Ashmore

Annual Report and Accounts 2015

Prospects Process Performance

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For the online version of the annual report, other announcements and details of up-coming events, please visit the Investor Relations section of our website at www.ashmoregroup.com

Metro, Dubai

Ashmore is a specialist Emerging Markets asset manager, with a business model that delivers high-quality profits from a scalable platform.

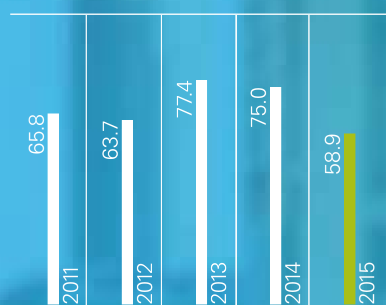
The Emerging Markets have strong and diversified growth **prospects** as economic, political and social factors converge with those of the developed world. The Group provides access to these markets, acting as a conduit for capital between the Developed and Emerging Markets, and increasingly between Emerging Markets as they broaden and diversify their investments. Ashmore's investment **processes**, which have been employed over more than two decades, follow a value-based, active, specialist approach, and continue to deliver long-term investment **performance** through market cycles.

2015 FINANCIAL OVERVIEW

ASSETS UNDER MANAGEMENT
(US$bn)

US$58.9bn

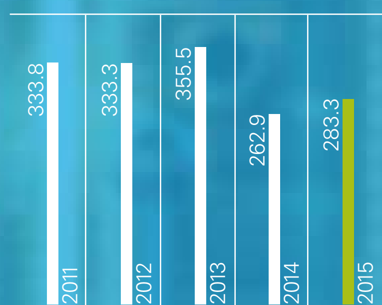
2014: US$75.0bn



NET REVENUE
(£m)

£283.3m

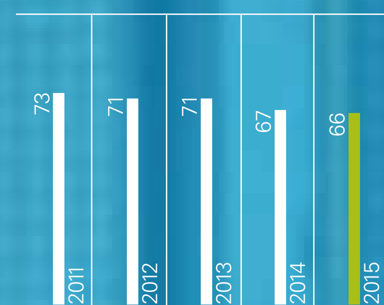
2014: £262.9m



EBITDA MARGIN
(%)

66%

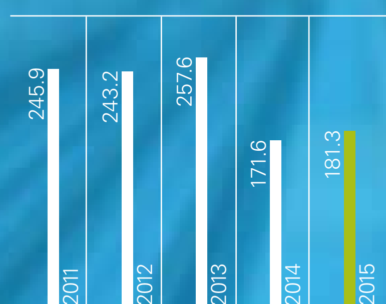
2014: 67%



PROFIT BEFORE TAX
(£m)

£181.3m

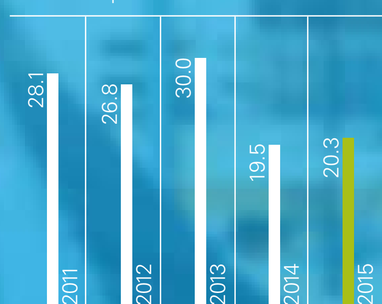
2014: £171.6m



EPS BASIC
(p)

20.3p

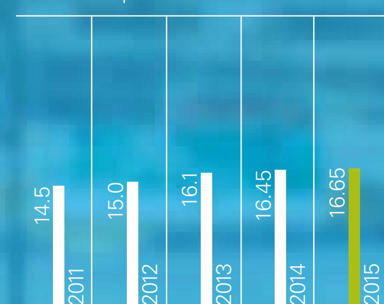
2014: 19.5p



DIVIDENDS PER SHARE
(p)

16.65p

2014: 16.45p



High-quality profits from a scalable platform

SPECIALIST EMERGING MARKETS FOCUS

Ashmore's key competitive advantage

The Group has more than two decades' experience of investing solely in Emerging Markets.

The Emerging Markets are growing rapidly as economic, political and social developments support rising productivity and lead to GDP per capita convergence with Developed Markets. Ashmore is well positioned to capitalise on these growth trends and to translate them into value for investors, shareholders, and the communities in which it invests.

- Ashmore has established a long track record of investing in Emerging Markets, beginning in 1987 for equities and 1992 for fixed income
- The Group's focus derives from an early recognition that Emerging Markets would become the engine room of global economic growth
- Today, the Emerging Markets account for more than 50% of global GDP, and structural developments underpin this share rising further
- The diversity and inefficiencies of the asset class provide significant investment opportunities, but also require specialist, active fund management skills to navigate market cycles

MORE INFORMATION

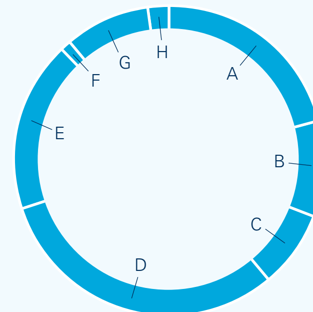
For more information on Emerging Markets growth prospects see pages 6-7

BALANCED DIVERSIFICATION

Investors

Ashmore's client base is largely institutional, and the distribution platform seeks to increase the AuM sourced through intermediaries such as private banks, wealth advisers and brokers.

AUM BY INVESTOR TYPE (%)



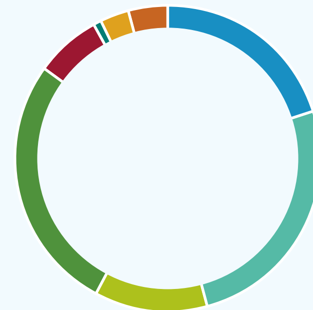
A	Central banks	21%
B	Sovereign wealth funds	10%
C	Governments	8%
D	Pension plans	31%
E	Corporates/Financial institutions	18%
F	Funds/Sub-advisers	1%
G	Third-party intermediaries	9%
H	Foundations/Endowments	2%

Ashmore has originated 32% of its AuM from Emerging Markets. This is expected to increase as the Group delivers on Phase 3 of its strategy.

Investment themes

Ashmore invests client funds in a diverse range of investment themes. The Emerging Markets universe is large, diversified and growing rapidly, and provides Ashmore with a wide range of investment opportunities across more than 70 countries.

AUM BY THEME (%)



External debt	20%
Local currency	26%
Corporate debt	12%
Blended debt	27%
Equities	7%
Alternatives	1%
Multi-strategy	3%
Overlay/Liquidity	4%

For more information on Ashmore's investment themes see pages 4-5

For more information on the Emerging Markets' diversity and resilience see pages 8-9

DEPTH OF KNOWLEDGE AND EXPERTISE

Specialist, active management

Ashmore's deep understanding of the diverse Emerging Markets asset class is the foundation for delivering long-term investment performance.

Ashmore delivers long-term investment outperformance through the expertise of its people, through its relationships, by rigorous adherence to a proven investment philosophy and by a continuous commitment to Emerging Markets.

Investment philosophy and processes

- Value-based investment philosophy
- Global and local asset management combining macro views and rigorous analysis of individual investments
- Disciplined investment committees
- Specialist, active management of portfolios over market cycles
- Long-term track record established and proven across a wide range of market conditions

Expertise and commitment

- Quality of Ashmore's employees, depth, breadth and experience in Emerging Markets
- Team-based approach, not a star culture
- Relationships with investors, investees and other contacts in more than 70 Emerging Markets countries

For more information on Ashmore's investment processes see pages 20-23

ROBUST INFRASTRUCTURE

A platform for growth

Ashmore has invested in its distribution capabilities and global operating model to create a scalable platform for further profitable growth.

Distribution

- Ashmore's distribution team comprises 49 employees with specific roles to support institutional and intermediary asset gathering and retention globally
- Substantial AuM growth capacity available

Global operating platform

- Ashmore has established global operating hubs in London, Washington D.C. and Singapore, enabling it to support fund management activities across multiple time zones
- Investment in infrastructure and middle office has enabled growth in segregated accounts, which represent 69% of Group AuM, while also supporting greater scale in mutual funds on the Group's SICAV and 40-Act platforms
- Local fund management offices benefit from the scale, efficiency, best practices and resources of a global manager

Risk-aware culture

- Ashmore's internal control framework provides an ongoing process for identifying, evaluating and managing the Group's principal risks
- A system of internal control is embedded within the Group's routine business processes and operations
- Investment teams and support departments follow robust and controlled processes
- Support functions such as Finance, Risk, Legal, Compliance and Internal audit ensure a robust control framework

For more information on Ashmore's risk management see pages 32-35

DELIVERING LONG-TERM RESULTS

Generating value

Ashmore's business model seeks to deliver sustainable long-term performance for clients and shareholders.

Assets under management (AuM) at period end

US$58.9bn

2014: US$75.0bn

AuM outperforming benchmarks over three years

60%

2014: 81%

AuM outperforming benchmarks over five years

81%

2014: 92%

EBITDA margin

66%

2014: 67%

Dividends per share

16.65p

2014: 16.45p

For more information on Ashmore's performance, see the Group's KPIs on pages 18-19 and Business review on pages 24-29

Focused exclusively on Emerging Markets

Ashmore offers a broad and continually evolving range of Emerging Markets investment themes

Theme	EXTERNAL DEBT	LOCAL CURRENCY	CORPORATE DEBT
Theme premise	**Invests in debt instruments issued by sovereigns (governments) and quasi-sovereigns (government-sponsored).**	**Invests in local currency-denominated instruments issued by sovereign, quasi-sovereign and corporate issuers as well as local currencies.**	**Invests in debt instruments issued by public and private sector corporate issuers.**
Global Emerging Markets sub-themes	– Broad – Sovereign – Sovereign, investment grade – Short duration	– Bonds – Bonds (Broad) – FX – FX+ – Investment grade	– Broad – High yield – Investment grade – Local currency – Private debt – Short duration

Theme	BLENDED DEBT	
Theme premise	**Mandates specifically combine external, local currency and corporate debt measured against tailor-made blended indices.**	– Blended debt – Investment grade

	EXTERNAL DEBT	LOCAL CURRENCY	CORPORATE DEBT
Regional/ country focused sub-themes		China, Indonesia, Turkey	Asia, Latin America

Theme	MULTI-STRATEGY	
Theme premise	**Allocates assets dynamically across all investment themes.**	– Global – China

Ashmore has focused exclusively on Emerging Markets for more than two decades and over that period has established a diversified range of eight investment themes, shown below. The Group's products are available in a wide range of fund structures, covering the full liquidity spectrum from daily-dealing pooled funds through to multi-year locked-up partnerships. Ashmore seeks to innovate by providing access to new investment strategies as the Emerging Markets continue to develop.

Theme	**EQUITIES**	**ALTERNATIVES**	**OVERLAY/LIQUIDITY**
Theme premise	**Invests in equity and equity-related instruments within the Emerging Markets including global, regional, small cap and frontier opportunities.**	**Invests mainly in corporate restructurings through distressed debt, private and public equity and equity-linked securities.**	**Separates and centralises the currency risk of an underlying Emerging Markets asset class in order to manage it effectively and efficiently.**
Global Emerging Markets sub-themes	– Global – Global Small Cap – Global Frontier	– Special situations – Distressed debt – Private equity – Infrastructure – Real estate	– Overlay – Hedging – Cash management
Regional/ country focused sub-themes	Africa, China, India, Indonesia, Latin America, Middle East, Turkey	Andean, Asia, India	

Theme

Theme premise

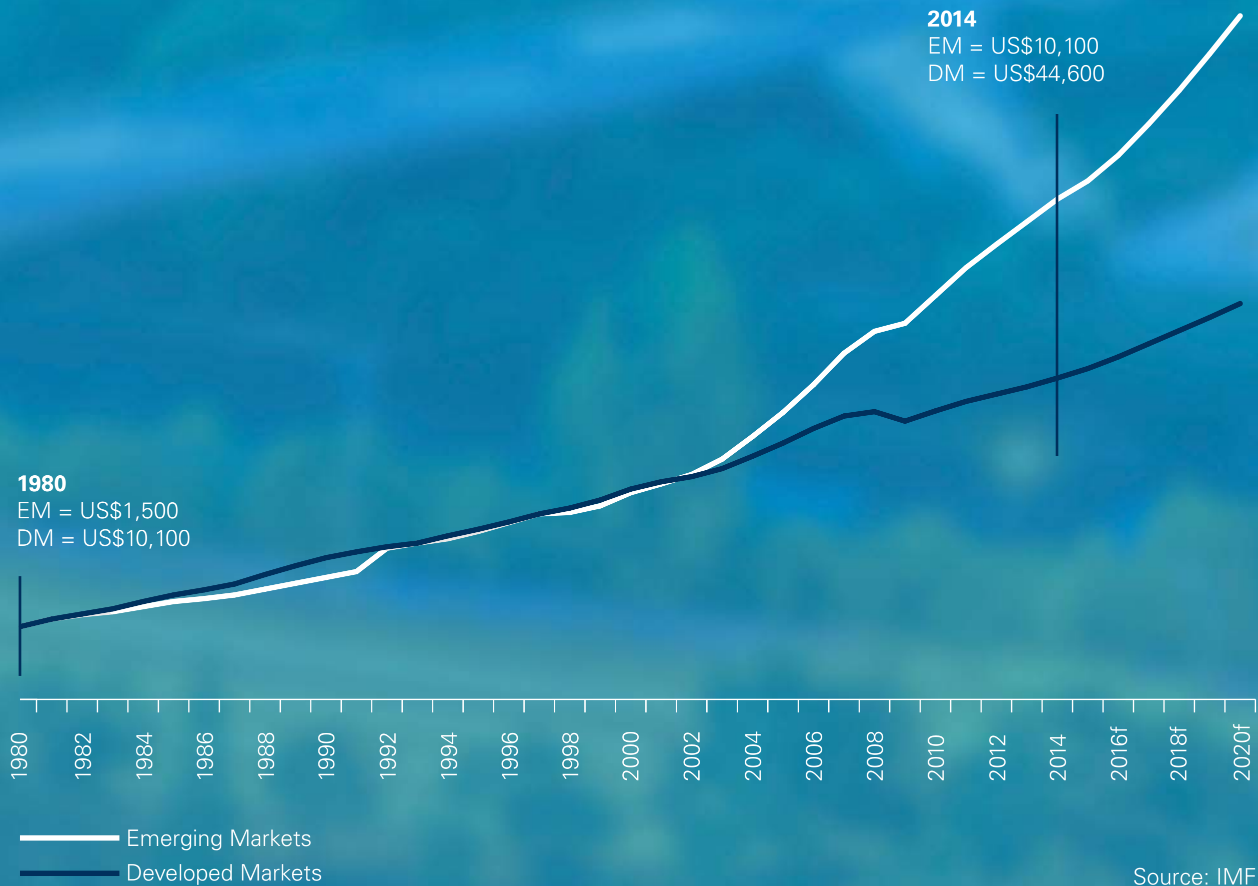
Prospects

Saetgang Bridge, South Korea

The Emerging Markets opportunity

The Emerging Markets investment opportunity is substantial, as the wealth of poorer nations converges with that of the developed world. Notwithstanding rapid growth over the past three decades, GDP per capita in the emerging world is still only at the level of the developed world in 1980.

GDP per capita (indexed)



Source: IMF

Economic convergence began with the end of the Cold War, when the latent growth potential of Emerging Markets was unfettered. The 1990s was a period of transition, as governments and institutions became more accountable, and sought to pursue policies to deliver growth and price stability. The 2000s was a benign period, with strong growth in GDP per capita and only a brief pause in this trend at the start of the financial crisis. In absolute terms, GDP per capita in the emerging world now stands at just over US$10,000, and is therefore lagging the developed world by more than three decades. This provides a substantial growth opportunity through continued convergence with the developed world, a view that is supported by Emerging Markets representing the majority of the world's population, its natural resources, and without the indebtedness that acts as a structural impediment to growth for many developed nations. Ashmore's growth potential is underpinned by with this favourable outlook for investment opportunities in the Emerging Markets.

Emerging Markets are diverse and have resilient long-term fundamental attractions

Against the backdrop of attractive long-term growth prospects, the Emerging Markets have experienced volatile conditions over the past couple of years. Their economies' ability to withstand higher funding costs, substantial falls in commodity prices, currency devaluations, and major electoral cycles over this period, is testament to the diversity and structural resilience of the asset class.

