme currency volatility, with the GBP/USD exchange rate ranging between GBP1.00:1.43-1.98USD. In the first half there was a significant strengthening of the US Dollar relative to Sterling, with the exchange rate closing on 31 December 2008 at GBP1:1.46USD. As we set out in our Interim Results, this volatility resulted in a £41.4 million loss being recognised in the first half in respect of the unrealised marked-to-market of US\$265 million open forward foreign exchange contracts. The overall foreign exchange loss for the

first half was £49.8 million, comprising £54.2 million relating to hedging activity, partially offset by £4.4 million of gains on revaluation of other non-Sterling-denominated assets and liabilities.

During the second half US\$165 million of these contracts matured, with the crystallised losses offsetting gains on the translation of the US Dollar management fees back into Sterling at the prevailing rate, relative to the budgeted rate of GBP1:2.00USD. The weakening of the US Dollar during the second half to close at a 30 June 2009 rate of GBP1:1.65USD contributed to hedging-related losses being reduced by £11.8 million to £42.4 million, within an overall foreign exchange loss for the year of £38.6 million.

The level of foreign exchange hedges in place as 30 June 2009 is US\$180 million. This includes the US\$120 million of forward foreign exchange contracts in respect of 2009/10 net management fee cash flows, and US\$60 million of options in respect of 2010/11 net management fee cash flows. These have been marked-to-market at the year-end rate of GBP1:1.65USD.

The options effectively operate as a collar, protecting the Sterling value of US\$60 million of the Group's forecast management fee revenue cash flows for 2010/11 from being impacted by currency movements outside a range from GBP1:1.52-1.70USD. As designated hedges the mark-to-market movement in the value of the options will be taken through reserves, until such time as they and the associated hedged revenues mature, so long as the hedges are assessed as being effective. If assessed as ineffective, the mark-to-market of the options will be taken through the income statement.

It is the Group's policy to maintain a strong balance sheet.

Deferred acquisition costs ("DAC")

As we indicated last year, Ashmore was appointed investment manager of Ashmore Global Opportunities Limited ("AGOL"), a newly incorporated publicly listed closed-ended investment company, on 12 December 2007. This vehicle raised €500 million capital, with the purpose of investing in Ashmore's special situations and multi-strategy funds. During 2008, the shares of the Company have, for the most part, traded at a discount to the net asset value of its balance sheet, although this discount was significantly less than that of many of its peer group. Where this discount is in excess of 10 per cent for 12 consecutive months, an EGM is required to consider whether AGOL should be wound up. Such an EGM was held on 5 May 2009, with 80 per cent of the voting shareholders voting against the resolution. Should the discount continue to exceed 10 per cent for a further 12 consecutive months, an EGM would once again be required.

The Group holds on its balance sheet unamortised DAC in respect of the launch of AGOL which amounted to £11.3 million at 30 June 2009. Any such future vote would not result in an escalation of the recognition of these costs, as an early termination of the Company triggers full recovery of the set-up costs (including the portion previously amortised – £2.1 million per annum, and £3.3 million cumulative to 30 June 2009).

Regulatory capital

As a UK listed asset management group, Ashmore is subject to regulatory supervision by the Financial Services Authority (FSA) under the Prudential Sourcebook for Banks, Building Societies and Investment Firms. The Group has one UK-regulated entity, Ashmore Investment Management Limited ("AIML"), on behalf of which quarterly capital adequacy returns are filed. AIML held surplus capital resources relative to its requirements at all times during the period under review.

Further, with effect from 1 January 2007, the Group has been subject to consolidated regulatory capital requirements, whereby the Board is required to assess the degree of risk across the business, and hold sufficient capital within the Group against them. The Board has assessed the amount of capital required to cover such risks as £28.0 million. Thus, given the considerable balance sheet resources available to the Group, the Board is satisfied that the Group is adequately capitalised to continue its operations effectively. Further information regarding the Group's capital adequacy status can be found in the Group's Internal Capital Adequacy Assessment Process (ICAAP) and Pillar III and disclosures, which are available on our website at www.ashmoregroup.com.

Business review: Risk analysis

continued

Risk type/owner	Description of risk	Mitigation
Strategic and business risks The risk that the medium and long-term profitability of the Group could be adversely impacted by the failure to identify and implement the correct strategy, and to react smartly to changes in the business environment. Delegated to: Ashmore Group plc Board	These include: <ul style="list-style-type: none"> • A long-term downturn in the fundamental and technical dynamics of emerging markets. • Reputational damage to Ashmore impacting marketing and distribution capabilities. • Loss of key staff. 	These include: <ul style="list-style-type: none"> • Board's long investment management experience. • Clearly defined Group strategy, understood throughout the organisation and actively monitored. • Diversification of investment capabilities to reduce single event/product exposure. • Committee based investment methodology creates a scalable business model. • New talent targeted and incorporated into Group processes as appropriate.
Investment risks The risk that long-term investment outperformance is not delivered, damaging prospects for winning and retaining clients, and putting average management fee margins under pressure. Delegated to: Ashmore Group Investment Committee	These include: <ul style="list-style-type: none"> • A downturn in investment performance. • Inadequate due diligence on an investment/deal. • Lack of financing, or an exit strategy for privately held investments. 	These include: <ul style="list-style-type: none"> • Experienced Investment Committee (IC) meets weekly ensuring consistent core investment processes are applied. • Dedicated emerging markets research and investment focus, with frequent country visits. • Compensation structure links investment professionals' remuneration to long-term performance of funds they manage, and the wider Group. • Dedicated deal teams with expertise centred around structuring of special situations deals.
Operational risks Risks in this category are broad in nature and inherent in all businesses. They include the risk that operational flaws result in business losses – through error or fraud, the inability to capitalise on market opportunities, or weaknesses in systems and controls. Delegated to: Ashmore Group Risk and Compliance Committee	These include: <ul style="list-style-type: none"> • Inability to fairly price assets. • Oversight of offshore subsidiaries. • Compliance, including monitoring of investment breaches. • Controls around special purpose vehicles. • Execution and process management. • Business and systems disruption. 	These include: <ul style="list-style-type: none"> • Pricing Methodology Committee (PMC) providing oversight of prices used for valuing hard-to-price assets, with valuations of the most material assets outsourced to independent third parties. • Integrated control and management framework to ensure day-to-day global operations are managed effectively. • Risk and Compliance Committee meets on a monthly basis to consider the Group's Key Risk Indicators ("KRIs"). • A disaster recovery procedure exists and is tested regularly. • Engagement letters or service level agreements in place with all significant service providers.
Treasury risks These are the risks that the management does not appropriately mitigate balance sheet risks or exposures which could ultimately impact the financial performance or position of the Group. Delegated to: Chief Executive Officer and Group Finance Director	These include: <ul style="list-style-type: none"> • Group revenues are primarily US Dollar-based, whereas results are denominated in Sterling. • The Group invests in its own funds from time to time, exposing it to price risk, credit risk and foreign exchange risk. • Liquidity management. • The Group is exposed to credit risk and interest rate risk in respect of its cash balances. 	These include: <ul style="list-style-type: none"> • Monthly reporting of all balance sheet exposures to the Executive. • A proportion of Group currency exposures are hedged as a matter of policy. • Counterparties utilised for corporate deposits or investments are approved by the Executive. • Significant corporate investments are approved by the Board, and all others by the Chief Executive Officer.

During the year the Group's risk control framework has been further enhanced to take account of changing business and market conditions.

Risk

Risk is inherent in all businesses and is therefore present within the Group's activities. The Group seeks to effectively identify, monitor and manage each of its risks and actively promotes a risk awareness culture throughout the organisation.

The ultimate responsibility for risk management rests with the Board. However, from a practical perspective some of this activity is delegated. The key risks, their mitigants, and their delegated owners are set out on the facing page for each of the four risk categories that Ashmore considers most important: strategic and business, investment, operational, and treasury – with reputational risk being a common characteristic across all four categories.

During the year the Group's risk control framework has been enhanced to take account of changing business and market conditions. There has been specific focus on the further development of the Group Risk Matrix, which seeks to identify the key risks to the Group, as well as current mitigants and forward-looking action plans.

Risk management and control

Risk management and control is one element of the Group's overall system of internal controls within its corporate governance framework – incorporating Risk, Compliance and, with effect from July 2009, a newly formed Internal Audit function. Further details of the Group's internal control environment are described in the Corporate governance report on pages 30 to 37.

Graeme Dell
Group Finance Director

Governance

“The Group has undertaken a number of initiatives during the year to further strengthen the governance framework.”

The Board has long investment management experience.

Board of Directors

The Hon. Michael Benson

Non-executive Chairman (Age 66)

Michael was appointed to the Board as non-executive Chairman on 3 July 2006. He is Chairman of the Company's nominations committee. Michael began his career in the City in 1963 and, after a series of senior positions in the investment management industry, was, from 2002 to March 2005, Chairman of Invesco and Vice Chairman of Amvescap plc. Prior to that he was CEO of Invesco Global (1997-2002). Michael is a non-executive director of Border Asset Management Limited, is a Trustee of the North Yorkshire Community Foundation and is director of the York Minster Fund. **N, R**

Mark Coombs

Chief Executive Officer (Age 49)

Mark Coombs was appointed a Director on the incorporation of the Company in December 1998, and has served as its Chief Executive Officer since then. He held a number of positions at Australia and New Zealand Banking Group (ANZ) and led Ashmore's buyout from ANZ in early 1999. He is Co-Chair of EMTA, the trade association for emerging markets, having been on the Board since 1993. Mark has an MA in Law from Cambridge University.

Graeme Dell

Group Finance Director (Age 43)

Graeme Dell was appointed to the Board as Group Finance Director in December 2007. Prior to joining Ashmore Graeme was Group Finance Director of Evolution Group plc from 2001 to 2007, where he had group-wide responsibility for finance, operations, technology, compliance, risk and HR which included playing a significant role in the foundation and development of Evolution's Chinese securities business. Graeme previously worked for Deutsche Bank and Goldman Sachs in a range of business management, finance and operations roles both in Europe and in Asia Pacific. Graeme qualified as a chartered accountant with Coopers & Lybrand and is a graduate of Hertford College, Oxford University.

Nick Land

Senior Independent non-executive Director (Age 61)

Nick Land was appointed to the Board as Senior Independent non-executive Director and Chairman of the audit committee on 3 July 2006. He is a qualified accountant and was a partner of Ernst & Young LLP from 1978 to June 2006 and its Chairman from 1995 to June 2006. Nick is a non-executive director of Royal Dutch Shell plc, BBA Aviation plc, Alliance Boots GmbH and Vodafone Group plc. He is Chairman of the Practice Advisory Board of the Institute of Chartered Accountants in England and Wales, a member of the Finance and Audit Committees of the National Gallery and is Chairman of the Board of Trustees of Farnham Castle. **A, N, R**

Jonathan Asquith

Non-executive Director (Age 52)

Jonathan Asquith joined the Board on 1 September 2008 and is Chairman of the remuneration committee. He was formerly Vice Chairman of Schroders plc and held the position of Chief Financial Officer between 2002 and 2007. During his time at Schroders he also had responsibility within the investment function for fixed income, emerging market debt, commodities and property and oversaw their investment capital and private equity interests. Prior to that he worked for Morgan Grenfell and was appointed as Chief Financial Officer of Deutsche Morgan Grenfell in 1995 and Chief Operating Officer in 1997. In 2001 he joined Barclays Private Bank, where he was head of UK private banking until his move to Schroders in 2002. He is also a non-executive director of AXA UK PLC. **A, N, R**

Melda Donnelly

Non-executive Director (Age 59)

Melda Donnelly joined the Ashmore Group plc Board as a non-executive Director in July 2009, and is also a member of the audit committee. Melda is an Australian citizen and a Chartered Accountant. She is the Founder and Chairperson of the Centre for Investor Education. Current directorships include Chairperson of Hochma Development Fund Pty Ltd and Deputy Chairperson of Victorian Funds Management Corporation. Ms Donnelly's past investment experience includes being CEO of Queensland Investment Corporation, Deputy Managing Director of ANZ Funds Management and Managing Director of ANZ Trustees. She is currently a member of the Advisory Committee of the Oxford University Centre for Ageing. **A**

Key to membership of committees

- A** Audit
- N** Nominations
- R** Remuneration

Directors' report

The Directors present their Annual Report and financial statements for the year ended 30 June 2009. The Company, formerly registered as a private company and named Ashmore Group Limited, was re-registered as a public limited company on 3 October 2006, changing its name on that date to Ashmore Group plc. The Company was admitted to the Official List of the London Stock Exchange (Admission) on 17 October 2006.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

Principal activity and business review

The principal activity of the Group is the provision of investment management services. The Company is required to set out in this report a fair review of the business of the Group during the financial year ended 30 June 2009 and of the position of the Group at the end of that financial year and a description of the principal risks and uncertainties facing the Group (referred to as the Business review). The information that fulfils the requirements of the Business review can be found in the Financial highlights on the inside front cover, Group at a glance on page 2, the Chief Executive Officer's statement on pages 6 to 11, the Business review on pages 12 to 23 and the Corporate governance report on pages 30 to 37.

The principal risks facing the business are detailed in the Business review on pages 22 to 23 and in the Corporate governance statement, internal control, on pages 34 and 35.

Results and dividends

The results of the Group for the year are set out in the consolidated income statement on page 48.

The Directors recommend a final dividend of 8.34 pence per share which, together with the interim dividend of 3.66 pence per share (2008: 3.66 pence) already declared, makes a total for the

year ended 30 June 2009 of 12.0 pence per share (2008: 12.0 pence). Details of the interim dividend payment are set out in note 8 to the financial statements.

Subject to approval at the Annual General Meeting, the final dividend will be paid on 4 December 2009 to shareholders on the register on 6 November 2009 (ex-dividend date being 4 November 2009).

Related party transactions

Details of related party transactions are set out in note 24 to the financial statements.

Post-balance sheet events

As set out in note 26 to the financial statements there were no post-balance sheet events.

Directors

The members of the Board together with biographical details are shown on page 25. Michael Benson, Mark Coombs, Graeme Dell and Nick Land served as Directors throughout the year. Jonathan Asquith and Melda Donnelly were appointed to the Board on 1 September 2008 and 1 July 2009 respectively and Jon Moulton retired from the Board on 30 October 2008.

Details of the service contracts of the current Directors are shown in the Remuneration report on page 40.

The Company's Articles require the newly appointed Director Melda Donnelly to retire from office at the first Annual General Meeting following her appointment and to seek re-election. There are no Directors subject to retirement by rotation.

Details of the constitution and powers of the Board and its committees are set out in the Corporate governance report on pages 30 to 37. The Corporate governance report also summarises the Company's rules concerning appointment and replacement of directors.

Directors' conflicts of interests

Since October 2008, the Companies Act 2006 has imposed upon directors a new statutory duty to avoid unauthorised conflicts of interest with the Company. As permitted by the Act, at last year's AGM, the Company adopted revisions to its Articles of Association which enabled Directors to approve conflicts of interest and which also included other conflict of interest provisions. The Company has implemented processes to identify potential and actual conflicts of interest. Such conflicts are then considered for approval by the Board, subject, where necessary, to appropriate conditions.

Directors' share interests

The interests of Directors in the Company's shares and in options over the Company's shares are shown on page 45 within the Remuneration report.

Significant agreements with provisions applicable to a change in control of the Company

Save as described there are no agreements in place applicable to a change in control of the Company.

Resolution 10 in the Notice of Annual General Meeting will seek approval from shareholders to a waiver of the provisions of Rule 9 of the Takeover Code in respect to the obligation that could arise for Mark Coombs to make a mandatory offer for the Company in the event that the Company exercises the authority to make market purchases of its own shares. Further details are contained in the separate Notice of AGM.

Restrictions on transfer of shares

Employees of the Company who held ordinary shares in the Company or who held options in respect of ordinary shares at the time of Admission are, subject to certain exceptions, restricted by lock-in arrangements from selling, pledging or otherwise disposing of their holding of or options in respect of such shares at the time immediately following

The Group purchased 5,368,331 shares for consideration of £6.9 million, held in treasury.

Admission ("Lock-in Shares"). The restriction is lifted in respect of one-third of the relevant person's holding of Lock-in Shares on the date of publication of each of the full-year results of the Company in 2007, 2008 and 2009.

Dealings in the Company's ordinary shares by persons discharging managerial responsibilities, employees of the Company and, in each case, their connected persons, are subject to the Group's Dealing Code which adopts the Model Code of the Listing Rules contained in the Financial Services Authority's Handbook.

