Ashmore Group plc

Annual Report

for the year ended 30 June 2007

Ashmore

Contents

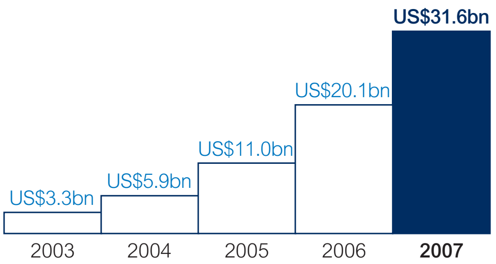
Ashmore is one of the world's leading emerging market investment managers with a history of consistently outperforming the market. Ashmore specialises in a number of emerging market investment themes: dollar denominated debt, local currency and local currency debt, special situations, incorporating distressed debt/private equity, and public equity. More information is available in the business review and on the Group's website www.ashmoregroup.com

Financial highlights

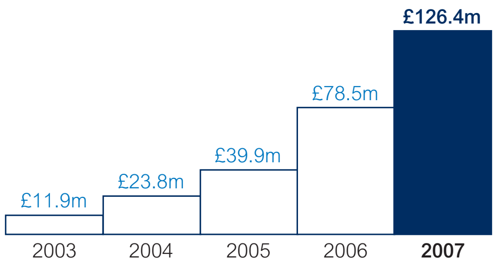
- Assets under management (AuM) of US$31.6 billion at 30 June 2007, up US$11.5 billion, 57% in the year
- Net management fees of £126.4 million, 61% higher than for the year ended 30 June 2006
- Performance fees of £20.4 million (£54.2 million for the year ended 30 June 2006)
- Profit before tax of £131.4 million, up 26% (a 36% increase at constant exchange rates – see note below)
- Basic eps of 13.7p (2006: 10.8p) and diluted eps of 12.9p (2006: 10.4p)
- A final dividend of 6.7p per share will be paid on 7 December 2007, giving a total dividend for the year of 9.0p

Note: The increase in profit before tax at constant exchange rates is calculated by restating the prior year at the current year's average US$/£ exchange rate.

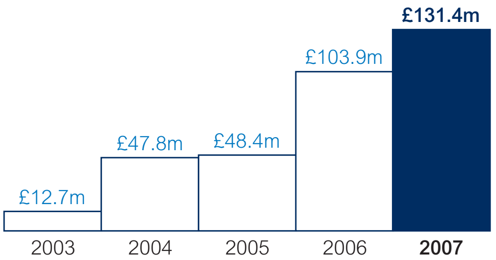
AuM



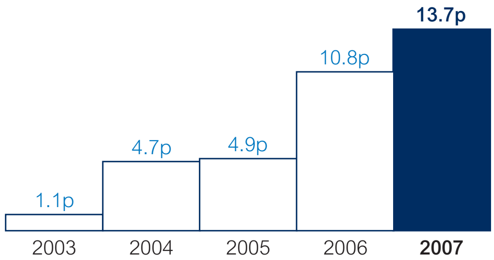
Net management fees



Profit before tax



Earnings per share (basic)



In the above charts 2003 to 2004 is reported under UK GAAP, 2005 to 2007 under IFRS

Chairman's statement

In its first year of trading as a plc the Ashmore Group has delivered strong financial results and has enhanced further the solid foundations on which the Company has been built since it was established in 1998.

It is pleasing to be able to report a good set of results for the twelve months ended 30 June 2007. Despite some periods of market volatility which were encountered during the year, the Group exceeded the financial targets set at the beginning of the year and, during that time, continued to develop its brand and business model. The Group also continued to invest in the necessary resources to support the future growth of the business.

AuM increased from the level of US$20.1 billion at the start of the financial year to stand at US$31.6 billion as at 30 June 2007, an increase of 57%. The Group's net management fees rose from £78.5 million to £126.4 million, an increase of 61%. The profit before tax was £131.4 million against £103.9 million for the previous year, an increase of 26%.

These results demonstrate the underlying strength of the Group founded on the twin pillars of first-rate investment performance and professional client service. In his review, on pages 3 to 7 of this report, Mark Coombs, the Group's Chief Executive Officer, sets out the market dynamics and the vision and business strategy of the Group going forward.

The directors are recommending a final dividend of 6.7p for the year ended 30 June 2007 and, subject to shareholder approval, this will be paid on 7 December to all shareholders who are on the register on 9 November. This makes a total dividend of 9.0p for the year.

I would like to take this opportunity of thanking Jim Pettigrew, the Group's Chief Operating and Financial Officer, who will be leaving Ashmore, for all the support he has given the Group while he has been with us. We wish him every success in his new endeavours.

The ultimate success of any investment company rests with the people who are in it and their ability to deliver the highest level of investment performance and client service. The results for the year demonstrate that the team within Ashmore is of an exceptional calibre and I would like to thank each member of the team personally for their considerable efforts and dedication. The global financial markets are currently experiencing another period of volatility: I am confident that the Group will meet robustly the challenges that the markets may produce.

Michael Benson
Chairman

Chief Executive Officer's review

During the year we continued to make significant advances towards our strategic goal to be the leading emerging markets investment manager by maintaining a market-leading investment track record, growing and diversifying earnings, efficiently supporting AuM and revenue growth, and developing further the Ashmore brand and business model.

Strategy

The Group's strategy – to be the leading emerging markets investment manager – has remained consistent for many years. There are four major areas of focus as part of the drive to deliver on this strategy.

- the maintenance of a market leading investment track record

The Group's investment process, which has remained unchanged since 1992, is centred on an internally developed top-down macro investment approach, coupled with a bottom-up approach for corporate and special situations/distressed opportunities, both executed through a broad variety of financial products such as debt, equity and foreign exchange products and instruments, with a particular emphasis placed on liquidity. Our aim is to achieve consistently upper quartile investment performance.

- the delivery of growth and diversification of the Group's earnings

At Ashmore we aim to continue to grow AuM across multiple investment themes and product structures. We believe this will be achieved by the further development of our marketing and distribution capabilities through a number of sources including external consultants, third-party agreements and strategic alliances and by growing Ashmore's product range. An important aspect of the drive to diversify the Group's earnings is the promotion of existing and new investment themes under existing and future product structures to new investors, and the promotion of multiple themes to the existing investor base.

- the need to support the growth of the business in a controlled manner

At all times Ashmore seeks to develop its infrastructure so that it can effectively support current and future business activity levels, thus enabling the business to grow with appropriate operational controls within a high quality infrastructure.

- the further development of the Ashmore brand and business model

The Group will continue to identify and develop a variety of investment themes and, by offering a full range of emerging market investment products, we will be able to cater for a wide range of investors with a variety of risk return appetites. Looking further ahead we aim to play a significant part in the mobilisation of capital within emerging markets, including managing the growing domestic capital pools within the economies of the emerging markets.

Progress in the year against our objectives

During the year we made significant progress against our strategic objectives. It has been another year of good investment performance across the Group's investment themes. The generation of 'alpha' within the Group's funds continues to come from a number of sources including management of country risk, exchange rates, volatility, credit, instrument maturity and interest rates. We have increased the number of investment professionals within the Group from 17 to 25 as part of the ongoing process of building the next generation of Ashmore investment professionals.

It was a very busy year for new fund launches, including, in April 2007, a retail multi-strategy fund for the Japanese market (US$1.0 billion), in February 2007 a new segregated fund in the Group's global US$ theme (US$0.4 billion) and a private equity fund investing in Turkey (US$0.1 billion). During the first half of the financial year GSSF 3, a special situations fund (US$1.4 billion), was launched, a new local currency debt fund within the Ashmore SICAV initially funded at

Chief Executive Officer's review continued

US$0.1 billion, a new structured alpha product in the global US$ theme initially funded at US$0.2 billion, and two new segregated equity funds (raising a total of US$0.8 billion) were launched. Additionally, there were a number of new mandate successes in the year including the HSBC UK pension fund (US$670 million) multi-strategy mandate which was secured in November 2006. The Group's multi-strategy funds, which invest across the Group's investment themes, also had a successful year with AuM, which benefited from the new fund targeting Japanese retail investors and the HSBC mandate win mentioned earlier, increasing by 333% in the year to US$2.6 billion at 30 June 2007. All of the above clearly demonstrate the vibrancy and innovation within our business and highlight the continuing growth and diversification of the Group's AuM. The Group now manages 41 funds/ segregated accounts across its four investment themes.

We have continued to develop the Group's infrastructure capabilities. The Group's present technology arrangements more than adequately support current business activity levels. However, following an extensive review, we have started a two-year programme to upgrade the Group's IT infrastructure. This project will cost some £2 million and, in the main, the project costs will be amortised to the income statement over a five-year period. Once completed, the Group will have systems architecture in place which is scaleable to support the anticipated growth in business activity levels and which will improve further the efficiency of its middle and back office operations.

During the year, the number of employees within the Group increased from 49 at 30 June 2006 to 69 at 30 June 2007 reflecting our commitment to grow the business in a controlled manner and to bring together a team of like-minded people who believe passionately in the long-term strategic objectives of the Group. The continuing development of the Group's marketing, distribution and client relationship capabilities remains an area of key focus. We have increased our resources in this area and we continue to develop and broaden the Group's various distribution channels. In particular, we continue to seek strategic alliances with market leading financial services providers in their home markets to access new pools of capital for our products through new distribution channels efficiently leveraging other's infrastructure. For this reason, we are delighted to have launched our multi-strategy fund for the Japanese retail market with Nikko.

Turning to the future, there remains much to achieve and we continue to research new opportunities to diversify further and to continue to grow the Group's investment themes and earnings streams, and to access the growing domestic capital pools within selected emerging markets. This may result in the Group utilising a proportion of its capital resources as seed capital for new fund launches/initiatives.

Emerging market dynamics

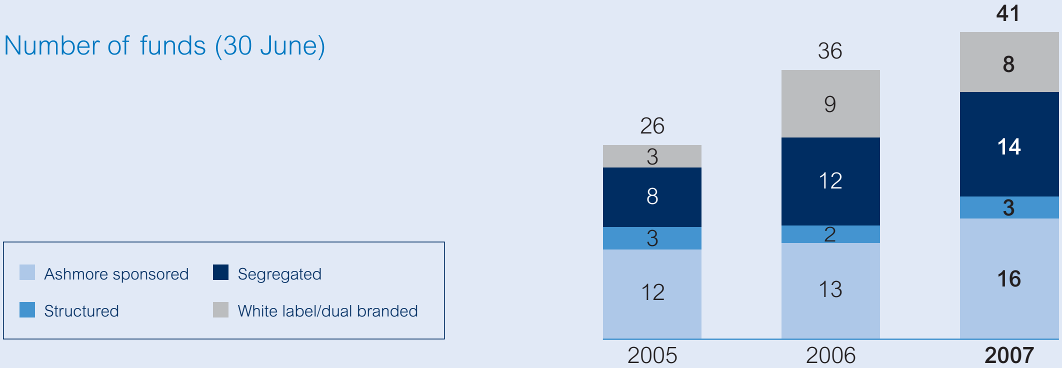
The case for emerging markets remains well supported by strong macro-economic, demographic and political factors. GDP growth rates in emerging market economies are generally forecast to be higher than developed countries and debt to GDP ratios continue to reduce. However, many of these developing countries suffer from low production efficiencies due to a lack of access to capital. The size and the potential of the emerging market universe, over 60 countries, is probably best illustrated by the fact that it represents approximately 85% of the world's population.

Global liquidity levels remain relatively high and, by historic standards, there is a greater recognition that investors are increasingly seeking to access enhanced returns and to potentially benefit from diversification and lower overall volatility through investments in emerging markets. Perhaps more important, an increasing amount of that liquidity is being generated within emerging market economies themselves, gradually decreasing their reliance on offshore capital. This is a trend we expect to continue.

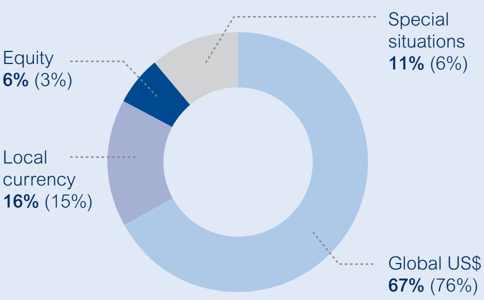
Innovation and diversification

The emerging market universe of over 60 countries represents approximately 85% of the world's population.
The Group now manages 41 funds and segregated accounts across its four investment themes.