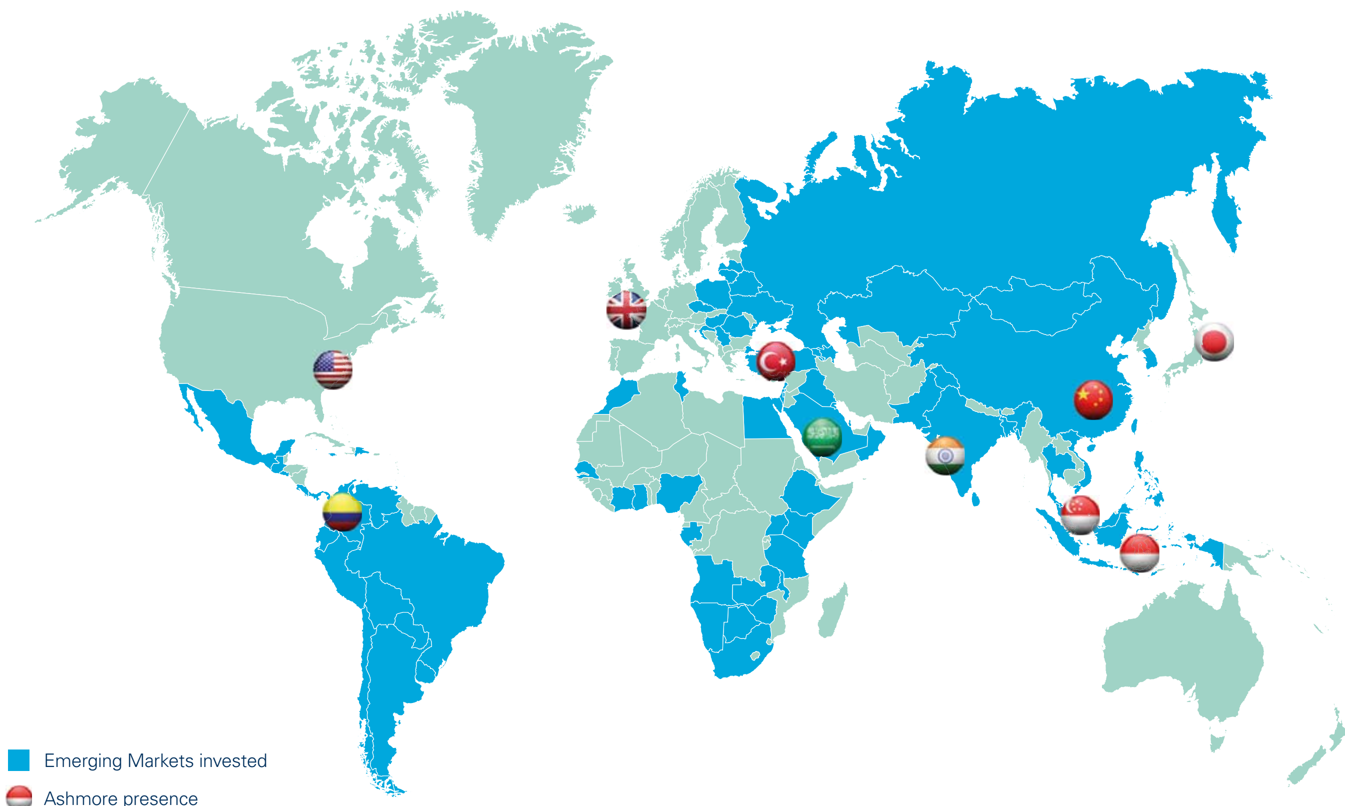
The next challenge on the horizon is the prospect of higher US interest rates, yet this appears to be already discounted in Emerging Markets asset prices, with yields of 6% to 7% available on sovereign debt indices, and 5% to 8% or more on corporate debt. The strengthening of the US dollar – it has risen 29% against a trade-weighted currency basket over the past four years – is affecting the US economy, with a contraction in US GDP in Q1 2015 and falling investment and productivity. When set against the substantial US debt burden of close to 400% of GDP, it is therefore possible that US monetary policy tightening will occur slowly over a protracted period of time.

Favourable sentiment towards Developed Markets, at the expense of Emerging Markets, has been underpinned by quantitative easing and falling bond yields, expectations of the US economy achieving 'exit velocity' economic growth and, ironically, a stronger US dollar. These consensus views and the inflated asset prices that have followed are now being challenged by fundamentals, and for the first time in several years there is a more balanced range of investor views towards Developed and Emerging Markets.

In addition to a more positive cyclical outlook for Emerging Markets, structural developments over the next few years will have profound consequences that will challenge further the typical underweight position of institutional allocators. These include Chinese reforms that are likely to lead to the Renminbi becoming a reserve currency; improving market access for foreign investors in Saudi Arabia, Iran and elsewhere in Asia; and, over time, higher index representation for tradable Emerging Markets securities.

This section illustrates the diversity and resilience of Emerging Markets before discussing the performance of the asset classes over the past year.

Diverse investments across Emerging Markets

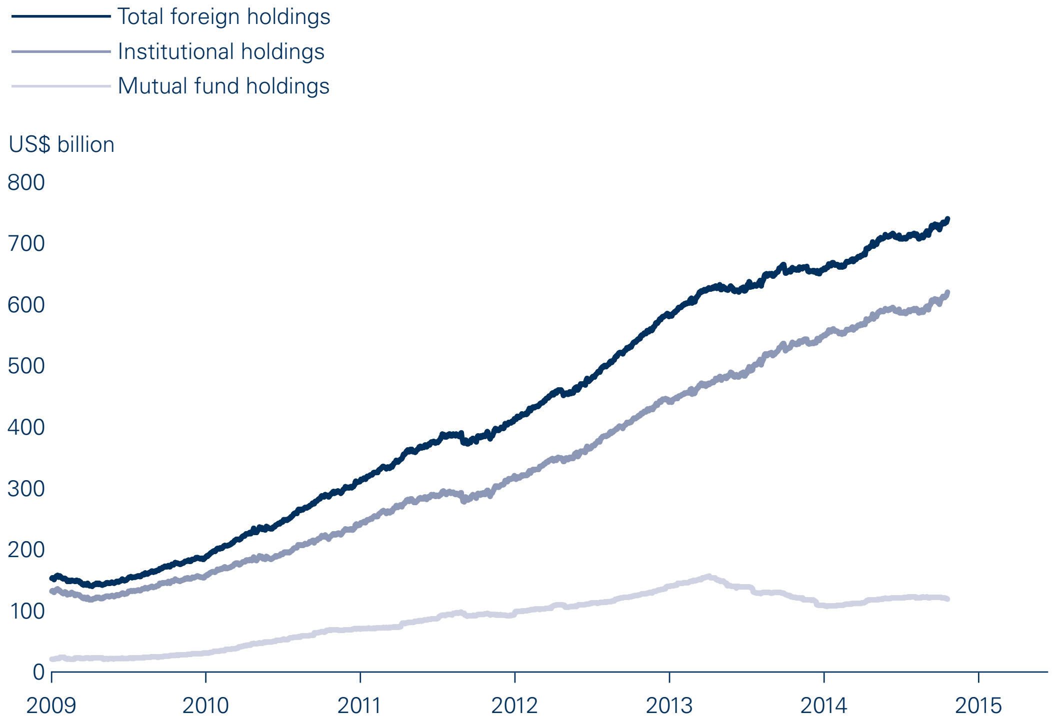


Emerging Markets invested

Ashmore presence

Institutional allocations to sovereign local currency markets

Most local currency debt issued by Emerging Markets sovereigns is owned and traded by local investors, such as domestic pension funds. The asset class is strengthened further by the dominance of institutional allocators among foreign investors, as shown in the chart opposite. Although ownership has increased, foreign institutional investors remain underweight Emerging Markets and therefore represent a source of potential AuM growth.



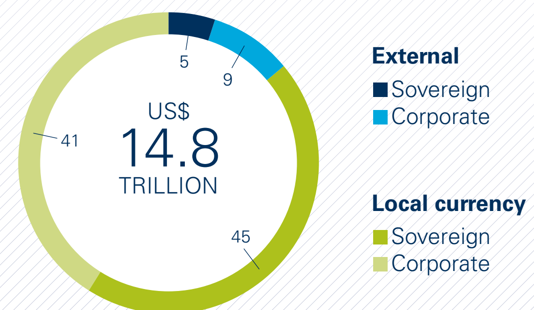
Source: Standard Chartered

Emerging Markets fund in their own currencies

In contrast to history and popular perception, Emerging Markets sovereigns and companies have issued the majority of their debt in their own currency. This provides resilience and policy flexibility in response to external shocks, and mitigates the risks arising from higher US interest rates. While corporate external debt has grown in recent years, it represents only 17% of outstanding debt issued by Emerging Markets companies and, typically, foreign currency borrowing is hedged or matched by assets and revenues in that currency.

THE TREND FOR GREATER LOCAL CURRENCY ISSUANCE WILL CONTINUE, AND OVER TIME ASHMORE'S AUM WILL INCREASINGLY REFLECT THE STRUCTURAL GROWTH IN LOCAL CURRENCY ASSETS.

Tradable fixed income markets (%)



Source: BIS, Bank of America Merrill Lynch

2015 market review

Asset prices in Emerging Markets remained volatile during the financial year, but reflecting for the most part shifts in market sentiment rather than broad-based changes in economic or political fundamentals. These fundamentals remain sound: according to the IMF, Emerging Markets are expected to grow twice as fast as Developed Markets; central banks have typically acted appropriately in the face of currency weakness; and reforms continue to be pursued across a range of countries. The relatively low level of sovereign indebtedness provides for resilience and the capacity for policy responses to address cyclical challenges. An important aspect of the evolution of Emerging Markets is their willingness to liberalise capital markets, and significant developments in this regard have been made by China, Saudi Arabia and Iran recently. It is expected that other countries will follow suit.

Periods of market weakness provided good opportunities for Ashmore's value-based investment processes to take on risk, particularly around the turn of the calendar year. Market risk aversion was also apparent at the end of the financial year, with disappointing US economic data, weakness in the Chinese equity market, and structural challenges weighing on economic growth in Europe.

External debt

The benchmark EMBI GD index returned 0.5% over the year, while its spread over US Treasuries increased by 85 basis points (bps) to 356 bps. The index comprises 63 countries and therefore the index performance masks a wide range of country returns over the 12 months, for example between Venezuela (-37.2%) and Belize (+16.3%). These characteristics underpin the necessity for active management in Emerging Markets given the wide range of investment opportunities and instruments available.

External debt AuM reduced by US$2.0 billion during the year, with negative investment performance of US$0.6 billion, net outflows of US$1.5 billion, and reclassifications from blended debt of US$0.1 billion. Ashmore's investment processes added risk around the turn of the calendar year to take advantage of the value created in the asset class after a period of market weakness, for example in Russia, and these actions delivered substantial alpha in the second half of the financial year. Over three years, the most relevant timeframe for institutional investors, the Group's external debt broad composite has returned +3.8% versus +4.3% for the EMBI GD benchmark index.

The diversity of the external debt theme is a principal attraction and it offers attractive yields compared with Developed Markets alternatives. The EMBI GD index yields approximately 6% and its spread over US Treasuries is twice as wide as the pre-financial crisis low in 2007, which could be seen as a buffer as the US enters a period of rising interest rates.

Local currency

The unhedged GBI-EM GD index fell 15.4% during the period, with a strengthening US dollar the main driver; by contrast the hedged index rose 5.0%. The weakest unhedged country return was Russia, at -39.2% over the year, and China was the strongest with a return of +6.8%. As with the external debt theme, this illustrates the importance of specialist, active management in delivering investment returns through the cycle from a diversified asset class.

Local currency AuM declined by US$2.1 billion over the 12 months, through negative investment performance of US$2.9 billion, net inflows of US$0.3 billion, and a US$0.5 billion reclassification of an account from the blended debt theme as a consequence of a change in its investment guidelines. Over three years, the Group's local currency bonds composite has returned -3.1% versus -3.8% for the GBI-EM GD benchmark index.

Local currency assets form the largest part of the investable Emerging Market debt universe, with US$12.7 trillion of tradable debt outstanding across sovereign and corporate issuers, compared with US$2.1 trillion issued in the external debt market. New issuance is expected to be biased towards local currency assets, because of the inherent lack of foreign exchange exposure, the ongoing development of local investor bases such as pension funds, and the opening up of markets such as China. Furthermore, institutional investors with an overweight exposure to US dollar-denominated assets have begun to diversify into other currencies, including Emerging Markets currencies. Ashmore therefore expects this asset class to become its single largest theme on an underlying 'as invested' basis in due course. The absolute and relative value in the local currency asset class is apparent in the index yield of approximately 7%.

Corporate debt

The CEMBI BD index returned +2.4% over the year, with high yield (+0.5%) under-performing investment grade (+3.1%), though that pattern was established in the first six months and reversed in the second half of the year when the high yield sub-index rose by 6.4% and investment grade assets returned 2.3%. The index spread over US Treasuries widened by 58bps to 332bps. Corporate credit performed better, in aggregate, than sovereign debt because the asset class has less sensitivity to US yield curve movements, since the bonds tend to have a shorter duration and higher yield than their equivalent sovereign's assets.

Corporate debt AuM fell by US$1.0 billion over the 12 months, through a combination of negative investment performance of US$0.7 billion and net outflows of US$0.3 billion. Over three years, the Group's corporate debt broad composite has returned +6.2% versus +5.2% for the CEMBI BD benchmark index.

The corporate debt asset class has a relatively high yield, particularly compared with non-investment grade alternatives in the developed world, and robust fundamentals. Concerns about the growth in issuance of US dollar-denominated debt by Emerging Markets corporates should be seen in context: while growth is notable in percentage terms (it has doubled over the past five years), the hard currency asset class is dwarfed in terms of stock and issuance by local currency credit; foreign currency issuers tend either to hedge or to have revenues or assets denominated in the foreign currency; and notwithstanding the nearly 30% rise in the trade-weighted US dollar index over the past four years, default rates remain in line with long-term averages.

Blended debt

The Group's blended debt theme has a range of bespoke benchmarks, but for reference the standard benchmark (50% EMBI GD, 25% GBI-EM GD, 25% ELMI+) fell by 6.3%, primarily as a consequence of US dollar strength against Emerging Markets currencies. The benefits of managing an active allocation across Emerging Markets fixed income and FX asset classes are clear from the range of returns by asset class over the course of the financial year, from +2% in hard currency corporate credit to -15% in unhedged local currency bonds. Over the past decade, the minimum difference in annual returns between the best and

worst-performing asset classes is 500bps. After a period of mark-to-market weakness in the first half, Ashmore's blended debt investment performance relative to the benchmark improved and benefited from an underweight position in Emerging Markets FX and increasing exposure to undervalued high-yield corporate debt.

The Group's blended debt AuM declined by US$4.9 billion during the period, through negative investment performance of US$1.1 billion, net outflows of US$3.2 billion, and reclassifications to external debt and local currency totalling US$0.6 billion. The redemptions were concentrated in a small number of relatively large segregated account withdrawals, in the second and fourth quarters. Over three years, the Group's blended debt composite has returned +1.9% versus +0.7% for the standard benchmark.

Ashmore expects demand for blended debt funds as investors recognise the benefits of dynamically allocating across the diverse Emerging Markets fixed income universe.

Equities

The MSCI EM (net) index declined by 5.1% over the 12 months. Equities AuM declined by US$2.3 billion, with net outflows of US$2.1 billion predominantly from a small number of segregated accounts invested in the Broad Global Active (BGA) product. Investment performance reduced AuM by US$0.2 billion. The BGA redemptions reflect client decisions made on the basis of longer-term performance, which in AuM terms outweigh the ongoing success in attracting investors to the range of higher performing, and higher revenue margin, specialist funds. The Group's specialist funds now account for 80% of the theme AuM, and within the equities theme the Group's distribution activities, particularly through intermediary channels, are focused on these specialist products, which are delivering long-term outperformance against benchmarks.

Alternatives

Alternatives AuM reduced by US$1.7 billion during the year through capital returns to investors of US$0.8 billion following asset realisations, negative investment performance of US$0.3 billion, and the disposal of the Group's 30% interest in a Chinese real estate joint venture (US$0.6 billion). The Group's share of the profit or losses from the real estate joint venture is recognised in a single line, 'Share of losses from associates and joint ventures', in the consolidated statement of comprehensive income. There is no impact from the disposal on the alternatives net management fee margin, which is stated after excluding the joint venture AuM, and the effect of the disposal on the Group's profit before tax is immaterial.

The Group sees attractive opportunities to grow its exposure to locally-managed illiquid assets in Emerging Markets, offering long-term fund structures to finance projects in areas such as healthcare, infrastructure and real estate.

Multi-strategy

The decline in multi-strategy AuM from US$2.7 billion to US$1.6 billion is primarily the result of continued and expected redemptions from Japanese retail funds, together with negative investment performance of US$0.2 billion. The AuM in Japanese retail funds reduced from US$2.2 billion to US$1.0 billion over the period. While this trend is likely to continue given the nature of the intermediary market in Japan and subdued appetite for Emerging Markets exposure currently, the Group is well positioned to respond to an improvement in demand when retail investors reassess their allocations to the asset class.

Overlay/Liquidity

The overlay/liquidity theme ended the period with AuM of US$2.6 billion. Net outflows of US$1.0 billion reflect a change in the scale of clients' third-party managed assets that required hedging, whether through market movements, investment decisions or other factors beyond the Group's influence.

Market outlook

It is more than two years since the Federal Reserve surprised markets by announcing that it intended to taper its quantitative easing (QE) programme, which inevitably led investors to start considering the timing and trajectory of higher US interest rates. The consensus macro trades have therefore been long the US dollar, to play an economic recovery and higher rates, and overweight European bonds, in the face of relatively slow growth. Importantly, the rally in prices of QE-supported assets in the developed world is now being challenged by the fundamental reality of persistent weak economic growth. The strength of the US dollar over the past few years is affecting US exports and investment, and certain European government bond yields fell close to zero earlier in 2015. Notably, during a protracted period of extremely accommodative monetary policy, developed economies have undertaken few if any reforms to address structural challenges such as high levels of indebtedness. This is in contrast to many Emerging Markets; for example China, which is pursuing a wide range of reforms including liberalising its capital markets and adopting a more flexible currency regime.

Yet global asset allocators remain heavily biased towards Developed Markets and they largely continue to ignore the resilience of Emerging Markets. This resilience has been achieved despite headwinds such as higher funding costs, currency depreciation, a heavy electoral schedule, and substantial outflows of crossover capital. Notwithstanding these factors, Emerging Markets GDP growth continues at 4-5%, around twice the pace of Developed Markets, and the IMF's recent revisions marked the developed world down by 0.3%, including a reduction of 0.6% for the United States, while Emerging Markets as a whole were revised down by only 0.1%. Central banks have gained inflation-targeting credibility and the typical response of the small number of countries that encounter serious problems in any given year is to apply fundamental remedies, such as structural reforms. Emerging Markets indebtedness is low, with Emerging Markets bonds outstanding accounting for 13% of the world total, compared with 57% of GDP contribution. Access to the large and diverse investment universe is increasing, with important markets such as China, Saudi Arabia and Iran opening up their capital markets more fully to foreign investors.

Across global markets there is likely to be convergence between asset prices and fundamentals over the next few years. In Developed Markets, this is likely to take the form of inflation and currency devaluations rather than real rate increases, austerity and reforms. In contrast, after a period of continued volatility, Emerging Markets' asset prices appear to be discounting a much worse fundamental outlook than is likely to arise, even with higher US interest rates. This suggests that the rational asset allocator will increasingly shift towards Emerging Markets, where there is greater value, more supportive fundamentals, and a need for investors to address underweight positions.