Certain restrictions, customary for a listed company, apply to transfers of shares in the Company.

The Board may, in its absolute discretion, decline to register any transfer of a share which is not fully paid or where there are more than four joint holders.

In the case of certificated shares, registration of a transfer may also be refused where (i) the instrument of transfer is not duly stamped (unless exempt from stamping); (ii) insufficient evidence of title is produced in respect of a transfer; and (iii) the transferor has been served with a restriction notice

(as defined in the Articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Acts, unless the transfer is shown to the Board to be pursuant to an arm's length sale. Registration of a transfer of shares may be refused in the case of uncertificated shares in the circumstances set out in the Uncertificated Securities Regulations (as defined in the Articles).

Substantial shareholdings

The Company has been notified of the following significant interests (over 3 per cent) in accordance with the FSA's Disclosure and Transparency Rules, (other than those of the Directors which are disclosed separately on page 45), in the Company's ordinary shares of 0.01 pence each as set out in the table below.

Share capital

The Company has a single class of share capital which is divided into ordinary shares of 0.01 pence, each of which rank pari passu in respect of participation and voting rights. The shares are in registered form. The issued share capital of the Company at 30 June 2009 is 708,925,000 shares in issue (excluding 5,368,331 shares held in Treasury).

Details of structure of and changes in share capital are set out in note 17 to the financial statements.

Restrictions on voting rights

A member shall not be entitled to vote at any general meeting or class meeting in respect of any share held by him if any call or other sum then payable by him in respect of that share remains unpaid or if a member has been served with a restriction notice (as defined in the Articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Acts. Votes may be exercised in person or by proxy. The Articles currently provide a deadline for submission of proxy forms of 48 hours before the meeting.

Purchase of own shares

The Company is, until the date of the next Annual General Meeting, generally and unconditionally authorised to buy back up to 70,892,500 of its own issued shares. In the year under review the Company purchased a total of 5,368,331 shares for Treasury at an average price of 129 pence per share. The Company is seeking a renewal of this authority at the 2009 Annual General Meeting.

Substantial shareholdings

	Number of shares as at 30 June 2009	Number of options	Percentage interests	Number of shares as at 14 September 2009	Number of options	Percentage interests
Jerome Paul Booth	43,247,733	3,500,000	6.64	43,247,733	3,500,000	6.64
Lone Pine Capital LCC and Stephen F Mandel Jr	43,710,160	–	6.21	34,840,833	–	4.45
FMR LLC	34,411,630	–	4.89	34,411,630	–	4.89
Carey Pensions and Benefits Limited as Trustee of the Ashmore 2004 Employee Benefit Trust	34,293,185	–	4.87	34,293,185	–	4.87
Jon Moulton	30,511,700	–	4.48	30,511,700	–	4.48
Seumas Dawes	21,440,000	–	3.05	21,440,000	–	3.05

Note

In addition to the interests in the Company's ordinary shares referred to above, each Director and senior manager who is an employee of the Group has an interest in the Company's ordinary shares held by Carey Pensions and Benefits Limited under the terms of the Ashmore 2004 Employee Benefit Trust. Percentage interests are based upon 703,556,669 shares in issue (excluding 5,368,331 shares held in Treasury).

Directors' report

continued

Power to issue and allot shares

The Directors are generally and unconditionally authorised to allot unissued shares in the Company up to a maximum nominal amount of £19,107.50.

A further authority has been granted to the Directors to allot the Company's shares for cash, up to a maximum nominal amount of £3,544.62, without regard to the pre-emption provisions of the Companies Acts. No such shares have been issued or allotted under these authorities, nor is there any current intention to do so, other than to satisfy outstanding obligations under the employee share schemes where necessary.

These authorities are valid until the date of the next Annual General Meeting. A resolution for the renewal of such authorities will be proposed at the 2009 Annual General Meeting.

Amendment of Articles of Association

Any amendments to the Articles of the Company may be made in accordance with the provisions of the Companies Acts by way of a special resolution of the Company's shareholders.

The Notice of AGM contains a resolution recommending a number of amendments to the Articles to bring them into line with recent changes in the law and best practice.

Employees

Details of the Company's employment practices (including the employment of disabled persons) can be found in the Corporate governance report on page 37.

Carey Pensions and Benefits Limited as trustee of the Ashmore 2004 Employee Benefit Trust (the EBT) has discretion as to the exercise of voting rights over shares which it holds in respect of employee share options that have not vested and other restricted share awards. The current arrangement is that the EBT considers the Company's

recommendation(s) before voting such shares at a general meeting of the Company, subject to an overriding duty to act in the interests of the EBT.

Corporate governance

The Company is governed according to the applicable provisions of company law and by the Company's Articles. As a listed company, the Company must also comply with the Listing Rules and the Disclosure and Transparency Rules issued by the United Kingdom Listing Authority (UKLA). Listed companies are expected to comply as far as possible with the Financial Reporting Council's Combined Code on Corporate Governance, and to state how its principles have been applied. A report on corporate governance and compliance with the provisions of the Combined Code is set out on pages 30 to 37.

Charitable and political contributions

During the year, the Group made charitable donations of £nil (2008: £30,000). Note 24 to the financial statements refers to charitable donations that will be made in the year to June 2010. The work of the Ashmore Foundation is described further below in the corporate social responsibility section of this report. It is the Group's policy not to make contributions for political purposes.

Creditor payment policy

The Group's policy and practice in the UK is to follow its suppliers' terms of payment and to make payment in accordance with those terms subject to receipt of satisfactory invoicing. Unless otherwise agreed payments to creditors are made within 30 days of receipt of an invoice. At 30 June 2009, the amount owed to the Group's trade creditors in the UK represented approximately 30 days' average purchases from suppliers (2008: 30 days).

Auditors and the disclosure of information to auditors

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

Resolutions will be proposed at the Annual General Meeting to reappoint KPMG Audit Plc as auditors and to authorise the Directors to agree their remuneration. Note 4 to the financial statements sets out details of the auditors' remuneration.

2009 Annual General Meeting

The 2009 Annual General Meeting of the Company will be held at 12.00 noon on Thursday 29 October 2009 at Kingsway Hall, 66 Great Queen Street, London WC2B 5BX. Details of the resolutions to be proposed at the Annual General Meeting are given in the separate circular and notice of meeting.

Going concern

The Company and Group have considerable financial resources and the Directors believe that both are well placed to manage their business risks successfully. Further information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position is set out on pages 12 to 23.

The AGM will be held on 29 October 2009.

After making enquiries, the Directors are satisfied that the Company and the Group have adequate resources to continue to operate for the foreseeable future and confirm that the Company and the Group are going concerns. For this reason they continue to adopt the going concern basis in preparing these financial statements.

Companies Act 2006

This Directors' report on pages 26 to 29 inclusive has been drawn up and presented in accordance with and in reliance on English company law and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

References in this Directors' report to the Financial highlights, the Business review, the Corporate governance report and the Remuneration report are deemed to be included by reference in this Directors' report.

Approved by the Board and signed on its behalf by

Michael Perman
Company Secretary

14 September 2009

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Remuneration report and the financial statements in accordance with applicable law and regulations.

UK company law requires the Directors to prepare financial statements for each financial year.

Under that law the Directors have prepared the Company and the Group financial statements in accordance with IFRS.

In accordance with the FSA's Disclosure and Transparency Rules (DTR 4.1.12) the Directors confirm to the best of their knowledge that:

(a) the financial statements have been prepared in accordance with the applicable set of accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(b) the Business review includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company

and the Group and to enable them to ensure that the financial statements and the Remuneration report comply with the Companies Acts and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Michael Benson
Chairman

14 September 2009

Corporate governance report

Section 1 of the June 2006 Financial Reporting Council (FRC) Combined Code on Corporate Governance ("the 2006 Code") applies to listed companies with reporting years beginning on or after 1 November 2006. The Company has adopted the principles of the 2006 Code since its admission to listing on the London Stock Exchange on 17 October 2006 ("Admission").

The Company has been in compliance with the 2006 Code since that date, except where the Directors consider that in particular limited circumstances departure is justified. Such departures are fully explained below.

This report describes the Company's corporate governance arrangements, explaining how it has applied the principles of the 2006 Code.

Directors

The Board of Directors comprises two executive Directors and four non-executive Directors. The two executive Directors are Mark Coombs, the Chief Executive Officer, and Graeme Dell, the Group Finance Director. The non-executive Directors are Michael Benson, Chairman, Nick Land, Senior Independent Director, Jonathan Asquith and Melda Donnelly.

Michael Benson, Mark Coombs, Graeme Dell and Nick Land served as Directors throughout the year. Jonathan Asquith joined the Board on 1 September 2008 as a non-executive Director and Melda Donnelly joined the Board on 1 July 2009, also as a non-executive Director.

The Board has a schedule of matters specifically reserved to it for decision and approval, which include but are not limited to:

- the Group's long-term commercial objectives and strategy;
- major acquisitions, disposals and investments;

- the Group's annual and interim reports and financial statements;
- interim dividend and recommendation of final dividend;
- annual budgets and forecast updates;
- significant capital expenditure; and
- effectiveness of internal controls.

The roles of the Chairman and Chief Executive Officer are separate, clearly defined and have been approved by the Board. The Chairman is responsible for the effective conduct of the Board, while the Chief Executive Officer is responsible for execution of strategy and for the day-to-day management of the Group.

In considering non-executive director independence, the Board has taken into consideration the guidance provided by the 2006 Code. The Board considers Michael Benson, Nick Land, Jonathan Asquith and Melda Donnelly to be independent. Nick Land is the Senior Independent Director.

During the year under review the Group did not fully comply with the 2006 Code requirement that at least half of the Board are independent directors (excluding the Chairman) until the appointment of Jonathan Asquith on 1 September 2008 and retirement of Jon Moulton on 30 October 2008. During the year the Board also instigated a formal search process with the objective of making an additional appointment of an independent director with relevant experience in order to bring the Company into compliance with other aspects of the Code (as described further below), which has resulted in the appointment of Melda Donnelly on 1 July 2009.

Biographical details of the Directors are given on page 25.

During the year under review the Board met six times to review financial performance and strategy and to follow

the formal schedule of matters reserved for its decision. Comprehensive Board papers, comprising an agenda and formal reports and briefing papers, are sent to Directors in advance of each meeting. Throughout their period in office, Directors are continually updated by means of written and verbal reports from senior executives and external advisors on the Group's business, and the competitive and regulatory environments in which it operates, as well as on legal, corporate governance, corporate social responsibility and other relevant matters.

In addition to its formal business, the Board received a number of briefings and presentations from executive management during the year covering a wide range of topics across the range of the Group's business. All Directors have access to independent professional advice, if required, at the Company's expense as well as to the advice and services of the Company Secretary. New directors appointed to the Board will receive advice as to the legal and other duties and obligations arising from the role of a director of a UK listed company within a full, formal and tailored induction programme. The Company Secretary, under the direction of the Chairman, is responsible for maintaining an adequate continuing education programme, reminding the Directors of their duties and obligations on a regular basis, ensuring good information flows between the Board, its committees and management and assisting with Directors' continuing professional development needs.

The Company's nominations committee considers the appointment and replacement of directors subject to the rules set out in the Articles, a summary of which is set out below.

The Board comprises two executive Directors and four non-executive Directors.

Under the Articles, the minimum number of directors shall be two and the maximum shall be nine. Directors may be appointed by the Company by ordinary resolution or by the Board. A director appointed by the Board must offer themselves for election at the next Annual General Meeting of the Company following their appointment but they are not taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting. The directors to retire by rotation must be those who held office at the time of the two preceding Annual General Meetings and did not retire at either of them or if they have held office with the Company for a continuous period of nine years or more at the date of the Annual General Meeting. The office of director shall be vacated in other circumstances, including where (i) that director resigns or is asked to resign; (ii) they are or have been suffering from mental ill health; (iii) they are absent without permission of the Board from meetings of the Board for six consecutive months; (iv) they become bankrupt or compounds with their creditors generally; or (v) they are prohibited by law from being a director.

Powers of the Directors

Subject to the Company's memorandum of association, the Articles, the Companies Acts and any directions given by the Company by special resolution, the business of the Company is managed by the Board, who may exercise all powers of the Company, whether relating to the management of the business of the Company or not.

Annual performance evaluation

The Board has established a formal process, led by the Chairman and assisted by the Company Secretary, for the annual evaluation of the performance of the Board, its appointed committees and each Director, to ensure that they continue to act effectively and efficiently and to fulfil their respective duties, and to identify any training requirements. In doing so the Board has concluded that both the Board and its committees are functioning effectively.

Meetings were held between the Chairman and each individual Director in which issues and developments over the year were discussed and performance was considered by reference to the objectives of the Board and its committees. The responses were collated by the Company Secretary and the results and issues raised were subsequently discussed by the Board. The Board also evaluated the Chairman's performance.

Board and committee attendance

The table below sets out the number of pre-scheduled meetings of the Board and its committees and individual attendance by the Directors.

Board committees

The Board has appointed audit, remuneration and nominations committees to assist in the execution of its duties.

All of these committees operate within written terms of reference, which are reviewed annually and were updated by the Board in September 2009. The chairman of each committee reports regularly to the Board.

Each of the committees is authorised, at the Company's expense, to obtain external legal or other professional advice to assist in carrying out its duties. Only the members of each committee are entitled to attend its meetings but others, such as senior management and external advisors, may be invited to attend as appropriate.

Current membership of the committees is shown in the relevant sections below. The composition of these committees is reviewed annually, taking into consideration the recommendations of the nominations committee.

Board and committee attendance

	Board	Nominations committee	Audit committee	Remuneration committee
Total number of meetings between				
1 July 2008 and 30 June 2009	6	2	3	1
Michael Benson	100%	100%	100%	100%
Mark Coombs	100%	—	—	—
Graeme Dell	100%	—	—	—
Nick Land	100%	100%	100%	100%
Jon Moulton	100%	100%	100%	100%
Jonathan Asquith	100%	100%	100%	100%

Notes

- Jon Moulton retired from the Board on 30 October 2008 and attendance is calculated up to this date.
- Jonathan Asquith was appointed to the Board on 1 September 2009 and attendance is calculated from this date.

Corporate governance report

continued

Audit committee

During the year under review the audit committee comprised the following non-executive Directors and was not fully compliant with the Combined Code as Jon Moulton was not an independent director:

Nick Land (Chairman)
Michael Benson
Jon Moulton (retired 30 October 2008)
Jonathan Asquith
(appointed 1 September 2008).

Following the appointment of Melda Donnelly to the Board on 1 July 2009, Michael Benson has stepped down as a member. The audit committee comprises the following non-executive Directors and is now fully compliant with the requirements of the Combined Code that the committee should consist of at least three independent non-executive directors:

Nick Land (Chairman)
Jonathan Asquith
Melda Donnelly.

The Board is satisfied that for the year under review and thereafter Nick Land, Jon Moulton and Jonathan Asquith had and have recent and relevant commercial and financial knowledge and experience to satisfy the provisions of the 2006 Code. Nick Land, Jon Moulton and Melda Donnelly are chartered accountants and Jonathan Asquith has previously served as Chief Financial Officer of Schroders plc and Deutsche Morgan Grenfell.

A report on the activities of the audit committee is set out on page 38. The terms of reference for the committee take into account the requirements of the Combined Code 2006 and are available for inspection at the registered office and at the Annual General Meeting and can also be found on the Company website at www.ashmoregroup.com.

The terms of reference for the committee include:

- monitoring the integrity of the financial statements of the Company, any formal announcements relating to the Company's financial performance and any significant financial issues and judgements contained in them;
- reviewing the Group's draft annual financial statements and Interim Results statement prior to discussion and approval by the Board and reviewing the external auditors' detailed reports thereon;
- reviewing the external auditors' plan for the audit of the Group's financial statements, receiving and reviewing confirmations of auditor independence and approving the terms of engagement and proposed fees for the audit;
- making recommendations to the Board for a resolution to be put to shareholders to approve the re-appointment of the external auditors;
- reviewing the level and amount of external auditor non-audit services;
- reviewing management's annual report on the Group's system of internal control and its effectiveness, reporting to the Board on the results of this review and receiving updates on key risk controls; and
- reviewing the committee's terms of reference, carrying out an annual performance evaluation exercise and noting the satisfactory operation of the committee.

The committee has requested and received reports from management to enable it to fulfil its duties under its terms of reference.

The audit committee also has responsibility for reviewing the Company's arrangements on whistle-blowing, ensuring that appropriate arrangements are in place for employees

to be able to raise, in confidence, matters of possible impropriety, with suitable subsequent follow-up action.