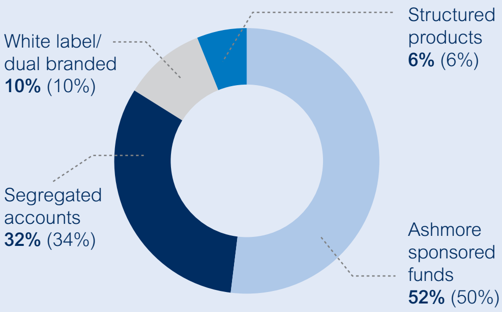
Number of funds (30 June)



Breakdown of AuM 2007 (2006)



AuM by fund account classification 2007 (2006)



Chief Executive Officer's review continued

As an asset class, emerging market debt is rapidly maturing with a more developed institutional investor base which is investing strategically for the medium to long term. Against this backdrop, with over 60 emerging market countries, this provides diversification based on different economic and political dynamics, with reduced risk of contagion that financial problems in one country could affect others. Tradeable emerging market debt increased in 2006 by 28% to US$5.5 trillion, with particularly strong growth in corporate and local currency debt.

At Ashmore, we believe that the favourable economic growth dynamics of emerging market economies, the structural inefficiencies within them and the tendency, in many cases, for their shares to trade at a discount to developing markets, all point to strong growth potential.

The Group's special situations/distressed investment theme continues to provide opportunities to exploit the natural diversification resulting from different unrelated dynamics to provide low correlation to other asset classes. New opportunities for investment in special situations/distressed investments are emerging in eastern Europe and Latin America in addition to the existing depth of opportunities in Asia.

Outlook

The Group remains focused on delivering long-term investment out-performance, generating net management fee income through the attraction of net subscriptions across its investment themes and developing the Ashmore brand and business model.

Despite recent market volatility, trading conditions across the Group's investment themes during the last quarter of the 2007 financial year and into the start of the 2008 financial year remain satisfactory. The Group continues to believe that strong macro-economic, demographic and political factors, together with enhanced liquidity, index weighting and credit worthiness in the Group's markets will continue to underpin long-term growth across emerging market classes.

These factors, together with Ashmore's experience and expertise in emerging markets investment management, position the Group well to benefit from further demand for emerging market investment management products and to continue its growth momentum into the 2008 financial year.

Mark Coombs
Chief Executive Officer

Key events in the year

August	**2006**	– GSSF 3, a US$1.4 billion special situations fund, launched – a new local currency fund launched in the Group's SICAV, initially funded at US$0.1 billion.
October	**2006**	– Group lists on London Stock Exchange
December	**2006**	– a new structured alpha product in the Group's global US$ theme, initially funded at US$0.2 billion – AuM at 31 December 2006 reaches US$26.8 billion, a 33% increase since 30 June 2006
January	**2007**	– an 18% increase in AuM in the Group's multi-strategy fund reported in the six months to 31 December 2006
February	**2007**	– launch of a new private equity fund investing in Turkey, initially funded at US$0.1 billion
March	**2007**	– AuM in the quarter to 31 March 2007 increased by 9% to US$29.2 billion
April	**2007**	– launch of a new multi-strategy fund for the Japanese retail market raising US$1.0 billion
June	**2007**	– AuM rose to US$31.6 billion at 30 June 2007, an 8% increase in the quarter and a 57% increase during the financial year

Ashmore

Business review contents

Business review

The Group reported a very strong financial performance and, in what has been a busy year, implemented a number of operational and risk initiatives that will enhance the Group's platform to support the future growth of the business.

Results for 2007

The 2007 financial year represented another successful stage in the development of the Group. Significant year-on-year increases in AuM, revenue, profit and eps were reported, exceeding the financial targets the Group set itself at the beginning of the financial year.

Key highlights were:

- AuM of US$31.6 billion at 30 June 2007, up US$11.5 billion, 57% in the year;
- net management fees of £126.4 million, 61% higher than for the year ended 30 June 2006;
- performance fees of £20.4 million (£54.2 million for the year ended 30 June 2006);
- profit before tax of £131.4 million, up 26% (a 36% increase at constant exchange rates);
- basic eps of 13.7p (2006: 10.8p) and diluted eps of 12.9p (2006: 10.4p);
- a final dividend of 6.7p per share, giving a total dividend for the year of 9.0p.

The key driver of profit growth in the year was the substantial (61%) increase in net management fees, which was achieved across the Group's investment themes.

Performance fees were £20.4 million in the year ended 30 June 2007 compared to £54.2 million in the prior year. This was predominantly due to a reduction in the performance fee delivered by EMLIP (the Group's US$5 billion global US$ fund) for which investment performance was ahead of the peer group and relevant benchmarks, but in line with its hurdle rate. In the previous year, investment performance for EMLIP was in excess of the hurdle rate.

Other revenue was substantially up on the prior year at £13.0 million (2006: £2.9 million) reflecting a higher level of transaction based corporate finance fees generated in the year.

The Group's overall net revenue for the twelve months ended 30 June 2007 was £159.8 million, an increase of £24.2 million, 18%, over the prior year. Reported costs were £2.8 million lower than for the prior year and net interest income was £3.3 million higher, reflecting the combination of a higher UK interest rate environment and the Group's larger cash balances.

Profit before tax for the twelve months ended 30 June 2007 was £131.4 million, a £27.5 million (26%) increase over the prior year's profit before tax of £103.9 million which included a £2.8 million gain on the sale of the Group's administration business.

Basic eps was 13.7p, an increase of 27% over the prior year. Diluted eps was 12.9p (2006: 10.4p).

Key performance indicators

Progress towards achieving the Group's strategic objectives, articulated in the Chief Executive Officer's review on pages 3 and 4, is monitored with reference to a number of key performance indicators. These are set out below:

Key performance indicators	**Financial year 2006/07**	Financial year 2005/06
Net management fee margins (basis points)	**93bp**	83bp
Average AuM	**US$26.4bn**	US$16.8bn
Year end AuM	**US$31.6bn**	US$20.1bn
Operating profit margin	**76%**	70%
Compensation/revenue ratio	**20.4%**	25.4%
Variable compensation/ebit	**18.4%**	24.3%
Year-end head count	**69**	49

Business review continued

The Group's net management fee margin increased by 10 basis points, a 12% increase, reflecting the increases in net subscriptions arising in the local currency and special situations themes, both of which have higher net management fee margins. The increase in some net management fee rates in the Group's public funds was also a factor, together with the impact in the prior year of a higher proportion of lower margin segregated accounts in that year's net subscriptions.

Strong inflows during the year resulted in a 57% increase in AuM at 30 June 2007 to US$31.6 billion, compared to US$20.1 billion as at 30 June 2006. Average AuM for the year was also 57% higher compared to the prior year's average.

The Group's variable compensation (including IFRS share-based payments charge) as a percentage of profit before tax, interest and variable compensation was 18.4% for the twelve months to 30 June 2007. At the time of the IPO, the Group indicated that in the current financial year this ratio could potentially be at the bottom of or even slightly below its medium term target range of 20% to 25%. In future years, to increase flexibility, the intention is to pay up to 25% of the Group's profit before tax, interest and variable compensation as variable compensation.

The Group's operating profit margin for the twelve months to 30 June 2007 was 76% (twelve months to 30 June 2006: 70%) as it benefited from the lower variable compensation ratio.

Operations and investment theme review

The investment philosophy and process that has been in place at Ashmore for many years remains unchanged. Ashmore follows an active, value-driven and mainly top-down investment approach. The Group also selects credits and certain investments through bottom-up analysis, particularly for those funds where corporate and special situations/distressed assets are more significant.

As at 30 June 2007, the Group managed 41 funds/segregated accounts, diversified across four investment themes.

AuM increased by US$11.5 billion (57%) from US$20.1 billion at 30 June 2006 to US$31.6 billion at 30 June 2007. Net subscriptions in the same period were US$8.3 billion (2006: US$7.9 billion), consisting of gross subscriptions of US$10.4 billion (2006: US$10.1 billion) and redemptions of US$2.1 billion (2006: US$2.2 billion). These gross flows exclude US$0.4 billion of intra-investment theme flows by the Group's multi-strategy fund. On a net subscriptions basis there were US$4.3 billion of net inflows into existing funds and fund raisings into new products and funds of US$4.0 billion in the financial year. Investment performance contributed a total of US$3.2 billion.

Global US$

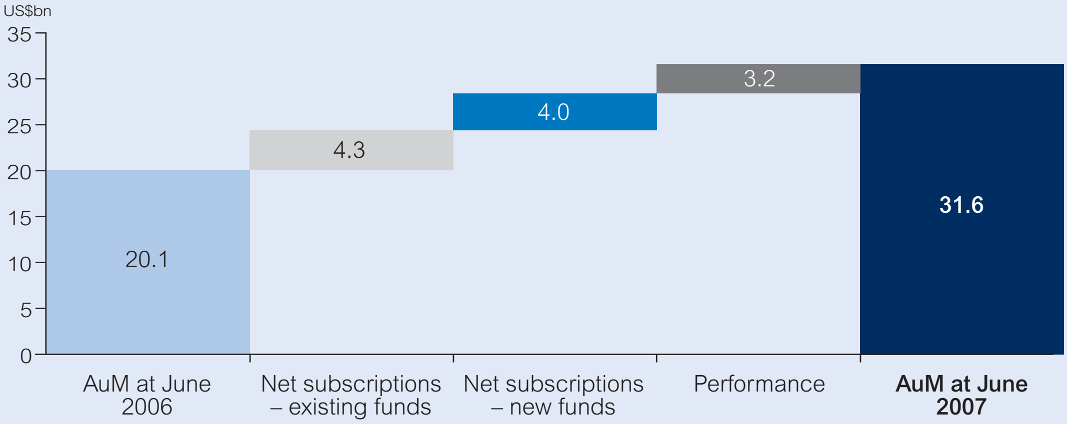
The global US$ investment theme comprises US dollar and other hard currency denominated instruments which may include derivatives, investing principally in sovereign bonds but with a growing corporate debt element.

AuM at 30 June 2007 were US$21.2 billion, an increase of US$6.0 billion (39%) from 30 June 2006. Net subscriptions in the year were US$4.1 billion representing 49% of the Group's net inflows in the year. Performance contributed US$1.9 billion.

During the year, there were strong inflows into the theme's public open-ended funds, with two new fund launches: a new structured product initially funded at US$0.2 billion in the first half of the financial year and a new US$0.4 billion segregated account in the second half. In November 2006, one small segregated fund was merged into a public fund.

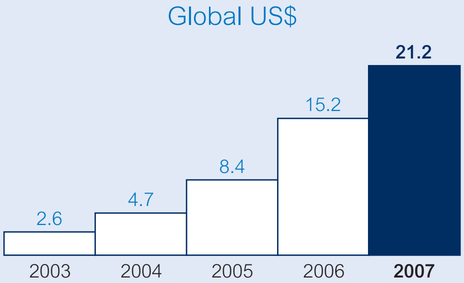
Investment themes	AuM as at 30 June 2006 US$bn	Net subscriptions US$bn	Performance US$bn	**AuM as at 30 June 2007 US$bn**
Global US$	15.2	4.1	1.9	**21.2**
Local currency	3.0	1.4	0.6	**5.0**
Special situations	1.3	1.8	0.3	**3.4**
Equity	0.6	1.0	0.4	**2.0**
Total	20.1	8.3	3.2	**31.6**

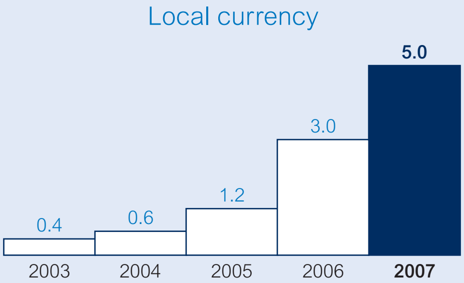
Another year of strong growth in AuM

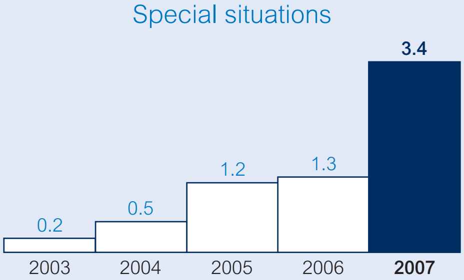


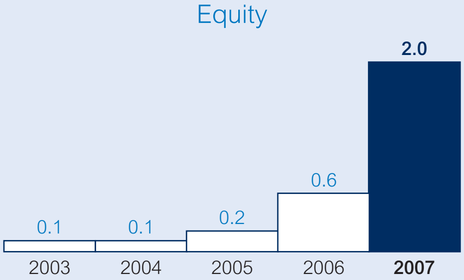
During the year AuM increased by US$11.5 billion building on the Group's track record of AuM growth across the Group's investment themes.

AuM in US$ billion









Business review continued

While the global US$ investment theme continued to generally outperform the relevant benchmarks it has not been a particularly strong investment return year.

Local currency

The local currency investment theme comprises local currency and local currency denominated debt instruments, principally sovereign in nature, and it may include derivatives.

AuM at 30 June 2007 were US$5.0 billion; an increase of US$2.0 billion (67%) from 30 June 2006. There has been strong demand for the Group's local currency products with net subscriptions in the period of US$1.4 billion. As part of the process of accessing the increasing European appetite for the local currency theme, a new targeted SICAV fund was launched in the first half of the financial year and this was initially funded at US$0.1 billion. Theme performance in the period contributed US$0.6 billion.