Ashmore is well positioned for an improvement in sentiment, with robust investment performance, broad-based distribution capabilities, and meaningful capacity across a broad range of Emerging Markets investment themes.

Emerging Markets offer strong long-term growth prospects

Ashmore's strategy is designed to capture the benefits of the Emerging Markets' growth to deliver value for shareholders

The Group's financial performance for the period reflects the continued volatile market conditions and a consequently lower average AuM level compared with the prior year, offset by higher performance fees, continued discipline in managing operating costs, and the benefit of a stronger US dollar against Sterling. Adjusted EBITDA declined 9%, less than the 12% reduction in average AuM, to £176.7 million and profit before tax increased 6% to £181.3 million.

Reflecting the increase in profits, the Group's strong and liquid balance sheet, and the Board's confidence in future growth, the Directors are recommending a final dividend of 12.1 pence per share for the year ending 30 June 2015. Subject to shareholders' approval, the final dividend will be paid on 4 December 2015 to those shareholders on the register on 6 November 2015. This makes a total dividend of 16.65 pence for the year, an increase of 1% compared with the prior year (16.45 pence).

RECOMMENDED FINAL DIVIDEND

12.1p per share

2014: 12.0p per share

After nine years as Chairman I will retire from the Board at the Annual General Meeting (AGM) in October. It has been an immense privilege to lead the Board through a period during which the Emerging Markets have demonstrated remarkable resilience as the developed world caused, and is still dealing with the consequences of, a severe financial crisis. Emerging nations have continued on a powerful convergence path, becoming wealthier in GDP per capita terms, electing more accountable governments, increasing central bank credibility through inflation targeting, and consequently delivering superior GDP growth rates compared with the developed world. The depth and breadth of investable asset classes have increased, notably in local currency markets, and improvements in credit quality have delivered a growing investment grade universe.

Echoing the changes in its markets, Ashmore has developed considerably over the past nine years, growing AuM from US$21.6 billion at the time of its IPO in October 2006 to US$58.9 billion; increasing its headline investment themes from four to eight; broadening its geographic reach from three offices in three countries to 12 offices in 10 countries, of which seven are emerging countries; and increasing its employees from 57 people to 285 today. Profit before tax has risen from £103.9 million in FY2005/06 to £181.3 million in FY2014/15, and the Group has paid and proposed dividends over the period totalling 124.7 pence per share, or £859 million. The total shareholder return since the Group's IPO, with dividends reinvested, is 178%, which compares favourably with a total return of 64% from the FTSE All Share over the same period.

As previously announced, a number of changes to the Board have occurred during the year. Following the conclusion of the AGM in October 2014, Melda Donnelly retired from the Board and David Bennett was appointed to the Board as an independent Non-executive Director. Charles Outhwaite stepped down from the Board in May 2015 for personal reasons.

I am delighted that Peter Gibbs is to succeed me as Chairman, subject to his election by shareholders at the AGM. Peter joined the Ashmore Board in April and has a wealth of experience gained through spending his entire career working in the financial services industry. Nick Land was appointed to the Board at the same time as me, and I am pleased that the Board will continue to benefit from his wisdom and experience as an independent Director during this period of transition.

I would like to thank Ashmore's employees for their dedication and hard work during the period of my tenure as Chairman, and I am confident that I leave the Group facing a bright future for Emerging Markets, and in a strong position to continue to deliver value for shareholders.

Michael Benson
Chairman

7 September 2015

GOVERNANCE HIGHLIGHTS

The Group's corporate governance activities include the following:

- In accordance with the UK Corporate Governance Code recommendations, an independent third-party undertook a triennial Board evaluation.
- After joining the Board as a Non-executive Director in October 2014, David Bennett was appointed to the Audit and Risk Committee on 1 July 2015.
- Michael Benson will retire from the Board in October, and will be succeeded as Chairman by Peter Gibbs, who joined the Board in April.

MORE INFORMATION

A more detailed report on corporate governance is provided on pages 43 to 50.

Specialist Emerging Markets focus delivering investment performance

Market volatility has provided good opportunities for the Group's value-based investment processes

The ongoing volatile market environment provided opportunities for Ashmore's value-based investment processes during the period, leading to a substantial improvement in performance against benchmarks during the second half of the financial year. However, the combined effect of market declines and net redemptions mean that average AuM is 12% lower than the prior year. The Group continues to manage its costs in a disciplined manner, meaning that the decline in adjusted EBITDA was limited to 9%, and the adjusted margin of 67% was maintained at the level of the prior year. Higher performance fees, lower operating costs, and positive foreign exchange translation effects, with a stronger US dollar against Sterling, contributed to the 6% increase in profit before tax.

AuM development

Assets under management declined by 21% over the year from US$75.0 billion to US$58.9 billion, and average AuM fell by 12% to US$66.4 billion. Investment performance contributed US$6.0 billion of the reduction in AuM and net outflows accounted for US$9.5 billion, more than half of which was due to a small number of relatively large segregated account redemptions in the equities, blended debt, and overlay/liquidity themes. The disposal of the Group's 30% interest in a Chinese real estate joint venture reduced reported AuM in the alternatives theme by US$0.6 billion.

Investment performance

The prices of Emerging Markets assets continued to be volatile during the year, resulting in negative investment performance of US$6.0 billion for the period, of which half occurred in the local currency theme, which, as discussed in the Market review, was the weakest of the asset classes largely as a consequence of US dollar strength. Furthermore, the decline was concentrated in the first half of the year, when sentiment towards the asset class deteriorated with a strengthening US dollar, lower commodity prices, and rising geopolitical tension. Ashmore's value-based investment processes identified opportunities in this period of price weakness, and subsequently began to deliver positive investment performance and significant outperformance against benchmarks in the second half.

Therefore, the performance against benchmarks reflects for the most part the market weakness experienced in late 2014 and early 2015, and while slightly weaker compared with the same point a year ago, the performance was much stronger in the second half of the financial year as predicted at the half year stage. Over three and five years, 60% and 81% of AuM are outperforming relevant benchmarks (30 June 2013: 81% and 92%, respectively). Over one year, 23% of AuM are outperforming compared with 38% a year ago.

AUM OUTPERFORMING BENCHMARKS OVER THREE YEARS

60%

2014: 81%

AUM OUTPERFORMING BENCHMARKS OVER FIVE YEARS

81%

2014: 92%

Financial performance

Revenue

Net revenue for the year of £283.3 million was 8% higher than in the prior year. The increase reflects US dollar strength against Sterling and its effect on the translation of the Group's non-Sterling assets and liabilities, together with a higher contribution from performance fees.

Management fee income net of distribution costs decreased by 11%, reflecting a reduction in average net management fee margin of 1 basis point (bp) to 59bps together with 12% lower average AuM, partially offset by the benefit of a higher average GBP:USD exchange rate.

Performance fees of £13.3 million were approximately £10 million higher than the prior year (FY2013/14: £3.1 million) and generated primarily by funds with an August year end and by specific investments in the alternatives theme, and as such were unaffected by the market weakness experienced during the middle of the financial year. There were no material performance fees realised in August 2015 by funds with an August year end.

The Group receives the majority of its fees in US dollars, which are sold to satisfy Sterling or other currency payments. The Group's cash held in currencies other than Sterling is marked to market at the balance sheet date with corresponding changes in value taken through the 'Foreign exchange' revenue line together with any gains or losses on currency hedges. Primarily as a result of the US dollar strengthening against Sterling during the period, from 1.7106 to 1.5712, there was a foreign exchange translation gain of £18.5 million (FY2012/13: £30.1 million loss).

Operating cost structure

The Group continues to exert disciplined control over operating costs, while making sufficient investment in its people and platform to support future growth.

The majority of costs relate to staff; the Group's distinctive remuneration philosophy maintains a relatively low cap on fixed salary costs and a strong bias towards variable performance-related remuneration. An emphasis is placed on long-term equity ownership. In the year to 30 June 2015, variable compensation as a percentage of earnings before variable compensation, interest and tax (VC/EBVCIT) was 18.5% (FY2013/14: 20%).

Total operating costs fell by 1% to £99.5 million (FY2013/14: £100.4 million), reflecting slightly higher absolute variable compensation offset by a 3% reduction in operating costs excluding variable compensation.

Profitability

Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) was £176.7 million (FY2013/14: £195.1 million) and the adjusted EBITDA margin was stable at 67%.

Net finance income of £1.9 million (FY2013/14: £2.2 million income) includes items relating to seed capital investments that are described in more detail in the Business review.

Profit before tax for the year increased by 6% to £181.3 million (FY2013/14: £171.6 million) and diluted earnings per share for the year were 19.3p (FY2013/14: 18.6p).

Ashmore's strategy

THREE PHASE STRATEGY

1.

ESTABLISH EMERGING MARKETS ASSET CLASS
Mostly completed

2.

DIVERSIFY DEVELOPED WORLD CAPITAL SOURCES AND THEMES
Underway, with substantial growth available

3.

MOBILISE EMERGING MARKETS CAPITAL
Commenced, with significant future growth opportunities

MORE INFORMATION
Read about Ashmore's business model on pages 2-3

OBJECTIVES	PROGRESS AND PRIORITIES
– Establish Ashmore Emerging Markets investment processes – Enhance understanding of Emerging Markets in the developed world – Provide access to Emerging Markets and their rapid development opportunities – Increase developed world investor allocations	**Progress** – Annual Investor Forum and Cass Business School seminar – Consistent fundamental view of asset class expressed through research **Priorities** – Emphasise Emerging Markets structural trends and investment opportunities as global economic imbalances unwind
– Establish new investment themes to diversify Emerging Markets product offerings – Develop new product structures and capabilities – Establish Ashmore as trusted allocator – Broaden and deepen developed world investor base – Deliver strong performance consistently	**Progress** – Awarded Saudi Arabia QFI licence – Launched SICAVs under China RQFII licence – Provided seed capital to support distribution and product initiatives **Priorities** – Grow equities business – Grow scale from US distribution – Increase intermediary AuM – Grow scale in new funds – Develop new conduits to capital – Grow alternatives AuM
– Mobilise Emerging Markets capital managed offshore – Capital sourced initially from largest pools, i.e. central banks, governments, reserve managers and sovereign wealth funds – Develop network of domestic asset management businesses – Manage domestic capital locally – Create strong local performance track records	**Progress** – Global distribution sourcing capital for local platforms – Indonesia growing as planned – Opened office in Saudi Arabia – Provided seed capital to support local platforms **Priorities** – Increase scale of domestic platforms – Develop potential of recently established platforms such as Saudi Arabia

Strategic developments

Phase 2: diversify developed world capital sources and themes

An important aspect of the development of Emerging Markets, and of Ashmore, is the opening up of significant capital markets to a broader range of investors. Ashmore continues to position itself at the forefront of market openings in order to provide clients with the broadest possible range of investment opportunities in Emerging Markets. This period has seen substantial developments in this regard, with the Group receiving approval in June 2015 from the Saudi Arabia Government Investment Authority to invest in the Tadawul stock market, and equity, fixed income and multi-strategy fund launches under the Chinese RQFII scheme including an all-share fund that can invest in A shares, H shares and ADRs. As part of this process, Ashmore became the first manager to receive approval from the Luxembourg regulator to invest up to 100% of its RQFII funds' NAV in debt instruments traded on the China interbank bond market.

The Group's range of mutual funds continues to grow, with 36 SICAVs (30 June 2014: 32 funds) managing US$7.8 billion and nine US 40-Act funds (30 June 2014: nine funds) managing US$1.2 billion.

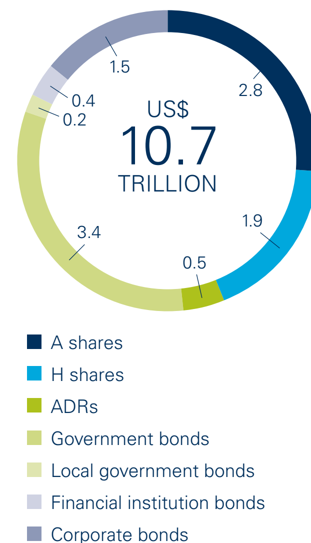
Providing access to Emerging Markets

China

Ashmore is at the forefront of providing access to Emerging Markets as they liberalise and open up to foreign investors. China is undergoing this process as part of a wide-ranging reform agenda, and other markets such as Saudi Arabia and Iran are following suit. In early 2014, Ashmore was the first non-Chinese manager to be awarded an RQFII licence and has since launched a range of SICAV funds for offshore investors, including an equity all-share fund that can invest in A shares, H shares and ADRs.

Chinese equity markets offer good opportunities and there is also significant potential in fixed income with China offering some of the highest real yields available on government debt. The size and influence of the bond markets will increase as China requires them to operate as an effective transmission mechanism for interest rate policy. Ashmore will continue to develop its product range to provide investors with access to a broad range of opportunities across the Emerging Markets.

China investment universe (US$ trillion)



- A shares
- H shares
- ADRs
- Government bonds
- Local government bonds
- Financial institution bonds
- Corporate bonds

Equity market sizes stated on free float basis

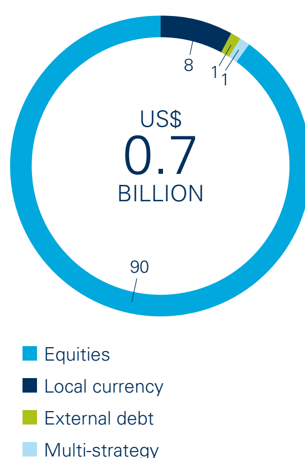
Organic growth

Indonesia

Ashmore established a subsidiary in Jakarta in July 2012, which manages a range of funds providing access to the Indonesian equity and local currency-denominated bond markets. The Group has assisted the development of the business by committing seed capital to the funds. The local employees, performing investment, distribution and support roles, own a significant minority equity interest in the subsidiary.

The investment team has established a strong track record, which has generated demand from local institutional and retail investors. The platform has also benefited from mandates awarded by the Group's global clients that wish to have a specific country allocation managed by a local investment team. As at 30 June 2015, the Indonesian platform manages AuM of approximately US$0.7 billion; the business has good momentum and is expected to continue to increase its contribution to the Group's growth over the longer term.

Indonesia AuM by theme (%)



- Equities
- Local currency
- External debt
- Multi-strategy

Phase 3: mobilise Emerging Markets capital

The Group's local platforms comprise a range of different businesses that address local market needs for independent asset management capabilities. During the year, the Group opened a new office in Saudi Arabia and closed its business in Brazil, which was not developing as rapidly as planned. While the latter business has enjoyed some success in raising assets from local investors, the market continues to be dominated by volatile flow patterns and the platform is unlikely to achieve sufficient scale and flexibility within an acceptable timeframe. This decision does not affect the ability of the Group's global funds to invest in this important market, nor will it have any material impact at the Group level.

In contrast, the Group's business in Indonesia is delivering healthy organic AuM growth and the recently opened office in Saudi Arabia is experiencing encouraging levels of client interest. The regulatory landscape in Turkey continues to evolve in favour of independent asset managers, for example, Ashmore is now able to sponsor its own mutual funds on the Istanbul Stock Exchange, and fundraising is progressing well in Colombia.

People and culture

Michael Benson will retire at the Group's AGM in October. On behalf of the Board and all Ashmore employees, I would like to thank Michael for his wise counsel and diligent and valuable service as Chairman over the past nine years since Ashmore went public. Michael has been an outstanding first Chairman, providing flexible and responsive input and enormous help to the Group where we see him as one of our own and will miss him.

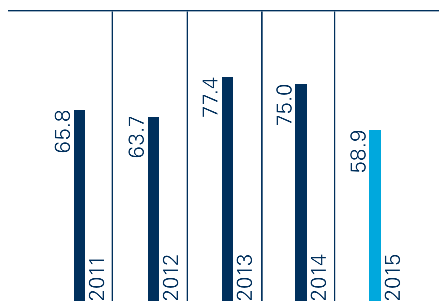
The market volatility of the past year has provided opportunities as well as challenges for Emerging Markets investors, and I would like to thank everyone at Ashmore for their positivity and ongoing focus and dedication to delivering value to clients, whatever the market environment.

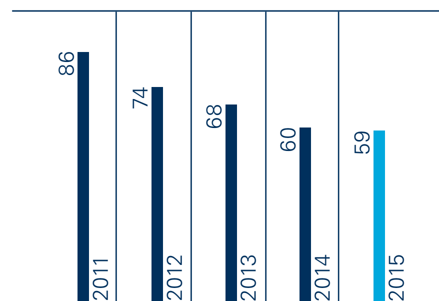
Mark Coombs
Chief Executive Officer

7 September 2015

Measuring our performance

MEASURE	YEAR END AUM/AVERAGE AUM	AVERAGE NET MANAGEMENT FEE MARGINS
Definition	The movement between opening and closing AuM provides an indication of the overall success of the business during the period, both in terms of net subscriptions/ redemptions and investment performance. The average AuM balance during the period, along with the average margins achieved, determine the level of management fee revenues.	The average net management fee margin is calculated in US dollars, and is assessed after management fee rebates. The average is affected by changes in the product and investor mix. Certain themes attract higher gross fee levels, generally where investment return opportunities are higher.
Relevance to strategy	Ashmore's strategy as a specialist Emerging Markets fund manager is to grow AuM; firstly by establishing the asset class, secondly by diversifying developed world capital sources, and thirdly by mobilising Emerging Markets capital.	Ashmore seeks to maintain high revenue margins reflecting the specialist characteristics of many of the investment themes it manages.
Long-term achievements	US$58.9bn 2014: US$75.0bn	59bps 2014: 60bps





AuM declined by 21% through negative investment performance of US$6.0 billion, net redemptions of US$9.5 billion, and a disposal of US$0.6 billion. Average AuM decreased by 12% to US$66.4 billion.