The committee has the authority to seek any information it requires to perform its duties from any employee of the Company and to obtain outside legal or other independent professional advice as appropriate.

The number of committee meetings and their attendance by the Directors are set out in the table on page 31. Representatives of KPMG Audit Plc, the Chief Executive Officer and the Group Finance Director attend each meeting as a matter of practice and presentations are made by the executive management as required.

Remuneration committee

The remuneration committee comprises three non-executive Directors. Jon Moulton was Chairman until his retirement from the Board on 30 October 2008, with Michael Benson and Nick Land as members who served on the committee throughout the year. Effective 1 July 2009 Jonathan Asquith has joined the committee as its Chairman. The committee now consists of Jonathan Asquith, Michael Benson and Nick Land.

As Jon Moulton was not an independent Director and retired on 30 October 2008, the Group did not comply during the year with the 2006 Code requirement that the remuneration committee should consist of at least three independent non-executive directors but will now do so from the new financial year as a result of the appointment of Jonathan Asquith.

A report on the activities of the committee is included in the Remuneration report on pages 39 to 45. The terms of reference for the committee take into account the requirements of the Combined Code 2006 and are available for inspection at the registered office, at the Annual General Meeting and can also be found on the Company website at www.ashmoregroup.com.

The Company places great importance on communication with its investors.

The terms of reference for the committee include:

- reviewing the ongoing appropriateness and relevance of the remuneration policy;
- reviewing the design of all share incentive plans for approval by the Board and shareholders;
- ensuring that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance;
- making recommendations to the Board as to the Company's framework or broad policy for the remuneration of the Chairman, the executive Directors and the Company Secretary and to determine their total individual remuneration packages including bonuses, incentive payments and share options or other share awards;
- ensuring that a significant proportion of executive Directors' remuneration is structured so as to link rewards to corporate and individual performance; and
- ensuring that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

Details of the activities of the remuneration committee are set out in the Remuneration report on pages 39 to 45.

The number of committee meetings and their attendance by the Directors are set out in the table on page 31. In addition, and in accordance with the terms of reference, the members of the committee were also consulted on a range of issues during the year, including specific matters related to recruitment.

Nominations committee

The nominations committee comprises three non-executive Directors. In the period to 30 October 2008 the committee consisted of Michael Benson as

Chairman, Nick Land and Jon Moulton. Jonathan Asquith joined the committee on 1 July 2009. Michael Benson and Nick Land served on the committee throughout the year.

The terms of reference for the committee take into account the requirements of the Combined Code 2006 and are available for inspection at the registered office and at the Annual General Meeting and can also be found on the Company website at www.ashmoregroup.com.

The terms of reference for the committee include:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and its committees;
- reviewing annually the time required from each non-executive Director, using performance evaluation to assess whether the non-executive Director is giving sufficient commitment to the role;
- giving full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future; and
- ensuring that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

During the year the activities of the committee have included the engagement of external recruitment consultants for the purposes of reviewing the names of potential independent non-executive candidates for appointment to the Board, proposals for rotation and re-election of Directors at the Annual General Meeting, discussing the results of the annual performance evaluation exercise (noting the satisfactory operations of the committee), and reviewing its terms of reference. The number of

committee meetings and their attendance by the Directors are set out in the table on page 31.

Relations with shareholders

The Company places great importance on communication with its investors and aims to keep shareholders informed by means of regular communication with institutional shareholders, analysts and the financial press throughout the year.

Annual and interim reports and trading updates are widely distributed to other parties who may have an interest in the Group's performance. These documents are also made available on the Company's website where formal Regulatory Information Service announcements are also posted. The Chief Executive Officer and Group Finance Director make regular reports to the Board on investor relations and on specific discussions with major shareholders and the Board receives copies of all research published on the Company.

The 2009 Annual General Meeting will be attended by all Directors, and the Chairmen of the audit, nominations and remuneration committees will be available to answer questions. Private investors are encouraged to attend the Annual General Meeting.

The Senior Independent Director is available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive Officer or Group Finance Director has failed to resolve or for which such contact is inappropriate. The Company continues to offer major shareholders the opportunity to meet any or all of the Chairman, the Senior Independent Director and any new Directors.

The Group will announce via a regulatory information service the number of proxy votes cast on resolutions at the Annual General Meeting and any other general meetings.

Corporate governance report

continued

Internal control

In accordance with the principles of the 2006 Code, the Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system and its review are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Within the Group's over arching corporate governance framework, through which the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues, an internal control framework has been established, against which the Company is able to assess the effectiveness of its system of internal controls. The Group's system of internal control is embedded within its routine operations, and a strong control culture is combined with clear management responsibility and accountabilities for individual control. The internal control framework provides an ongoing process for identifying, evaluating and managing the Group's significant risks, and has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. The process is regularly reviewed by the Board, and accords with the guidance in the document "Internal Control: Revised Guidance for Directors on the Combined Code, October 2005" ("Turnbull Guidance") published by the Financial Reporting Council.

The executive Directors oversee the key risks and controls and the risk management process on a day-to-day basis, and have put in place an organisational structure with clearly defined lines of responsibility and delegation of authority.

The Group's Risk and Compliance Committee (RCC), which meets monthly, is responsible for maintaining a sound internal control environment and for

assessing the impact of the Group's ongoing activities on its regulatory and operational exposures. The RCC is chaired by the Head of Risk Management and Control; the other members are the Chief Executive, the Group Finance Director, the Head of Operations and Client Relationship Management, the Head of Compliance, the Head of Information Technology, the Head of Legal and Transaction Management and the Group Financial Controller. Responsibility for risk identification is shared amongst these senior management personnel, with each such individual being responsible for day-to-day control of risk in their business area.

There are established policies and procedures to enable the Board, through its regular meetings, to monitor the effectiveness of the internal control system, which covers all significant identified internal and external strategic, operational, financial, compliance and other risks, including the Group's ability to comply with all applicable laws, regulations and clients' requirements. The Board has continued to receive regular financial and other management information related to the control of expenditure against budget and the making of investments, and for monitoring the Group's business and its performance, and regular compliance and risk reports.

Through the audit committee, the Board has conducted an annual review and assessment of the effectiveness of the internal control system, and has identified no significant failings or weaknesses during this review. In conducting this review, the Board has considered the periodic reports received throughout the year on compliance and risk matters, and the Annual Report on internal control processes from the RCC. The Board is satisfied that appropriate planned actions continue to be effective in improving controls as the Group develops, and its overall assessment of the control framework continues to be satisfactory.

The main features of the Group's internal control system are set out below.

Policies

These include:

- core values and policies, which together form the Group's high-level principles and controls, with which all staff are expected to comply;
- policies and procedure manuals, applicable to all business units, with requirements for reporting weaknesses and for monitoring corrective action;
- a code of business conduct, with procedures for reporting compliance therewith;
- a defined operational framework and organisational structure with appropriate delegation of authority and accountability;
- a planning framework is maintained which incorporates a Board approved strategic plan, with objectives for each business unit.

Processes

These include:

- regular business reviews of the Company and its subsidiaries are performed by senior management, which consider the ongoing effects of change and the short-, medium- and long-term operational requirements;
- quarterly senior management systems and controls reviews that are undertaken by the Group Finance Director with the Head of Compliance, and in which the Chief Executive Officer participates at least annually, incorporating the evaluation of the potential impact and likelihood of identified risks and possible new risk areas;
- a matrix of principal risks identifies key business, operational, financial and compliance risks, and considers the likelihood of those risks crystallising and the resultant impact. Within the matrix, the inherent risk of each business activity has been identified, and the adequacy and mitigating effect of existing processes assessed, to determine a current residual risk

The Group's system of internal control is embedded, with clear management responsibility and accountability.

level for each such activity. On the basis that further mitigants may be employed over time, a target residual risk for each activity after one to two years has been defined;

- Key Risk Indicator ("KRI") statistics that are reported to and analysed by the RCC. The KRIs indicate trends in the Group's risk profile, assist in the reduction of errors and potential financial losses and seek to prevent exposure by proactively dealing with a potential risk situation before an event actually occurs;
- well-defined procedures governing the appraisal and approval of corporate investments, including seeding of funds and purchase of own shares, with detailed investment and divestment approval procedures, incorporating appropriate levels of authority and regular post-investment reviews;
- secure information and communication systems, capable of capturing relevant and up-to-date information by relevant personnel;
- strong financial controls, maintained to ensure accurate accounting for transactions, appropriate authorisation limits to contain exposures, and reliability of data processing and integrity of information generated;
- an in-depth annual budget that is reviewed and approved by the Board, and regularly updated through a formal re-forecasting process;
- a monthly management accounts pack presented to Board members along with other relevant reports, highlighting actual financial performance against budget/forecast and prior year periods;
- detailed investment reports that are prepared and discussed at each of the sub-committee meetings of the Group's investment committee, which take place weekly or monthly depending on investment theme. Follow-up actions are agreed and implemented within a strict operational framework;
- oversight of the valuation methodologies used for clients' fund investments that cannot be readily

priced externally is the responsibility of the Group's Pricing Methodology Committee (PMC), which meets monthly to review the current valuation methodology for each of these investments and to propose an updated valuation methodology where appropriate. Valuations of the most material assets are outsourced to third parties.

- an experienced Group compliance function, whose responsibility is to ensure that the Group meets its regulatory obligations at all times, and integrates regulatory compliance procedures and best practices. Compliance undertakes an ongoing compliance monitoring programme covering all the relevant areas of the Group's operations, to identify any breach of compliance with applicable legislation and regulation, which includes real-time monitoring of client mandate requirements. The results of the compliance monitoring programme are reported to the RCC in support of the overall risk management framework;

Verification

These include:

- the external auditors who are engaged to express an opinion on the annual financial statements, and also independently and objectively review the approach of management to reporting operating results and financial condition;
- the independent review of annual reports by the Group's external auditors, pursuant to the Statement of Auditing Standards No. 70, type II (SAS 70);
- half-yearly updates to the Board, through the audit committee, from the Group's external auditors, which include any control matters that have come to their attention;

The Group did not through the year have an internal audit function, given the size and nature of the business and operational model, with the relevant assurances being obtained via the

internal control framework described above and by the commissioning of the regular SAS 70 reports. Due to the continuing development of the Group, during the year the audit Committee considered the need for an internal audit function. This involved whether to implement an internal or an outsourced function and the nature and scope of the work it would undertake, taking account of the existing compliance monitoring programmes which were already in place. The committee concluded that the best interests of the Group would be served by contracting internal audit services through an outsourced model.

Accordingly, with effect from 1 July 2009, following a recommendation from the committee, the Board approved the appointment of Ernst & Young to undertake this work, reporting to the Group Finance Director and to the audit committee, and from that date, the Group became compliant with the 2006 Code in that respect.

Corporate social responsibility

The Group recognises the importance of corporate social responsibility (CSR) incorporating transparency, fairness, accountability and integrity, and believes that these principles are fundamental to the Group's operations. The Group continues to monitor developments in all relevant areas of CSR, including environmental management, employees, health and safety, suppliers and the community to ensure that it meets best practice and sees CSR as a continually evolving process.

Investment

The Group believes that its reputation as an ethical, trustworthy provider of investment services is essential to its core purpose of helping its clients to build their financial security. Ashmore seeks to establish and maintain long-term relationships with its clients and intermediaries. The Group believes this to be a fundamental pre-requisite for the growth of the business.

Corporate governance report

continued

Ashmore's Board of Directors seeks to maintain a strong corporate culture employing high standards of integrity and fair dealing in the conduct of the firm's activities, compliance with both the letter and the spirit of relevant laws and regulations, and standards of good market practice in all jurisdictions where the firm's business is carried out. The Board's aim is to enable Ashmore to demonstrate that the firm is fit and proper to undertake its business, to safeguard the legitimate interests of Ashmore clients and protect Ashmore's reputation.

Social, ethical and environmental (SEE) criteria tend to be focused primarily on equity investing because of the influence which shareholder interests are able to exert on the management of a particular company. Ashmore's exposure to equity investments amounts to less than 18 per cent of total assets under management, whereas the majority of assets are invested in either external debt (the majority of which is Sovereign) or local currency debt. In the case of external debt investments, the Group's ability to have an influence is generally limited to a decision whether or not to invest; however, at a country level Ashmore believes that it may be able to exert an influence through dialogue with governments and central banks.

Ashmore's public equities business is a small part of its overall business and its shareholdings will never be large enough to have an influence over the policies of management in these companies.

Ashmore's Special Situations business invariably involves clients taking significant controlling stakes in investee companies and in such circumstances Ashmore is in a position to positively engage with the management of these companies. In many cases Ashmore believes it to be beneficial to its investors to be proactive in promoting the

Ashmore brand locally by improving the livelihoods of the employees in the companies where the Group has a controlling stake. Through Ashmore's network of local holding companies and portfolio of investee companies Ashmore influences the livelihoods of approximately 40,000 people.

Ashmore aims to avoid investing in companies that do not:

- respect human rights
- comply with local environmental, ethical or social legislation.

Ashmore does not invest in companies that manufacture or trade arms.

Ashmore also aims to ensure that any investments which it makes comply with the relevant industry standards and best practice, treat their employees fairly, have active community programmes and operate with sensitivity to the environment. Ashmore has made investments in a number of renewable energy projects in different countries including hydro-electricity, geothermal energy and sugar-based ethanol production, which reflects its overall approach to combining ethical investing with sound business practice on behalf of clients.

Additionally, Ashmore funds and segregated accounts each have a specific investment mandate which sets out the parameters for investment which may include requirements to screen for geographic, sector and stock-specific restrictions. Stock-specific restrictions may include securities which meet clients' own CSR criteria.

The Ashmore Foundation

Consistent with the Group's commitment to responsible corporate citizenship, the Ashmore Foundation was created in 2008 and is funded by financial contributions from employees of the Group. The Foundation reflects Ashmore's overall philosophy that it can make a difference and seeks to provide financial grants to worthwhile causes

within the emerging markets in which Ashmore operates with a view to putting something back into the countries and communities in which it invests and which contribute to Ashmore's income and profitability. The Foundation's grant-making policy is wide-ranging but has a particular focus on education and healthcare, the former in particular being seen as the best way to help the long-term self-development of third world countries.

Employees

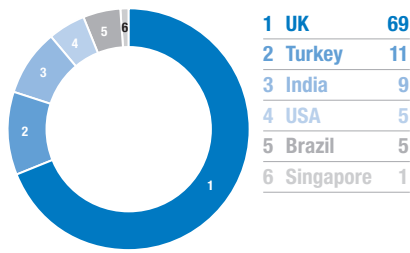
Ashmore employs 142 people in six countries worldwide. Ashmore's people have always been its most important asset, at the heart of everything it does. Ashmore has many talented people and it remains a priority to develop, manage and retain this talent in order to deliver the potential of the organisation. Ashmore wants to be an employer which the most talented people aspire to join wherever it operates.

Ashmore seeks to ensure that its workforce reflects, as far as practicable, the diversity of the many communities in which it is located. Ashmore also recognises the diverse needs of its employees in managing the responsibilities of their work and personal lives, and believes that achieving an effective balance in these areas is beneficial to both the Company and the individual.

Ashmore encourages employees to act ethically and to clearly uphold the standards of practice which its clients have come to expect. It also means ensuring that its employees understand the strategic aims and objectives of the Group and are clear about their role in achieving them.

The Group recognises that the involvement of its employees is key to the future success of the business and adopts a practice of keeping

Ashmore workforce by location (%)



Ashmore seeks to ensure that its workforce reflects the diversity of the many communities in which it operates.

employees informed on significant matters affecting them, via email and in meetings arranged for the purpose. The Group has consistently operated a remuneration strategy that recognises both corporate and individual performance.

The Group is also committed to following good practice in employment matters, recognising the part this plays in attracting and retaining staff. The Group promotes the importance of high ethical standards to all employees and staff have the opportunity to voice any concerns they may have, either direct with management or on a confidential basis via the whistle-blowing process.

Equal opportunities

The Group is committed to ensuring that all employees are treated fairly and with dignity and respect. This commitment is reflected in the Staff Handbook that all employees receive on joining.

The policies and practices in place within the Group to deter acts of harassment and discrimination are regularly monitored.

It is the Group's policy that no employee shall be treated less favourably on the grounds of their sex, sexual orientation, race, religion, nationality or marital status or on the grounds of disability. This policy applies, without limitation, to promotion, training, placement, transfer, dismissal, remuneration, grievance and disciplinary procedures and decisions. This policy also applies to persons from outside the workplace and the treatment of contract workers.