Generally, it has been a good investment performance year for the theme, assisted during most of the year by the relative strength of local currencies against the US dollar. The local currency markets continue to deepen, with gradually improving liquidity and the extension of duration.

Special situations (distressed debt/private equity)

The special situations (distressed debt/private equity) theme comprises investments in debt and/or equity or other instruments focussing on situations usually involving specialist corporate investments and/or projects and including distressed assets or distressed sellers of assets, often incorporating restructuring, reorganisations and/or a private equity approach.

AuM at 30 June 2007 were US$3.4 billion, an increase of US$2.1 billion (162%). Net subscriptions were US$1.8 billion, with performance contributing US$0.3 billion.

Included within net subscriptions is the Group's GSSF 3 fund which was launched in August 2006. This represented US$1.4 billion of the total net subscriptions in the period. As at 6 September 2007, 100% of the US$1.4 billion commitment had been drawn down. A new private equity fund investing in Turkey was launched in the second half of the financial year initially funded at US$0.1 billion.

It has been another positive year from the perspectives of investment performance, deal opportunities and realisations. The Group's network continues to source an attractive pipeline of deals.

Equity

The equity investment theme comprises public equity and equity-related securities. The instruments invested in by the funds can include equities, convertibles, warrants and equity derivatives.

AuM at 30 June 2007 were US$2.0 billion, an increase of US$1.4 billion (233%) from 30 June 2006. Net subscriptions were US$1.0 billion, with performance contributing US$0.4 billion.

Net subscriptions benefited by US$0.8 billion as a result of two new segregated funds that were launched in the first half of the financial year. Two small segregated funds were closed in the second half of the financial year (US$0.2 billion in total).

It was a good year from an investment return point of view. The theme continues to be characterised by the relative movement of global liquidity from US equities to emerging market equities.

Multi-strategy funds

Net subscriptions into the Group's multi-strategy funds, where Ashmore is making the asset allocation decision across the Group's investment themes, were US$1.8 billion and represented 22% of the Group's total net subscriptions in the year of US$8.3 billion. This includes a new fund launched in April 2007 for the Japanese retail market which raised US$1.0 billion.

Net management fee margins

As well as the growth in absolute levels of net management fees, net management fee margins are a key area of management focus. The Group's net management fee margin increased to 93 basis points in the financial year to 30 June 2007 from 83 basis points in the prior year, continuing the Group's five-year track record of high and stable net management fee margins.

Increases in the year in net management fee margins were achieved across the Group's investment themes with the exception of equity where two new lower margin segregated accounts were taken on.

A high net management fee margin business

The Group's net management fee margin increased to 93 basis points from 83 basis points as it benefited from a higher margin in its global US$ theme and higher growth rates in AuM in local currency and special situations, the Group's higher growth and margin investment themes.

Net management fee margins

Investment themes	**Year to 30 June 2007 (basis points)**	Year to 30 June 2006 (basis points)
Global US$	**76**	72
Local currency	**108**	89
Special situations	**180**	171
Equity	**100**	117
Group net management fee margin	**93**	83

Net management fees by theme

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m	Increase against prior year £m	%
Global US$	**71.9**	52.2	19.7	38
Local currency	**21.4**	11.3	10.1	89
Special situations/distressed	**25.9**	11.9	14.0	118
Equity	**7.2**	3.1	4.1	132
Group net management fees[1]	**126.4**	78.5	47.9	61

(1) Net of distribution costs

Business review continued

Cost management

The Group continues to manage its cost base in an efficient and effective manner. Against the backdrop of substantial AuM and revenue growth, the Group continues to invest to support the future growth of the business.

There were a number of one-off costs in the year to 30 June 2006: professional fees associated with the Company's IPO (£2.0 million) and a share-based payments charge in respect of the change from a cash to equity-settled basis (£4.9 million). Excluding these items and the costs of the Group's administration business (£0.4 million), which was disposed of in December 2005, costs increased by £4.5 million, a 13% increase in the year.

The largest component of the cost base is variable compensation, including share-based payments, which was 18.4% of profit before tax, interest and variable compensation for the year ended 30 June 2007 (2006: 24.3%).

As part of the process of supporting the growth of the business, the Group's headcount increased by 41%, from 49 at 30 June 2006 to 69 at 30 June 2007.

Operating profit margin

An operating profit margin of 76% was achieved in the financial year to 30 June 2007 (70% in 2006), with the current year's margin benefiting from the lower variable compensation ratio. The Group continues to plan the development of its activities as a relatively high margin investment management business.

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 has historically tracked close to the 30% UK statutory tax rate. The introduction of a 28% corporation tax rate from 1 April 2008 will have a small beneficial impact on the Group's effective corporation tax rate in the financial year to 30 June 2008, with the full-year benefit in the following financial year.

There is a £14.4 million deferred tax asset on the Group's balance sheet at 30 June 2007. This is largely due to cash tax deductions which will arise over the next seven or so years in respect of share price appreciation on share-based payments awards.

Cash flow and balance sheet

The Group has strong cash generative characteristics as demonstrated by the £85.3 million increase in the Group's cash balances during the year. As at 30 June 2007, the Group had £218.0 million of cash and cash equivalents. The needs for a strong balance sheet remain to support regulatory capital requirements, to meet the commercial demands of current and prospective investors, and the development needs of the business including seeding of new funds/initiatives. As part of the process of developing its presence in local emerging markets, a certain proportion of the Group's capital resources may be utilised for such purposes.

The Group's policy remains that, should the Group accumulate cash which is surplus to that required to meet its continuing obligations and to fund future growth, consideration will be given to returning surplus cash and capital to shareholders in an appropriate manner. As at 30 June 2007, total equity was £196.0 million compared to £96.6 million at 30 June 2006. There is no debt on the Group's balance sheet.

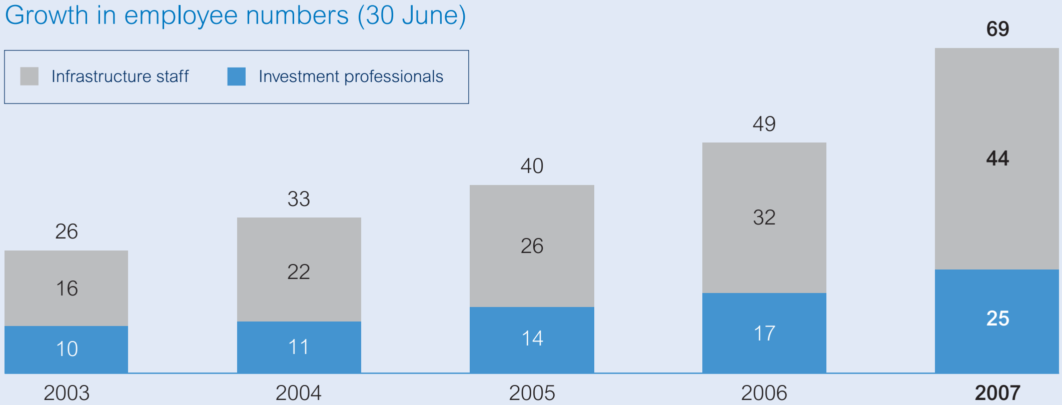
Dividend

As a result of the highly cash generative nature of the business, subject to shareholder approval, a final dividend of 6.7p per share is proposed to be paid on 7 December 2007 to shareholders on the register on 9 November 2007. An interim dividend for the six-month period to 31 December 2006 of 2.3p was paid on 27 April 2007. This would result in a full-year dividend of 9.0p. The Company's intention is for its dividend policy to be progressive.

Team-based approach to support growth

As part of the process of supporting the growth of the business, the Group's headcount has increased by 41% from 49 at 30 June 2006 to 69 at 30 June 2007.

Growth in employee numbers (30 June)



Business review continued

Diversification of product offering

There were eight new fund launches during the year and, after taking account of two small segregated account closures and one fund merger, by 30 June 2007 the Group was managing 41 funds/segregated accounts. These funds are spread across the Group's four investment themes, highlighting the diversification of the Group's AuM. The global dollar debt theme represented 67% of the Group's AuM in June 2007 compared to 76% in June 2006. Furthermore, the Group's AuM is diversified by type of account: 52% of AuM is in Ashmore sponsored funds, 32% in segregated accounts, 10% in white label and 6% in structured products.

As at 30 June 2007, 64% of funds by AuM can generate performance fees (2006: 57%). These funds, totalling 22 in number (2006: 17), are spread across the Group's investment themes. Only 46% of AuM can make use of leverage and, where a fund can use leverage, it is usually restricted to a maximum of 50% of a fund's AuM, and never more than 75%. Typically a fund's leverage capacity is not fully utilised.

Investor profile

There is a broad range of investors in the funds managed by the Group.

The funds which Ashmore manages remain predominately sourced from institutional investors, including pension plans, government agencies, financial institutions and corporates. As at 30 June 2007, 85% of the Group's AuM was institutional (2006: 89%) and 15% (2006: 11%) was high net worth individuals/retail. The increase in high net worth individuals/retail reflects, in part, the new fund launched in the year targeting Japanese retail investors. The investor profile within the institutional segment showed an increase in the proportion of government investors (up from 9% to 12%) and a decline in bank investors (22% to 17%). Public pension plan investors increased from 16% to 18% while the proportion of corporate pension investors reduced from 22% to 16%.

The geographic profile of the Group's investors remains diversified. During the year there was strong asset gathering in Europe, including a number of significant mandate wins in the UK.

Treasury management

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$/£ exchange rate. The results for the year ended 30 June 2007 were achieved against the backdrop of a weaker US$/£ exchange rate and this has impacted on the Group's reported profit. Reported profit before tax increased by £27.5 million, a 26% increase over the prior year. In constant exchange rate terms, profit before tax increased by £34.1 million, an increase of 36% in the year. This was after restating the prior year figures at the current year's average US$/£ exchange rate (2007: US$/£1.95; 2006: US$/£1.78). This resulted in the following restatements to the prior year numbers: lower net revenue in sterling terms (£11.4 million), net hedging gains excluded (£0.9 million), and a notional reworking of the variable compensation cost to reflect the above items (a £3.0 million reduction). In the current year, net hedging gains of £2.7 million were excluded. On this basis, the net impact of the movement in the US$/£ exchange rate on the reported increase in profit before tax in the year of £27.5 million was £6.6 million. Based on the current year's net revenue, at current exchange rates, a 10 cent movement would have an £8 million impact on net revenue. This exposure would be mitigated by the impact of the movement in net revenue on variable compensation and by the Group's hedging activities.

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. As at the date of this report, the Group has converted 100% of its July and August revenue at an average US$1.99 and has 50% of its forecast US dollar based revenue for the remainder of the next financial year hedged at US$1.99.

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 an A or better credit rating. Typically, during the financial year, investments have been in short-term cash deposits. Based on the level of cash balances at 30 June 2007, a 1% change in UK interest rates would have a £2 million impact on the Group's profit before tax.

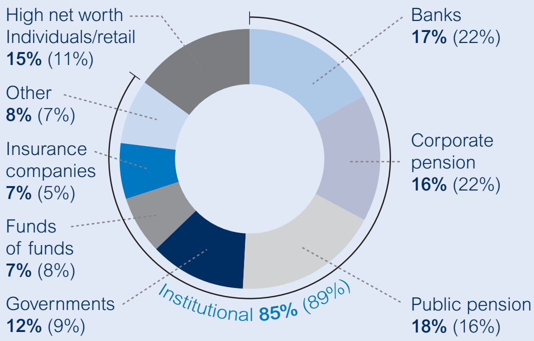
Risk

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 aware culture throughout the organisation. During the year further progress has been made in strengthening the Group's risk control framework. A new Head of Risk has recently been appointed and will drive the process of continuing to upgrade risk control standards.

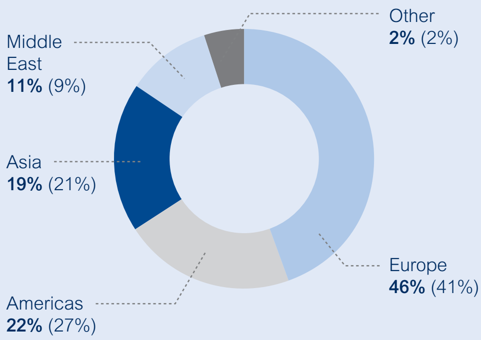
Diversification by investor type and geography

The funds which Ashmore manages are predominantly sourced from an institutional investor base. In the year a new fund targeting Japanese retail investors was launched. As at 30 June 2007, high net worth individuals/retail represent 15% of AuM (2006: 11%).

AuM by investor type
2007 (2006)



AuM by geography
2007 (2006)



Business review continued

The significant risks that face the Group can be summarised into three main categories: strategic and business, investment and operational. A common theme throughout these categories is reputational risk which is a key consideration in the management of all the Group's activities. The ultimate responsibility for risk management rests with the board. From a practical perspective some of this activity is delegated. On an ongoing basis, the Group's board and the Chief Executive Officer manage the strategic and business risk, the Group's investment committee manages investment risk and delegates further daily responsibilities to senior investment professionals. The Group's risk committee manages operational, credit and market risk and delegates further responsibility to senior operational management.