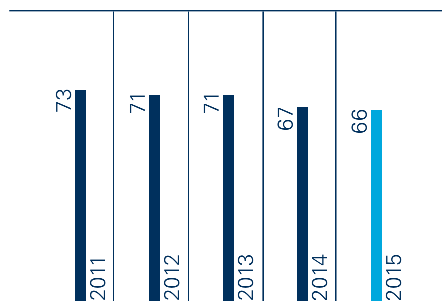
The net management fee margin reduced by one basis point to 59bps, with the scale of decline much reduced from that experienced in recent years and reflecting in part the effect of some relatively large segregated account redemptions.

EBITDA MARGIN

EBITDA margin measures operating profit (excluding depreciation and amortisation) against net revenues. Included within costs are both fixed and variable personnel expenses as well as other operating costs.

Ashmore aims to maintain a high EBITDA margin while growing the business.

66%
2014: 67%



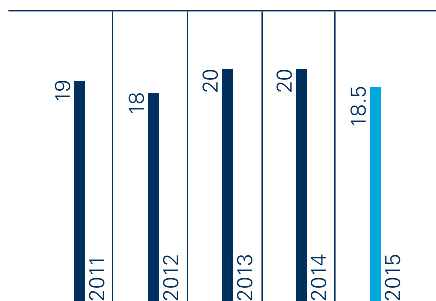
The EBITDA margin of 66% is slightly lower than the prior year. The fall in AuM and consequent decline in net management fee income has been compensated by continued control of the Group's operating costs, and the inherent flexibility provided by the Group's remuneration policy.

VARIABLE COMPENSATION VC/EBVCIT

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

The Group maintains a tightly controlled cost structure, with a low proportion of recurring costs and a high proportion of variable performance-related costs.

18.5%
2014: 20%



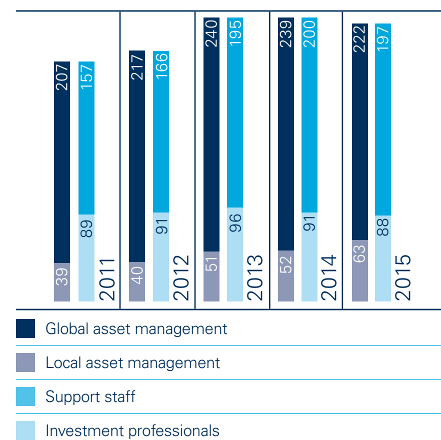
The Group's VC/EBVCIT ratio is determined by performance in the period. The ratio of 18.5% is lower than the prior year and ensures continued alignment between employees, clients and shareholders. The increase in the Group's profits means the charge for variable compensation is 2% higher compared with the prior year.

YEAR END HEADCOUNT

The Group analyses its headcount by function (investment vs support) and by business (global asset management vs local asset management subsidiaries).

The year end headcount highlights the overall scalability of the business platform. The local asset management headcount is a vital part of the third phase of the Group's strategy – mobilising Emerging Markets capital managed domestically.

285
2014: 291



The Group's headcount was broadly stable compared with the prior year. The increase in local asset management headcount relates to the opening of an office in Saudi Arabia.

Process

Carrasco International Airport, Montevideo, Uruguay

Fixed income

Ashmore's fixed income investment process has five characteristics that have contributed to its delivery of successful long-term investment track records over more than two decades. The process is managed by a committee, reducing the risk of investment performance being associated with any individual portfolio manager.

The Investment Committee takes a macro top-down approach, encompassing local Emerging Markets and global factors, and complements it with a strong bottom-up credit focus that considers both the ability and willingness of a creditor to repay. Within this framework, and taking into account in-house research and knowledge gained through a broad network of relationships in Emerging Markets, the Investment Committee seeks to identify value where market prices have diverged from credit risk fundamentals. Active management is a necessity in asset classes that are inefficient, and where index representation is low.

Market cycles in Emerging Markets tend to be more frequent and more volatile than in Developed Markets, and the management of liquidity is embedded in the culture and processes of Ashmore's fixed income Investment Committee. Increasingly, the providers of liquidity are found in the emerging world rather than the financial hubs of western Europe or north America. This trend will continue, as Emerging Markets increasingly issue debt in their own currency (see page 9) and the number and scale of local market participants such as pension funds increases.

Process

Port of Durban, South Africa

Equities

Ashmore's equities investment processes have consistent value-based characteristics that have been in place since 1987 and that drive the pursuit of superior long-term investment returns. Similar to fixed income, the equities investment committees ensure consistency of analysis and adherence to a common investment philosophy and style.

Ashmore seeks to identify value in Emerging Markets equities, in the context of companies' quality and growth characteristics. A focus on sustainable earnings and cash flow growth, with above average returns on equity, that are not discounted in typical valuation measures such as price/earnings or price/book ratios, embeds inherent value in the Group's equity portfolios.

Many companies and markets are not covered by sell-side analysts, so deep and experienced in-house research capabilities are a prerequisite. The portfolio teams use detailed proprietary databases and travel extensively to generate investment ideas.

The equities investment processes are benchmark-aware, but also recognise the limitations of, for example, a Frontier Markets index in which two countries, Kuwait and Nigeria, have a combined weight of 35%. Active management is therefore critical in delivering investment performance in Emerging Markets equities.

Risk management, including the assessment of country macro risks and sizing country exposures appropriately, as well as attention to stock-specific liquidity, is inherent in Ashmore's equity investment processes. A team rather than star-based culture mitigates the risks associated with changes to the investment professionals, and the Group has substantial capacity in each of its funds to grow AuM without breaching liquidity thresholds.

High profit margin delivered through operating cost discipline

Ashmore's operating performance for the year reflects 12% lower average AuM compared with the prior year, leading to adjusted EBITDA 9% lower than in the prior year and with the adjusted EBITDA margin remaining at a high level of 67%. In addition to higher performance fees and the disciplined control of operating costs, on a statutory basis the results reflect the effects of foreign exchange translation, which delivered a gain this year compared with a loss in the prior year, and consequently profit before tax increased 6% to £181.3 million.

Assets under management

AuM declined by 21% over the year from US$75.0 billion to US$58.9 billion, through gross subscriptions of US$9.2 billion (FY2013/14: US$16.8 billion), gross redemptions of US$18.7 billion (FY2013/14: US$23.3 billion), negative investment performance of US$6.0 billion (US$5.1 billion positive), and a disposal of US$0.6 billion.

Gross subscriptions represent 12% of opening AuM. While at a lower level than the prior year, they were balanced across the Group's investment themes and were achieved despite the adverse sentiment towards Emerging Markets that prevailed for much of the year. This highlights the Group's broad-based distribution resources and diversified client base.

Gross redemptions represent 28% of average AuM (FY2013/14: 32%). Although there was a small number of relatively large and lower margin segregated account redemptions in the period, in the blended debt, equities and overlay/liquidity themes, the reduction from the prior period reflects a substantially lower level of overlay/liquidity redemptions.

AuM as invested

The charts on page 26 show AuM 'as invested' by underlying asset class, which adjusts from 'by mandate' to take account of the allocation into the underlying asset class of the multi-strategy and blended debt themes; and of crossover investment from within certain external debt funds.

This analysis highlights the scale of the local currency and corporate debt themes, which together represent 51% of Group AuM.

The Group's AuM by investment destination is diversified geographically, with 36% in Latin America, 24% in Asia Pacific, 14% in the Middle East and Africa, and 26% in Eastern Europe.

Investor profile

The Group's client base is predominantly institutional in nature, with 91% (30 June 2014: 89%) of AuM from such clients. Ashmore has established direct, long-term relationships with its institutional clients, the most significant categories of which are government-related entities (such as central banks, sovereign wealth funds and pension schemes) and private and public pension plans, together accounting for 70% of AuM (30 June 2014: 70%).

AuM sourced through intermediaries, which provide the Group with access to retail markets, amounts to 9% of the Group total (30 June 2014: 11%). The reduction was due to expected redemptions in Japanese retail funds.

Summary non-GAAP financial performance

The table below reclassifies items relating to seed capital and the translation of non-Sterling balance sheet positions to aid clarity and comprehension of the Group's operating performance, and to provide a more meaningful comparison with the prior year. For the purposes of presenting 'Adjusted' profits, operating expenses have been adjusted for the variable compensation on foreign exchange translation gains and losses.

		Reclassification of			
£m	**FY2014/15 Statutory**	Seed capital-related items	Foreign exchange translation	**FY2014/15 Adjusted**	FY2013/14 Adjusted
Net revenue	**283.3**	–	(18.5)	**264.8**	293.0
Investment securities	**(3.6)**	3.6	–	**–**	–
Third-party interests	**0.8**	(0.8)	–	**–**	–
Operating expenses	**(94.2)**	2.7	3.4	**(88.1)**	(97.9)
EBITDA	**186.3**	5.5	(15.1)	**176.7**	195.1
EBITDA margin	***66%***	–	–	***67%***	*67%*
Depreciation and amortisation	**(5.3)**	–	–	**(5.3)**	(5.0)
Operating profit	**181.0**	5.5	(15.1)	**171.4**	190.1
Net finance income/expense	**1.9**	(5.1)	4.9	**1.7**	0.9
Associates and joint ventures	**(1.6)**	–	–	**(1.6)**	(1.9)
Seed capital-related items	**–**	(0.4)	–	**(0.4)**	19.0
Acquisition-related items	**–**	–	–	**–**	0.5
Profit before tax excluding FX translation	**181.3**	**–**	**(10.2)**	**171.1**	208.6
Foreign exchange translation	**–**	**–**	10.2	**10.2**	(37.0)
Profit before tax	**181.3**	**–**	**–**	**181.3**	171.6

AuM movements by investment theme

The AuM by theme as classified by mandate is shown in the table below. Reclassifications typically occur when a fund's investment objectives, investment guidelines or performance benchmark change such that its characteristics cause it to be included in a different theme.

Theme	AuM 30 June 2014 US$bn	Performance US$bn	Gross subscriptions US$bn	Gross redemptions US$bn	Net flows US$bn	Reclassifications and disposal US$bn	**AuM 30 June 2015 US$bn**
External debt	14.0	(0.6)	1.0	(2.5)	(1.5)	0.1	**12.0**
Local currency	17.3	(2.9)	2.2	(1.9)	0.3	0.5	**15.2**
Corporate debt	8.2	(0.7)	1.3	(1.6)	(0.3)	–	**7.2**
Blended debt	20.6	(1.1)	2.8	(6.0)	(3.2)	(0.6)	**15.7**
Equities	6.1	(0.2)	1.2	(3.3)	(2.1)	–	**3.8**
Alternatives	2.5	(0.3)	–	(0.8)	(0.8)	(0.6)	**0.8**
Multi-strategy	2.7	(0.2)	0.2	(1.1)	(0.9)	–	**1.6**
Overlay/Liquidity	3.6	–	0.5	(1.5)	(1.0)	–	**2.6**
Total	**75.0**	**(6.0)**	**9.2**	**(18.7)**	**(9.5)**	**(0.6)**	**58.9**

Segregated accounts represent 69% of AuM (30 June 2014: 66%). The trend in demand for segregated accounts is well established and the Group expects this to continue as it reflects ongoing factors such as regulatory obligations, bespoke reporting requirements, and the application of specific investment guidelines. Although the period saw several large segregated account redemptions, some clients moved capital from pooled funds into segregated accounts, explaining the overall increase in the proportion of Group AuM held in segregated accounts.

Financial review

The Group adopted IFRS 10 with effect from 1 July 2014, which redefines the concept of control for consolidation purposes and resulted in four additional funds being consolidated retrospectively from the date of acquiring a controlling stake. Further information and restated historical financial statements are presented in Notes 3 and 31. There is no impact on the Group's net assets or total comprehensive income as a result of the adoption of IFRS 10.

Revenues

Net revenue increased 8% from £262.9 million to £283.3 million as a result of higher performance fees and foreign exchange translation gains, partly offset by lower net management fee income.

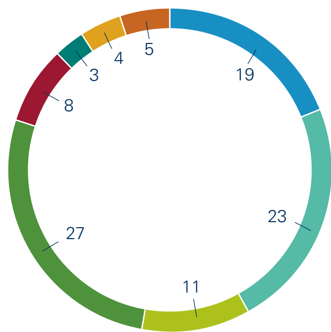
Management fee income net of distribution costs declined 11% to £247.3 million (FY2013/14: £278.5 million) following a 12% fall in average AuM and a slight decline in the net management fee margin to 59bps (FY2013/14: 60bps). The net management fee margin is influenced by factors such as theme and product mix, competition, and long-term development of asset class returns. In this period, the rate of margin decline was in aggregate lower than experienced in recent years, reflecting in part the effects of relatively large segregated account redemptions described above and some positive mix effects.

Net management fee income includes the release of an accrual following the renegotiation of an equities distribution agreement, which contributed approximately half a basis point to the Group net management fee margin and should be considered non-recurring in nature.

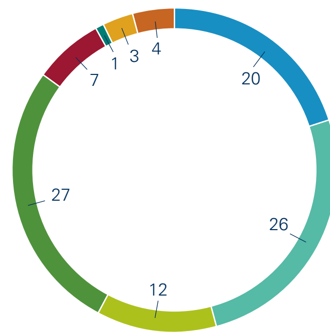
Performance fees of £13.3 million (FY2013/14: £3.1 million) were generated in the period, mostly by funds with an August year end and specific investments in the alternatives theme, and so unaffected by the market weakness seen in the middle part of the financial year. At 30 June 2015, 13% of the Group's AuM was eligible to earn performance fees (30 June 2014: 12%).

Translation of the Group's non-Sterling assets and liabilities at the period end result in a foreign exchange gain of £18.5 million (FY2013/14: £30.1 million loss), reflecting principally US dollar strength against Sterling. The Group recognised net realised and unrealised hedging losses of £0.4 million (FY2013/14: £3.5 million gain).

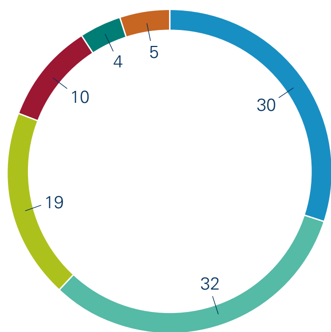
AuM classified by mandate 2014 (%)



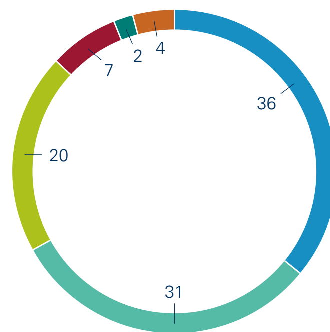
AuM classified by mandate 2015 (%)



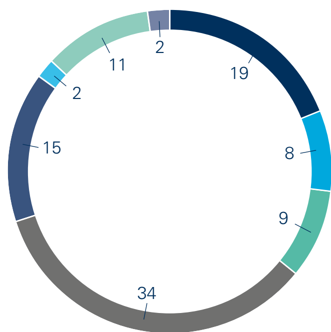
AuM as invested 2014 (%)



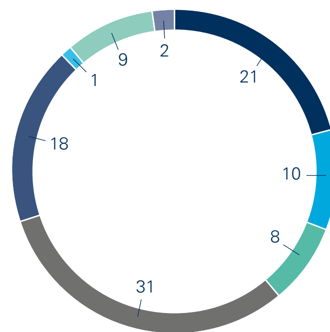
AuM as invested 2015 (%)



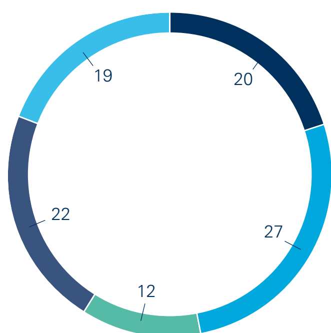
AuM by investor type 2014 (%)



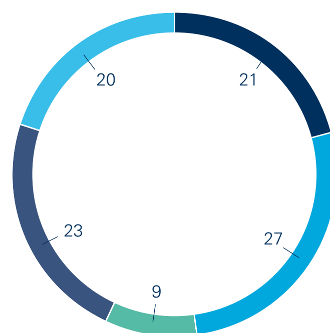
AuM by investor type 2015 (%)



AuM by investor geography 2014 (%)



AuM by investor geography 2015 (%)



Fee income and net management fee margin by investment theme

The table below summarises net management fee income after distribution costs, performance fee income, and average net management fee margin by investment theme.

Theme	**Net management fees FY2014/15 £m**	Net management fees FY2013/14 £m	**Performance fees FY2014/15 £m**	Performance fees FY2013/14 £m	**Net management fee margin FY2014/15 bps**	Net management fee margin FY2013/14 bps
External debt	**45.8**	51.4	**6.8**	0.4	**56**	60
Local currency	**46.6**	51.2	**0.3**	0.2	**45**	49
Corporate debt	**30.9**	29.4	**0.1**	–	**65**	70
Blended debt	**63.6**	65.8	**0.1**	1.8	**54**	56
Equities	**32.2**	25.9	**0.3**	0.2	**105**	76
Alternatives	**12.6**	24.3	**4.8**	0.5	**165**	202
Multi-strategy	**12.5**	22.1	**0.9**	–	**95**	123
Overlay/Liquidity	**3.1**	8.4	**–**	–	**17**	19
Total	**247.3**	**278.5**	**13.3**	**3.1**	**59**	**60**

Operating costs

The Group has maintained a disciplined approach to controlling costs, resulting in a 1% reduction in operating costs to £99.5 million (FY2013/14: £100.4 million). Excluding variable compensation, operating costs fell 3% from £58.9 million to £57.1 million.