Health and safety

The Group has in place a global health and safety policy which can be accessed by all staff via an internal database. The aim of this policy is to provide both staff and visitors with a safe and healthy working environment. The Group is committed to adhering to the high standards of health and safety

set out by its policies and procedures and to providing training as necessary.

Environment

As an investment manager, Ashmore has a limited direct impact upon the environment and there are few environmental risks associated with the Group's activities. Ashmore moved into its premises at 61 Aldwych, London in May 2008 and occupies a single floor of approximately 19,000 square feet in a nine-storey multi-tenanted building.

As part of its ongoing commitment to the environment, Ashmore throughout its operations has adopted policies and programmes to promote energy conservation and the avoidance of waste through a number of initiatives, such as the recycling of paper, glass and other waste and the use of "green" energy. Electricity usage is separately monitored by floor with renewable energy accounting for a minimum of 10 per cent of supply. Energy-efficient lighting is installed in the building with sensors which turn lights off when no movement is detected. The building has received an Energy Performance Certificate with an Asset Rating of 98.

Ashmore endeavours to make maximum use of available technology such as video conferencing; however, its business model as an investor in emerging markets inevitably requires that its investment professionals and other members of staff travel frequently to these countries to investigate and monitor opportunities.

Ashmore has published a separate Corporate Responsibility Report which can be found on its website at www.ashmoregroup.com.

By order of the Board

Michael Perman
Company Secretary

14 September 2009

Report from the Chairman of the audit committee

The composition and summary terms of reference of the audit committee are set out on page 32.

The principal activities of the audit committee through the year were as follows:

Financial statements

The audit committee reviewed the 2009 Annual Report, Interim Results, Preliminary Results and reports from the external auditors, KPMG Audit Plc, on the outcome of their reviews and audits in 2009.

External auditors

The committee met with the external auditors during the year to review the scope of their audit and findings thereon for the interim and year-end financial statements.

The committee received a comprehensive presentation from the auditors demonstrating to its satisfaction how their independence and objectivity is maintained when providing non-audit services.

The committee has agreed the types of permitted and non-permitted service and those which require explicit prior approval. Permitted non-audit services include the provision of tax compliance services and acting as reporting accountant in appropriate circumstances, provided there is no element of valuation work involved. The provision of tax advisory services, due diligence/ transaction services and litigation services may be permitted with the committee's prior approval. The provision of internal audit services, valuation work and any other activity that may give rise to any possibility of self-review are not permitted under any circumstance.

The committee recommended to the Board that a resolution be put to shareholders for the re-appointment of the auditors, and their remuneration and terms of engagement, at the Annual General Meeting of the Company.

From time to time during the year the non-executives met with the external auditors without the executive Directors being present.

Internal controls

The committee reviewed and evaluated the system of internal controls and risk management operated within the Company.

A detailed report on internal control can be found on pages 34 and 35.

Internal audit

During the year the committee considered the Group's need for an internal audit function. This involved consideration of whether to implement an internal or an outsourced function and the nature and scope of the work it would undertake, taking account of the existing compliance monitoring programmes which were already in place. The committee concluded that the best interests of the Group would be served through an outsourced model and with effect from 1 July 2009, following a recommendation from the committee, the Board approved the appointment of Ernst & Young to undertake this work. Further details can be found in the Internal Control section of the Corporate governance report on pages 34 and 35.

Audit committee effectiveness

The members of the committee conducted a review of its effectiveness and concluded that it was working effectively.

Nick Land
Chairman of the Audit Committee

14 September 2009

Remuneration report

Unaudited information

Introduction

This report has been prepared on behalf of the Board in accordance with the Directors' Remuneration report Regulations 2002 under the Companies Acts and the Combined Code 2006 (the 2006 Code). This report sets out the Company's remuneration policy and gives details of the compensation of Directors for the year ended 30 June 2009.

Remuneration committee

The remuneration committee comprises three non-executive Directors. Jon Moulton was Chairman of the committee until his retirement from the Board on 30 October 2008; Jonathan Asquith joined the committee on 1 July 2009 and was appointed as Chairman with Michael Benson and Nick Land as members. Michael Benson and Nick Land have served on the committee throughout the year.

The remuneration committee meets as often as required to discharge its duties and met twice during the period from 1 July 2008 to 30 June 2009. Details of attendance at all meetings for the financial year under review are contained in the table on page 31 of the Corporate governance report. The Chief Executive Officer, Group Finance Director, Company Secretary and Head of Human Resources attended all or part of the meetings at the invitation of the remuneration committee but took no part in the determination of their own remuneration.

The primary role of the remuneration committee is to make recommendations to the Board as to the Company's framework or broad policy for the remuneration of the Chairman, the executive Directors of the Board and the Company Secretary, as well as decide on total individual remuneration packages for these positions.

Remuneration policy

The key objectives of the Company's remuneration policy are to ensure that:

- levels of remuneration are relative to the Company's market and sufficient to attract and retain executive Directors of the quality required to run the Company successfully;
- the executive Directors and the Company Secretary receive sufficient incentives to motivate enhanced performance;
- executive Directors and the Company Secretary are fairly rewarded for their individual contributions to the Company's overall performance; and
- effective risk management is promoted and encouraged by executive Directors and the Company Secretary.

In determining this policy, the remuneration committee takes into account a broad range of factors including the interests of shareholders and the financial and commercial health of the Company.

The terms of reference of the remuneration committee are available on the Company website at www.ashmoregroup.com.

Advisors

The remuneration committee has appointed Mercer Limited to provide advice on compensation matters when considered appropriate. The Company participates in the McLagan Partners compensation survey from which relevant data is provided to the remuneration committee.

Neither has any connection with the Company other than providing compensation advice and/or information.

Remuneration report

continued

Service agreements

Each executive Director has entered into a service agreement with the Company. The service agreements do not have a fixed term but include provisions for termination on 12 months' notice by either party. Service agreements contain no contractual entitlement to receive bonus payments or to participate in the Company's share plans. Participation in these arrangements is discretionary and subject to approval by the remuneration committee.

Non-executive Directors are appointed for an initial three-year period. Their continued engagement is subject to the requirements of the Company's Articles relating to the retirement of directors by rotation.

The Company has maintained directors' and officers' liability insurance cover throughout the period.

The table below provides details of the Directors' service agreements/letters of appointment for current Directors and Directors who served during the year.

Executive Directors are permitted to serve as non-executive directors of other non-Group companies where there is no competition to the Company's business activities and where these duties do not interfere with the individual's ability to perform his duties for the Company. In the reporting year neither Mark Coombs nor Graeme Dell hold any non-executive directorships.

There are no provisions for compensation of executive Directors on early termination save as described below:

(a) the contracts for Mr Coombs and Mr Dell contain provisions entitling the Company to terminate employment without notice subject to making 12 monthly payments thereafter equivalent to monthly basic pay and benefits; and

(b) all Directors' contracts entitle the Company to give pay in lieu of notice.

Executive remuneration components

The Company rewards exceptional performance and so emphasises the variable components of the remuneration package.

Fixed compensation

Fixed compensation components comprise basic salary and benefits in kind. Basic salaries are set with a cap currently operated at a maximum annual salary of £100,000 as it is the Company's policy to maintain its fixed cost base at a low level.

Variable compensation

The Company's discretionary variable compensation provides for both an annual cash bonus, which is non-pensionable, and deferred share awards. The total variable compensation is determined by reference to the individual's performance against agreed criteria, the profitability of the Company and the external market. Performance criteria are established appropriate to the individual's role, to include such measures as growth in assets under management (AuM) and profitability where appropriate and other key areas of individual performance.

Directors' service contracts

	Date appointed Director	Contract date	Notice period	Expiry/ review date
Executive Directors				
Mark Coombs	3 December 1998	21 September 2006	1 year	Rolling
Graeme Dell	19 December 2007	3 December 2007	1 year	Rolling
Non-executive Directors				
Jon Moulton*	24 February 1999	11 October 2006	1 month	11 October 2009
Michael Benson – Chairman**	3 July 2006	3 July 2009	1 month	3 July 2012
Nick Land**	3 July 2006	3 July 2009	1 month	3 July 2012
Jonathan Asquith	1 September 2008	1 September 2008	1 month	1 September 2011
Melda Donnelly	1 July 2009	1 July 2009	1 month	1 July 2012

Notes

*Jon Moulton retired from the Board on 30 October 2009.

**Michael Benson and Nick Land were invited to, and agreed to, serve a further three years after their initial three-year period of appointment expired on 3 July 2009.

Basic salaries are set with an annual salary cap operated at a maximum of £100,000.

The Company's intention is to pay to members of staff an amount in total of up to 25 per cent of profit before tax, interest and variable compensation in respect of its total variable compensation comprising cash bonus, including national insurance obligations thereon, and share-based payments, including fair value and national insurance costs in this respect. For the financial year ending 30 June 2009 the provision for variable compensation is at 14 per cent of EBIT before variable compensation. In view of the stringent salary controls which the Group operates the remuneration committee does not consider it necessary or appropriate to set a cap on individual discretionary bonus awards, although such awards will be made within the overall provision for variable compensation as set out above.

The remuneration committee has considered the guidance issued by the Financial Services Authority (FSA) and in particular its emphasis on the need to ensure that remuneration plans do not incentivise excessive risk-taking and short-termism. The committee believes that the nature of the variable remuneration plans in place meets the requirements of the FSA guidelines in regard to the proportion of variable remuneration of executive Directors and senior staff across the business which is deferred, the length of the deferral period and the performance conditions attached to the deferred awards.

For reasons related to Rule 9 of the takeover code Mark Coombs has chosen to waive any shares offered to him as part of his variable remuneration as the issuance of further shares to him would increase his existing shareholdings to an extent that would trigger a mandatory bid for all shares.

The remuneration committee believes that Mark Coombs' existing shareholding is more than adequate to align his interests fully with the long-term performance of the Company.

Mark Coombs' performance measures include targets for EBIT and AuM growth as well as the progression of strategic opportunities and operational development. He has requested that he not be considered for a bonus award for the year ending 30 June 2009. Similar performance measures will be applied in the financial year ending 30 June 2010.

Graeme Dell's performance measurements are a basket of operational, strategic and compliance-related targets pertaining to his areas of responsibility, including finance, technology, compliance, operations and investor relations. The committee is satisfied that key targets were met in the year ended 30 June 2009. Similar performance measures will be applied to the financial year ending 30 June 2010.

The balance between the fixed and variable elements of total compensation for each of the executive Directors for the year ending 30 June 2009 is shown in the table below.

Long-term share award plans

As a business which is completely reliant upon the intellectual capital of its people the Board considers it essential to have in place share incentive arrangements which provide a significant element of "at risk" compensation and which are designed to attract, motivate and retain highly qualified executives, investment management professionals, and other key employees who are critical to our long-term success, and to align their interests with those of our clients and shareholders.

The overall limits operated under the plans described below, which were established prior to the listing of the Company, are designed to fulfil these objectives. The number of shares which may be issued in aggregate under any employee share plan of the Company over any ten-year period following Admission is limited to 15 per cent of the Company's issued share capital at that time. The Company's obligations under the share plans can be met by newly issued shares in the Company or shares purchased in the market by the trustees of an employee benefit trust.

The Company operates three share award plans. All employees including executive Directors are eligible to receive awards under the share award plans.

Total compensation

	Fixed	Variable – cash	Variable – deferred	Total
Mark Coombs	100%	0%	0%	100%
Graeme Dell	13%	52%	35%	100%

Remuneration report

continued

Deferred compensation

The Company Executive Omnibus Incentive Plan ("Omnibus Plan")

This plan was adopted on 11 October 2006.

Senior employees routinely receive a proportion of their remuneration in the form of restricted shares, which vest after five years but qualify for dividends from the date of award. Employees who receive an award of restricted shares under the Omnibus Plan may also be given the opportunity to commute cash bonus awarded into bonus shares.

Should employees take up this option, the Company may match the award with matching shares. All share awards for employees who remain employed by the Company cliff-vest at five years.

In the case of executive Directors restricted and matching share awards will be subject to total shareholder return (TSR) performance conditions, but bonus share awards will not be subject to a TSR performance condition as the executive Directors will have waived cash bonus in order to receive them.

Awards under the Omnibus Plan are subject to good and bad leaver provisions. Should an award holder leave employment for reasons that would categorise them as a bad leaver, all restricted and matching share awards will be forfeited. Should an award holder leave employment for reasons that

would categorise them as a good leaver, then restricted and matching share awards would vest on a pro-rated basis. Bonus share awards will vest and be transferred to the award holder free of restrictions upon termination of employment for any reason other than dismissal for cause or personal bankruptcy.

The plan also allows the issue of option and share awards of different types. No options have been issued under this plan during the year.

The Omnibus Plan includes individual limits in respect of option and share awards made to executive Directors in any annual period whereby an award will be limited and take effect so that (a) no participant who is an executive Director of the Company is granted market value options, discounted options or premium cost options in any annual period over more than 2,000,000 ordinary shares of 0.01 pence each, and (b) no participant who is an executive Director of the Company is granted share awards in any annual period over more than 1,000,000 ordinary shares of 0.01 pence each. If there are exceptional circumstances that the remuneration committee considers justify making awards in excess of these limits, the remuneration committee may, in respect of the relevant participant, apply double the limits above. These individual limits were amended in 2007 from a multiple of base salary to a number of shares as the salary cap that the Company operates was unduly restrictive on the quanta of share awards permissible. This change was approved by shareholders at the 2007 AGM.

The Ashmore First Discretionary Share Option Scheme ("Option Scheme")

This scheme was established on 23 October 2000. Subsequent to the Company's Admission in October 2006, it is not intended to issue any further options under this scheme.

The Approved Company Share Option Plan ("CSOP")

This plan was adopted on 11 October 2006 and approved by HMRC on 1 June 2007. The CSOP provides for the granting of options up to a market value limit of £30,000 to each individual on the date of grant. No awards have been made under this plan to date.

During the financial year share awards were granted to Graeme Dell from the Omnibus Plan on 17 October 2008 as set forth in the table below and as reported in the Remuneration report for the year ended 30 June 2008.

No share awards were made to Mark Coombs in the financial year.

Ashmore Executive Omnibus Incentive Plan – grant to Graeme Dell 2008

Number of restricted shares*	Number of bonus shares	Number of matching shares*	Market price at date of grant	Date of grant	Release date
296,114	222,085	222,085	162.10p	17 October 2008	16 October 2013

Note

*Awards subject to TSR performance measures. Bonus shares relate to a proportion of cash bonus award voluntarily deferred into Ashmore shares by the recipient.

Employees receive a proportion of their remuneration in the form of restricted shares which vest after five years.

Total shareholder return (TSR) performance measure

The remuneration committee has established a comparator group against which to measure TSR performance in respect of share awards to executive Directors under CSOP and the Omnibus Plan. Share awards will not vest at below median performance. Twenty five per cent of share awards will vest for median performance rising to full vesting at upper quartile performance, with straight-line proportionate vesting between these two points.

TSR is considered appropriate as a well-established and recognised performance measure which aligns the interests of the executive Directors with those of the shareholders. In the absence of any other dedicated emerging markets investment management companies, a comparator group of 16 companies has been selected from global investment management companies of a similar size that are established and actively trading on stock markets. This comparator group has reduced by three following the suspension from trading or acquisition of three of the original comparator group companies.

TSR performance graph

The graph below shows the growth in the Company's share price since Admission against the FTSE 250 (both on a TSR basis). The FTSE 250 index has been selected as the index in which the Company is currently listed.