Strategic and business

The risks in this category revolve around the medium and longer-term profitability of the Group being adversely impacted by the failure to identify the correct strategy, or failure to implement the correct strategy, and to react to changes in the business environment.

Strategic and business risks include:

- long-term downturn in the fundamental and technical dynamics of emerging markets;
- contraction of existing investment themes;
- expansion into unsuccessful new investment themes;
- capacity constraints of market, business counterparties and individuals;
- downturn in investment performance; and
- reduction in economic pricing power.

The case for emerging markets is set out in the Chief Executive Officer's review. Progress against strategic objectives is the subject of discussion and review as a regular board agenda item. An important business risk mitigating factor is the diversification of the Group's AuM, by investment theme, fund structure, investor and by geography. The Group's predominately 'top down' investment approach creates a highly scaleable business model. Ensuring that the Group's infrastructure, marketing and distribution capabilities keep pace with the Group's revenue growth and potential revenue pool is an ongoing key area of executive management focus.

Investment

As highlighted above, a key strategic and business risk would be a fundamental change in the Group's long-term track record of investment out-performance and its impact on AuM retention and the Group's ability to maintain economic pricing power.

Investment risks could include:

- downturn in investment performance resulting in redemptions from funds and inability to attract new subscriptions;
- market and/or asset liquidity;
- inability to fairly price assets; and
- key-man risk.

The Group's investment approach has remained unchanged for many years. The investment committee meets at least weekly and is provided with comprehensive papers covering all the relevant details on investments. The average years of experience in the industry of the Ashmore investment management team is 14 years, with the senior portfolio managers having an average of 22 years of industry experience. A significant proportion of investment professionals' remuneration is linked to performance and has a long-term equity component. The Group has an active recruitment policy for building the next generation of Ashmore investment professionals.

Currently, only a relatively small amount of the Group's AuM cannot be readily externally priced and in such situations, typically in the Group's special situations theme, appropriate valuation procedures and processes are in place.

Operational

The risks within this category are broad in nature and inherent in all businesses and would typically encompass events such as IT failure, human error and fraud, each of which could result in a loss to the business.

From an Ashmore perspective, losses that could arise from operational risk include:

- processing failures, including breaches of investment mandates;
- technology and infrastructure failing to keep pace with asset growth;
- non-compliance with regulations;

- poor management of the core services provided by third parties such as custodians, administrators and distributors; and
- lack of a business continuity plan.

All these risks, and many more detailed operational risks faced by the Group, are managed within the internal control framework summarised in the next section on internal control. The Group reviews these risks through its risk committee on a regular basis. The Group's Head of Risk monitors mandate risk on a real-time basis facilitated by technology; it is also subject to daily monitoring by the Group's compliance function. A key responsibility of the Group's compliance function is ensuring that the Group at all times meets all of its regulatory requirements. The Group's Head of Operations manages the relationship with the Group's administrators and custodians through regular formal meetings and ad hoc ones as required. The Group has a documented business continuity plan in place that was tested during the year. Following this test a number of improvements to the process are currently being put in place.

The Group's board, through the audit committee in June 2007, reviewed a risk map of the significant risks faced by the business as part of the annual review of the effectiveness of internal controls exercise. It is intended that, in the future, this review will be undertaken at least twice each financial year.

Internal control

The board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. The board, through the audit committee, conducts an annual review of the effectiveness of the system of internal controls including financial, operational and compliance controls and risk management systems. Such a system of internal control is 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.

The main features of the Group's internal control system are as follows:

- an operational framework and organisational structure with clearly defined board approved delegated authorities is in place;
- an in-depth annual budget is reviewed and approved by the board and is regularly subject to update through a formal re-forecasting process;
- board members receive monthly management accounts which highlight actual financial performance against budget/forecast and prior year period;
- the Group's risk committee meets on a monthly basis to review the Group's operational, credit and market risks;
- a detailed investment report is prepared and discussed at the weekly meetings of the Group's investment committee with following actions agreed and implemented within a strict operational framework;
- the Group's compliance function undertakes an ongoing compliance monitoring programme of all the relevant areas of the Group's operations, including a quarterly senior management systems and controls (SYSC) review which is undertaken with the Chief Executive Officer;
- a SAS70 control review process is in place; and
- the board, through the audit committee, receives half-yearly updates from the Group's external auditors which include any control matters that have come to their attention.

Annual performance fees for August 2007 fund year ends

Annual performance fees (unaudited) for the funds with year ends at 31 August 2007 (EMLIP, LCD and ARD) were £17.6 million (2006: £0.3 million) and these will be recognised within revenue in the six months to 31 December 2007.

The new financial year

At the start of the 2007/2008 financial year, the Group has in place the solid foundations of a strong financial position with robust operational and risk disciplines. Consequently Ashmore is well placed to support the future growth strategy and dynamics of the business.

Jim Pettigrew
Chief Operating and Financial Officer

Board of directors

The Hon. Michael Benson
Non-executive Chairman (Age 64)

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 Invesco Global (1997-2002).
Michael is a non-executive director of Morse plc, of Invesco Japan Discovery Trust plc and of Border Asset Management Limited, and is a director of Community Foundation Network.

A, N, R

Mark Coombs
Chief Executive Officer (Age 47)

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.

Jim Pettigrew
Chief Operating and Financial Officer (Age 49)

Jim joined Ashmore as Chief Operating and Financial Officer in July 2006. He was previously the Group Finance Director of ICAP plc. Prior to ICAP, Jim spent ten years at Sedgwick Group plc in a number of senior roles including Group Treasurer and Deputy Group Finance Director. He is a chartered accountant, has an LLB from the University of Aberdeen, a post-graduate Diploma in Accounting from the University of Glasgow, and is a member of the Association of Corporate Treasurers.
He is a non-executive director of Edinburgh Investment Trust plc and CMC Markets plc.

Nick Land
Senior independent non-executive director (Age 59)

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 and Vodaphone 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 of the Advisory Board of the Judge Business School.

A, N, R

Jon Moulton
Non-executive director (Age 56)

Jon Moulton has been a non-executive director of the Company since February 1999 and he is Chairman of the remuneration committee.
He is Managing Partner of Alchemy Partners LLP.
Jon formerly headed the MBO team at Apax Partners (1994-1996), founded and ran Schroder Ventures as Managing Partner (1985-1994) and worked with Citicorp Venture Capital in London and New York (1980-1985). He has led some 50 buyouts in a wide variety of industries. He is a graduate chemist and chartered accountant. Jon is currently a director of several private companies.

A, N, R

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 2007.
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. This is the Group's first annual report as a public limited company.

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 2007 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 page 1, the Chief Executive Officer's review on pages 3 to 7, the business review on pages 8 to 19 and the corporate governance report on pages 25 to 30. The principal risks facing the business are detailed in the business review on pages 16 to 19 and in the corporate governance statement, internal control, on pages 29 and 30.

Results and dividends

The results of the Group for the year are set out in the consolidated income statement on page 38.

The directors recommend a final dividend of 6.7p per share which, together with the interim dividend of 2.3p per share already declared, makes a total for the year ended 30 June 2007 of 9.0p per share (2006: 8.33p). 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 7 December 2007 to shareholders on the register on 9 November 2007 (ex-dividend date being 7 November 2007).

Related party transactions

Details of related party transactions are set out in note 20 to the financial statements.

Post balance sheet events

As set out in note 23 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 20. Mark Coombs and Jon Moulton both served as directors throughout the year. Michael Benson and Nick Land were appointed directors on 3 July 2006. Jim Pettigrew was appointed director on 7 August 2006, but submitted his resignation on 3 July 2007. His contractual termination date is 2 July 2008, although an earlier termination date may be agreed.

Details of the service contracts of the current directors are shown in the remuneration report on page 32.

The Company's Articles require the newly appointed directors, Michael Benson, Nick Land and Jim Pettigrew to retire from office at the first annual general meeting following their appointment. Additionally, excluding new directors, a minimum of one third of the board is required to retire by rotation annually. Accordingly, Mark Coombs and Jon Moulton will retire by rotation at the forthcoming annual general meeting. All directors being eligible offer themselves for re-election.

Details of the constitution and powers of the board and its committees are set out in the corporate governance report on pages 25 to 30. The corporate governance report also summarises the Company's rules concerning appointment and replacement of directors.

Directors' interests

The interests of directors in the Company's shares and in options over the Company's shares are shown on page 35 within the remuneration report.

Directors' report continued

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 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
At 6 September 2007 the Company had been notified of the following significant interests (over 3%), other than those of the directors, in the Company's ordinary shares of 0.01p each:

	Number of shares	Number of options	Percentage interest
Jerome Paul Booth	42,250,000	3,500,000	6.45
Carey Pensions and Benefits Limited as Trustee of the Ashmore 2004 Employee Benefit Trust	38,725,000		5.46
Seumas Dawes	28,440,000		4.01
FMR Corp	35,639,517		5.02
Julian Redvers Green	40,162,500		5.67

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.

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.

Details of structure of and changes in share capital are set out in note 14 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. No such purchase has been made or is currently intended. The Company will seek renewal of this authority at the 2007 annual general meeting.

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 under employee share schemes.

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 2007 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 special resolution of the Company's shareholders.

Employees

Details of the Company's employment practices (including the employment of disabled persons) can be found in the corporate governance report on page 30.

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 25 to 30.

Charitable and political contributions

During the year, the Group made no charitable donations (2006: £nil). Note 3 to the financial statements refers to charitable donations that will be made in the year to June 2008.

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 2007, the amount owed to the Group's trade creditors in the UK represented approximately 35 days' average purchases from suppliers (2006: 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.

Directors' report continued

2007 annual general meeting

The 2007 annual general meeting of the Company will be held at 10.30am on Wednesday 31 October 2007 at the offices of UBS AG, 1 Finsbury Avenue, London EC2M 2PP. Details of the resolutions to be proposed at the annual general meeting are given in the notice of meeting.

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.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state 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 confirm that they have complied with the above requirements in preparing the financial statements.

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.

Going concern

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 21 to 24 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

Mark Grimwood
Company Secretary

12 September 2007

Corporate governance report

Section 1 of the June 2006 FRC Combined Code on Corporate Governance (the 2006 Code), which supercedes the 2003 Code, applies to listed companies with reporting years beginning on or after 1 November 2006. The Company has voluntarily 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 an experienced team, headed by the non-executive Chairman, Michael Benson, with two non-executive directors, Nick Land and Jon Moulton, and two executive directors, Mark Coombs the Chief Executive Officer, and Jim Pettigrew the Chief Operating and Financial Officer.

Mark Coombs and Jon Moulton both served as directors throughout the year. In order to meet the requirements of the business as a public listed company, additional directors were appointed during the year. Michael Benson and Nick Land were appointed directors on 3 July 2006. Jim Pettigrew was appointed director on 7 August 2006, but submitted his resignation on 3 July 2007. His contractual termination date is 2 July 2008, although an earlier termination date may be agreed.

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 and Nick Land to be independent. Nick Land is the senior independent director.

Jon Moulton is not an independent director as he is a substantial shareholder. The effect of this is that the Group does not comply with the 2006 Code requirement that at least half of the board are independent directors (excluding the Chairman). The board considers that its structure is consistent with the principles underlying the 2006 Code and, despite Jon Moulton's non-independence, regard his expertise to be of considerable value to the board and the committees on which he serves, and also considers that the board and its committees are sufficiently well balanced to meet the current needs of the Company.

Biographical details of the directors are given on page 20.

The board met seven times between 1 July 2006 and Admission and a further four times during the period from Admission to 6 September 2007 to review financial performance and strategy and to follow a formal schedule of matters reserved for its decision, which include the setting of Company goals, objectives, budgets and other plans. 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 advisers, 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.

Corporate governance report continued

In addition to its formal business, the board received a number of briefings and presentations from senior executives and local 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. During preparation for the Company's IPO, the directors received advice as to the legal and other duties and obligations arising from the role of director of a listed company. Since then, they have met with relevant members of senior management, in order to help them gain a detailed understanding of the Group and its activities. Going forward new directors appointed to the board will receive similar advice 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 flow 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.

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 himself for election at the next annual general meeting of the Company following his appointment but he is not taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting. In line with the requirements of the 2006 Code, a minimum of one-third of the directors must retire by rotation at every annual general meeting of the Company. The directors to retire must be those who held office at the time of the two preceding annual general meetings and did not retire at either of them. The office of director shall be vacated in other circumstances, including where (i) that director resigns or is asked to resign; (ii) he is or has been suffering from mental ill health; (iii) he is absent without permission of the board from meetings of the board for six consecutive months; (iv) he becomes bankrupt or compounds with his creditors generally; or (v) he is 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.

Board and committee attendance

The table below sets out the number of meetings of the board and its committees and individual attendance by directors.

Performance evaluation

The board has established a formal process, led by the Chairman, 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.