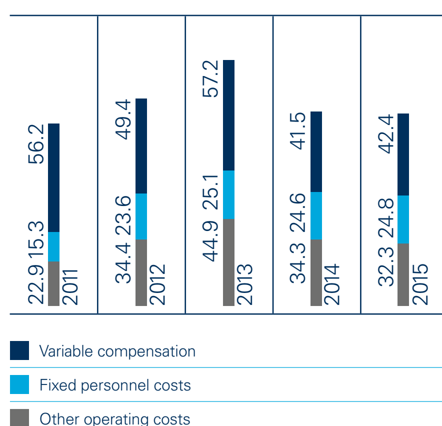
Fixed staff costs of £24.8 million increased only 1% compared with the prior year, consistent with a 1% increase in average headcount from 290 to 293 employees, primarily the result of opening an office in Saudi Arabia. The Group's headcount at 30 June 2015 was 285 employees (30 June 2014: 291 employees).

Other operating costs, excluding depreciation and amortisation, fell by 8% from £29.3 million to £27.0 million, with a continued focus on controlling discretionary expenditure.

OPERATING COSTS
(£m)

£99.5m

2014: £100.4m



The charge for variable compensation was £42.4 million, an increase of 2% on the prior year (FY2013/14: £41.5 million), and representing 18.5% of earnings before variable compensation, interest and tax (FY2013/14: 20%).

EBITDA

EBITDA for the period was £186.3 million (FY2013/14: £176.3 million). On an adjusted basis, reclassifying the effects of seed capital investments and foreign exchange translation, EBITDA was 9% lower at £176.7 million (FY2013/14: £195.1 million), compared with the 12% decline in average AuM. Higher performance fees and the control of operating costs helped to mitigate the effect of lower AuM levels on profitability.

The EBITDA margin for the financial year was 66% (FY2013/14: 67%). On an adjusted basis, the EBITDA margin was unchanged from the prior year at 67%.

Finance income

Net finance income of £1.9 million for the period (FY2013/14: £2.2 million) includes items relating to seed capital investments, which are described in more detail below. Net interest income for the year was £1.7 million and there were no acquisition-related items in the period (FY2013/14: £0.5 million).

Taxation

The majority of the Group's profit is subject to UK taxation; of the total current tax charge for the year of £41.3 million (FY2013/14: £35.7 million), £36.4 million (FY2013/14: £31.0 million) relates to UK corporation tax.

There is a £16.8 million net deferred tax asset on the Group's balance sheet as at 30 June 2015 (30 June 2014: £16.8 million), which arises principally as a result of timing differences in the recognition of the accounting expense and actual tax deduction in connection with (i) share-based payments, and (ii) goodwill and intangibles arising on the acquisition of Ashmore's equity business. Consequently the Group's effective current tax rate for the year is 22.8% (FY2013/14: 21.5%), which is higher than the blended UK corporation tax rate of 20.75% (FY2013/14: 22.5%). Note 12 to the financial statements provides a full reconciliation of this deviation from the blended UK corporate tax rate.

Balance sheet, cash flow and foreign exchange

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

As at 30 June 2015, total equity attributable to shareholders of the parent was £656.1 million (30 June 2014: £615.8 million). There is no debt on the Group's balance sheet.

Cash

Ashmore's business model delivers a high conversion rate of operating profits to cash. On operating profit of £181.0 million for the period (FY2013/14: £171.3 million), the Group generated cash of £215.2 million before working capital changes (FY2013/14: £247.9 million) and £190.4 million of cash from operations (FY2013/14: £233.1 million).

Cash and cash equivalents by currency

	30 June 2015 £m	30 June 2014 £m
Sterling	**205.0**	100.3
US dollar	**152.7**	252.3
Other	**23.1**	19.6
Total	**380.8**	372.2

Seed capital investments

As at 30 June 2015, the amount invested in seed capital was £213.3 million at cost, with a market value of £207.0 million (30 June 2014: £185.4 million at cost; £187.8 million market value). The 'at cost' investment represents 37% of Group net tangible equity (30 June 2014: 34%) and the majority of the Group's seed capital is held in liquid funds, such as daily-dealing SICAVs or US 40-Act mutual funds.

Seed capital by currency

	30 June 2015 £m	30 June 2014 £m
US dollar	**150.1**	122.8
Indonesian rupiah	**36.5**	36.2
Brazilian real	**7.0**	17.5
Other	**13.4**	11.3
Total market value	**207.0**	187.8

The Group manages its seed capital positions actively and during the year it made new commitments of £91.0 million and realised £68.4 million from previous investments. Seed capital activity resulted in a loss before tax of £5.3 million (FY2013/14: £6.1 million profit), largely due to foreign exchange translation and mark-to-market investment performance.

The consolidation of funds in which the Group's seeding leads to a controlling interest resulted in losses on investment securities of £3.6 million (FY2013/14: £14.9 million gain), change in third-party interests gain of £0.8 million (FY2013/14: £6.1 million loss), operating expenses of £2.7 million (FY2013/14: £3.5 million) and net finance income of £5.3 million (FY2013/14: £3.8 million).

The financial effects of seed capital held in others funds are reported as finance income or expense, and include a negative investment return of £0.4 million (FY2013/14: £9.9 million positive return) and a £4.9 million foreign exchange loss (FY2013/14: £12.9 million loss) arising on the translation of non-Sterling denominated seed capital positions, and principally those denominated in US dollar, Brazilian real and Indonesian rupiah. Note 20 to the financial statements provides more details on the movements in seed capital items during the financial year.

Own shares held

The Group purchases and holds shares through an Employee Benefit Trust (EBT) in anticipation of the exercise of outstanding share options and the vesting of share awards. At 30 June 2015, the EBT owned 37,889,347 (30 June 2014: 37,962,631) ordinary shares.

Goodwill and intangible assets

At 30 June 2015, goodwill and intangible assets on the Group's balance sheet totalled £74.1 million (30 June 2014: £72.2 million) with the increase attributable to the combined amortisation and impairment charge of £4.0 million (FY2013/14: £3.8 million) and a foreign exchange revaluation gain through reserves of £5.9 million (FY2013/14: £8.3 million loss).

Foreign exchange

The majority of the Group's fee income is received in US dollars and it is the Group's established policy to hedge up to two-thirds of the notional value of up to two years' budgeted foreign currency-denominated net management fees, using either forward or option foreign exchange contracts. The Group's Foreign Exchange Management Committee determines the proportion of budgeted fee income to hedge by regular reference to expected non-US dollar, and principally Sterling, cash requirements. The hedging contracts effectively create a corridor outside of which the proportion of fee income is protected from movements in the GBP:USD exchange rate. When the contracts expire, either they deliver Sterling or the Group can sell the notional amount of US dollars for Sterling at the prevailing spot rate. The proportion of fee income received in foreign currency and not subject to hedging is held as cash or cash equivalents in the foreign currency and marked to market at the period end exchange rate.

During the course of the year, the Group conducted spot sales of US dollars and thereby reduced the proportion of cash held in US dollars from 68% at 30 June 2014 to 40% at 30 June 2015. The average GBP:USD rate achieved on the sales was 1.5822, which relative to the spot rate of 1.7106 on 30 June 2014, resulted in a realised gain of approximately £14.6 million.

Regulatory capital

As a UK listed asset management group, Ashmore is subject to regulatory supervision by the Financial Conduct Authority (FCA) under the Prudential Sourcebook for Banks, Building Societies and Investment Firms. At the year end, the Group had two UK-regulated entities: Ashmore Investment Management Limited (AIML), and Ashmore Investment Advisors Limited (AIAL), on behalf of which half-yearly capital adequacy returns are filed. Both AIML and AIAL held excess capital resources relative to their requirements at all times during the period under review.

Since 1 January 2007, the Group has been subject to consolidated regulatory capital requirements, whereby the Board is required to assess the degree of risk across the Group's business, and is required to hold sufficient capital against these requirements.

The Board has assessed the amount of Pillar II capital required to cover such risks as £94.4 million (30 June 2014: £72.9 million). The increase compared with the prior year is principally the result of higher seed capital levels and a consequent increase in the market risk requirement, together with a small increase in the operational risk requirement. Given the considerable balance sheet resources available to the Group, the Board is satisfied that the Group is adequately capitalised.

Dividend

The Board intends to pay a progressive ordinary dividend over time, taking into consideration factors such as prospects for the Group's earnings, demands on the Group's financial resources, and the markets in which the Group operates.

In recognition of Ashmore's operating and financial performance during the period, its balance sheet strength, and the Board's confidence in the Group's future prospects, the Directors are recommending a final dividend of 12.1 pence per share for the year ending 30 June 2015, which, subject to shareholder approval, will be paid on 4 December 2015 to those shareholders who are on the register on 6 November 2015.

Tom Shippey
Group Finance Director

7 September 2015

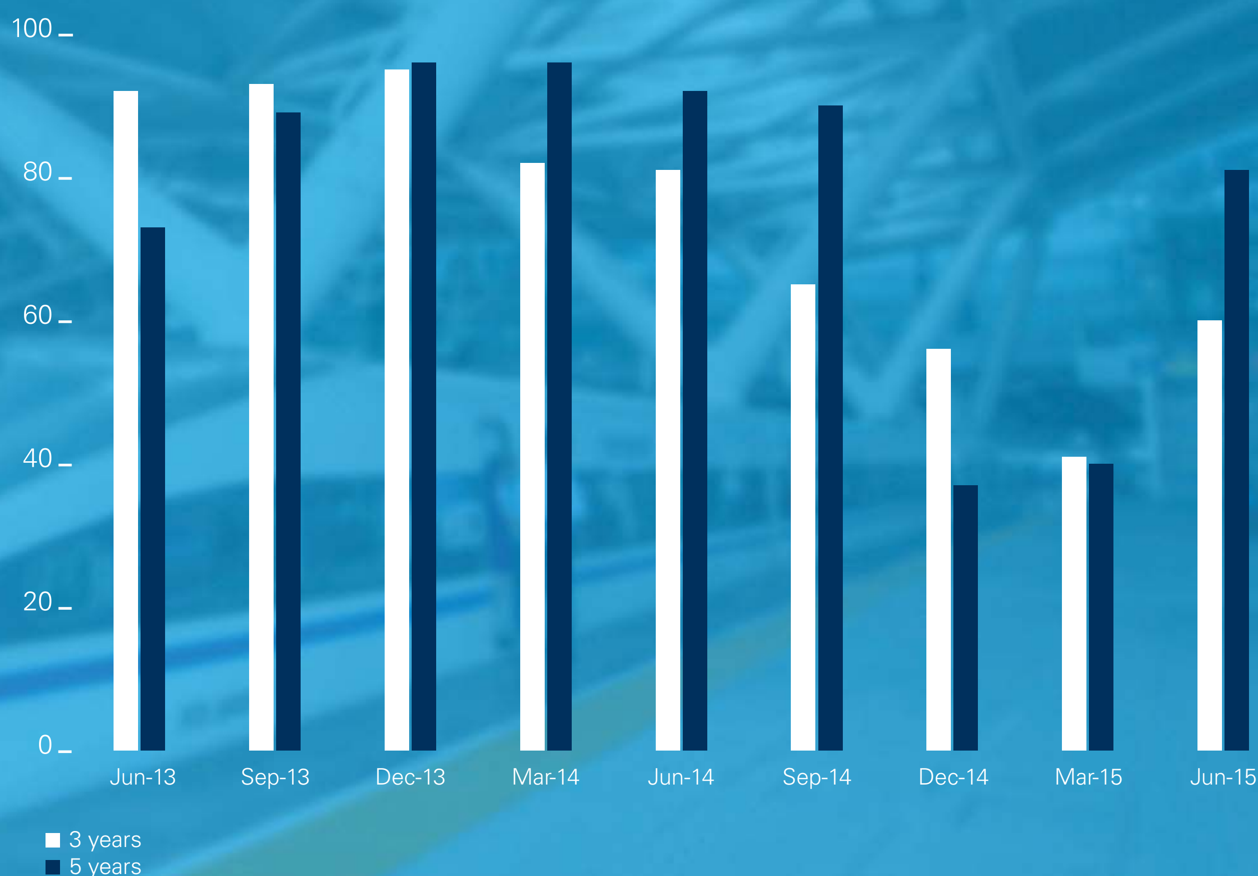
Performance

South Railway station, Guangzhou

Long-term outperformance

Recent asset price volatility and periodic dislocations between fundamentals and market prices have enabled Ashmore's investment processes to identify and buy into substantial value for clients. As fundamentals reassert themselves, significant alpha is delivered. The diversity of the Emerging Markets asset class requires a specialist, active approach to generate outperformance through market cycles.

% AuM outperforming benchmarks (%)



Ashmore aims to deliver long-term outperformance for its clients, and its three and five year performance track records are therefore important. At certain points in the cycle, particularly when asset prices become detached from fundamentals and overshoot in weak markets, the Group's value-based investment processes may generate mark-to-market underperformance. However, this is typically a signal for Ashmore's investment committees to add risk to portfolios, in order to capture value and deliver alpha as fundamentals reassert themselves and prices recover. These processes have successfully generated outperformance through market cycles over more than two decades of investing in Emerging Markets.

This pattern has been seen over the past two years, and in particular during the past financial year when the factors described in the Market review on pages 8 to 11 led to a sell-off in Emerging Markets towards the end of 2014 and in early 2015. The investment decisions taken during this period to buy assets trading at attractive levels have subsequently delivered good levels of outperformance against benchmarks.

Identifying and managing risks

The Group seeks to identify, quantify, monitor and manage effectively each of the risks present in its activities.

The Group's three-phase strategy is designed to deliver long-term growth to shareholders by capitalising on the powerful economic, political and social convergence trends evident across the Emerging Markets.

MORE INFORMATION
Read about our strategy on pages **14-15**

The Group executes its strategy using a distinctive business model, and seeks to identify, quantify, monitor and manage the principal risks inherent in this business model.

MORE INFORMATION
Read about our business model on pages **2-3**

The Board has ultimate and ongoing responsibility for the Group's strategy. It formally reviews the strategy at least annually and receives updates at each Board meeting.

MORE INFORMATION
Read our governance report on pages **43-50**

The Board is responsible for risk management, although it has delegated authority to carry out day-to-day functions to Executive Directors and specialised committees, such as the Group Risk and Compliance Committee and the Operating Committee.

MORE INFORMATION
Read about our principal risks on pages **34-35**

Risk management and internal control systems

In accordance with the principles of the 2012 UK Corporate Governance Code, the Board is ultimately responsible for the Group's risk management and internal control systems and for reviewing their effectiveness. Such systems and their review are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Within the Group's overarching corporate governance framework, through which the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues, an internal control framework has been established, against which the Company is able to assess the effectiveness of its risk management and internal control systems. The Group's system of internal control is integrated with the Group's strategy and business model and embedded within its routine business processes and operations, and a strong control culture is combined with clear management responsibility and accountabilities for individual controls. The internal control framework provides an ongoing process for identifying, evaluating and managing the Group's principal risks, and has been in place for the year under review and up to the date of approval of the annual report and accounts. The process is regularly reviewed by the Group's Audit and Risk Committee (ARC), and accords with the guidance in the document 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' (the Guidance) published by the Financial Reporting Council in September 2014.

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

The Group's Risk and Compliance Committee (RCC), which meets monthly, is responsible for maintaining a sound risk management and internal control environment and for assessing the impact of the Group's ongoing activities on its regulatory and operational exposures. The RCC is chaired by the Group Head of Risk Management and Control, and the other members are the Chief Executive Officer, the Group Finance Director, the Group Head of Compliance, the Group Head of Finance, the Group Head of Middle Office and Information Technology, the Group Head of Legal and Transaction Management, the Group Head of Distribution, the Group Head of Internal Audit, and the Group Head of Human Resources. Responsibility for risk identification is shared among these senior management personnel, with each such individual being responsible for day-to-day control of risk in their business area.

There are established policies and procedures to enable the ARC and ultimately the Board, through its regular meetings, to monitor the effectiveness of the risk management and internal control systems, which cover all principal identified internal and external strategic, operational, financial, compliance and other risks, including the Group's ability to comply with all applicable laws, regulations and clients' requirements.

The ARC receives regular risk and internal audit reports while the Board receives regular financial and other management information related to the control of expenditure against budget and the making of investments, and for monitoring the Group's business and its performance, as well as regular compliance reports.

The main features of the Group's risk management and internal control systems are as follows:

Policies

- core values and policies together comprising the Group's high-level principles and controls, with which all staff are expected to comply;
- manuals of policies and procedures, applicable to all business units, with procedures for reporting weaknesses and for monitoring corrective action;
- a code of business conduct, with procedures for reporting compliance therewith; and
- a defined operational framework and organisational structure with appropriate delegation of authority and segregation of duties with accountability that has regard to acceptable levels of risk.