Audited information

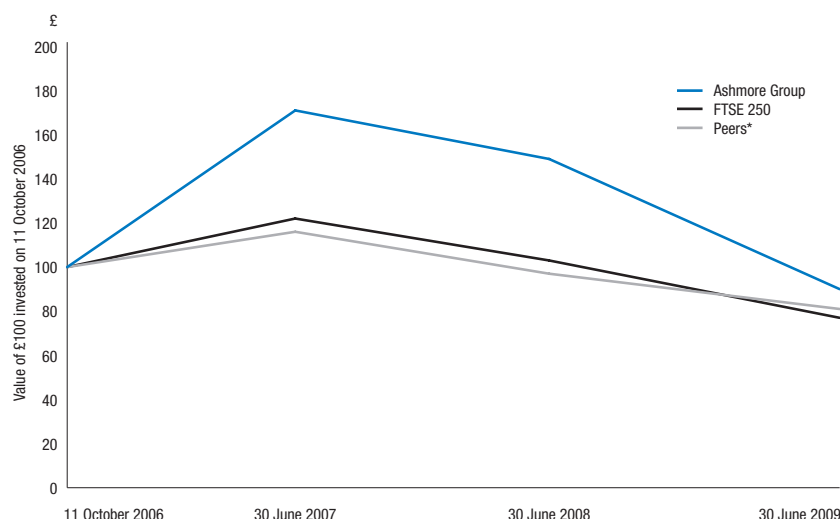
Pensions

During the course of the year ending 30 June 2009, the Company wound up the Ashmore Group Plc Retirement and Death Benefit scheme and replaced it with a pension benefit of equivalent value managed by an alternative provider. Any accrued benefit under the previously existing scheme was transferred to the new Group Personal Pension scheme. Executive Directors are entitled to join the Group Personal Pension Scheme ("Pension Scheme") under which the Company makes contributions at 7 per cent of basic salary. There is no mandatory requirement for executive Directors, or any employees, to contribute. Following the changes to pensions legislation introduced from 6 April 2006, Mark Coombs has elected for employer

contributions to cease and equivalent taxable cash payments have been made to him in lieu. Graeme Dell is a member of the Group Personal Pension Scheme.

Other benefits

Executive Directors are entitled to a lump sum death-in-service benefit of four times basic salary. In addition, executive Directors are entitled to membership of the Company medical insurance scheme, an annual health check and a number of other minor benefits to encourage and facilitate good health and a healthy work-life balance.



Source: Graph provided by Mercer Limited using a methodology compliant with the requirements of Schedule 7A to the Companies Act 1985.

*TSR peer group as at 30 June 2009.

Remuneration report

continued

Directors' remuneration

The remuneration of the Directors of the Company for the year ended 30 June 2009 was as follows:

	Notes	Salaries £	Fees £	Benefits £	Cash bonus £	Year ended 30 June 2009 Total £	Year ended 30 June 2008 Total £
Executive Directors							
Mark Coombs	1, 6	100,000	—	8,636	—	108,636	4,308,816
Graeme Dell	2, 3, 7	100,000	—	8,636	420,000	528,636	782,576
Non-executive Directors							
Michael Benson	4, 5	—	125,000	—	—	125,000	100,000
Jonathan Asquith	4	—	41,666	—	—	41,666	—
Nick Land	4	—	50,000	—	—	50,000	30,000
Jon Moulton	9	—	10,000	—	—	10,000	15,000
Melda Donnelly	4, 8	—	—	—	—	—	—

Notes

1. Mark Coombs has requested that he not be considered for a bonus award for the year ending 30 June 2009.
2. Graeme Dell's variable compensation is made up of 60 per cent cash bonus and 40 per cent deferred share awards. He may choose to commute up to 50 per cent of his cash bonus in favour of an equivalent amount of bonus share awards which will then be matched by the Company with an equivalent value in matching share awards. All share awards will be reported in the Directors' share awards table in the year of grant.
3. During the year ended 30 June 2008 Graeme Dell chose to commute 50 per cent of his cash bonus thus reducing his cash compensation from £782,576 to £422,576.
4. Non-executive Directors do not receive any additional fees for committee memberships.
5. Michael Benson has waived his right to fees over £100,000 and has asked that any additional monies are paid to a charity or charities of his choice.
6. Mark Coombs' benefits include payment in lieu of pension equivalent to 7 per cent of basic salary in the "Benefits" column. His benefits also include membership of the Company medical scheme.
7. Graeme Dell's benefits include a pension contribution of 7 per cent of basic salary in the "Benefits" column. His benefits also include membership of the Company medical scheme.
8. Melda Donnelly was appointed on 1 July 2009 and so received no payments during the year ended 30 June 2009.
9. Jon Moulton served until 30 October 2008. His Director's fees were waived to a charity nominated by himself.

Directors' share awards**The Company Executive Omnibus Incentive Plan**

	Number of shares at beginning of period	Number of shares granted during the period ⁽¹⁾	Total number of shares at end of period	Market price at date of grant	Date of grant	Release date
Graeme Dell	272,480			£2.7525	3 December 2007	2 December 2012
	–	740,284		£1.6210	17 October 2008	16 October 2013
			1,012,764			

Note

1. This comprises restricted shares, bonus shares and matching shares as shown in the table on page 42.

No share awards have been made to non-executive Directors.

Directors' interests in ordinary shares of Ashmore Group plc

	30 June 2009	30 June 2008
Executive Directors		
Mark Coombs	303,324,200	303,324,200
Graeme Dell	1,012,764	272,480
Non-executive Directors		
Michael Benson	29,000	29,000
Nick Land	29,000	29,000
Jonathan Asquith	–	–
Melda Donnelly	–	–

The market price of the Company's shares as at 30 June 2009 was £1.8925. The highest share price during the financial year was £2.7125. The lowest share price was £1.0075 per share.

By order of the Board

Jonathan Asquith

Chairman of the remuneration committee

14 September 2009

Financial statements

“Ashmore recorded a profit after tax of £115.5 million, giving rise to an EPS of 17.1 pence per share, and a full-year dividend of 12.0 pence per share.”

Independent auditors' report to the members of Ashmore Group plc

We have audited the financial statements of Ashmore Group plc for the year ended 30 June 2009 set out on pages 48 to 84. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with sections 495, 496 and 497 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 29, 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 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/UKP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2009 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year (which includes that specific information presented in the Business review that is cross referred from the Principal activity and business review section of the Directors' Report) 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:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on pages 28 and 29, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Paul Furneaux (Senior Statutory Auditor) for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
One Canada Square
London
E14 5AG

14 September 2009

Consolidated income statement

Year ended 30 June 2009

	Notes	2009 £m	2008 £m
Management fees		186.8	186.7
Performance fees		52.5	44.7
Other revenue		6.4	10.1
Total revenue		245.7	241.5
Less: Distribution costs		(3.6)	(4.7)
Less: Foreign exchange	2	(38.6)	3.2
Net revenue		203.5	240.0
Personnel expenses	3	(36.0)	(47.7)
Other expenses	4	(16.9)	(11.1)
Operating profit		150.6	181.2
Interest income		9.2	15.0
Profit before tax		159.8	196.2
Tax expense	5	(44.3)	(55.2)
Profit for the year		115.5	141.0
Attributable to:			
Equity holders of the parent		115.0	140.8
Minority interests		0.5	0.2
Profit for the year		115.5	141.0
Earnings per share:			
Basic	6	17.12p	21.03p
Diluted	6	15.99p	19.89p

Consolidated balance sheet

	Notes	As at 30 June 2009 £m	As at 30 June 2008 £m
Assets			
Property, plant and equipment	9	4.6	3.3
Intangible assets	10	6.7	4.1
Deferred acquisition costs	11	11.3	13.4
Other receivables		0.9	–
Deferred tax assets	13	14.0	13.8
Total non-current assets		37.5	34.6
Trade and other receivables	12	33.1	34.7
Available-for-sale financial assets		4.8	–
Derivative financial instruments		0.8	1.2
Cash and cash equivalents		288.4	279.2
Total current assets		327.1	315.1
Non-current assets held-for-sale	14	34.8	16.4
Total assets		399.4	366.1
Equity			
Issued capital	17	–	–
Share premium		0.3	0.3
Retained earnings		308.2	271.5
Total equity attributable to equity holders of the parent		308.5	271.8
Minority interests		2.0	1.5
Total equity		310.5	273.3
Liabilities			
Deferred tax liabilities	13	1.5	3.8
Total non-current liabilities		1.5	3.8
Current tax		24.0	24.5
Derivative financial instruments		5.0	0.7
Trade and other payables	20	51.0	63.7
Total current liabilities		80.0	88.9
Non-current liabilities held-for-sale	14	7.4	0.1
Total liabilities		88.9	92.8
Total equity and liabilities		399.4	366.1

Approved by the Board on 14 September 2009 and signed on its behalf by:

Mark Coombs
Chief Executive Officer

Graeme Dell
Group Finance Director

Consolidated statement of changes in equity

	Issued capital £m	Share premium £m	Retained earnings £m	Total equity attributable to equity holders of the parent £m	Minority interests £m	Total equity £m
Balance at 1 July 2007	–	0.3	195.6	195.9	0.1	196.0
Net gains on available-for-sale financial assets including deferred tax	–	–	0.4	0.4	–	0.4
Total income and expense recognised directly in equity	–	–	0.4	0.4	–	0.4
Profit for the year	–	–	140.8	140.8	0.2	141.0
Total recognised income and expense	–	–	141.2	141.2	0.2	141.4
Issue of share capital	–	–	–	–	1.2	1.2
Share-based payments	–	–	8.8	8.8	–	8.8
Current tax related to share-based payments	–	–	(1.3)	(1.3)	–	(1.3)
Deferred tax related to share-based payments	–	–	(2.7)	(2.7)	–	(2.7)
Dividends to equity holders	–	–	(70.1)	(70.1)	–	(70.1)
Balance at 30 June 2008	–	0.3	271.5	271.8	1.5	273.3
Exchange adjustments on translation of foreign operations	–	–	0.5	0.5	–	0.5
Net gains on available-for-sale financial assets including deferred tax	–	–	2.3	2.3	–	2.3
Total income and expense recognised directly in equity	–	–	2.8	2.8	–	2.8
Profit for the year	–	–	115.0	115.0	0.5	115.5
Total recognised income and expense	–	–	117.8	117.8	0.5	118.3
Own shares	–	–	(0.8)	(0.8)	–	(0.8)
Treasury shares	–	–	(6.9)	(6.9)	–	(6.9)
Share-based payments	–	–	8.2	8.2	–	8.2
Current tax related to share-based payments	–	–	0.2	0.2	–	0.2
Deferred tax related to share-based payments	–	–	0.1	0.1	–	0.1
Dividends to equity holders	–	–	(81.9)	(81.9)	–	(81.9)
Balance at 30 June 2009	–	0.3	308.2	308.5	2.0	310.5

Consolidated cash flow statement

Year ended 30 June 2009

	Notes	2009 £m	2008 £m
Operating activities			
Cash receipts from customers		198.9	242.8
Cash paid to suppliers and employees		(48.0)	(47.3)
Cash generated from operations		150.9	195.5
Taxes paid		(47.7)	(46.5)
Net cash from operating activities		103.2	149.0
Investing activities			
Interest received		9.3	15.4
Acquisition of subsidiary	22	(3.7)	–
Net purchase of non-current assets held-for-sale		(6.9)	(15.1)
Purchase of available-for-sale financial assets		(4.7)	–
Purchase of deferred acquisition costs	11	–	(14.6)
Purchase of property, plant and equipment	9	(2.1)	(3.5)
Net cash used in investing activities		(8.1)	(17.8)
Financing activities			
Dividends paid	8	(81.9)	(70.1)
Purchase of own shares		(0.9)	–
Purchase of treasury shares	19	(6.9)	–
Net cash used in financing activities		(89.7)	(70.1)
Effect of exchange rate changes on cash and cash equivalents		3.8	0.1
Net increase in cash and cash equivalents		9.2	61.2
Cash and cash equivalents at beginning of year		279.2	218.0
Cash and cash equivalents at end of year		288.4	279.2
Cash and cash equivalents comprise:			
Cash at bank and in hand		288.4	279.2
		288.4	279.2

Company balance sheet

	Notes	As at 30 June 2009 £m	As at 30 June 2008 £m
Assets			
Property, plant and equipment	9	4.0	3.1
Intangible assets	10	4.1	4.1
Investment in subsidiaries	23	4.7	1.0
Deferred tax assets	13	14.0	13.8
Total non-current assets		26.8	22.0
Trade and other receivables	12	37.8	23.2
Cash and cash equivalents		207.0	174.6
Total current assets		244.8	197.8
Total assets		271.6	219.8
Equity			
Issued capital	17	–	–
Share premium		0.3	0.3
Retained earnings		227.9	177.2
Total equity attributable to equity holders of the Company		228.2	177.5
Liabilities			
Deferred tax liabilities	13	0.2	–
Total non-current liabilities		0.2	–
Current tax		10.9	4.6
Trade and other payables	20	32.3	37.7
Total current liabilities		43.2	42.3
Total liabilities		43.4	42.3
Total equity and liabilities		271.6	219.8

Approved by the Board on 14 September 2009 and signed on its behalf by:

Mark Coombs
Chief Executive Officer

Graeme Dell
Group Finance Director

Company statement of changes in equity

	Issued capital £m	Share premium £m	Retained earnings £m	Total equity attributable to equity holders of the parent £m
Balance at 1 July 2007	—	0.3	152.7	153.0
Profit for the year	—	—	89.8	89.8
Total recognised income and expense	—	—	89.8	89.8
Share-based payments	—	—	8.8	8.8
Current tax related to share-based payments	—	—	(1.3)	(1.3)
Deferred tax related to share-based payments	—	—	(2.7)	(2.7)
Dividends to equity holders	—	—	(70.1)	(70.1)
Balance at 30 June 2008	—	0.3	177.2	177.5
Profit for the year	—	—	131.8	131.8
Total recognised income and expense	—	—	131.8	131.8
Own shares	—	—	(0.8)	(0.8)
Treasury shares	—	—	(6.9)	(6.9)
Share-based payments	—	—	8.2	8.2
Current tax related to share-based payments	—	—	0.2	0.2
Deferred tax related to share-based payments	—	—	0.1	0.1
Dividends to equity holders	—	—	(81.9)	(81.9)
Balance at 30 June 2009	—	0.3	227.9	228.2

Company cash flow statement

Year ended 30 June 2009

	Notes	2009 £m	2008 £m
Operating activities			
Cash receipts from customers		52.3	46.5
Cash paid to suppliers and employees		(34.6)	(39.2)
Cash generated from operations		17.7	7.3
Taxes paid		(0.2)	–
Net cash from operating activities		17.5	7.3
Investing activities			
Interest received		6.0	10.2
Dividends received from subsidiaries		115.5	78.0
Purchase of property, plant and equipment	9	(1.7)	(3.2)
Net cash from investing activities		119.8	85.0
Financing activities			
Dividends paid	8	(81.9)	(70.1)
Investment in subsidiary		(3.7)	–
Loans to subsidiaries		(11.5)	(15.1)
Purchase of own shares		(0.9)	–
Purchase of treasury shares	19	(6.9)	–
Net cash used in financing activities		(104.9)	(85.2)
Net increase in cash and cash equivalents		32.4	7.1
Cash and cash equivalents at beginning of year		174.6	167.5
Cash and cash equivalents at end of year		207.0	174.6
Cash and cash equivalents comprise:			
Cash at bank and in hand		207.0	174.6
		207.0	174.6

Notes to the financial statements

1 Significant accounting policies

The following accounting policies have been applied consistently to all years presented in dealing with items which are considered material in relation to the Group and Company financial statements.

(a) Basis of preparation – Group and Company

The financial information has been prepared in accordance with IFRS as adopted by the EU, and applied in accordance with the provisions of the Companies Act 2006. Based on these adopted IFRS, the Directors have selected the accounting policies to be applied, which are set out below.

The financial information has been prepared under the historical cost convention, except for the measurement at fair value of derivative financial instruments and certain financial assets that are held as available-for-sale.

The Company is taking advantage of the exemption in section 408 of the Companies Act 2006 which allows it not to present its individual income statement and related notes.

Certain comparative amounts relating to foreign exchange have been reclassified to conform to the current year presentation. None of the changes are significant in nature.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The results of subsidiaries acquired during the year are included in the Consolidated income statement from the effective date of acquisition.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

(c) Foreign currency translation

The Group's financial statements are presented in Pounds Sterling ("Sterling"), which is the Company's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

Notes to the financial statements (continued)

1 Significant accounting policies (continued)

(d) Financial instruments

(i) Derivatives

The Group uses foreign exchange forward contracts and options to manage its foreign currency exposures.

Except when hedge accounting is applied, derivatives are initially recognised at cost on the date on which a contract is entered into unless fair value at acquisition is different to cost, in which case the fair value is recognised. Subsequently they are measured at fair value with gains and losses recognised in the income statement. Transaction costs are recognised immediately in the income statement. The fair value of the derivatives is their quoted market price at the balance sheet date.

All derivatives are carried as current assets when the fair value is positive and as current liabilities when the fair value is negative.