Meetings were held between the Chairman and each individual director in which developments over the year were discussed and performance was considered by

	Board	Audit committee	Remuneration committee	Nominations committee
Total number of meetings between 1 July 2006 and 6 September 2007	**11**	**4**	**4**	**2**
Michael Benson	10/11	4/4	4/4	2/2
Mark Coombs	11/11	–	–	–
Nick Land	11/11	4/4	4/4	2/2
Jon Moulton	11/11	4/4	4/4	2/2
Jim Pettigrew (appointed 7 August 2006)	10/10	–	–	–

reference to the objectives of the board and its committees. The responses were analysed and the results and issues raised were subsequently discussed at a meeting between the Chairman, the other non-executive directors and the Chief Executive Officer. This meeting also evaluated the Chairman's performance.

Board committees

The board has appointed the following committees to assist in the execution of its duties:

- audit committee;
- remuneration committee;
- nominations committee.

All of these committees operate on written terms of reference, which are reviewed annually and which are available on the Company's website, and 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 advisers, 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.

Audit committee

The audit committee is chaired by Nick Land and he is supported by the Chairman, Michael Benson, and a non-executive director, Jon Moulton. All served on the committee from Admission and continue to do so.

The board is satisfied that Nick Land and Jon Moulton have recent and relevant commercial and financial knowledge and experience to satisfy the provisions of the 2006 Code, by virtue of their having held various executive and non-executive roles in investment management and business management. Additionally, Nick Land and Jon Moulton are both chartered accountants.

However, as Jon Moulton is not an independent director as referred to above, the Group does not comply with the 2006 Code requirement that the audit committee should consist of at least three independent non-executive directors.

The committee's normal duties are to assist the board in discharging its obligations and responsibilities for financial reporting, internal control and risk management, and to oversee the relationship with the external auditors, including approving their terms of engagement and their remuneration. An additional role of the committee is to investigate any areas of concern as to financial impropriety that may arise.The committee is also responsible for reviewing the scope and results of audit work and its cost effectiveness and the independence and objectivity of the auditors. From time to time during the year the non-executives meet with the external auditors without the executive directors being present.

The committee has 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 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.

During the year the committee discharged its responsibilities, under its terms of reference, by:

- reviewing the Group's transition to reporting in accordance with IFRS;
- reviewing the appropriateness of the accounting policies adopted by the Group in accordance with IFRS;

Corporate governance report continued

- reviewing the Group's draft 2006 financial statements to be included in the prospectus associated with the Company's IPO, prior to discussion and approval by the board and reviewing the external auditors' detailed reports thereon;
- reviewing the Group's draft 2007 financial statements and 2007 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 2007 financial statements, receiving and reviewing confirmations of auditor independence and approving the terms of engagement and proposed fees for the 2007 audit;
- making recommendations to the board for a resolution to be put to shareholders to approve the re-appointment of the external auditors;
- 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;
- considering whether the Group should have an internal audit department and recommending to the board that this is not appropriate given the current size, nature and business and operational model of the Group; 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 number of committee meetings and their attendance by the directors are set out in the table above, with representatives of senior management and KPMG Audit Plc in attendance at each meeting. As a matter of practice, the Chief Executive Officer and the Chief Operating and Financial Officer attend each meeting. In the 2007 financial year, there was an additional meeting, over and above the normal annual schedule, the purpose of which was to review the Group's preparation for the transition to IFRS, and to review the Group's draft 2006 financial statements to be included in the prospectus associated with the Company's IPO.

Remuneration committee

The remuneration committee is chaired by Jon Moulton and he is supported by the Chairman, Michael Benson, and a non-executive director, Nick Land. All served on the committee from Admission and continue to do so.

As Jon Moulton is not an independent director as referred to above, the Group does not comply with the 2006 Code requirement that the remuneration committee should consist of at least three independent non-executive directors.

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 and the Company Secretary and its cost. The committee is also responsible for advising on any major changes in employee benefit structures throughout the Group and for recommending their approval by the board and by shareholders. Details of the activities of the remuneration committee are set out in the remuneration report on pages 31 to 35.

The number of committee meetings and their attendance by the directors are set out in the table above. In addition, and in accordance with its requirements under 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 is chaired by Michael Benson and he is supported by the two non-executive directors, Nick Land and Jon Moulton. All served on the committee from Admission and continue to do so.

The committee is responsible for reviewing the structure, size and composition of the board and for recommending new members for appointment to the board. The board as a whole has responsibility for the appointment of new directors and for nominating them for election by shareholders at the first opportunity following their appointment.

The committee is also responsible for giving due consideration to succession planning for the board of directors and other senior executives, any matters relating to the continuation in office of any director, including the suspension or termination of service of an executive director as an employee of the Company, and for making appropriate recommendations to the board.

Since Admission the committee has reviewed the proposals for rotation and re-election of directors at the annual general meeting, discussed the results of the annual performance evaluation exercise and noted the satisfactory operations of the committee, and reviewed its terms of reference. The number of committee meetings and their attendance by the directors are set out in the table above.

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 Stock Exchange announcements are also posted. The Chief Executive Officer and Chief Financial Officer 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 2007 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, if contact through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer 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 the number of proxy votes cast on resolutions at the annual general meeting and any other general meetings.

Internal control

In accordance with the principles of the 2006 Code, the board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The board is also responsible for the management of significant risk. The Group's internal controls are designed to cover risks relating to the achievement of the Group's objectives including business, operational, financial and compliance risks. The internal controls are designed to manage, rather than eliminate, risk of failure to meet business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The system of internal control is embedded within the routine operations of the Group and a strong control culture is combined with clear management responsibility and accountabilities for individual controls.

On a day-to-day basis the executive directors oversee the key risks and controls and the risk management process. Responsibility for risk identification is shared amongst senior management personnel, with each individual manager being responsible for control of risk in their business area. Senior managers have direct reporting lines to the Chief Executive Officer, encouraging communication and early discussion to consider and effect change as required. The Group's risk committee meets on a monthly basis to review operational, credit and market risks. The Group's compliance function undertakes an ongoing compliance programme, including a regular review of senior management systems and controls which is undertaken with the Chief Executive Officer.

The key internal controls are supported by a detailed risk assessment with key control weakness indicators designed to identify major operational, regulatory and financial exposures. This risk management framework, which covers all material parts of the Group, provides a continuous improvement process for the Group's internal controls. In addition, the Group commissions regular independent review reports prepared pursuant to the Statement of Auditing Standards No. 70, type II (SAS 70).

Corporate governance report continued

A summary of significant risks, key internal controls and findings is reported annually in a formal risk management and control report to the board together with a risk map. Additionally, in the financial year to 30 June 2007, significant risks were reviewed as part of the Company's IPO process. Identifying, evaluating and managing the Group's significant risks is an ongoing process which has been in place throughout the year to 30 June 2007 and up to the date of approval of these financial statements.

The Group does not currently have an internal audit function and in this respect is not in compliance with the 2006 Code. The board believes that given the current size, nature and business and operational model of the Group, the relevant assurances are more effectively obtained via the risk management framework referred to above and by the commissioning of regular SAS 70 reports.

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.

Employees

The Group recognises that the involvement of its employees is key to the future success of the business and adopts a practice of keeping 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 whistleblowing 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, marital status or on the grounds of disability. This policy applies, but 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.

The Group seeks to ensure that the workforce reflects, as far as is practicable, the diversity of the many communities in which it operates, and this is reflected in the wide-ranging nationalities of its employees.

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

The Group continues to promote energy efficiency and the avoidance of waste throughout its operations and a number of initiatives, such as the recycling of paper, glass and other waste and the use of 'green' energy, are encouraged.

By order of the board

Mark Grimwood
Company Secretary

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) applied voluntarily. This report sets out the Company's remuneration policy and gives details of the compensation of directors for the year ended 30 June 2007.

Remuneration committee

The members of the remuneration committee, unchanged since its establishment on 3 July 2006, are:

Jon Moulton (Chairman)

Michael Benson

Nick Land

The board considers that Michael Benson and Nick Land are non-executive directors who are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Jon Moulton has been a non-executive director of the Company for eight years. He is also a substantial shareholder in the Company and therefore is not considered to be independent under the 2006 Code definitions.

The remuneration committee meets as often as required to discharge its duties and met four times during the period from 1 July 2006 to 6 September 2007. There was full attendance at all meetings. The Chief Executive Officer, Chief Operating and Financial Officer, Company Secretary and the 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; and
- executive directors and the Company Secretary are fairly rewarded for their individual contributions to the Company's overall performance.

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

The terms of reference of the remuneration committee are available on the Company's website.

Advisors

The remuneration committee has appointed Mercer Human Resource Consulting 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 of the above has any connection with the Company other than providing compensation advice and/or information.

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 schemes. 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.

Remuneration report continued

The table below provides details of the directors' service agreements/letters of appointment.

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
Jim Pettigrew [1]	7 August 2006	26 June 2006	1 year	Rolling
Non-executive directors				
Michael Benson – Chairman	3 July 2006	3 July 2006	1 month	2 July 2009
Nick Land	3 July 2006	3 July 2006	1 month	2 July 2009
Jon Moulton	24 February 1999	11 October 2006	1 month	16 October 2009

1 Jim Pettigrew submitted his resignation on 3 July 2007 and his contractual termination date is therefore 2 July 2008, although an earlier date may be agreed. He will continue to be paid his salary up until termination.

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

Executive directors are permitted to serve as non-executive directors of other 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. Executive directors are permitted to retain any fees earned for these non-executive directorships. In the reporting year Mark Coombs did not hold any non-executive directorships. In the reporting year Jim Pettigrew held non-executive directorships at Edinburgh Investment Trust plc and CMC Markets plc, earning fees of £24,292 and £50,000 respectively.

Executive remuneration policy

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

Salaries

Salaries are set low in comparison to the market. It is the Company's policy to maintain its fixed cost base at a low level and to link the value of cash bonuses and share awards to the Company's profitability.

Variable compensation

The Company provides both an annual cash bonus and long-term incentive share plans. The bonus and share awards are determined by reference to the individual's performance against agreed criteria, the profitability of the Company and the external market.

The Company's intention in future years is to pay to members of staff an amount of up to 25% 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.

Mark Coombs waived his right to receive any cash bonus awarded to him in excess of £2,000,000 in respect of his performance in this financial year and also waived his right to any share awards that may otherwise have been awarded to him in this financial year. He asked the remuneration committee to consider an appropriate equivalent donation to be made to a charity or charities nominated by him and the remuneration committee has agreed to this.

Annual bonus

Performance criteria are established appropriate to the individual's role, to include growth in AuM and profitability where appropriate and other key areas of individual responsibility.

The remuneration committee does not consider it necessary or appropriate to set a cap on discretionary bonus awards, although such awards will be made within the overall constraints of profitability as set out above.

Mark Coombs's performance measures include targets for ebit and AuM growth as well as the progression of strategic opportunities and operational development. The committee is fully satisfied that these performance measurements were met or exceeded in the year ended 30 June 2007 and similar measurements will be applied in the financial year ending 30 June 2008.

Jim Pettigrew's performance measurements are a basket of operational, strategic and compliance related targets pertaining to his areas of responsibility, including finance, investor relations, compliance and operations. The committee is satisfied that key targets were met in the year ended 30 June 2007, and he was paid a cash bonus of £150,000 during the year. Similar performance measures would apply to the financial year ending 30 June 2008.

Long-term share award schemes

The Company operates three share award schemes, summarised below.

The Ashmore First Discretionary Share Option Scheme (Option 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 Company Executive Omnibus Incentive Plan (Omnibus Plan) was adopted on 11 October 2006 and provides for a variety of option and share awards.

The Company Approved Share Option Plan (CSOP) 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.

All employees including executive directors are eligible to receive awards under the share award schemes. During the financial year options over 687,600 shares were granted to Jim Pettigrew from the Option Scheme prior to Admission. In addition 200,000 restricted shares were granted to Jim Pettigrew under the Omnibus Plan, of which 80,000 were long-term share awards, 60,000 related to his election to forego the cash bonus equivalent and an additional 60,000 were matched by the Company. No performance measures were attached to these awards which were granted in relation to Jim Pettigrew joining the Company.

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

No grants were made from the CSOP scheme.

At any time the number of shares which may be issued in aggregate under the Omnibus Plan and the CSOP and any other employee share plan of the Company over any ten-year period following Admission is limited to 15% of the Company's issued share capital at that time. The Omnibus Plan and CSOP can operate over newly issued shares in the Company or shares purchased in the market by the trustees of an employee benefit trust.

The Omnibus Plan includes individual limits in respect of option and share awards made to executive directors in any annual period. These limits are set by reference to multiples of the director's base salary. In view of the low base salaries, when compared with those of directors of equivalent investment management companies, the individual limits severely restrict the value of awards that can be granted to an executive director. The remuneration committee believes that this will have an adverse impact on the ability of the Company to attract and retain high quality individuals. The remuneration committee is therefore considering an amendment to the Omnibus Plan to be recommended at the Company's 2007 annual general meeting to allow the grant of more appropriate awards.