Processes

- a planning framework is maintained, which incorporates a Board-approved strategy, with objectives for each business unit;
- a risk appetite framework developed by engaging key stakeholders at the functional, business and executive levels of the organisation and accordingly, the Group's risk appetite statement, with its associated components, is regularly reviewed and updated in line with the evolving strategy, business model, financial capacity, business opportunities, regulatory constraints and other internal and external factors;
- an established Media and Reputation Management Policy is in place focusing on understanding the information that is currently publicly available on the Group and the funds and individual investments it manages, especially that which could create negative reputational issues;
- an in-depth annual budget is reviewed and approved by the Board and is subject to update through a formal re-forecasting process;
- regular reviews of the financial and operating performance of the Company and its subsidiaries are undertaken by the Group's Operating Committee to focus on delivery of the Group's key strategic objectives;
- detailed investment reports are prepared and discussed at each of the sub-committee meetings of the Group's Investment Committees, which take place weekly or monthly depending on investment theme, with follow up actions agreed and implemented within a strict operational framework;
- supervision by the Group's Pricing and Oversight Committee (POC) of the effectiveness of pricing policies for all investments held in Ashmore sponsored funds where a reliable pricing source is available. This includes the responsibility to ensure that appointed third-party pricing agents carry out the agreed pricing policy faithfully and manage the pricing sources appropriately;
- oversight of the valuation methodologies used for clients' fund investments that cannot be readily externally priced is the responsibility of the Group's Pricing Methodology and Valuation Committee (PMVC) and Public Equity Valuation Committee (PEVC), which meet monthly and quarterly respectively to review the current valuation methodology for each of these investments and to propose an updated valuation methodology where appropriate;
- regular senior management systems and controls reviews are undertaken by the Group Finance Director with the Group Head of Compliance, Group Head of Human Resources, Group Head of Risk Management and Control, Group Head of Middle Office and Information Technology, and Group Head of Legal and Transaction Management, in which the Chief Executive Officer participates at least annually. These reviews include evaluation of the potential impact and likelihood of identified risks and possible new risk areas;
- the Group Compliance function, whose responsibility is to ensure that the Group at all times meets its regulatory obligations, and to integrate regulatory compliance procedures and best practices within the Group, undertakes an ongoing compliance monitoring programme covering all the relevant areas of the Group's operations, to seek to identify any breach of compliance with applicable financial services regulation, which includes real-time investment restrictions monitoring of client mandate requirements. Results of the compliance monitoring programme are reported to the RCC in support of the overall risk management and internal control framework;
- a matrix of principal risks identifies key business, operational, financial compliance and conduct risks, and considers the likelihood of those risks crystallising and the resultant impact. The inherent risk within each business activity has been identified, with the adequacy and mitigating effect of existing processes being assessed to determine a current residual risk level for each such activity. On the basis that further mitigants may be employed over time, a target residual risk for each activity after one to two years has been defined and progress to target is formally tracked;
- key risk indicator (KRI) statistics are reported to and analysed by the RCC. The KRIs indicate trends in the Group's risk profile, assist in the reduction of errors and potential financial losses and seek to prevent exposure by proactively dealing with a potential risk situation before an event actually occurs;
- strong financial controls are maintained to ensure accurate accounting for transactions, appropriate authorisation limits to contain exposures, and reliability of data processing and integrity of information generated;
- The Group's Finance function is responsible for the preparation of the consolidation accounts and is managed by appropriately qualified accountants. The review of this preparation is undertaken by numerous parties including Executive Directors and includes a detailed challenge by the Board. The Finance function works in conjunction with the Group's auditors and other external advisers to ensure compliance with applicable accounting and reporting standards, prevailing regulations and industry best practice;
- Board members receive monthly management information including accounts and other relevant reports, which highlight actual financial performance against budget/forecast and prior year period;

- there are well-defined procedures governing the appraisal and approval of corporate investments, including seeding of funds and purchase of own shares, with detailed investment and divestment approval procedures, incorporating appropriate levels of authority and regular post-investment reviews;
- oversight and management of the Group's foreign currency cash flows and balance sheet exposures are the responsibility of the FX Management Committee, which determines the appropriate level of hedging required and appropriate accounting treatment;
- the Group has secure information and communication systems capable of capturing relevant and up-to-date information by relevant personnel, with oversight and direction provided by the Group's IT Steering Group, which implements the IT strategy, establishing and overseeing the operation of all IT projects;
- the development of new products, consideration of material changes to existing funds, and the restructuring of funds and products is the responsibility of the Product Committee and forms an important part of the Group's business in responding to clients' needs and changes in the financial markets; and
- a Global Investment Performance Standards (GIPS) Committee, which acts as the primary decision-making body within the Group in relation to any changes to the existing set of composites, and approval of the creation of new composites.

Verification

- the external auditors are engaged to express an opinion on the annual financial statements and the half year review and also independently and objectively review the approach of management to reporting operating results and financial resources;
- the Board, through the ARC, receives half-yearly updates from the Group's external auditors, which include any control matters that have come to their attention;
- annual control reports are reviewed independently by the Group's external auditors pursuant to the International Standards on Assurance Engagements 3402 (ISAE 3402); and
- the Internal audit function undertakes a programme of reviews of systems, processes and procedures as agreed with the ARC, reporting the results together with its advice and recommendations, and assisting in the presentation of its findings to the ARC.

Strategy	Business model characteristics	Principal risks
Phase 1 Establish Emerging Markets asset class Priorities: – Emphasise Emerging Markets structural trends and investment opportunities as global economic imbalances unwind	Sole focus on Emerging Markets	**1, 2, 3**
	Diversity: investment themes and clients	**3, 8, 12**
Phase 2 Diversify developed world capital sources and themes Priorities: – Grow equities business – Grow scale from US distribution – Increase intermediary AuM – Grow scale in new funds – Develop new conduits to capital – Grow alternatives AuM	Specialist, active investment management with a value bias and a team-based approach	**6, 7, 10**
	Global operating platform that is scalable	**9, 11, 13**
Phase 3 Mobilise Emerging Markets capital Priorities: – Increase scale of domestic platforms – Develop potential of recently established platforms such as Saudi Arabia	High profit margin and progressive dividend policy	**4, 5, 14**
Risk-aware culture		

Confirmation

Through the ARC, the Board has conducted an annual review and assessment of the effectiveness of the risk management and internal control systems, and has identified no significant failings or weaknesses during this review. In conducting this review, the Board and/or ARC has considered the periodic reports on compliance and risk matters, including reports provided by the Internal audit function, and the annual report on risk management and internal control processes from the Group's RCC. These reports were received throughout the year up to the latest practicable date prior to the approval of the annual report and accounts. The Board is satisfied that appropriate planned actions continue to be effective in improving controls as the Group develops, and its overall assessment of the control framework continues to be satisfactory.

Ashmore has interests in certain joint ventures/associates which operate risk management and internal control systems that are not dealt with as part of the Group for the purposes of this statement.

These are:

- Ashmore CCSC Fund Management Company Limited
- Everbright Ashmore Investment Management Limited
- VTB-Ashmore Capital Holdings Limited
- AA Development Capital Investment Managers (Mauritius) LLC

For these entities, the Group has in place appropriate oversight including Board representation.

Selected principal risks and mitigants

The Group's principal risks are dynamic and those considered most relevant to the business model are listed in the table opposite, together with their mitigants. Reputational and conduct risks are common to most aspects of the strategy and business model.

Selected principal risks and their delegated owners

Risk type/owner	Selected principal risks	Mitigation includes
Strategic and business risks (Delegated owner: Ashmore Group plc Board) The risks that the medium and long-term profitability and/or reputation of the Group could be adversely impacted by the failure either to identify and implement the correct strategy, or to react appropriately to changes in the business environment.	1. Long-term downturn in Emerging Markets fundamentals/technicals 2. Market capacity issues and increased competition constrain growth 3. Appropriateness of marketing strategy, which includes effective management of potential and existing investor base	– The Board's long investment management experience; – Group Operating Committee meets regularly; – A clearly defined Group strategy, understood throughout the organisation and actively monitored; – Diversification of investment capabilities by theme, asset class and location; – Experienced, centrally-managed and globally-located distribution team to access increasingly diversified sources of AuM; and – Product Committee in place with knowledge of the markets and related regulation.
Treasury risks (Delegated owner: Chief Executive Officer and Group Finance Director) These are risks that management does not appropriately mitigate balance sheet risks or exposures that could ultimately impact the financial performance or position of the Group.	4. Financial projections and hedging of future cash flows and balance sheet 5. Adequate liquidity provision for Group and subsidiaries	– Monthly reporting of all balance sheet exposures to the executive; – Oversight and management of the Group's foreign exchange balances is the responsibility of the FX Management Committee, which determines the appropriate level of hedging required; – Seed capital is subject to strict monitoring by the Board within a framework of set limits including diversification; – Cash flows are forecast and monitored on a regular basis and managed in line with approved policy; – Group Liquidity Policy; and – The availability of US dollar S&P AAA-rated liquidity funds managed by experienced cash managers.
Investment risks (Delegated owner: Group Investment Committees) The risk of non-performance or manager neglect of duty, including the risk that long-term investment outperformance is not delivered thereby damaging prospects for winning and retaining clients, and putting average management fee margins under increased pressure; and decreased market liquidity provided by counterparties that the Group and its funds rely on.	6. Manager non-performance or neglect of duty; market abuse, similar portfolios being managed consistently 7. Downturn in long-term performance	– Experienced Investment Committees meet regularly (weekly for most investment themes across the Group) ensuring consistent core investment processes are applied; – Allocations across funds are actively reviewed to ensure appropriate consistency; and – Dedicated Emerging Markets research and investment focus, with frequent country visits as well as a physical presence in key Emerging Markets.
Operational risks (Delegated owner: Group Risk and Compliance Committee) Risks in this category are broad in nature and inherent in most businesses and processes. They include the risk that operational flaws result from a lack of resources or planning, error or fraud, weaknesses in systems and controls, or incorrect accounting or tax treatment.	8. Compliance with global and local regulatory requirements, including conflicts of interest and treating customers fairly 9. Oversight of Ashmore overseas entities 10. Level of resources, which includes loss of key staff or inability to attract staff, constrains growth 11. Accuracy and integrity of data including i) manual processes/reporting; and ii) transactions, static data and prices 12. Adequate client oversight including alignment of interests 13. Pre-trade and post-trade booking and settlements 14. Inappropriate accounting practices leads to sanction	– Monthly Risk and Compliance Committee meetings to consider the Group's KRIs; – The Operating Committee has oversight of the Group's Global Operating Model; – An integrated control and management framework to ensure day-to-day global operations are managed effectively; – Experienced Compliance, Legal, and Finance departments to identify, quantify, monitor and manage regulatory changes as well as oversight of client communications and financial promotions; – Conflicts of interest review performed; – Monthly Product Committee meetings including suitability and appropriateness; – Fully integrated trade order management and portfolio accounting platforms; – Formal procedures and sign-off for launch of new funds or material changes to existing funds; – All trading counterparties are subject to strict risk, legal, compliance, and operational sign-off prior to set-up; – Resources are regularly reviewed and career development and succession is also in place; – Group accounting policies in place and reviewed regularly; and – Dedicated tax specialist within the Finance department.

Combining ethical investing with sound business practice

Ashmore believes that its reputation as an ethical, trustworthy provider of investment services is essential to align clients and shareholders' interests.

Investment

Business conduct and integrity

Ashmore 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. Ashmore believes that its reputation as an ethical, trustworthy provider of investment services is essential to align clients and shareholders' interests. Ashmore seeks to establish and maintain long-term relationships with its clients and intermediaries and believes this to be a fundamental prerequisite for the growth of its business.

Responsible investing across Ashmore's themes

Ashmore seeks to ensure that the governance bodies of the investments it makes comply with their own industry standards and best practice, treat their employees fairly, have active community programmes and operate with sensitivity to the environment. Ashmore has made investments in a number of renewable energy projects in different countries including hydro-electricity, geothermal energy and sugar-based ethanol production. Investments have also been made in China in a company which manufactures wind turbines with both local and growing global supplies. These investments on behalf of clients reflect Ashmore's overall approach to combining ethical investing with sound business practice.

Amongst the initiatives undertaken in South America is the establishment of an Environmental and Social Management System (ESMS) for the management of investments of an investor fund in Colombia within the alternatives investment theme. This fund has been developed in a form and substance acceptable to the Inter-American Development Bank (IDB) and International Finance Corporation (IFC).

Ashmore's funds and segregated accounts each have a specific investment mandate which sets out the parameters for investment. Within the equities and corporate debt themes Ashmore is able to screen client portfolios to meet client requirements for geographic, sector and stock-specific restrictions. Stock-specific restrictions may include securities which meet clients' own Environmental, Social and Corporate Governance (ESG) criteria.

Examples of investment areas where screening of portfolios can be offered based on (or informed by) client requirements (using recognised investment industry identifiers and coding into Ashmore's portfolio management system) include alcohol, animal/food products, armaments manufacturers or dealers, gambling, pornography and tobacco.

Ashmore seeks to comply at all times with all sanctions imposed by applicable government authorities, and also at a geographical level screens across all investment themes for countries which are on the United Nations and EU/UK Sanctions and the US Office of Foreign Assets and Control (OFAC) lists, for example, during the recent Russia/Ukraine crisis.

Consistent with the philosophies described, Ashmore is a signatory to the Principles for Responsible Investment

Environmental, Social and Governance (ESG) philosophy

Equities

ESG criteria tend to be focused primarily on equity investing because of the influence which shareholder interests are able to exert on the management of a particular company.

Ashmore believes that the way in which companies manage their relations with stakeholders can have an impact on business performance. These stakeholders encompass employees, local communities, wider society, governments, supply chains, customers and the natural environment. There are a wide range of ESG issues which could be relevant for a company depending on the industry in which it operates and its specific business profile. ESG issues can become new sources of risk or opportunities for companies, and a company's ability to respond to these issues can therefore act as an early signal of long-term competitiveness. To the extent practicable, Ashmore routinely monitors the ESG performance of the companies in which it invests through ongoing company visits and other information channels. Generally, companies disclose corporate governance practices through corporate policies, stock market listings, and market press releases (for example, Brazil has a separate category for companies committed to corporate governance best practice). Companies may also disclose environmental and social practices in annual reports and other reports to investors. These are then highlighted, as appropriate, in Investment Committee reports when relevant.

As a global investor, Ashmore recognises that legislation and best practice standards vary between countries and regions, and that it must remain sensitive to these differences. However, at a minimum, Ashmore expects the companies in which it invests to comply with the national legislation that applies to them.

Alternatives

Ashmore's alternatives investment theme often involves its funds taking significant stakes in investee companies. In such circumstances Ashmore is in a position to engage positively with the management of these companies. In many cases Ashmore believes it to be beneficial to its investors to be proactive in promoting its brand locally by improving the livelihoods of the employees in those companies where it has a significant stake. When undertaking initial due diligence on any investments within the alternatives theme, Ashmore's deal memorandum checklist takes into account the consideration of ESG issues within the investment analysis and decision-making process, and the investee company's own ESG practices.

Fixed income

Within Emerging Markets debt segregated accounts, Ashmore offers clients the flexibility to implement their ESG constraints related to specific countries, sectors and securities (for example, restricted lists, concentration limits etc).

Engagement

Within mature markets, ethical investing has often been portrayed as a 'negative' concept; i.e. it involves a decision not to invest in a certain way. Whilst these concepts are well accepted in mature markets Ashmore believes that they are not necessarily conducive to helping emerging economies develop. In the context of developing countries, Ashmore believes that it is also possible to apply other concepts such as engagement within the ethical investment debate.

In the equities theme, Ashmore believes that good corporate governance helps to align the interests of company management with those of shareholders. Where possible, Ashmore seeks to maintain constructive dialogue with company management.

Ashmore considers whether companies have corporate governance frameworks that are in line with applicable country codes and serve shareholder interests. Views on corporate governance do not constrain investment decisions however; often the most profitable investments can be made in companies where an improvement in corporate governance practices is anticipated. In many jurisdictions, and to the extent consistent with Ashmore's fiduciary duty to its clients, Ashmore exercises voting rights as a means to signal views to company management. Ashmore has developed detailed guidelines to guide voting decisions, but will, as appropriate, consider resolutions on a case-by-case basis taking into account all available information.

The majority of Ashmore's AuM continues to be invested in fixed income (the majority of which is sovereign) for which Ashmore's ability to have an influence is generally limited to a decision whether or not to invest. However, at a country level Ashmore believes that it is able to exert an influence through dialogue with governments and central banks. In order to assist with the debate on the broader issues affecting Emerging Markets, to enhance the understanding of these markets globally and to address market failures. Ashmore engages with numerous international public sector financial institutions with the objective of aiding transparency and best practice. Engagement with a country, as opposed to disengagement, is akin to many small pressures every day as opposed to one 'big stick'. By remaining engaged over an extended period of time it is often possible to have a positive influence and to add credibility.

Where Emerging Markets are concerned it is believed that in certain circumstances it may be more beneficial to keep investment flowing combined with the influence which accompanies it in order to continue being able to help a country's population. In country specific terms at the extreme, being cut off from capital may allow undemocratic rulers to control their people by attributing blame for economic problems to foreign actions. Sanctions may be counter-productive and may reduce the welfare of the population considerably. Conversely, to the extent that governments pursue policies that are not in the best interests of that country then this is likely to become a poor investment proposition. Hence Ashmore takes investment and engagement/disengagement decisions on a case-by-case basis relative to the specific circumstances and investment criteria in the best interests of clients.

Proxy voting and corporate actions

Subject to specific mandate restrictions, Ashmore is generally responsible for voting proxies and taking decisions in connection with proxy voting with respect to equities, bonds, loans or other debt instruments held by or on behalf of the clients for which it serves as investment manager/adviser.

Where Ashmore is given responsibility for proxy voting and corporate actions, it will take reasonable steps under the circumstances to ensure that proxies are voted in the best interests of its clients. Protecting the financial interests of its clients is the primary consideration for Ashmore in determining how to protect such interests. This generally means proxy voting with a view to enhancing the value of the securities held by or on behalf of Ashmore's clients, taken either individually or as a whole.

Employees

Ashmore directly employs approximately 300 people in 10 countries worldwide, excluding employees in companies significantly controlled by funds that Ashmore manages. Ashmore's people have always been its most important asset, at the heart of everything it does. The Group's priority is to develop, manage and retain this talent in order to deliver the potential of the organisation. Ashmore wishes to be an employer which the most talented people aspire to join wherever it operates. Ashmore 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. Ashmore has consistently operated a remuneration strategy that recognises both corporate and individual performance. Ashmore is also committed to following good practice in employment matters, recognising the part this plays in attracting and retaining staff.

Ashmore seeks to ensure that its workforce reflects, as far as practicable, the diversity of the many communities in which its operations are located. Ashmore also recognises the diverse needs of its employees in managing the responsibilities of their work and personal lives, and believes that achieving an effective balance in these areas is beneficial to both Ashmore and the individual. Ashmore encourages employees to act ethically and to uphold clearly the standards of practice which its clients have come to expect. It also means ensuring that employees understand the strategic aims and objectives of the Group and are clear about their role in achieving them.