(ii) Financial assets

The Group may, from time to time, invest in funds where an Ashmore Group subsidiary is the investment manager or an advisor ("seeding"). Where the holding in such investments is deemed to represent a controlling stake, and is acquired exclusively with a view to subsequent disposal through sale or dilution, these seed investments are recognised as non-current assets held-for-sale in accordance with IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. Where control is not deemed to exist, and the assets are readily realisable, they are recognised as available-for-sale financial assets. The recognition policy for both is set out below:

Financial assets held as non-current assets held-for-sale

Non-current assets held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell except where measurement and re-measurement is outside the scope of IFRS 5. The relevant policy is set out in (d)(i). Where investments that have initially been recognised as non-current assets held-for-sale, because the Group has been deemed as holding a controlling stake, are subsequently disposed of or diluted such that the Group's holding is now insufficient to be deemed a controlling stake, the investment will subsequently be reclassified as an available-for-sale financial asset. Any such reclassification will crystallise any gain or loss previously recognised directly through equity within the income statement. Subsequent movements will be recognised in accordance with the Group's accounting policy for the newly adopted classification.

Financial assets held as available-for-sale

For available-for-sale financial assets, gains and losses arising from changes in their fair value are recognised directly in equity, until the security is disposed of or is impaired, at which time the cumulative gain or loss previously recognised in equity is taken to the income statement for the accounting period.

(iii) Trade and other receivables and payables

Trade and other receivables and payables are initially recorded at fair value plus transaction costs. The fair value on acquisition is normally the cost. Impairment losses with respect to the estimated irrecoverable amount are recognised through the income statement when there is appropriate evidence that trade and other receivables are impaired. However, if a longer term loan or receivable carries no interest, the fair value is estimated as the present value of all future cash payments or receipts discounted using the prevailing market rates. The resulting adjustment is recognised as interest expense or interest income. Subsequent to initial recognition these assets and liabilities are measured at amortised cost less any impairment.

(iv) Hedge accounting

The Group 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 profitability.
- The effectiveness of the hedge can be reliably measured.
- The hedge must be highly effective, with effectiveness assessed on an ongoing basis.

For qualifying cash flow hedges, the change in fair value of the effective hedging instrument is initially recognised in equity and is released to the income statement in the same period during which the relevant financial asset or liability affects profitability.

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

1 Significant accounting policies (continued)

(e) Property, plant and equipment

Property, plant and equipment includes leasehold improvements and office equipment, and are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The useful life of office equipment is estimated to be five years. In respect of leasehold improvements depreciation is charged over the remaining life of the lease or over the useful life of the improvements, whichever is shorter. The residual values and useful lives of assets are reviewed at least annually.

(f) Intangible assets – goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is tested annually for impairment and stated at cost less any accumulated impairment losses.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Deferred acquisition costs

Costs that are directly attributable to securing an investment management contract are deferred if they can be identified separately and measured reliably and it is probable that they will be recovered. Deferred acquisition costs represent the contractual right to benefit from providing investment management services and are charged as the related revenue is recognised.

(i) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Dividends payable

Interim dividends are recognised when paid and final dividends when approved by shareholders.

Notes to the financial statements (continued)

1 Significant accounting policies (continued)

(k) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when payable, in accordance with the scheme particulars.

(l) Share-based payments

The Group issues share awards to its employees under share-based compensation plans. The awards have been classified as equity-settled under IFRS 2: Share-based Payments.

The fair value of the amounts payable to employees is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the vesting period. The fair value is measured using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted.

(m) Own shares

Own shares are held by an Employee Benefit Trust (EBT) which acts as an agent for the purpose of the employee share-based compensation plans. The holding of the EBT comprises own shares that have not vested unconditionally to employees of the Group. In both the Group and Company own shares are recorded at cost and are deducted from retained earnings.

(n) Treasury shares

Treasury shares are recognised in equity and are measured at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from the sale and original cost being taken to revenue reserves.

(o) Revenue

Revenue comprises management fees, performance fees and other revenue. Revenue is recognised in the income statement 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 Group and the revenue can be reliably measured. Specific revenue recognition policies are:

(i) Management fees

Management fees are accrued over the period for which the service is provided. Where management fees are received in advance these are recognised over the period of the provision of the asset management service, which is estimated based on experience of average holding periods for investments.

(ii) Performance fees

Performance fees relate to the performance of funds managed during the period and are recognised at the balance sheet date when the quantum of the fee can be estimated reliably and it is probable that the fee will crystallise. This is usually at the end of the performance period.

(iii) Other revenue

Other revenue includes transaction, structuring and administration fees, and reimbursement by funds of costs incurred by the Group. This revenue is recognised when the related services are provided.

(p) Distribution costs

Distribution costs are cost of sales payable to third parties and are recognised over the period for which the service is provided.

(q) Operating leases

Payments payable under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised on a straight-line basis over the lease term and are recorded as a reduction in premises costs.

1 Significant accounting policies (continued)

(r) Interest income

Interest income is calculated using an effective interest rate method. Interest income comprises interest receivable on the Group's cash and cash equivalents.

(s) Taxation

(i) Income tax

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

(ii) Current tax

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

(iii) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following differences are not provided for: goodwill not deductible for tax purposes, and differences relating to investments in subsidiaries 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 asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Currently, management consider that the Group's services comprise one business segment (being provision of investment management services) and that its operations are not run on a discrete geographic basis. This is demonstrated by the centralised nature of key investment, risk and operating committees.

(u) Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment are described in note 27.

Notes to the financial statements (continued)

1 Significant accounting policies (continued)

(v) Adopted IFRS not yet applied

The following IFRSs endorsed by the EU were available for early application but have not been applied by the Group in these consolidated financial statements:

- IFRS 1 and IAS 27 (Amended): Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate
- IFRS 2 (Amended): Share-based Payment – Vesting Conditions and Cancellations
- IFRS 3 (Amended): Business Combinations
- IFRS 8: Operating Segments
- IAS 1 (Amended): Presentation of Financial Statements
- IAS 27 (Amended): Consolidated and Separate Financial Statements.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

Company

In addition to the above accounting policies, the following specifically relate to the Company.

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

Investments in subsidiaries are stated at cost, less, where appropriate, provisions for impairment.

Financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee or that guarantee expires for any reason.

2 Foreign exchange

The only foreign exchange rate which has a material impact on the reporting of the Group's results is the US Dollar.

	Closing rate as at 30 June 2009	Closing rate as at 30 June 2008	Average rate year ended 30 June 2009	Average rate year ended 30 June 2008
US Dollar	1.6458	1.9923	1.6044	2.0119

Analysis of foreign exchange

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Realised and unrealised hedging (losses)/gains	(42.4)	3.1
Translation gains on non-Sterling denominated monetary assets and liabilities	3.8	0.1
Total foreign exchange (losses)/gains	(38.6)	3.2

3 Personnel expenses

Number of employees

The number of employees of the Group (including Directors) during the reporting years, analysed by category, was as follows:

	Average for the year ended 30 June 2009 Number	Average for the year ended 30 June 2008 Number	At 30 June 2009 Number	At 30 June 2008 Number
Investment management	130	80	142	93
Total employees	130	80	142	93

Analysis of employee benefits expense

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Wages and salaries	8.9	5.3
Performance-related bonuses	10.1	23.5
Share-based payments	11.9	10.0
Social security costs	3.2	7.3
Pension costs	0.6	0.3
Other costs	1.3	1.3
Total employee benefits	36.0	47.7

The above table includes a total of £0.5 million (2008: £1.2 million) waived by Directors and employees in current and earlier periods, with an equivalent amount to be paid to charity in the financial year to 30 June 2010.

4 Other expenses

Other expenses

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Travel	3.3	2.5
Professional fees	3.0	2.2
Information technology and communications	2.1	1.4
Deferred acquisition costs charges	2.1	1.2
Operating leases	1.9	1.0
Premises-related costs	0.8	0.6
Insurance	0.6	0.5
Auditors' remuneration	0.6	0.7
Depreciation of property, plant and equipment	0.8	0.3
Other expenses	1.7	0.7
Total other expenses	16.9	11.1

Notes to the financial statements (continued)

4 Other expenses (continued)

Auditors' remuneration

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Statutory audit services:		
– fees payable to the Company's auditors for the audit of the Company's accounts	0.1	0.1
Other non-audit services:		
– tax services	0.2	0.1
– other services	0.3	0.5
Total services	0.6	0.7

5 Taxation

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Current tax:		
Corporation tax on profits of the year	47.6	56.5
Adjustments in respect of prior years	0.1	(3.0)
Total current tax	47.7	53.5
Deferred tax arising from origination and reversal of temporary differences:		
Current year (see note 13)	(3.4)	1.7
Total tax charge for the year	44.3	55.2
	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Current tax on share-based payments	(0.2)	1.3
Deferred tax on share-based payments (see note 13)	(0.1)	2.7
Deferred tax on available-for-sale assets	1.0	–
Tax charge recognised in equity	0.7	4.0

5 Taxation (continued)

Factors affecting tax charge for the year

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Profit before tax	159.8	196.2
Tax at the UK tax rate of 28% (2008: Blended rate of 29.5%)	44.7	57.8
Effects of:		
Expenses not deductible	3.4	0.2
Deduction in respect of exercised options (Schedule 23 Finance Act 2003)	(0.2)	(0.1)
Other	(0.1)	–
<i>Adjustments in respect of prior years</i>		
Current tax	0.1	(3.0)
Deferred tax	(3.6)	0.3
Total tax charge for the year	44.3	55.2

6 Earnings per share

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the parent of £115.0 million (2008: £140.8 million) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated as for basic earnings per share with an adjustment to the weighted average number of ordinary shares to reflect the effects of all dilutive potential ordinary shares. There is no difference between the profit for the financial year attributable to equity holders of the parent used in the basic and diluted earnings per share calculations.

Reconciliation of the figures used in calculating basic and diluted earnings per share:

	Year ended 30 June 2009	Year ended 30 June 2008
Weighted average number of ordinary shares used in calculation of basic earnings per share	671,667,998	669,671,683
Effect of dilutive potential ordinary shares – share options	47,330,538	38,322,426
Weighted average number of ordinary shares used in calculation of diluted earnings per share	718,998,536	707,994,109

Notes to the financial statements (continued)

7 Share-based payments

Group and Company share-based compensation plans

The following share-based compensation plans were in operation during the reporting year.

The Ashmore First Discretionary Share Option Scheme ("Option Scheme")

The Option Scheme was set up in October 2000. Options issued under the Option Scheme typically have a life of 10 years and vest after five years from date of grant. The fair value of options at each reporting year end have been accounted for on an equity-settled basis. No further options will be issued under the Option Scheme.

The Executive Omnibus Incentive Plan ("Omnibus Plan")

The Omnibus Plan was introduced prior to the Company listing in October 2006 and provides for the grant of share awards, market value options, premium cost options, discounted options, linked options and/or nil cost options to employees. The Plan will also allow bonuses to be deferred in the form of share awards with or without matching shares. These elements can be used singly or in combination.

The Approved Company Share Option Plan ("CSOP")

The CSOP was also introduced prior to the Company listing in October 2006 and is an option scheme providing for the grant of market value options to employees with the aggregate value of outstanding options not exceeding £30,000 per employee. The CSOP qualifies as a UK-tax-approved company share option plan and approval thereto has been obtained from HMRC. To date there have been no awards made under the CSOP.

Share-based payments through the income statement

Group and Company

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Option Scheme	0.3	0.3
Omnibus Plan	11.6	9.7
Total expense	11.9	10.0

Group and Company

Year of grant	Year ended 30 June 2009	Year ended 30 June 2008
2004	—	0.1
2005	0.1	0.1
2006	0.2	0.8
2007	2.1	1.4
2008	2.3	7.6
2009	7.2	—
Total expense	11.9	10.0

7 Share-based payments (continued)

Share options outstanding

Share options outstanding under share-based compensation plans were as follows:

Group and Company

	As at 30 June 2009 Number of options	Weighted average exercise price p	As at 30 June 2008 Number of options	Weighted average exercise price p
At beginning of year	32,670,946	16.96	38,152,921	15.84
Granted	—	—	—	—
Exercised	(462,500)	5.53	(4,712,500)	1.38
Forfeited	(83,125)	23.20	(769,475)	23.99
At end of year	32,125,321	17.10	32,670,946	16.96
Options exercisable	2,037,500	5.38	1,575,000	1.30

The weighted average share price on the date options were exercised during 2009 was 172.27 pence (2008: 240.83 pence).

Weighted average remaining contractual life of outstanding options

Group and Company

	Year ended 30 June 2009	Year ended 30 June 2008
Outstanding options	32,125,321	32,670,946
Weighted average exercise price	17.10p	16.96p
Weighted average remaining contracted life (years)	5.49	6.92
Range of exercise prices for share options outstanding at the end of the year	0.52p-170.00p	0.52p-170.00p

Group and Company

Exercise price per share (p)	Exercise periods	2009 Number	2008 Number
0.00-10.00	11 December 2005-11 December 2012	1,300,000	1,575,000
10.00-20.00	9 December 2008-8 December 2015	28,293,750	28,496,875
20.00-30.00	28 April 2011-10 September 2016	2,355,100	2,422,600
170.00-180.00	8 December 2011-7 December 2016	176,471	176,471
		32,125,321	32,670,946

Notes to the financial statements (continued)

7 Share-based payments (continued)

There were no new share option awards granted during the year ended 30 June 2009 (2008: none).

Share awards outstanding

Share awards outstanding under the Omnibus Plan were as follows:

Group and Company

	Number of shares subject to awards	As at 30 June 2009 Weighted average share price £	As at 30 June 2008 Number of shares subject to awards	Weighted average share price £
Restricted share awards				
At beginning of year	4,290,802	2.56	2,009,522	2.33
Granted	6,813,128	1.62	2,498,596	2.75
Forfeited	(112,683)	1.81	(217,316)	2.48
At end of year	10,991,247	1.99	4,290,802	2.56
Bonus share awards				
At beginning of year	761,076	2.75	–	–
Granted	1,044,231	1.62	761,076	2.75
Forfeited	(4,910)	2.75	–	–
At end of year	1,800,397	2.10	761,076	2.75
Matching share awards				
At beginning of year	761,076	2.75	–	–
Granted	1,044,231	1.62	761,076	2.75
Forfeited	(4,910)	2.75	–	–
At end of year	1,800,397	2.10	761,076	2.75
Total	14,592,041	2.01	5,812,954	2.61

The fair values of awards granted under the Omnibus Plan are determined by the average share price for the preceding five business days prior to grant.

Where the grant of share awards is linked to the annual bonus process the fair value of the awards is spread over a period including the current financial year and the subsequent five years to their release date when the grantee becomes unconditionally entitled to the underlying shares. Of the restricted share awards of 14,592,041 as at 30 June 2009 the amount of 10,991,247 were granted as part of the Group's variable compensation process. The fair value of the remaining awards is spread over the period from date of grant to the release date.

8 Dividends

An analysis of dividends is as follows:

Group and Company

	2009	2008
<i>Dividends declared/proposed in respect of the year:</i>		
Interim dividend declared per share (p)	3.66	3.66
Final dividend proposed/declared per share (p)	8.34	8.34
<i>Dividends paid in the year:</i>		
Interim dividend paid (£m)	24.9	24.9
Interim dividend per share (p)	3.66	3.66
Final dividend paid (£m)	57.0	45.2
Final dividend per share (p)	8.34	6.70

Dividends are recognised in the accounts in the year in which they are paid, or in the case of a final dividend when approved by the shareholders.

On 15 September 2009 the Board proposed a final dividend of 8.34 pence per share for the year ended 30 June 2009. This has not been recognised as a liability of the Group at the year end as it has not yet been approved by shareholders. Based on the number of shares in issue at the year end which qualify to receive a dividend, the total amount payable would be £56.7 million (2008: £57.0 million).

9 Property, plant and equipment

Group

	2009 Fixtures, fittings and equipment £m	2008 Fixtures, fittings and equipment £m
Cost		
At beginning of year	3.7	0.7
Additions	2.1	3.5
Disposals	—	(0.5)
At end of year	5.8	3.7
Accumulated depreciation		
At beginning of year	0.4	0.5
Depreciation charge for year	0.8	0.3
Disposals	—	(0.4)
At end of year	1.2	0.4
Net book value at 30 June	4.6	3.3

Notes to the financial statements (continued)

9 Property, plant and equipment (continued)

Company	2009 Fixtures, fittings and equipment £m	2008 Fixtures, fittings and equipment £m
Cost		
At beginning of year	3.4	0.7
Additions	1.7	3.2
Disposals	–	(0.5)
At end of year	5.1	3.4
Accumulated depreciation		
At beginning of year	0.3	0.5
Depreciation charge for year	0.8	0.2
Disposals	–	(0.4)
At end of year	1.1	0.3
Net book value at 30 June	4.0	3.1

10 Intangible assets – goodwill

Group	2009 £m	2008 £m
Cost		
At beginning of year	4.1	4.1
Additions	2.6	–
At end of year	6.7	4.1
Net book value	6.7	4.1

An impairment review of goodwill was undertaken at 31 December 2008, in recognition of the extent of market turmoil since 30 June 2008. In addition the annual impairment review was undertaken at 30 June 2009. No impairment was deemed necessary on either occasion.