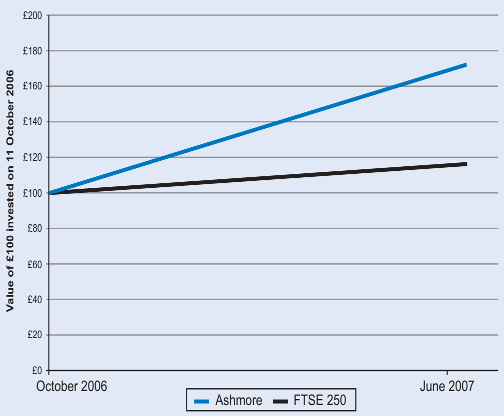
Total shareholder return (TSR) performance measure

The remuneration committee has established a comparator group against which to measure TSR performance in respect of future share awards to executive directors under CSOP and the Omnibus Plan. Share awards will not vest at below median performance. 25% 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 that of the shareholders. In the absence of any other dedicated emerging markets investment management companies, a comparator group of 18 companies has been selected from global investment management companies of a similar size that are established and actively trading on stock markets.

Share performance graph

The graph below shows the growth in the Company's share price since Admission against the FTSE 250. The FTSE 250 index has been selected as the index in which the Company is currently listed.



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

Remuneration report continued

Audited information

Pensions
Executive directors are entitled to join the Ashmore Group plc Retirement and Death Benefit Scheme under which the Company makes contributions at 7% 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, executive directors have elected for employer contributions to cease and equivalent taxable cash payments have been made to the individuals in lieu.

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 and an annual health check.

Directors' remuneration
The remuneration of the directors of the Company for the year ended 30 June 2007 was as follows:

	Notes	Salaries £	Fees £	Benefits £	Cash bonus £	**Year ended 30 June 2007 Total £**	Year ended 30 June 2006 Total £
Executive directors							
Mark Coombs	1, 7	100,000	–	8,607	5,000,000	**5,108,607**	2,500,000
Jim Pettigrew	2, 7	92,051	–	6,444	150,000	**248,495**	–
Non-executive directors							
Michael Benson	3, 6	–	85,513	–	–	**85,513**	–
Nick Land	4, 6	–	25,654	–	–	**25,654**	–
Jon Moulton	5, 6	–	21,638	–	–	**21,638**	2,000

1 Mark Coombs's cash bonus includes £3 million that he has waived with a request that an equivalent amount be paid to a charity or charities nominated by him and which the Company will pay in the financial year ending 30 June 2008.

2 Jim Pettigrew commenced employment on 31 July 2006. This cash bonus was paid prior to his resignation on 3 July 2007.

3 Michael Benson was appointed as Chairman on 3 July 2006. His fees were initially £50,000 per annum until Admission in October 2006 when they increased to £100,000 per annum.

4 Nick Land was appointed on 3 July 2006. His fees were initially £15,000 per annum until Admission in October 2006 when they increased to £30,000 per annum.

5 Jon Moulton's fees were increased from £2,000 per annum to £30,000 per annum on Admission in October 2006.

6 Michael Benson, Nick Land and Jon Moulton are each members of the remuneration committee, the audit committee and the nominations committee. They do not receive any additional fees for these committee memberships.

7 Benefits include payment in lieu of pension equivalent to 7% of basic salary in 'Salaries' column. Mark Coombs's benefits also include membership of the Company medical scheme.

Directors' share awards

The Ashmore First Discretionary Share Option Scheme

	Number of options at beginning of period	Number of options at end of period	Exercise price	First exercise date	Last exercise date
Jim Pettigrew	Nil	687,600	£0.2424	31 July 2011	30 July 2016

The Company Executive Omnibus Incentive Plan

	Number of restricted shares at beginning of period	Number of restricted shares at end of period	Market price at date of grant	Date of grant	Release date
Jim Pettigrew	Nil	200,000	£2.50	13 December 2006	30 November 2011

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

Directors' interests in ordinary shares of Ashmore Group plc

	30 June 2007	30 June 2006
Executive directors		
Mark Coombs	**303,324,200**	416,250,000
Jim Pettigrew	**946,100**	–
Non-executive directors		
Michael Benson	**29,000**	–
Nick Land	**29,000**	–
Jon Moulton	**30,511,700**	52,500,000

The market price of the Company's shares as at 30 June 2007 was £2.6925. The highest share price during the financial year since Admission was £3.28. The lowest share price was the Admission price of £1.70 per share.

Approved by the board and signed on its behalf by

Jon Moulton
Chairman of the remuneration committee

12 September 2007

Independent auditors' report to the members of Ashmore Group plc

We have audited the Group and parent Company financial statements (the financial statements) of Ashmore Group plc for the year ended 30 June 2007 which comprise the Group income statement, the Group and parent Company balance sheets, the Group and parent Company cash flow statements, the Group and parent Company statements of changes in equity and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the remuneration report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the remuneration report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the statement of directors' responsibilities on page 24.

Our responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. The information given in the directors' report includes that specific information presented in the financial highlights, Chief Executive Officer's review, business review and corporate governance report that is cross referred from the principal activity and business review section of the directors' report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the remuneration report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the remuneration report to be audited.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the state of the Group's affairs as at 30 June 2007 and of its profit for the year then ended;
- the parent Company financial statements give a true and fair view, in accordance with IFRS as adopted by the EU as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent Company's affairs as at 30 June 2007;
- the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation; and
- the information given in the directors' report is consistent with the financial statements.

KPMG Audit Plc
Chartered Accountants
One Canada Square
London E14 5AG
Registered Auditor

12 September 2007

Consolidated income statement

Year ended 30 June 2007

	Notes	2007 £m	2006 £m
Management fees		**130.2**	80.8
Performance fees		**20.4**	54.2
Other revenue	2	**13.0**	2.9
Total revenue		**163.6**	137.9
Less: Distribution costs		**(3.8)**	(2.3)
Net revenue		**159.8**	135.6
Personnel expenses	3	**(32.6)**	(34.4)
Other expenses	4	**(5.5)**	(6.5)
Operating profit		**121.7**	94.7
Gain on sale of business		**–**	2.8
Interest income		**9.7**	6.5
Interest expense		**–**	(0.1)
Profit before tax		**131.4**	103.9
Income tax expense	5	**(39.9)**	(32.3)
Profit for the year		**91.5**	71.6
Attributable to:			
Equity holders of the parent		**91.4**	71.5
Minority interest		**0.1**	0.1
Profit for the year		**91.5**	71.6
Earnings per share:			
Basic	6	**13.7p**	10.8p
Diluted	6	**12.9p**	10.4p

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 interest £m	Total equity £m
Balance at 1 July 2005	–	0.3	69.1	69.4	0.5	69.9
Profit for the year	–	–	71.5	71.5	0.1	71.6
Share-based payments	–	–	10.7	10.7	–	10.7
Disposal of business	–	–	–	–	(0.6)	(0.6)
Dividends	–	–	(55.0)	(55.0)	–	(55.0)
Balance at 30 June 2006	–	0.3	96.3	96.6	–	96.6
Profit for the year	–	–	91.4	91.4	0.1	91.5
Share-based payments	–	–	6.5	6.5	–	6.5
Current tax	–	–	4.2	4.2	–	4.2
Deferred tax related to share-based payments	–	–	11.6	11.6	–	11.6
Sale of own shares held	–	–	1.1	1.1	–	1.1
Dividends	–	–	(15.5)	(15.5)	–	(15.5)
Balance at 30 June 2007	**–**	**0.3**	**195.6**	**195.9**	**0.1**	**196.0**

Consolidated balance sheet

	Notes	**As at 30 June 2007 £m**	As at 30 June 2006 £m
Assets			
Property, plant and equipment	13	**0.2**	0.2
Intangible assets	9	**4.1**	4.1
Other receivables	12	**0.1**	3.6
Deferred tax asset	16	**14.4**	1.6
Total non-current assets		**18.8**	9.5
Trade and other receivables	12	**27.2**	20.0
Derivative financial instruments		**0.5**	1.3
Cash and cash equivalents		**218.0**	132.7
Total current assets		**245.7**	154.0
Total assets		**264.5**	163.5
Equity			
Issued capital	14	**–**	–
Share premium		**0.3**	0.3
Retained earnings		**195.6**	96.3
Total equity attributable to equity holders of the parent		**195.9**	96.6
Minority interest		**0.1**	–
Total equity		**196.0**	96.6
Liabilities			
Deferred tax liabilities	16	**–**	0.1
Total non-current liabilities		**–**	0.1
Current tax		**15.7**	18.0
Derivative financial instruments		**–**	0.1
Trade and other payables	17	**52.8**	48.7
Total current liabilities		**68.5**	66.8
Total liabilities		**68.5**	66.9
Total equity and liabilities		**264.5**	163.5

Approved by the board on 12 September 2007 and signed on its behalf by:

Mark Coombs
Chief Executive Officer

Jim Pettigrew
Chief Operating and Financial Officer

Consolidated cash flow statement

Year ended 30 June 2007

	Notes	2007 £m	2006 £m
Operating activities			
Cash receipts from customers		**164.6**	151.7
Cash paid to suppliers and employees		**(32.3)**	(34.7)
Cash generated from operations		**132.3**	117.0
Income taxes paid		**(39.2)**	(22.7)
Net cash from operating activities		**93.1**	94.3
Investing activities			
Interest received		**9.5**	6.1
Dividends received		**–**	1.4
Net proceeds from disposal of subsidiary		**–**	(0.2)
Purchase of property, plant and equipment	13	**(0.1)**	–
Net cash from investing activities		**9.4**	7.3
Financing activities			
Dividends paid	8	**(15.5)**	(55.0)
Net cash used in financing activities		**(15.5)**	(55.0)
Effect of exchange rate changes on cash and cash equivalents		**(1.7)**	(0.5)
Net increase in cash and cash equivalents		**85.3**	46.1
Cash and cash equivalents at beginning of year		**132.7**	86.6
Cash and cash equivalents at end of year		**218.0**	132.7

Cash and cash equivalents comprise:		
Cash at bank and in hand as shown in balance sheet	**218.0**	132.7
	218.0	132.7

Company balance sheet

	Notes	**As at 30 June 2007 £m**	As at 30 June 2006 £m
Assets			
Property, plant and equipment	13	**0.2**	0.2
Intangible assets	9	**4.1**	4.1
Investment in subsidiaries	19	**1.0**	1.0
Other receivables	12	**–**	1.5
Deferred tax asset	16	**14.4**	1.6
Total non-current assets		**19.7**	8.4
Trade and other receivables	12	**5.1**	13.5
Cash and cash equivalents		**167.5**	80.5
Total current assets		**172.6**	94.0
Total assets		**192.3**	102.4
Equity			
Issued capital	14	**–**	–
Share premium		**0.3**	0.3
Retained earnings		**152.7**	61.3
Total equity attributable to equity holders of the company		**153.0**	61.6
Liabilities			
Current tax		**–**	3.6
Trade and other payables	17	**39.3**	37.2
Total current liabilities		**39.3**	40.8
Total liabilities		**39.3**	40.8
Total equity and liabilities		**192.3**	**102.4**

Company cash flow statement

Year ended 30 June 2007

	Notes	2007 £m	2006 £m
Operating activities			
Cash receipts from customers		**55.7**	40.7
Cash paid to suppliers and employees		**(31.1)**	(28.3)
Cash generated from operations		**24.6**	12.4
Income taxes paid		**(5.5)**	(1.1)
Net cash from operating activities		**19.1**	11.3
Investing activities			
Interest received		**4.5**	3.3
Dividends received from subsidiaries		**79.0**	66.9
Purchase of property, plant and equipment	13	**(0.1)**	–
Net cash from investing activities		**83.4**	70.2
Financing activities			
Dividends paid	8	**(15.5)**	(55.0)
Net cash used in financing activities		**(15.5)**	(55.0)
Net increase in cash and cash equivalents		**87.0**	26.5
Cash and cash equivalents at beginning of year		**80.5**	54.0
Cash and cash equivalents at end of year		**167.5**	80.5
Cash and cash equivalents comprise:			
Cash at bank and in hand as shown in balance sheet		**167.5**	80.5
		167.5	80.5

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 2005	–	0.3	38.7	39.0
Profit for the year	–	–	66.9	66.9
Share-based payments	–	–	10.7	10.7
Dividends	–	–	(55.0)	(55.0)
Balance at 30 June 2006	–	0.3	61.3	61.6
Profit for the year	–	–	83.5	83.5
Share-based payments	–	–	6.5	6.5
Deferred tax related to share-based payments	–	–	11.6	11.6
Current tax	–	–	4.2	4.2
Sale of own shares	–	–	1.1	1.1
Dividends	–	–	(15.5)	(15.5)
Balance at 30 June 2007	**–**	**0.3**	**152.7**	**153.0**

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, as applied in accordance with the provisions of the Companies Act 1985. Based on these adopted IFRS, the directors have made assumptions about the accounting policies expected to be applied, which are set out below.