Ashmore works to ensure employee policies and procedures reflect best practice within each of the countries where it has a presence. This means having policies and practices that make Ashmore an attractive place to work in respect of the day-to-day operating environment and culture, and also in respect of medium to long-term growth for employees – personally, professionally and financially.

Employee development
Ashmore believes that constructive performance management is an essential tool in the effective management of its people and business. Ashmore ensures all employees are competent to undertake their roles, have access to training as it is required, and can demonstrate their continuing professional development.

The performance management cycle comprises setting objectives and an annual performance appraisal against those agreed objectives. Output from this performance process is used to assist with decisions on remuneration, career development and progression.

Diversity
Ashmore is committed to providing equal opportunities and seeks to ensure that its workforce reflects, as far as is practicable, the diversity of the many communities in which it operates. Ashmore employs over 32 different nationalities throughout the organisation. The gender balance is currently 68% male and 32% female.

It is the Group's policy to give appropriate consideration to applications from disabled persons, having regard to their particular aptitudes and abilities. For the purposes of training, career development and progression (including those who become disabled during the course of their employment) all are treated on equal terms with other employees. Ashmore operates a zero tolerance policy towards harassment and bullying and has a formal policy that documents the organisation's commitment to ensuring employees are treated with respect and dignity whilst at work.

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

Taxation
Ashmore is committed to paying tax in accordance with all relevant laws and regulations and complying with all fiscal obligations in the territories in which it operates. To facilitate this, the Group works to create and maintain transparent and open working relationships with all relevant tax authorities. Ashmore aims to maximise value for its shareholders and clients by managing its business in a tax efficient and transparent manner, within remit of applicable tax rules.

Financial crime
Ashmore is committed to minimising financial crime (including money laundering, bribery and corruption, fraud and market abuse). Ashmore has adopted risk-based policies and procedures on financial crime and is committed to ensuring that its customers' identification will be satisfactorily verified before a business relationship commences; this is ongoing throughout the course of the relationship.

Training is provided to all employees in relation to anti-money laundering and countering terrorist financing, including customer due diligence requirements and identifying money laundering, suspicious activity and financial crime.

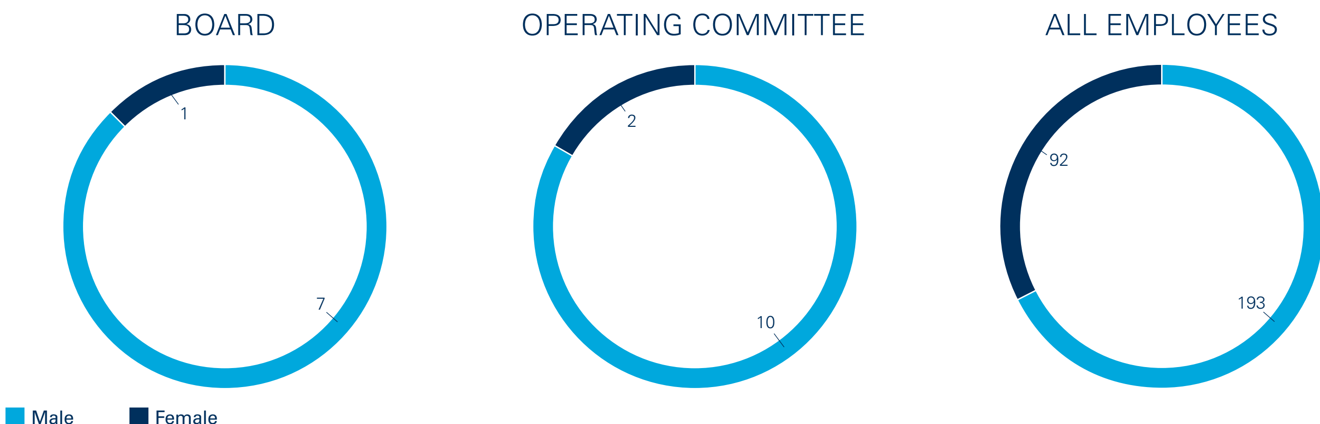
Ashmore has procedures in place to provide staff with a means of airing concerns about behaviour, wrongdoing or decisions that are perceived to be unethical. This can be done either directly or on a confidential basis ('whistleblowing procedures').

Health and safety
The health and welfare of employees is very important to the Group.

Ashmore promotes high standards of health and safety at work and has a comprehensive health and safety policy which is incorporated into the staff handbook and which highlights the Group's commitment to ensuring employees are provided with a safe and healthy working environment. In London, Ashmore carries out regular risk assessments of premises and provides staff with safety training including the provision of training to fire wardens and first aid representatives. Ashmore also engages external consultants to carry out regular health and safety and fire assessments in its London premises.

There have been no reportable accidents in the UK or overseas premises.

Gender diversity (number of employees)



Human rights

Ashmore supports the United Nations Universal Declaration of Human Rights.

Environment

As an investment manager, Ashmore has a limited direct impact upon the environment and there are few environmental risks associated with the Group's activities. Ashmore does not own any of the buildings where it occupies floorspace and invariably buildings in which it does have a lease are multi-tenanted and costs are apportioned to each tenant pro-rated according to occupancy. Ashmore's largest property occupancy is at its headquarters at 61 Aldwych, London, where it occupies a single floor of approximately 19,000 square feet in a nine-storey multi-tenanted building.

Electricity usage in London is separately monitored by floor with renewable energy accounting for 100% of supply. Energy efficient lighting is installed in the building with sensors which turn lights off when no movement is detected. The building has received an Energy Performance Certificate with an Asset Rating of 98.

Greenhouse Gas emissions reporting

Since 1 October 2013 all companies listed on the Main Market of the London Stock Exchange have had to report their Greenhouse Gas emissions (GHGs) in their annual report. Further details can be found in the Directors' report on pages 66 to 69.

Travel

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

Recycling

Ashmore has in place recycling programmes for waste paper, photocopier toners and other disposable materials. Ashmore seeks to minimise the use of paper as part of its clear desk policy and electronic scanning is actively encouraged. All printing is black and white and two-sided by default.

Ashmore is conscious of minimising its impact on the environment. For this reason, wherever possible Ashmore chooses paper stocks that have been sustainably sourced and which are Forest Stewardship Council (FSC) accredited (or equivalent) for its marketing materials and business stationery.

Ashmore provides obsolescent computers to Computer Aid International (Computer Aid), a UK registered charity that aims to reduce poverty through practical ICT solutions. Computer Aid sends these PCs to various projects across Africa and South America and furnishes Ashmore with details of where they are used. Any units that are not usable are disposed of in an environmentally friendly fashion.

UK Stewardship Code

Details on how, and the extent to which, Ashmore complies with the principles of the UK Stewardship Code are described separately on the Ashmore website at:

https://www.ashmoregroup.com/investor-relations/corporate-governance

By order of the Board

Michael Perman
Company Secretary

7 September 2015

The Ashmore Foundation: Making a positive difference

www.ashmorefoundation.org

2014-15 highlights

Governance

- Five new trustees recruited including one based in the United States
- Four new sub-committees established to support operational management
- Foundation Ambassadors appointed in all Ashmore offices globally

Grants

- New funding priorities developed
- Four new partnership grants awarded in India, Colombia, Brazil and Indonesia totalling US$419,048
- Six organisations supported to respond to four global emergencies in Sierra Leone, India and Nepal

Employee engagement

- 18 Ashmore employees took part in 2015 Challenge raising over £144,000
- Four Ashmore Foundation grant partner presentations to Ashmore employees

The Ashmore Foundation was established in January 2008 and seeks to make a positive and sustainable difference to disadvantaged communities in the Emerging Markets communities in which Ashmore operates and invests. To achieve this goal, the Ashmore Foundation aims to develop long-term relationships with locally based non-government organisations (NGOs).

The Ashmore Foundation is staffed by a full-time Director who is responsible for managing the Foundation's affairs. The board of trustees consists of nine Ashmore employees as well as one independent trustee. In addition to the board of trustees Ashmore employees engage in the governance of the Foundation through sub-committees to support fundraising, grant making, volunteering and communications. Ashmore also supports the Foundation's charitable activities through the provision of pro-bono office space, administrative support and a matched funding commitment for employee donations to the Ashmore Foundation.

The Ashmore Foundation is supported solely by Ashmore and its employees globally. Crucially, this support from employees extends beyond financial aid to active engagement in fundraising as well as providing a network of support which includes mentoring and helping NGOs expand their network of contacts.

Over the last year over 80 Ashmore employees have actively supported the Foundation, through fundraising, volunteering time to support the Foundation to meet its strategic objectives or mentoring NGO partners and their beneficiaries. In 2015, the Ashmore Challenge event saw 18 employees cycle from London to Paris in just three days, raising over £144,000 to support the Foundation's NGO partners.

The Ashmore Foundation's focus of work is designed in response to the fact that, despite economic growth in Emerging Markets, disadvantaged communities in many countries remain affected by poverty and lack access to basic services and opportunities that are both basic rights and could greatly improve their life situations. Moreover, a thriving civil sector is essential to democratic development in nascent and emerging nations.

Following a review of its funding priorities in 2014, the Ashmore Foundation focuses its support on programmes that aim to equip people with the skills and resources they need to generate an income that will enable them to meet their basic needs and that of their families and will also support economic growth and begin to address broader societal inequalities. This may range from literacy and numeracy to vocational training, life and leadership skills, or small and medium enterprise support and development.

The Ashmore Foundation currently has four priority countries (Colombia, India, Indonesia, and Turkey) based on the location of Ashmore offices and the existence of a strong civil sector and clear social needs on which the Ashmore Foundation can focus. Supporting locally based NGOs in Emerging Markets reflects Ashmore's desire to 'give back' to the countries that have contributed to its profitability, supporting empowerment and local capacity in Emerging Markets.

The Foundation seeks to develop long-term partnerships with civil society organisations and does not accept unsolicited applications, preferring to seek appropriate partnerships proactively. Civil society organisations typically receive between $20,000 and $50,000 per year over a two to three-year period. All proposals to the Ashmore Foundation undergo a rigorous assessment which is designed to review not only the proposed activities but the organisation as a whole – taking into consideration day-to-day management, governance, objectives and outcomes, resources and accountability. The level and depth of due diligence is proportionate to the size of the grant under consideration.

Since its inception in 2008, the Ashmore Foundation has developed strategic partnerships with a number of civil society organisations; adjacent are case studies from two organisations that the Foundation supported during the last year.

Investing locally

In addition to its main partnership grants programme, the Ashmore Foundation supports those communities in Emerging Market countries that require emergency assistance. Over the last year, the Foundation supported civil society organisations responding to the ebola crisis in Sierra Leone, floods in Jammu and Kashmir in India and the earthquake in Nepal.

The Ashmore Foundation also supports civil society organisations through funding partnerships with other foundations. These partnerships enable the Ashmore Foundation to bring its resources to bear in combination with the skills and expertise of other organisations to most effectively support civil society. The Ashmore Foundation has been active in establishing a network for UK based corporate foundations. The network aims to meet quarterly to share information and discuss a range of issues that impact efficiency and effectiveness within the sector.

FÚTBOL CON CORAZÓN

Supported since 2010
Total funding: US$405,059
Location: Barranquilla, Colombia

Young people in poor communities in Barranquilla are exposed to drugs, violence, gangs and sexual abuse. Without positive role models and a safe place to play, many children end up on the streets for long periods of the day, being recruited into gangs or paramilitary organisations. Fútbol con Corazón engages young people in an after school club with the use of football to teach participants about teamwork, conflict resolution and gender equality, as well as providing information on sexual and reproductive health and substance misuse.

Through Fútbol con Corazón's programme, young people have completed their schooling, have demonstrated a greater awareness of their rights and are actively making better life choices. Many of the young people that have participated in the Fútbol con Corazón programme go on to train as coaches, participate in delivering the programme and impact the lives of their peers.

LEND A HAND INDIA

Supported since 2013
Total funding: US$196,779
Location: Maharashtra, India

In rural India there remains a disconnect between learning in schools and the skills needed in life. Rote learning does not provide an opportunity for hands on learning and there remains a stigma attached to skills and vocational training. Lend a Hand India provides a two-year multi-skill job and life skills programme that is integrated into secondary education. Students learn 15 different skills using a curriculum that is approved by the state education board.

Through its programme, Lend a Hand India has seen a reduction in school absenteeism and an increase in enrolment in technical and vocational education. In addition, schools have been able to generate additional revenue through the sale of goods produced through the skills training.

Committed to the highest standards

The Hon. Michael Benson
Non-executive Chairman (Age 72)

Michael Benson was appointed to the Ashmore Group plc Board as Non-executive Chairman in July 2006. He is Chairman of the Company's Nominations Committee. Michael began his career in the City in 1963 and, after a series of senior positions in the investment management industry, was, from 2002 to March 2005, Chairman of Invesco and Vice Chairman of Amvescap plc. Prior to that he was CEO of Invesco Global (1997-2002). Michael is a Non-executive Director of Trinity Street Asset Management and is the director of the York Minster Fund.

Committee membership: N, R

Mark Coombs
Chief Executive Officer (Age 55)

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.

Tom Shippey
Group Finance Director (Age 41)

Tom Shippey was appointed to the Board as Group Finance Director in November 2013. He was previously Head of Corporate Development, in which capacity he was responsible for developing and implementing Ashmore's corporate strategy. Prior to joining Ashmore in 2007, he worked for UBS Investment Bank, including advising on the Ashmore IPO in 2006. Tom qualified as a Chartered Accountant with PricewaterhouseCoopers in 1999 and is a Fellow of the ICAEW. He has a BSc in International Business and German from Aston University.

Nick Land
Senior Independent Non-executive Director (Age 67)

Nick Land was appointed to the Board as Senior Independent Non-executive Director and Chairman of the Audit Committee in July 2006. He is a qualified accountant and was a partner of Ernst & Young LLP from 1978 to 2006 and its Chairman from 1995 to 2006. Nick is a Non-executive Director of BBA Aviation plc and Vodafone Group plc, a trustee of the Vodafone Group Foundation and a Board member of the Financial Reporting Council.

Committee membership: A, N, R

Simon Fraser
Non-executive Director (Age 56)

Simon Fraser joined the Board in February 2012. Simon has extensive experience of the fund management industry, having worked at Fidelity International from 1981 to 2008. At Fidelity he held a number of positions during his career, including President, European & UK Institutional Business, Global Chief Investment Officer, Chief Investment Officer for Asia Pacific and Chief Investment Officer of the European Investment Group. He is Chairman of Foreign & Colonial Investment Trust plc and The Merchants Trust plc, and a Non-executive Director of Fidelity European Values Plc. Simon was recently appointed as the first Chairman of the Investor Forum, which is being set up by the asset management industry.

Committee membership: A, N, R

Dame Anne Pringle DCMG
Non-executive Director (Age 60)

Anne Pringle joined the Board in February 2013. She has over 30 years' experience as a career diplomat with the Foreign and Commonwealth Office, focusing in particular on the EU, Russia and Eastern Europe. Between 2001 and 2004, Anne was the British Ambassador to the Czech Republic and from 2004 to 2007 Director of Strategy and Information at the FCO and a member of the FCO Board. From 2008 to 2011 she served as Ambassador to the Russian Federation. Anne is a Public Appointments Assessor, the Government's Special Representative on Deportation with Assurances, a member of the Foreign Secretary's advisory Locarno Group and a Non-executive Director on the Court of St Andrew's University.

Committee membership: R

David Bennett
Non-executive Director (Age 53)

David Bennett was appointed to the Board in October 2014. He was a Director of Alliance and Leicester plc between 2001 and 2008 serving as Group Finance Director and then Group Chief Executive until its sale to Santander in 2008. He has also held a number of executive positions in Abbey National plc, Cheltenham & Gloucester plc, Lloyds TSB Group and the National Bank of New Zealand. David is currently Non-executive Chairman of Homeserve Membership Ltd, and a Non-executive Director of Jerrold Holdings Limited and PayPal (Europe) SARL et Cie, S.C.A. He has also served as a Non-executive Director of easyJet plc between 2005 and 2014. David holds an MA in Economics from Cambridge University.

Committee membership: A

Peter Gibbs
Non-executive Director (Age 57)

Peter Gibbs was appointed to the Board in April 2015. Peter has spent his entire career working in the financial services industry. He was Chief Investment Officer and Head of Region for the non-US investment management activities of Merrill Lynch Investment Managers, having spent his early career at Brown Shipley and Bankers Trust as a portfolio manager. Since then he has held a number of non-executive positions including UK Financial Investments plc (the body responsible for the UK government's financial services investments), Evolution Group plc, Impax Asset Management Group plc and Friends Life Group Limited. He is currently a Non-executive Director of Aspect Capital Ltd, Intermediate Capital Group plc and the Bank of America Merrill Lynch (UK) Pension Plan Trustee Ltd.

Key to membership of committees
A – Audit and Risk
N – Nominations
R – Remuneration

Chairman's introduction

The Group has been in compliance with the UK Corporate Governance Code and its predecessor versions since Admission to listing on the London Stock Exchange on 17 October 2006, except where the Directors consider that in particular limited circumstances, departure may be justified and explained. No departures from the Code occurred during the year under review.

In September 2014 a further version of the Code (the 2014 Code) was issued effective for accounting periods beginning on or after 1 October 2014 which Ashmore will be adopting for the financial year ending 30 June 2016. References herein to 'the Code' are therefore to the 2012 version of the UK Corporate Governance Code.

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

Michael Benson
Chairman

Directors

The Board of Directors comprises two Executive Directors and six independent Non-executive Directors. The two Executive Directors are Mark Coombs, the Chief Executive Officer, and Tom Shippey, the Group Finance Director. The Independent Non-executive Directors are Michael Benson, Chairman; Nick Land, Senior Independent Director; Simon Fraser, Dame Anne Pringle, David Bennett and Peter Gibbs.
Melda Donnelly retired from the Board on 30 October 2014 and David Bennett was appointed on the same date, Peter Gibbs was appointed on 29 April 2015 and Charles Outhwaite resigned on 22 May 2015. With the exception of the changes described all other Directors served throughout the year.