The recoverable amounts of the business are determined based upon future forecast profitability and cash flow projections. The key assumptions on which management has based their projections are the expected fund flows and growth of AuM, which determine management and performance fee income.

The business of the Group is managed as a single unit, with asset allocations, research and other such operational practices reflecting the commonality of approach across all fund themes. Therefore, no further split into smaller cash-generating units is possible, and the impairment review is conducted for the Group as a whole.

The goodwill balance within the Company at the beginning and end of the year is £4.1 million and relates to the acquisition of the business from ANZ in 1999. Goodwill arising in the Group during the year relates to the acquisition of Dolomite on 3 November 2008. For further details on this acquisition please refer to note 22.

There has been no gross impairment of goodwill to date either within the Company or the Group.

11 Deferred acquisition costs

Group

	2009 £m	2008 £m
Cost		
At beginning of year	14.6	14.6
At end of year	14.6	14.6
Accumulated charge		
At beginning of year	1.2	—
Charge for the year	2.1	1.2
At end of year	3.3	1.2
Carrying value at end of year	11.3	13.4

The deferred acquisition costs shown above are in respect of the launch of AGOL, the Group's listed permanent capital vehicle, during December 2007, and are being charged to the Group's income statement over seven years.

12 Trade and other receivables

	As at 30 June 2009 £m	Group As at 30 June 2008 £m	As at 30 June 2009 £m	Company As at 30 June 2008 £m
Current				
Trade debtors	32.0	33.3	0.9	0.8
Prepayments and accrued income	0.8	0.7	0.7	0.7
Loans to subsidiaries	—	—	35.9	15.1
Other receivables	0.3	0.7	0.3	6.6
	33.1	34.7	37.8	23.2

13 Deferred taxation

Deferred tax assets and liabilities recognised by the Group and Company are attributable to the following:

Group

	Other temporary differences £m	Share-based payments £m	Total £m
At 30 June 2008			
(Assets)	—	(13.8)	(13.8)
Liabilities	3.8	—	3.8
Net	3.8	(13.8)	(10.0)
At 30 June 2009			
(Assets)	—	(14.0)	(14.0)
Liabilities	1.5	—	1.5
Net	1.5	(14.0)	(12.5)

Notes to the financial statements (continued)

13 Deferred taxation (continued)

Company

	Other temporary differences £m	Share-based payments £m	Total £m
At 30 June 2008			
(Assets)	–	(13.8)	(13.8)
Net	–	(13.8)	(13.8)
At 30 June 2009			
(Assets)	–	(14.0)	(14.0)
Liabilities	0.2	–	0.2
Net	0.2	(14.0)	(13.8)

Movement in temporary differences between the balance sheet dates has been reflected in equity or the income statement as follows:

Group

	Other temporary differences £m	Share-based payments £m	Total £m
At 1 July 2007	(0.3)	(14.1)	(14.4)
Charged/(credited) to the Consolidated income statement (see note 5)	4.1	(2.4)	1.7
Charge taken to equity	–	2.7	2.7
At 30 June 2008	3.8	(13.8)	(10.0)
Credited to the Consolidated income statement (see note 5)	(3.3)	(0.1)	(3.4)
Charge/(credit) taken to equity	1.0	(0.1)	0.9
At 30 June 2009	1.5	(14.0)	(12.5)

Company

	Other temporary differences £m	Share-based payments £m	Total £m
At 1 July 2007	(0.3)	(14.1)	(14.4)
Charged/(credited) to the income statement	0.3	(2.4)	(2.1)
Charge taken to equity	–	2.7	2.7
At 30 June 2008	–	(13.8)	(13.8)
Charged/(credited) to the income statement	0.2	(0.1)	0.1
Credit taken to equity	–	(0.1)	(0.1)
At 30 June 2009	0.2	(14.0)	(13.8)

14 Non-current assets and non-current liabilities held-for-sale

Where Group companies inject seed capital into funds operated and controlled by the Group, then the fund is classified as being held-for-sale. Typically, if the fund remains under the control of the Group for more than one year from the original investment date it will cease to be classified as held-for-sale, and will be consolidated line by line. In determining whether to execute the reclassification, the Group will have regard to the proximity of loss of control, and the extent to which consolidation of the fund on a line-by-line basis would be material to the presentation of the Group's financial statements.

	2009 £m	2008 £m
Non-current assets held-for-sale	34.8	16.4
Non-current liabilities held-for-sale	(7.4)	(0.1)
Seed capital classified as being held-for-sale	27.4	16.3

The Group's maximum exposure to credit, liquidity, interest rate, foreign exchange and price risk in respect of these assets and liabilities is represented by their carrying value.

15 Fair value of financial instruments

There is no material difference between the carrying amounts of financial assets and liabilities at the balance sheet date and their fair values.

The fair values of forward foreign exchange contracts and derivative financial instruments are determined by reference to published price quotations.

Notes to the financial statements (continued)

16 Financial instrument risk management

Group

The Group is subject to business and strategy, investment, operational and treasury risk throughout its business as discussed in the Business review. Specific areas of financial instrument risk include credit, liquidity, interest rate, foreign exchange and price risk. The effectiveness of the Group's risk management process is, therefore, critical to its soundness and profitability and considerable resources are dedicated to this area.

Risk management is the direct responsibility of the Group's senior management. The Ashmore Group Risk Management and Control department and the Group's Risk and Compliance Committee (RCC) are responsible for monitoring the overall risk environment. The Group has established a control environment that ensures risks are reviewed regularly and that all risk controls operating throughout the Group are in accordance with regulatory requirements. In addition as a regulated business the Group is responsible for maintaining appropriate capital and performing regular calculations of capital requirements, including the development of an internal capital adequacy assessment process (ICAAP), based upon the Financial Services Authority's methodologies under the Capital Requirements Directive. Pillar III disclosures in connection with the ICAAP can be found on our website at www.ashmoregroup.com.

Credit risk

The Group has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The Group's maximum exposure to credit risk is represented by the carrying value of its financial assets.

Financial assets subject to credit risk at are as follows:

	Notes	2009 £m	2008 £m
Cash and cash equivalents		288.4	279.2
Available-for-sale financial assets		4.8	—
Derivative financial instruments		0.8	1.2
Non-current assets held-for-sale	14	34.8	16.4
Total excluding trade and other receivables		328.8	296.8
Trade and other receivables	12	33.1	34.7
Total trade and other receivables		33.1	34.7
Total		361.9	331.5

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Trade and other receivables at amortised cost

Financial assets at amortised cost principally comprise fee debtors, which are all less than 90 days old.

Fee debtors arise principally within the Group's investment management business and amounts are monitored regularly. Historically, default levels have been insignificant, and, unless a client has withdrawn funds, there is an ongoing relationship between the Group and the client. There is no significant concentration of credit risk in respect of fees owing from clients.

Available-for-sale financial assets

Such assets comprise cash and cash equivalents, and debt and equity instruments in seeded funds.

The Group's cash and cash equivalents are liquid short-term deposits with banks which have credit ratings ranging from A to A+ as at 30 June 2009 (2008: AA- to A1+).

Financial assets and liabilities held at fair value

Such assets comprise derivative financial instruments with positive and negative fair values.

16 Financial instrument risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its obligations as they fall due or can only do so at a cost. The liquidity policy is to ensure that the Group has sufficient access to funds to cover all forecast committed requirements for the next 12 months.

The table below analyses the Group's financial assets and liabilities. The amounts disclosed are the contractual undiscounted cash flows and are all due within one year, except for commitments which are greater than one year.

	Notes	2009 £m	2008 £m
Financial assets			
Trade and other receivables	12	33.1	34.7
Available-for-sale financial assets		4.8	—
Derivative financial instruments		0.8	1.2
Cash and cash equivalents		288.4	279.2
Non-current assets held-for-sale	14	34.8	16.4
Total financial assets		361.9	331.5
Financial liabilities			
Derivative financial instruments		5.0	0.7
Trade and other payables	20	51.0	63.7
Non-current liabilities held-for-sale	14	7.4	0.1
Total financial liabilities		63.4	64.5
Commitments			
Operating lease commitments:	21		
Within one year		1.9	1.2
Over one year but not more than five years		5.7	4.5
Over five years		6.0	6.0
Total		13.6	11.7

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The principal interest rate risk is the risk that the Group will sustain a reduction in interest revenue through adverse movements in interest rates. This relates to bank deposits held in the ordinary course of business.

At 30 June 2009, if interest rates had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been £2.3 million higher/lower (2008: £1.8 million higher/lower), mainly as a result of higher/lower interest on average cash balances.

Notes to the financial statements (continued)

16 Financial instrument risk management (continued)

The assumption that the fair values of assets and liabilities will not be affected by a change in interest rates was used in the model to calculate the effect on post-tax profits.

Effective interest rates applicable to financial instruments are as follows:

	Year ended 30 June 2009 %	Year ended 30 June 2008 %
Deposits with banks	2.91	5.84
	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Items repricing within one year or less:		
Deposits with banks	288.4	279.2

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Group's financial assets and liabilities are denominated in the following currencies:

Year ended 30 June 2009:

	Notes	Sterling £m	US Dollar £m	Brazilian Real £m	Other £m	Total £m
Financial assets						
Trade and other receivables	12	7.6	24.8	0.6	0.1	33.1
Available-for-sale financial assets		0.2	—	—	4.6	4.8
Derivative financial instruments		—	0.8	—	—	0.8
Cash and cash equivalents		272.0	16.0	—	0.4	288.4
Non-current assets held-for-sale	14	—	4.6	30.2	—	34.8
Total financial assets		279.8	46.2	30.8	5.1	361.9
Financial liabilities						
Derivative financial instruments		—	5.0	—	—	5.0
Trade and other payables	20	29.9	21.0	0.1	—	51.0
Non-current liabilities held-for-sale	14	—	0.7	6.7	—	7.4
Total financial liabilities		29.9	26.7	6.8	—	63.4

16 Financial instrument risk management (continued)

Year ended 30 June 2008:

	Notes	Sterling £m	US Dollar £m	Brazilian Real £m	Other £m	Total £m
Financial assets						
Trade and other receivables	12	3.0	31.6	0.1	–	34.7
Derivative financial instruments		–	1.2	–	–	1.2
Cash and cash equivalents		268.0	10.9	–	0.3	279.2
Non-current assets held-for-sale	14	–	–	16.4	–	16.4
Total financial assets		271.0	43.7	16.5	0.3	331.5
Financial liabilities						
Derivative financial instruments		–	0.7	–	–	0.7
Trade and other payables	20	39.8	23.9	–	–	63.7
Non-current liabilities held-for-sale	14	–	–	0.1	–	0.1
Total financial liabilities		39.8	24.6	0.1	–	64.5

The Group's revenue is almost entirely denominated in US Dollars, while the Group's cost base is largely Sterling-based. Consequently, the Group has an exposure to movements in the US\$/£ exchange rate.

The Group's policy is to hedge this net foreign exchange exposure by using a combination of forward foreign exchange contracts and options for up to two years forward. The Group also sells US Dollars at spot rates when opportunities arise.

At 30 June 2009, if the US Dollar had strengthened/weakened by 10 cents against Sterling with all other variables held constant, profit before tax for the year would have increased/decreased by £15.1 million/£10.8 million respectively (2008: £6.9 million/£6.2 million).

The Group also holds a small number of seed capital investments, as shown on the balance sheet, which are denominated in Brazilian Real or US Dollars. Any such seed investments give rise to foreign exchange risk. At 30 June 2009, if the Brazilian Real and US Dollar had, in aggregate, strengthened/weakened by 1 per cent against Sterling with all other variables held constant, net assets and net revenue for the year would have increased/decreased by £0.3 million/£0.3 million (2008: £0.1 million/£0.2 million).

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of market changes.

The Group's direct exposure to price risk is in respect of the seed capital investments it holds on its balance sheet. These can be either debt or equity instruments, where the Group's exposure is restricted to the carrying value of the assets or liabilities. At 30 June 2009, a 5 per cent movement in the fair value of these investments would have had a £2.0 million (2008: £0.8 million) impact on net assets/net revenue.

There is also indirect price risk in connection with the Group's AuM and its associated management and performance fees. These are diversified across a range of investment themes and not correlated to any single market indices in emerging markets. Based on the year-end assets under management of US\$24.9 billion, and a sensible medium-term average net management fee rate of 1 per cent, a 5 per cent movement in assets under management would have a US\$12.5 million impact in management fee revenues. However, the profitability impact is likely to be less than this, as cost mitigation actions would apply, including the reduction in the variable compensation paid to employees. Performance fee revenues could be reduced to nil in severe market conditions, though as with management fees there would also be an associated positive impact on costs.

Notes to the financial statements (continued)

16 Financial instrument risk management (continued)

Hedging activities

Included within the realised and unrealised hedging losses of £42.4 million recognised at 30 June 2009 are:

- a £4.5 million loss in respect of the unrealised mark-to-market loss on open forward foreign exchange contracts covering net management fee income for the financial year ending 30 June 2010;
- a £0.4 million gain in respect of foreign exchange options covering net management fee income for the financial year ending 30 June 2011; and
- a £38.3 million loss in respect of crystallised forward foreign exchange contracts.

Financial year ending 30 June 2010 forward foreign exchange contracts

These were not designated as hedges at inception, and as such have been valued at the year-end rate of GBP1:1.6458USD with the mark-to-market impact already having been recognised in the Consolidated income statement. This loss will be offset by either gains on management fees as they crystallise, or hedge contracts as they mature, during the next financial year. The maturity profile and the associated loss recognised at 30 June 2009 is shown below:

	Maturity date	
	First half 2009/10	Second half 2009/10
Hedge contracts maturing (US\$m)	60.0	60.0
Average contract rate (GBP:USD)	1.79	1.72
Exchange rate at 30 June 2009 (GBP:USD)	1.6458	1.6458
Hedge (loss) recognised at 30 June 2009 (£m)	(3.0)	(1.5)

Financial year ending 30 June 2011 foreign exchange options

The options have been assessed as effective cash flow hedges at 30 June 2009. A net unrealised gain arising on these contracts of £0.4 million (2008: nil) has been recognised in the Consolidated income statement for the year ended 30 June 2009, being the movement in the time value of the options between the date that they were entered into and the year end. The intrinsic value of the options will be recognised directly in equity as long as the hedges are assessed as being highly effective, and recognised in the income statement as the corresponding hedged cash flows crystallise.

	Notional amount £m	Assets £m	2009 Liabilities £m	Notional amount £m	Assets £m	2008 Liabilities £m
Cash flow hedges						
Forward exchange options	36.5	0.4	—	—	—	—

Capital management

Equity as referred to in the Group's balance sheet is the capital for the business. There are no other assets managed which are considered capital of the Group. As referred to above, the Group monitors its regulatory capital in order to meet the financial resources requirement of the Financial Services Authority.

Company

The risk management processes of the Company are aligned with those of the Group as a whole. The Company's specific risk exposures are explained below.

Credit risk

The Company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The Company's maximum exposure to credit risk is represented by the carrying value of its financial assets.

16 Financial instrument risk management (continued)

Financial assets subject to credit risk are as follows:

	Note	2009 £m	2008 £m
Cash and cash equivalents		207.0	174.6
Total excluding trade and other receivables		207.0	174.6
Trade and other receivables	12	37.8	23.2
Total trade and other receivables		37.8	23.2
Total		244.8	197.8

The Company's cash and cash equivalents are liquid short-term deposits with banks which have credit ratings ranging from A to A+ as at 30 June 2009 (2008: AA- to A1+).

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due or can only do so at a cost. The liquidity policy is to ensure that the Company has sufficient access to funds to cover all forecast committed requirements for the next 12 months.

The table below analyses the Company's financial assets and liabilities. The amounts disclosed are the contractual undiscounted cash flows and are all due within one year, except for commitments which are greater than one year.

	Notes	2009 £m	2008 £m
Financial assets			
Trade and other receivables	12	37.8	23.2
Cash and cash equivalents		207.0	174.6
Total financial assets		244.8	197.8

		2009 £m	2008 £m
Financial liabilities			
Trade and other payables	20	32.3	37.7
Total financial liabilities		32.3	37.7

		2009 £m	2008 £m
Commitments			
Operating lease commitments:	21		
Within one year		1.1	1.1
Over one year but not more than five years		4.3	4.3
Over five years		6.0	6.0
Total		11.4	11.4

Notes to the financial statements (continued)

16 Financial instrument risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The principal interest rate risk is the risk that the Company will sustain a reduction in interest revenue through adverse movements in interest rates. This relates to bank deposits held in the ordinary course of business.