The financial information has been prepared under the historical cost convention, except that derivative financial instruments are stated at fair value.

The Company is taking advantage of the exemption in section 230 of the Companies Act 1985 not to present its individual income statement and related notes that form part of the financial statements.

(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.

(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

(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.

(d) Financial instruments

(i) Derivatives

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

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 Group does not apply hedge accounting. 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.

Notes to the financial statements continued

1) Significant accounting policies continued

(d) Financial instruments continued

(ii) 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 is 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.

(e) Property, plant and equipment

Property, plant and equipment includes leasehold improvement and office equipment. Items of property, plant and equipment 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 lives are estimated to be five years. 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) 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 net selling price 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.

1) Significant accounting policies continued

(i) Dividends payable
Interim dividends are recognised when paid and final dividends when approved by shareholders.

(j) Employee benefits
Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

(k) Share-based payments
The Group issues share options to its employees under the share option plans. The awards have been classified as equity-settled under IFRS 2.

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 the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted.

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

(m) 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. Other revenue also includes foreign exchange gains and losses on translation of transactions in foreign currencies. The accounting policy on foreign currency translation is described in note 1(c).

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

Notes to the financial statements continued

1) Significant accounting policies continued

(o) 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 in other operating income.

(p) Interest income and interest expense

Interest income and expense are calculated using an effective interest rate method. Interest income comprises interest receivable on the Group's cash and cash equivalents, and on funds invested. Interest expense comprises interest payable on trade and other payables.

(q) 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.

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.

(ii) 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.

Deferred 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.

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.

(r) 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 it operates in a market that is not geographically segmented.

1) Significant accounting policies continued

(s) Adopted IFRS not yet applied

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

- IFRS 7: Financial instruments: Disclosures; and the related amendment to IAS 1 on capital disclosures
- IFRIC 10: Interim Financial Reporting and Impairment
- IFRIC 11: IFRS 2 – Group and Treasury Share Transactions

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 except for additional disclosures on capital and financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007.

(t) 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 24.

(u) 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.

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.

Notes to the financial statements continued

2) Other revenue

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Included in other revenue:		
Net foreign exchange gains (see note 11)	**2.7**	0.9
Administration fees	**–**	1.1
Transaction, structuring and other fees	**10.3**	0.9
	13.0	2.9

Net foreign exchange gains in the year ended 30 June 2007 comprise £4.4m (30 June 2006: £1.4m) of realised and unrealised hedging gains relating to the management of the Group's US dollar denominated revenue, net of £1.7m (30 June 2006: £0.5m) representing the impact of foreign exchange movements on the Group's non-sterling denominated monetary assets and liabilities.

3) Personnel expenses

Number of employees

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

	Average for the year ended 30 June 2007	Average for the year ended 30 June 2006	As at 30 June 2007	As at 30 June 2006
Investment management	**59**	42	**69**	49
Fund administration	**–**	6	**–**	–
Total employees	**59**	48	**69**	49

The fund administration employees in the above table relate to the employees of International Administration (Guernsey) Limited which was sold on 30 December 2005.

Analysis of employee benefits expense

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Wages and salaries	**3.8**	3.0
Share-based payments	**5.7**	6.8
Performance-related bonuses	**21.7**	23.6
Social security costs	**0.5**	0.3
Pension costs	**0.2**	0.2
Other costs	**0.7**	0.5
Total employee benefits	**32.6**	34.4

Performance-related bonuses included in the above table in the year ended 30 June 2007 include a total of £8.7m of bonuses that have been waived by executive directors and employees, with an equivalent amount to be paid as charitable donations in the financial year to 30 June 2008.

4) Other expenses

Other expenses

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Operating leases	**0.4**	0.4
Premises related costs	**0.3**	0.3
Information technology and communications	**0.7**	0.7
Depreciation of property and equipment	**0.1**	0.1
Auditors' remuneration	**0.2**	0.7
Other expenses	**3.8**	4.3
Total other expenses	**5.5**	6.5

Auditors' remuneration

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £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	**0.1**	0.1
– other services (see below)	**–**	0.5
Total services	**0.2**	0.7

Other services represent payments in respect of the Company's IPO in October 2006.

Notes to the financial statements continued

5) Taxation

Recognised in the income statement

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Current tax:		
Corporation tax on profits of the year	**38.1**	32.9
Adjustments in respect of prior years	**3.1**	0.6
Total current tax	**41.2**	33.5
Deferred tax arising from origination and reversal of temporary differences:		
Current year (see note 16)	**(1.3)**	(1.2)
Total tax charge for the year	**39.9**	32.3

Deferred tax charge recognised directly in equity

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Share-based payments (see note 16)	**11.6**	–
Tax charge recognised in equity	**11.6**	–

Factors affecting tax charge for the year

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Profit before tax	**131.4**	103.9
Profit before tax multiplied by corporation tax at the UK standard rate of 30% (2006: 30%)	**39.4**	31.2
Effects of:		
Expenses not deductible	**0.6**	0.6
Deduction in respect of exercised options (Schedule 23 Finance Act 2003)	**(0.2)**	–
Share-based payments		1.5
Profit on sale of subsidiary	**–**	(1.0)
Dividend receivable from overseas subsidiary	**–**	(0.2)
Other	**(3.0)**	1.4
Adjustments in respect of prior years		
Current tax	**3.1**	0.6
Deferred tax	**–**	(1.8)
Total tax in the income statement	**39.9**	32.3

6) Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the parent 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 a further 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 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 2007	Year ended 30 June 2006
Weighted average number of ordinary shares used in calculation of basic earnings per share	**667,467,808**	660,200,000
Effect of dilutive potential ordinary shares – share options	**38,827,815**	26,859,915
Weighted average number of ordinary shares used in calculation of diluted earnings per share	**706,295,623**	687,059,915

7) Share-based payments

Group and Company share-based compensation plans

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

Enterprise Management Incentive Scheme (EMI Scheme)

The Group issued share options through its EMI Scheme in October 2000. As at June 2004 all options held under the scheme were exercised. The shares held as a result of exercising EMI options were accounted for on a cash settled basis up until 28 April 2006 when the policy was changed to equity settled. The EMI Scheme is no longer operative and there are no options outstanding under this scheme.

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 a cash settled basis up until 28 April 2006, and on an equity-settled basis thereafter. 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's IPO 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. The Omnibus 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. It is intended they will be complementary and ensure that any cyclical fluctuations do not have an excessively adverse effect on employee remuneration in circumstances where the Group has performed well.

The Approved Company Share Option Plan (CSOP)

The CSOP was also introduced prior to the Company's IPO in October 2006 and is an option scheme providing for the grant of market value options to selected 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 has been obtained from HMRC. As at 30 June 2007 there have been no awards made under the CSOP.

Notes to the financial statements continued

7) Share-based payments continued

Share-based payments through the income statement

Group and Company

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
EMI Scheme	–	5.4
Option Scheme	0.3	1.4
Omnibus Plan	5.4	–
Total expense	5.7	6.8

Share options outstanding

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

Group and Company

	As at 30 June 2007 Number of options	Weighted average exercise price p	As at 30 June 2006 Number of options	Weighted average exercise price p
At beginning of year	46,225,000	13.24	28,125,000	8.44
Granted	2,021,671	36.96	19,850,000	19.08
Exercised	(10,000,000)	8.10	(1,250,000)	0.52
Forfeited	(93,750)	13.24	(500,000)	6.60
At end of year	38,152,921	15.84	46,225,000	13.24
Options exercisable	1,393,750	0.52	2,750,000	0.52

The weighted average share price on the date options were exercised during 2007 was 159.0p (2006: 18.72p).

Weighted average remaining contractual life of outstanding options

Group and Company

	Year ended 30 June 2007	Year ended 30 June 2006
Outstanding options	38,152,921	46,225,000
Weighted average exercise price	15.84p	13.24p
Weighted average remaining contracted life (years)	7.65	8.35
Range of exercise prices for share options outstanding at the end of the year	0.52p – 170.00p	0.52p – 24.24p

7) Share-based payments continued

Fair values of share-based compensation plans

The fair value amounts for the options outstanding on each reporting date were determined using the Black Scholes option-pricing method, using the following assumptions:

Group and Company

	2007 Equity-settled (awards granted in period)	2006 Equity-settled (awards granted in period)	28 April 2006 Final cash-settled basis
Dividend yield (%)	**5.50**	5.50	5.50
Expected volatility (%)	**31.00 – 34.00**	36.00	36.00
Risk free interest rate (%)	**5.12**	4.54	5.02
Expected life (years)	**7**	7	7
Weighted average share price	**186.10p**	19.10p	24.24p
Weighted average exercise price	**36.96p**	19.10p	13.24p
Weighted average fair value of options granted during the year	**10.92p**	4.46p	7.10p
Weighted average fair value of cash-settled options outstanding	**N/A**	N/A	10.41p

As the Company was not listed until October 2006 it does not have historic share price information to consider for estimating expected volatility. Therefore, volatility has been calculated for options granted in the period by taking the average of the historic volatility of four of the Company's quoted peers over the preceding four-year period. The average volatility of these four quoted peers as on each reporting date is considered as the long-term mean and used for valuing options. Peers selected were public quoted fund management companies which were considered to offer suitable coverage in terms of business mix to be a reasonable proxy for volatility for the Company.

8) Dividends

An analysis of dividends paid is as follows:

Group and Company

	Year ended 30 June 2007	Year ended 30 June 2006
Interim dividend	**£15.5m**	£55.0m
Dividend per share	**2.30p**	8.33p

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 12 September 2007 the board proposed a final dividend of 6.7p per share for the year ended 30 June 2007. 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 £44.7m.

Notes to the financial statements continued

9) Intangible assets – goodwill

Group and Company

The goodwill balance of £4.1m (2006: £4.1m) relates to the acquisition of the business from ANZ in 1999.

An annual impairment review of goodwill has been undertaken. The business of the Group is managed as a single unit and therefore no further split into smaller cash generating units is possible. Therefore, impairment testing of goodwill is carried out for the Group as a whole.

The recoverable amounts of the business are determined based on 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. There has been no gross impairment to date and no movement in goodwill.

10) 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 value of forward foreign exchange contracts is determined by reference to published price quotations.

11) Financial risk management

Financial risk management objectives and policies

Financial risk management relates to risk to the Group in respect of its own assets and liabilities.

The Group has limited exposure to financial instruments in respect of its own assets and liabilities. They include forward foreign exchange contracts, cash deposits and trade receivables and payables.

The main risks arising from financial instruments are foreign currency risk, exposure to interest rate risk, liquidity risk and credit risk. Each of these risks is discussed in detail below.

Interest rate risk

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.

Effective interest rates applicable to financial instruments are as follows:

	Year ended 30 June 2007 %	Year ended 30 June 2006 %
Deposits with banks	**5.57**	5.28

	As at 30 June 2007 £m	As at 30 June 2006 £m
Items repricing within one year or less:		
Deposits with banks	**218.0**	132.7
Items repricing in more than one year but not more than two years:		
Loans included within “Trade and other receivables”	**0.1**	3.6

11) Financial risk management continued

Liquidity risk

It is the Group's policy to ensure that it has sufficient access to funds to cover all forecast committed requirements for the next 12 months.

Foreign currency risk

Foreign currency risk is the risk that the Group will sustain losses through adverse movements in currency exchange rates. The Group's business is impacted through its exposure to fee income being principally US dollars while its cost base is largely sterling denominated. Forward foreign exchange contracts are used to mitigate exposure to foreign currency risk where it is considered that the sterling values of such amounts are at risk. The use of such instruments is limited and is subject to approval by the Chief Executive Officer. In addition to foreign currency fee revenue, the Group has a foreign currency exposure in respect of bank account balances held in US dollars.

The financial effect of the realised and unrealised hedging gains during the year and the impact of the movement of the foreign exchange rates on the Group's non-sterling denominated monetary assets and liabilities is shown in note 2.

At 30 June 2007 forward contracts totalling US$30m were outstanding with a maturity profile of less than one year (30 June 2006: US$90m).

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group's principal exposure to credit risk arises from default of an investment management client in respect of fees due and banks in respect of deposits and derivative positions. There is no significant concentration of credit risk in respect of fees owing from clients. Bank deposits are liquid short-term deposits with banks which have credit ratings ranging from A+ to AA.

12) Trade and other receivables

	Group		Company	
	As at 30 June 2007 £m	As at 30 June 2006 £m	**As at 30 June 2007 £m**	As at 30 June 2006 £m
Current				
Trade debtors	**24.5**	15.9	**1.0**	13.0
Prepayments and accrued income	**0.7**	0.3	**0.7**	0.4
Other receivables	**2.0**	3.8	**3.4**	0.1
	27.2	20.0	**5.1**	13.5
Non-current				
Other receivables	**0.1**	3.6	**–**	1.5
	0.1	3.6	**–**	1.5

Notes to the financial statements continued

13) Property, plant and equipment

Group and Company

	2007 Fixtures, fittings and equipment £m	2006 Fixtures, fittings and equipment £m
Cost		
At 1 July	**0.6**	0.6
Additions	**0.1**	–
At 30 June	**0.7**	0.6
Accumulated depreciation		
At 1 July	**0.4**	0.3
Depreciation charge for year	**0.1**	0.1
At 30 June	**0.5**	0.4
Net book value at 30 June	**0.2**	0.2

14) Share capital

Group and Company

(a) Share capital authorised

	As at 30 June 2007 Number of shares	As at 30 June 2007 Nominal value £'000	As at 30 June 2006 Number of shares	As at 30 June 2006 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 2007 Number of shares	As at 30 June 2007 Nominal value £'000	As at 30 June 2006 Number of shares	As at 30 June 2006 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.

14) Share capital continued

At 30 June 2006 there were 46,225,000 options in issue with contingent rights to the allotment of ordinary shares of 0.01p in the Company. The exercise period for these options ranges from December 2005 to April 2016 and the allotment price ranges from 0.52p to 24.24p.

At 30 June 2007 there were 38,152,921 options in issue with contingent rights to the allotment of ordinary shares of 0.01p in the Company. The exercise period for these options ranges from December 2005 to December 2016 and the allotment price ranges from 0.52p to 170.0p. There are also restricted share awards issued under the Omnibus Plan totalling 2,009,522 shares that have a release date in November 2011.

15) 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 38,725,000 (June 2006: 48,725,000) ordinary shares of 0.01p with a nominal value of £3,872.50 (June 2006: £4,872.50) and shareholders' funds are reduced by £5.9m (June 2006: £4.8m) in this respect. It is the intention to make these shares available to employees by way of sale through the share option scheme.

16) 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 2006			
(Assets)	(0.9)	(0.7)	(1.6)
Liabilities	0.1	–	0.1
Net	(0.8)	(0.7)	(1.5)
At 30 June 2007			
(Assets)	**(0.3)**	**(14.1)**	**(14.4)**
Net	**(0.3)**	**(14.1)**	**(14.4)**

Company

	Other temporary differences £m	Share-based payments £m	Total £m
At 30 June 2006			
(Assets)	(0.9)	(0.7)	(1.6)
Net	(0.9)	(0.7)	(1.6)
At 30 June 2007			
(Assets)	**(0.3)**	**(14.1)**	**(14.4)**
Net	**(0.3)**	**(14.1)**	**(14.4)**

Notes to the financial statements continued

16) Deferred taxation continued

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 2005	–	(0.3)	(0.3)
Credited to the consolidated income statement (see note 5)	(0.8)	(0.4)	(1.2)
At 30 June 2006	(0.8)	(0.7)	(1.5)
Charged/(credited) to the consolidated income statement (see note 5)	0.5	(1.8)	(1.3)
Credit taken to equity	–	(11.6)	(11.6)
At 30 June 2007	**(0.3)**	**(14.1)**	**(14.4)**

Company

	Other temporary differences £m	Share-based payments £m	Total £m
At 1 July 2005	–	(0.3)	(0.3)
Credited to the consolidated income statement	(0.9)	(0.4)	(1.3)
At 30 June 2006	(0.9)	(0.7)	(1.6)
Charged/(credited) to the consolidated income statement	0.6	(1.8)	(1.2)
Credit taken to equity	–	(11.6)	(11.6)
At 30 June 2007	**(0.3)**	**(14.1)**	**(14.4)**

The UK deferred tax rate has changed from 30% to 28% during the year. The impact of this change is a reduction of £0.9m in the deferred tax asset (30 June 2006: nil).

17) Trade and other payables

	Group		Company	
	As at 30 June 2007 £m	As at 30 June 2006 £m	**As at 30 June 2007 £m**	As at 30 June 2006 £m
Current				
Accruals and deferred income	**52.8**	48.7	**39.3**	37.2
	52.8	48.7	**39.3**	37.2

Following the Group's IPO in October 2006 and the finalisation of the allocation between cash-based and share-based awards in respect of the financial year to 30 June 2006, a reallocation of £0.8m was made from the bonus provision held at 30 June 2006 to share-based payments included in equity.

18) Leases

Operating leases

The Group has entered into certain property leases. The leases have no fixed 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 and Company

	As at 30 June 2007 £m	As at 30 June 2006 £m
Within one year	**–**	–
Over one year but not more than five years	**0.4**	0.4
Total	**0.4**	0.4

Notes to the financial statements continued

19) Subsidiaries

Company

Investment in subsidiaries

	As at 30 June 2007 £m	As at 30 June 2006 £m
Cost and net book value	**1.0**	1.0

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

The directly held subsidiary of the parent Company is:

	Country of incorporation/ formation and principal place of operation	**As at 30 June 2007 % owned**
Ashmore Investments (UK) Limited	England	**100.00**

The principal subsidiaries whose results are included in the consolidated financial statements of the Group, excluding the directly held subsidiaries of the Company shown above, are as follows:

	Country of incorporation/ formation and principal place of operation	**As at 30 June 2007 % owned**
Ashmore Investment Management Limited	England	**100.00**
Ashmore Management Company Limited	Guernsey	**100.00**
Ashmore Hong Kong Limited	Hong Kong	**100.00**
Ashmore Global Special Situations Fund 3 (GP) Limited	Guernsey	**100.00**
Ashmore Private Equity Turkey Management Limited	Guernsey	**70.00**

All shares held are ordinary.

20) Related party transactions

Related party transactions are in respect of relationships with senior management. The senior management compensations are as follows:

	Year ended 30 June 2007 £m	Restated Year ended 30 June 2006 £m
Short-term employee benefits	**16.3**	6.7
Share-based payment benefits	**0.1**	4.6
Total	**16.4**	11.3

Short-term employee benefits include the actual amounts of cash bonuses payable in respect of the year to 30 June 2007. This was previously reported as the actual amounts of cash bonuses paid in the year to 30 June 2006.

The figures in the above table in the year ended 30 June 2007 include a total of £8.3m of bonuses that have been waived by senior management, with an equivalent amount to be paid as charitable donations in the financial year to 30 June 2008.

Share-based payment benefits represents the fair value charge to the income statement of options and shares resulting from options that have been granted to senior management.

Loans

Loans to senior management are as follows:

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Loans	**–**	1.5

Loans are made by the EBT at commercial rates with repayment due in full on certain trigger events, including sale of any shares into a listing, or at the latest five years from date of grant.

No amounts have been provided against or written off any of these balances.

Intragroup transactions that have been eliminated are not disclosed as related party transactions in these consolidated financial statements.

Notes to the financial statements continued

20) Related party transactions continued

Transactions with subsidiaries

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

Company

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Management fees received	**38.8**	38.8
Net dividends received	**63.5**	11.9

	As at 30 June 2007 £m	As at 30 June 2006 £m
Amounts due from subsidiaries	**0.3**	12.6
Amounts due to subsidiaries	**4.1**	4.4

Details of transactions between the Group and other related parties, excluding compensation, are disclosed below.

Transactions and balances with related parties

Post-employment benefit plans

The Group contributed the following amounts to a defined contribution scheme and had amounts outstanding at 30 June each year as follows:

	Year ended 30 June 2007 £m	Year ended 30 June 2006 £m
Employer contributions to a defined contribution scheme	**0.2**	0.2

21) Exchange rates

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 2007	Closing rate as at 30 June 2006	Average rate year ended 30 June 2007	Average rate year ended 30 June 2006
US dollar	**2.0088**	1.8484	**1.9466**	1.7806

22) Directors' remuneration

Disclosures of directors' remuneration as required by the Companies Act, 1985 are as follows:

	Year ended 30 June 2007 £m	Restated Year ended 30 June 2006 £m
Aggregate emoluments	**5.5**	2.6
	5.5	2.6

The figures shown against directors' emoluments in the table represent the actual amounts payable in respect of the period. This was previously reported as the actual amounts of cash bonuses paid in the year to 30 June 2006.

The figures in the above table in the year ended 30 June 2007 include a £3 million cash bonus that has been waived by Mark Coombs with an equivalent amount to be paid as charitable donations in the financial year to 30 June 2008.

There are retirement benefits accruing to one director under a defined contribution scheme (30 June 2006: one).

Directors' emoluments

This information is included in the remuneration report on page 34.

23) Post balance sheet events

There are no post balance sheet events for the year ended 30 June 2007.

24) 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 estimates and judgements that have a significant affect 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

	UK GAAP 2003 £m	UK GAAP 2004 £m	IFRS 2005 £m	IFRS 2006 £m	IFRS **2007 £m**
Management fees	12.4	25.4	41.2	80.8	**130.2**
Performance fees	7.1	38.1	23.2	54.2	**20.4**
Other revenue	1.4	3.4	2.8	2.9	**13.0**
Total revenue	20.9	66.9	67.2	137.9	**163.6**
Less: Distribution costs	(0.5)	(1.6)	(1.3)	(2.3)	**(3.8)**
Net revenue	20.4	65.3	65.9	135.6	**159.8**
Personnel expenses	(2.2)	(2.7)	(3.4)	(4.0)	**(5.2)**
Variable compensation	(3.7)	(13.1)	(13.9)	(30.4)	**(27.4)**
Other operating expenses	(3.0)	(3.7)	(3.8)	(6.5)	**(5.5)**
Total operating expenses	(8.9)	(19.5)	(21.1)	(40.9)	**(38.1)**
Operating profit	11.5	45.8	44.8	94.7	**121.7**
Net interest	1.2	2.0	3.6	6.4	**9.7**
Gain on sale	0.0	0.0	0.0	2.8	**0.0**
Profit before tax	12.7	47.8	48.4	103.9	**131.4**
Tax	(4.1)	(13.5)	(16.0)	(32.3)	**(39.9)**
Profit for the year	8.6	34.3	32.4	71.6	**91.5**
Eps (basic)	1.1p	4.7p	4.9p	10.8p	**13.7p**
Other operating data (unaudited)					
AuM at period end (US$bn)	3.3	5.9	11.0	20.1	**31.6**
AuM at period end (£bn)	2.0	3.2	6.1	10.9	**15.7**
Average AuM (£bn)	1.3	2.8	4.5	9.4	**13.6**
Average £:US$ exchange rate for the year	1.59	1.74	1.86	1.78	**1.95**
Period end £:US$ exchange rate for the year	1.66	1.83	1.82	1.84	**2.01**

Information for shareholders

Ashmore Group plc

Registered in England and Wales.
Company No. 3675683

Registered office

20 Bedfordbury
London WC2N 4BL
Tel: +44 (0) 20 7557 4100
Fax: +44 (0) 20 7557 4141

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 2007	12 September 2007
First quarter AuM statement	16 October 2007
Annual general meeting	31 October 2007
Ex-dividend date	7 November 2007
Record date	9 November 2007
Final dividend payment date	7 December 2007
Second quarter AuM statement	15 January 2008
Announcement of unaudited interim results for the six months ended 31 December 2007	26 February 2008
Announcement of results for the year ended 30 June 2008	September 2008

Registrar

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex
BN99 6DA

UK shareholder helpline: 0870 600 3970
International shareholder helpline: +44 121 415 7047

Further information about the Registrar is available on their website www.lloydstsb-registrars.co.uk.

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. Lloyds TSB Registrars offer a secure, free and easy-to-use internet-based share dealing service known as Shareview Dealing.
To access this service, you can log on at www.shareview.co.uk/dealing or contact the helpline on 0870 850 0852 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.

Information for shareholders continued

Electronic copies of the 2007 Annual Report and financial statements and other publications

Copies of the 2007 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: 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 Lloyds TSB 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 on-line, 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 Lloyds TSB 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 uncashed 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 0870 600 3970.

Transferring Ashmore Group 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 Lloyds TSB 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 Lloyds TSB Registrars immediately by calling the shareholder helpline on 0870 600 3970.

Disability helpline

For shareholders with hearing difficulties a special text phone number is available: 0870 600 3950.

Definitions

'Admission'	admission to the Official List of the London Stock Exchange
'Articles'	the articles of association of the Company
'AuM'	assets under management
'average AUM'	average of the month end AuMs for the relevant period
'basis points'	100th of a per cent
'board'	Company's board of directors
'Combined Code'	Combined Code on Corporate Governance issued in 2006
'Companies Acts'	every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company
'Company' or 'Ashmore'	Ashmore Group plc
'CSR'	Corporate Social Responsibility
'$' or 'dollars'	all references to dollars or $ sign are to the currency of the US
'ebit'	earnings before interest and tax
'eps'	earnings per share
'EU'	European Union
'FRC'	Financial Reporting Council
'FTSE 250'	comprised of mid-capitalised companies, not covered by the FTSE 100
'Group'	the Company and its subsidiary undertakings
'IAS'	International Accounting Standards
'IFRS' or 'IFRSs'	International Financial Reporting Standards
'IPO'	initial public offering
'US'	United States of America

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It is recyclable and bio-degradable.

Designed and produced by Weber Shandwick Financial Design

Ashmore

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