At 30 June 2009, if interest rates had been 200 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been £2.8 million higher/lower (2008: £2.2 million higher/lower), mainly as a result of higher/lower interest on cash balances.

The assumption that the fair values of assets and liabilities will not be affected by a change in interest rates was used in the model to calculate the effect on post-tax profits.

Effective interest rates applicable to financial instruments are as follows:

	Year ended 30 June 2009 %	Year ended 30 June 2008 %
Deposits with banks	3.25	6.11
	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Items repricing within one year or less:		
Deposits with banks	207.0	174.6

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Other than intercompany balances in relation to seed capital investments, the Company has no significant exposure to foreign exchange risk.

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of market changes. The Company has no exposure in this area.

17 Share capital

Group and Company

(a) Share capital authorised

	As at 30 June 2009 Number of shares	As at 30 June 2009 Nominal value £'000	As at 30 June 2008 Number of shares	As at 30 June 2008 Nominal value £'000
Ordinary shares of 0.01p each	900,000,000	90	900,000,000	90

(b) Share capital issued

Allotted, called-up and fully paid equity shares:

	As at 30 June 2009 Number of shares	As at 30 June 2009 Nominal value £'000	As at 30 June 2008 Number of shares	As at 30 June 2008 Nominal value £'000
Ordinary shares of 0.01p each	708,925,000	70	708,925,000	70

All the above ordinary shares represent equity of the Company and rank pari passu in respect of participation and voting rights.

At 30 June 2009 there were 32,125,321 (2008: 32,670,946) options in issue with contingent rights to the allotment of ordinary shares of 0.01 pence in the Company. There are also share awards issued under the Omnibus Plan totalling 14,592,041 shares (2008: 5,812,954) that have release dates ranging from November 2011 to February 2014. Further details are provided in note 7.

18 Own shares

The Ashmore 2004 Employee Benefit Trust (EBT) was established to encourage and facilitate the acquisition and holding of shares in the Company by the employees of the Company with a view to facilitating the recruitment and motivation of the employees of the Company. As at the period end, the EBT owned 34,293,185 (2008: 34,012,500) ordinary shares of 0.01 pence with a nominal value of £3,429.32 (2008: £3,401.25) and shareholders' funds are reduced by £6.2 million (2008: £5.4 million) in this respect. It is the intention of the Directors to make these shares available to employees by way of sale through the share-based compensation plans.

Notes to the financial statements (continued)

19 Treasury shares

In line with authorities granted at the AGM in October 2008 the Company purchased shares which are held in treasury. An analysis of treasury shares is as follows:

Treasury shares held by Ashmore Group plc

Cost of treasury shares:	2009 £m	2008 £m
Ashmore Group plc ordinary shares	6.9	—
	Number	Number
Ashmore Group plc ordinary shares	5,368,331	—
Reconciliation of treasury shares	Number	Number
At beginning of year	—	—
Purchase of own shares	5,368,331	—
At end of year	5,368,331	—
Market value of treasury shares:	£m	£m
Ashmore Group plc	10.2	—

20 Trade and other payables

	As at 30 June 2009 £m	Group As at 30 June 2008 £m	As at 30 June 2009 £m	Company As at 30 June 2008 £m
Current				
Accruals and deferred income	51.0	63.7	32.3	37.7
	51.0	63.7	32.3	37.7

21 Leases

Operating leases

The Group has entered into certain property leases. The leases have no escalation clauses or renewal or purchase options and no restrictions imposed on them.

The obligations under these non-cancellable operating leases fall due as follows:

Group

	As at 30 June 2009 £m	As at 30 June 2008 £m
Within one year	1.9	1.2
Over one year but not more than five years	5.7	4.5
Over five years	6.0	6.0
Total	13.6	11.7

21 Leases (continued)

Company	As at 30 June 2009 £m	As at 30 June 2008 £m
Within one year	1.1	1.1
Over one year but not more than five years	4.3	4.3
Over five years	6.0	6.0
Total	11.4	11.4

22 Acquisitions

On 3 November 2008, the Group acquired a 75 per cent stake in Dolomite Capital Management ("Dolomite"). Dolomite is an emerging markets focused fund-of-funds manager and independent advisor on emerging market investments based in New York and had approximately US\$0.1 billion of assets under management at 30 June 2009. In the eight months to 30 June 2009 the subsidiary contributed net revenue of £0.4 million. Its profit before tax contribution for the same period was negligible. Had the acquisition occurred on 1 July 2008, the impact on the Group's net revenue for the full period would have been £0.6 million accretive, with no impact on the profit before tax.

In addition to the consideration at the time of acquisition, set out below, further provisions existed within the shareholders' agreement for the Group to be able to acquire the remaining equity of Dolomite Capital Limited, using call and put options. The value of both types of options was capped and was based on the performance of the underlying business.

The Group restructured its US operations in June 2009, to enable us to consolidate the team with our existing staff and grow our overall Ashmore marketing and distribution presence in the United States. As part of this restructure Dolomite became a wholly-owned subsidiary, for no additional consideration, resulting in the cancellation of the put and call options.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	£m
Book value of assets and liabilities acquired at the transaction date:	
Trade and other receivables	0.2
Cash and cash equivalents	0.1
Trade and other payables	(0.1)
Net identifiable assets and liabilities	0.2
Goodwill arising in the Group on acquisition	2.6
Consideration paid, satisfied in cash	2.8
Prepaid compensation	0.9
Net cash outflow for the Group	3.7

Notes to the financial statements (continued)

23 Subsidiaries

Company

Investment in subsidiaries

	As at 30 June 2009 £m	As at 30 June 2008 £m
Cost	4.7	1.0

Ashmore Group plc is the ultimate parent Company of the Group.

The directly held subsidiary of the parent Company is as follows:

	Country of incorporation/ formation and principal place of operation	As at 30 June 2009 % owned
Ashmore Investments (UK) Limited	England	100.00

The principal indirectly held subsidiaries are as follows:

	Country of incorporation/ formation and principal place of operation	As at 30 June 2009 % owned
Ashmore Investment Management Limited	England	100.00
Ashmore Management Company Limited	Guernsey	100.00
Ashmore Investment Management (Singapore) Pte. Ltd.	Singapore	100.00
Ashmore Global Special Situations Fund 3 (GP) Limited	Guernsey	100.00
Ashmore Global Special Situations Fund 4 (GP) Limited	Guernsey	100.00
Ashmore Global Special Situations Fund 5 (GP) Limited	Guernsey	100.00
Ashmore Investments (Turkey) NV	Netherlands	96.80
Ashmore Investments (Brasil) Limited	Guernsey	87.50
Ashmore Investments (India) Limited	Mauritius	90.00
Ashmore Investments (Colombia) SL	Spain	100.00
Aldwych Administration Services Limited	England	100.00
Ashmore (FOF) Limited	England	100.00
Ashmore (FOF) Corporation	USA	100.00
Ashmore Russian Opportunities Fund 1 (GP) Limited	Guernsey	100.00
Ashmore Private Equity Turkey Management Limited	Guernsey	70.00
AA Development Capital Investment Managers (Mauritius) LLC	Mauritius	55.00

All shares held are ordinary.

24 Related party transactions

Transactions with key management personnel – Group and Company

Related party transactions are in respect of relationships with key management personnel. The compensation of key management personnel was as follows:

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Short-term employee benefits	2.7	11.8
Share-based payment benefits	0.4	0.1
Total	3.1	11.9

The figures in the above table include a total of £0.0 million (2008: £0.7 million) waived by key management personnel with an equivalent amount to be donated to charity.

Share-based payment benefits represents the fair value charge to the income statement of share awards.

Transactions with subsidiaries – Company

Details of transactions between the Company and its subsidiaries, which are related parties of the Company, are shown below:

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Management fees received	56.5	62.1
Net dividends received	115.5	78.0
	As at 30 June 2009 £m	As at 30 June 2008 £m
Amounts due from subsidiaries	35.9	20.9
Amounts due to subsidiaries	7.9	0.1

Transactions with post-employment benefit plans – Group and Company

The Group and Company operate and participate in a post-employment benefit plan. The Group and Company contributed the following amounts to a defined contribution scheme during the year and no amounts were outstanding at 30 June 2009 and 30 June 2008.

	2009 £m	2008 £m
Employer contributions to a defined contribution scheme	0.6	0.3

The Ashmore Foundation

The Ashmore Foundation is a related party to the Group. The Foundation was set up to provide financial grants to worthwhile causes within the emerging markets geographies in which Ashmore operates with a view to putting something back into the countries and communities in which the Group invests and which contribute to Ashmore's income and profitability. There were no related party transactions during the year.

Notes to the financial statements (continued)

25 Directors' remuneration

Disclosures of Directors' remuneration as required by the Companies Act 2006 are as follows:

	Year ended 30 June 2009 £m	Year ended 30 June 2008 £m
Aggregate emoluments	0.8	5.5
	0.8	5.5

In the year ended 30 June 2009 the figures include £0.0 million (2008: £0.7 million) waived by Directors with an equivalent amount to be donated to charity.

There are retirement benefits accruing to two Directors under a defined contribution scheme (2008: two).

Directors' emoluments

This information is included in the Remuneration report on page 44.

26 Post-balance sheet events

There are no post-balance sheet events for the year ended 30 June 2009.

27 Accounting estimates and judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based upon management's assessment of current and future events. The principal estimates and judgements that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

- The Group tests goodwill annually for impairment. The recoverable amount is determined based upon value-in-use calculations prepared on the basis of management's assumptions and estimates.
- The Group assesses the recognition of performance fees to determine whether receipt of the fees is considered probable and the amount reliable. The assessment is made using management's judgement of the circumstances relevant to each performance fee entitlement.
- The calculation of fair value in respect of options requires a number of estimates to derive the fair value, further details of which are provided in note 7 above.

Five-year summary

	IFRS 2005 £m	IFRS 2006 £m	IFRS 2007 £m	IFRS 2008 £m	IFRS 2009 £m
Management fees	41.2	80.8	130.2	186.7	186.8
Performance fees	23.2	54.2	20.4	44.7	52.5
Other revenue	2.3	2.1	10.3	10.1	6.4
Total revenue	66.7	137.1	160.9	241.5	245.7
Less: Distribution costs	(1.3)	(2.3)	(3.8)	(4.7)	(3.6)
Foreign exchange	0.5	0.8	2.7	3.2	(38.6)
Net revenue	65.9	135.6	159.8	240.0	203.5
Personnel expenses	(3.4)	(4.0)	(5.2)	(7.4)	(11.5)
Variable compensation	(13.9)	(30.4)	(27.4)	(40.3)	(24.5)
Other operating expenses	(3.8)	(6.5)	(5.5)	(11.1)	(16.9)
Total operating expenses	(21.1)	(40.9)	(38.1)	(58.8)	(52.9)
Operating profit	44.8	94.7	121.7	181.2	150.6
Interest income	3.6	6.4	9.7	15.0	9.2
Gain on sale	–	2.8	–	–	–
Profit before tax	48.4	103.9	131.4	196.2	159.8
Tax expense	(16.0)	(32.3)	(39.9)	(55.2)	(44.3)
Profit for the year	32.4	71.6	91.5	141.0	115.5
EPS (basic)	4.9p	10.8p	13.7p	21.0p	17.1p
Other operating data (unaudited)					
AuM at period end (US\$bn)	11	20.1	31.6	37.5	24.9
AuM at period end (£bn)	6.1	10.9	15.7	18.8	15.1
Average AuM (£bn)	4.5	9.4	13.6	17.7	17.3
Average £:US\$ exchange rate for the year	1.86	1.78	1.95	2.01	1.60
Period end £:US\$ exchange rate for the year	1.82	1.84	2.01	1.99	1.65

Information for shareholders

Ashmore Group plc

Registered in England and Wales.
Company No. 3675683

Registered office

61 Aldwych
London WC2B 4AE
Tel: +44 (0) 20 3077 6000
Fax: +44 (0) 20 3077 6001

Principal UK trading subsidiary

Ashmore Investment Management Limited.
Registered in England and Wales.
Company No. 3344281.
Business address and registered office as above.

Further information on Ashmore Group plc can be found on the Company's website: www.ashmoregroup.com.

Financial calendar

Announcement of results for year ended 30 June 2009
15 September 2009

First quarter AuM statement
15 October 2009

Annual General Meeting
29 October 2009

Ex-dividend date
4 November 2009

Record date
6 November 2009

Final dividend payment date
4 December 2009

Second quarter AuM statement
January 2010

Announcement of unaudited Interim Results for the six months ended 31 December 2009
February 2010

Announcement of results for the year ended 30 June 2010
September 2010

Registrar

Equiniti Registrars
Aspect House
Spencer Road
West Sussex
BN99 6DA

UK shareholder helpline: 0871 384 2030

International shareholder helpline:
+44 121 415 7047

Further information about the Registrar is available on its website www.equiniti.com.

Up-to-date information about current holdings on the register is also available at www.shareview.co.uk.

Shareholders will need their reference number (account number) and postcode to view information on their own holding.

Share price information

Share price information can be found at www.ashmoregroup.com or through your broker.

Share dealing

Shares may be sold through a stockbroker or share dealing service. There are a variety of services available. Equiniti Registrars offer a secure, free and easy-to-use internet-based share dealing service known as Shareview dealing.

You can log on at www.shareview.co.uk/ to access this service, or contact the helpline on 0845 603 7037 to deal by telephone.

You may also use the Shareview service to access and manage your share investments and view balance movements, indicative share prices, information on recent dividends, portfolio valuation and general information for shareholders. Shareholders must register at www.shareview.co.uk, entering the shareholder reference on the share certificate and other personal details.

Having selected a personal PIN, a user ID will be issued by the Registrar.

Electronic copies of the 2009 Annual Report and financial statements and other publications

Copies of the 2009 Annual Report and financial statements, the notice of Annual General Meeting, other corporate publications, press releases and announcements are available on the Company's website at www.ashmoregroup.com.

Sharegift

Shareholders with only a small number of shares whose value makes them uneconomic to sell may wish to consider donating to charity through Sharegift, an independent charity share donation scheme.

For further information, please contact either the Registrar or Sharegift: on telephone +44 (0) 20 7828 1151, or see the website at www.sharegift.org.

Frequent shareholder enquiries

Enquiries and notifications concerning dividends, share certificates or transfers and address changes should be sent to the Registrar; the Company's governance reports, corporate governance guidelines and the terms of reference of the Board committees can be found on the Company's website at www.ashmoregroup.com.

Notifying the Company of a change of address

You should notify Equiniti Registrars in writing.

If you hold shares in joint names, the notification to change address must be signed by the first-named shareholder.

You may choose to do this online, by logging on to www.shareview.co.uk. You will need your shareholder reference number to access this service – this can be found on your share certificate or from a dividend counterfoil.

You will be asked to select your own PIN and a user ID will be posted to you.

Notifying the Company of a change of name

You should notify Equiniti Registrars in writing of your new name and previous name. You should attach a copy of your marriage certificate or your change of name deed, together with your share certificates and any un-cashed dividend cheques in your old name, so that the Registrar can reissue them.

Dividend payments directly into bank or building society accounts

We recommend that all dividend payments are made directly into a bank or building society account. Dividends are paid via BACS, providing tighter security and access to funds more quickly. To apply for a dividend mandate form, contact the Registrar, or you can find one by logging on to www.shareview.co.uk (under Frequently Asked Questions) or by calling the helpline on 0871 384 2030.

Transferring Ashmore Group plc shares

Transferring some or all of your shares to someone else (for example your partner or a member of your family) requires completion of a share transfer form, which is available from Equiniti Registrars. The form should be fully completed and returned with your share certificate representing at least the number of shares being transferred. The Registrar will then process the transfer and issue a balance share certificate to you if applicable. The Registrar will be able to help you with any questions you may have.

Lost share certificate(s)

Shareholders who lose their share certificate(s) or have their certificate(s) stolen should inform Equiniti Registrars immediately by calling the shareholder helpline on 0871 384 2030.

Disability helpline

For shareholders with hearing difficulties a special text phone number is available: 0871 384 2255.

Notes



If you would like to view the Ashmore Annual Report 2009 online please go to <http://www.ashmoregroup.com>

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Ashmore

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