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;
- internal capital adequacy assessment process;
- significant capital expenditure; and
- the effectiveness of risk management and internal control systems.

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 Code. The Board considers Michael Benson, Nick Land, Simon Fraser, Dame Anne Pringle, David Bennett and Peter Gibbs to be independent. Nick Land is the Senior Independent Director.

During the year under review the Group complied with the Code requirement that at least half of the Board consist of independent Directors (excluding the Chairman).

As required by new UK Listing Rules introduced in 2014, the Company entered into a relationship agreement with Mark Coombs, effective 1 July 2014. The Board confirms that the Company and Mark Coombs have entered into the relationship agreement required under UK Listing Rule 9.2.2AR(2)(a); and that: (i) the Company has complied with the independence provisions included in that agreement; (ii) so far as the Company is aware, Mark Coombs has complied with the independence provisions included in that agreement; and (iii) so far as the Company is aware, Mark Coombs has complied with the procurement obligation included in that agreement pursuant to UK Listing Rule 9.2.2BR(2)(a), in each case during the financial reporting period ending on 30 June 2015.

The Board meets a minimum of six times during the year to review financial performance and strategy and to follow the formal schedule of matters reserved for its decision. Comprehensive Board papers, comprising an agenda and formal reports and briefing papers, are sent to Directors in advance of each meeting. Throughout their period in office, Directors are continually updated by means of written and verbal reports from senior executives and external advisers on the Group's business, and the competitive and regulatory environments in which it operates, as well as on legal, compliance, corporate governance, corporate social responsibility and other relevant matters.

In addition to its formal business, the Board received a number of briefings and presentations from executive management during the year covering a wide range of topics across the range of the Group's business. All Directors have access to independent professional advice, if required, at the Company's expense, as well as to the advice and services of the Company Secretary. New Directors appointed to the Board will receive advice as to the legal and other duties and obligations arising from the role of a director of a UK listed company within a full, formal and tailored induction.

The Company Secretary, under the direction of the Chairman, is responsible for maintaining an adequate continuing education programme, reminding the Directors of their duties and obligations on a regular basis, ensuring good information flows between the Board, its committees and management and assisting with Directors' continuing professional development needs. The Company's Nominations Committee considers the appointment and replacement of Directors subject to the rules set out in the Articles, a summary of which is set out below.

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/herself 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.

The Directors to retire by rotation must be those who held office at the time of the two preceding Annual General Meetings and did not retire at either of them or those who have held office with the Company for a continuous period of nine years or more at the date of the Annual General Meeting. The office of Director shall be vacated in other circumstances, including where (i) that Director resigns or is asked to resign; (ii) they are or have been suffering from mental ill-health; (iii) they are absent without permission of the Board from meetings of the Board for six consecutive months; (iv) they become bankrupt or compound with their creditors generally; or (v) they are prohibited by law from being a Director.

Notwithstanding these provisions the Board has adopted provision B.7.1 of the Code and, with the exception of Michael Benson who will not be seeking re-election and who will retire from the Board at the conclusion of the meeting, all Directors will retire and seek re-election at the Annual General Meeting on 22 October 2015. The Listing Rules require that the election/re-election of independent directors be by a majority of votes cast by independent shareholders as well as by a majority of votes cast by all shareholders. These rules apply to the Ashmore Group plc Annual General Meeting that will be held on 22 October 2015.

Powers of the Directors

Subject to the Company's 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.

Biographical details of the Directors are given on page 42.

Annual performance evaluation

The Code recommends that the Board should undertake a formal annual evaluation of its own performance and that of its committees and individual Directors and that an externally facilitated evaluation should be undertaken at least once every three years. An independent externally facilitated evaluation was undertaken by Independent Audit (which has no connection with the Company) for the reporting year ended 30 June 2015. Individual meetings were held between each Director and the external facilitator in which issues and developments over the year were discussed and performance was considered by reference to the objectives of the Board and its committees. The facilitator from Independent Audit presented a detailed written report to the Board and highlighted a number of key strengths, including:

- the Board dynamics are positive and constructive
- the executives adopt an open and transparent approach to the Board
- there is both a clearly articulated strategy and risk appetite
- the Board's oversight of the governance, risk and compliance agenda is effective
- the Board brings strong focus on shareholder interests.

The review also highlighted areas where further improvements could be made and these were discussed by the Board together and a list of action points agreed.

The Board believes that, following the completion of the performance evaluation, the performance of the Chairman and the Directors continues to be effective and that they continue to demonstrate commitment to their roles.

Board committees

The Board has appointed Audit and Risk, Remuneration and Nominations Committees to assist in the execution of its duties.

All of these committees operate within written terms of reference, which are reviewed annually consistent with changes in legislation and best practice.

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.

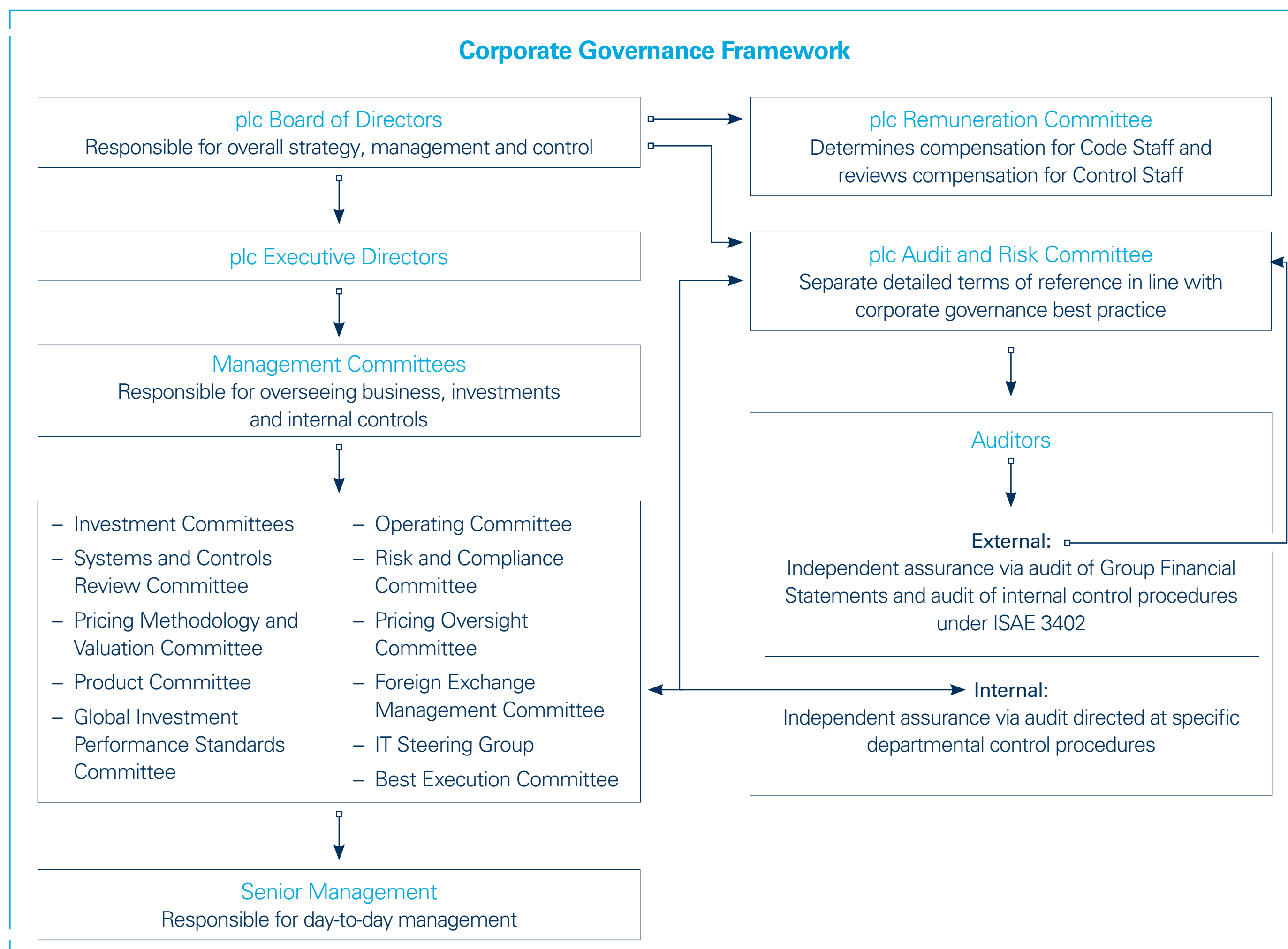
Board and committee attendance

The table below sets out the number of meetings of the Board and its committees and individual attendance by the Directors. Any Directors who are not members of Board committees are also invited to attend meetings of all such committees.

Board and committee attendance

	Board	Nominations Committee	Audit and Risk Committee	Remuneration Committee
Total number of meetings scheduled between 1 July 2014 and 2 July 2015	6	3	4	5
Michael Benson	100%	100%	–	100%
Mark Coombs[1]	100%	–	–	–
Tom Shippey[1]	100%	–	–	–
Nick Land	100%	100%	100%	100%
Melda Donnelly[2]	100%	100%	100%	–
Simon Fraser	100%	100%	100%	100%
Charles Outhwaite[3]	100%	–	100%	100%
Dame Anne Pringle	100%	–	–	100%
David Bennett[4]	100%	–	100%	–
Peter Gibbs[5]	100%	–	–	–

1. Members of executive management are invited to attend Board committee meetings as required but do not attend as members of those committees. The Group Finance Director attends all meetings of the Audit and Risk Committee.
2. Melda Donnelly retired from the Board on 30 October 2014.
3. Charles Outhwaite resigned on 22 May 2015.
4. David Bennett was appointed to the Board on 30 October 2014 and joined the Audit and Risk Committee on 1 July 2015.
5. Peter Gibbs was appointed to the Board on 29 April 2015.



Audit and risk committee report

I am pleased to submit the report on the activities of the Audit and Risk Committee for the financial year ended 30 June 2015.

Following the departure of Charles Outhwaite on 22 May 2015 we welcomed David Bennett as a member of the Committee on 1 July 2015. David has many years' experience in senior financial roles and his knowledge and expertise is greatly welcomed.

Nick Land
Committee Chairman

Activities

The Audit and Risk Committee met four times during the year. The activities of the Audit and Risk Committee are described on pages 47 and 48.

During the year under review the following Non-executive Directors served on the Audit and Risk Committee, the membership of which was compliant with the Code:

- Nick Land (Chairman)
- Melda Donnelly
- Charles Outhwaite
- Simon Fraser
- David Bennett

Melda Donnelly retired from the Committee on 30 October 2014 and Charles Outhwaite stepped down on 22 May 2015. David Bennett was appointed to the Audit and Risk Committee on 1 July 2015. All other members of the Audit and Risk Committee served throughout the year.

The Board is satisfied that for the year under review and thereafter Nick Land, Melda Donnelly, Simon Fraser, Charles Outhwaite and David Bennett had and have recent and relevant commercial and financial knowledge and experience to satisfy the provisions of the Code. Nick Land and Melda Donnelly are Chartered Accountants, Simon Fraser has previously served as Global Chief Investment Officer with Fidelity International, Charles Outhwaite is a corporate financier specialising in the investment management industry and David Bennett has served as Group Finance Director and the Group Chief Executive of Alliance and Leicester plc.

A report on the activities of the Audit and Risk Committee is set out below.

The terms of reference for the Audit and Risk Committee include:

- monitoring and challenging the integrity of the financial statements of the Company, any formal announcements relating to the Company's financial statements or performance and any significant financial issues and judgements contained in them;
- reviewing the contents of the Annual Report and Accounts and advising the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy;
- reviewing the effectiveness of the Group's internal control and risk management systems;
- overseeing and challenging the day-to-day risk management and oversight arrangements of the executive and the design and execution of stress and scenario testing;
- overseeing and challenging due diligence on risk issues relating to material transactions and strategic proposals that are subject to approval by the Board;
- considering and approving the remit of the internal audit and risk management functions and ensuring that they have adequate independence;
- monitoring and reviewing the scope, extent and effectiveness of the activities of the Internal audit function in the context of the Company's overall risk management systems;
- reviewing the external auditor's plan for the audit of the Group's financial statements, receiving and reviewing confirmations of auditor independence and approving the terms of engagement and proposed fees for the audit;
- reviewing and monitoring the effectiveness and quality of the external audit;
- reviewing the level and amount of external auditor non-audit services;
- making recommendations to the Board for a resolution to be put to shareholders to approve the reappointment of the external auditor;
- reviewing the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters;
- reviewing the Audit and Risk Committee's terms of reference, carrying out an annual performance evaluation exercise and noting the satisfactory operation of the Committee; and
- reporting to the Board on how it has discharged its responsibilities.

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

The Audit and Risk Committee also has responsibility for reviewing the Company's arrangements on whistleblowing, 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 Audit and Risk Committee has the authority to seek any information it requires to perform its duties from any employee of the Company and to obtain outside legal or other independent professional advice as appropriate.

The number of Audit and Risk Committee meetings and their attendance by the Directors are set out in the table on page 45. Representatives of KPMG LLP, the Group Finance Director, Group Head of Risk and Group Internal Auditor attend each meeting as a matter of practice and presentations are made by the executive management as required.

The principal activities of the Audit and Risk Committee through the year, and the manner in which it discharged its responsibilities, were as follows:

Meetings

The Audit and Risk Committee met four times in relation to the current financial reporting year as part of its standard process. Meetings of the Committee generally take place on the day prior to a Board meeting to maximise the efficiency of interaction with the Board. The Chairman of the Audit and Risk Committee reports to the Board, as part of a separate agenda item, on the activities of the Committee. All Non-executive Directors are invited to attend meetings of the Audit and Risk Committee.

The Chairman of the Audit and Risk Committee also meets on a regular basis, outside of scheduled committee meetings, with the Group Head of Internal Audit, the Group Head of Risk Management and Control, the Group Head of Compliance, the Group Finance Director and the external auditors.

Financial statements

The Audit and Risk Committee reviewed the FY2014/15 annual report, interim results, preliminary results and reports from the external auditor, KPMG LLP, on the outcome of its reviews and audits in 2015.

Significant accounting matters

During the year the Audit and Risk Committee considered key accounting issues, matters and judgements in relation to the Group's financial statements and disclosures relating to:

Classification of seed capital investments

Ashmore makes seed capital investments in funds that are managed by Group subsidiaries in order to support future third-party AuM growth. These investments can result in Ashmore becoming a controlling party in the funds. If at the time of investing in these funds Ashmore expects the period of control to be less than 12 months, the investments are classified as held-for-sale (HFS) and consolidated as HFS assets and liabilities rather than on a line-by-line basis. In determining whether the Group controls these funds, there are three factors which are taken into consideration, namely 1) whether Ashmore has power over the relevant activities of the funds; 2) whether Ashmore is exposed to variability of returns through fees and/or co-investments; and 3) the strength of the linkage between the power and the variable returns. The third factor is one of the key judgmental areas that KPMG focuses upon in its audit due to the potential risk that Ashmore has incorrectly assessed the strength of the linkage between the power and the variable returns. The accounting treatment for seed capital investments is addressed more fully in note 20 on pages 102 to 104 of the financial statements.

Impairment review of the carrying value of goodwill and intangible assets

As more fully explained in note 15 on page 97, the goodwill balance within the Group relates principally to the acquisition of Emerging Markets Management LLC (EMM) in May 2011. During the year ended 30 June 2015 the Committee reviewed the analyses performed by management on goodwill and intangibles and received a report from the external auditors and agreed that an impairment charge against the value of fund management relationships of £0.4m was appropriate.

Following the sale of one of the entities in the Everbright joint venture platform the Committee considered whether the net present value of the residue was higher than the carrying value and concluded that no impairment charge be made.

Share-based payments

It is the responsibility of the Remuneration Committee to address, and report upon, compensation matters including share-based payments made to Directors and employees of the Group. The Audit and Risk Committee considers these in its review of the financial statements and receives a report from the external auditor on the quantification and accounting treatment related to such payments, which are explained in note 10 to the financial statements.

Revenue rebates

During the year the Audit and Risk Committee received a management report from the external auditor regarding the processing of fee rebates and its treatment on revenue recognition. The method of accounting for revenue recognition is described more fully on page 86. The Audit and Risk Committee also received updates from management regarding the implementation of a new system to automate management fee rebate calculations. This system was a key focus for the external auditor and the Audit and Risk Committee received a management report regarding the controls surrounding the system as well as the processing of management fee rebate calculations and subsequent payments.

Future IFRS and UK GAAP developments

The Audit and Risk Committee has received a report from management and the auditor and discussed future accounting developments likely to affect the presentation of the Group's financial statements.

Other accounting matters

During the year, the Audit and Risk Committee received communications from management and from the external auditor on other accounting matters. The Committee has also reviewed the adoption of the going concern basis in preparing the interim and year end consolidated accounts.

UK Corporate Governance Code

A further version of the Code (the 2014 Code) was issued effective for accounting periods beginning on or after 1 October 2014, which Ashmore intends to adopt for the financial year ending 30 June 2016.

External auditor

The external auditor attends all meetings of the Audit and Risk Committee. It is the responsibility of the Committee to monitor the performance, objectivity and independence of the external auditor. The Audit and Risk Committee discusses and agrees the scope of the audit plan for the full year and the review plan for the interim statement with the auditor.

The external auditor provides reports at each committee meeting on topics such as the control environment, key accounting matters and mandatory communications. The Audit and Risk Committee also received a comprehensive presentation from the auditor demonstrating, to the Committee's satisfaction, how its independence and objectivity is maintained when providing non-audit services.

External auditor independence

The Audit and Risk Committee has agreed the types of permitted and non-permitted non-audit services and those which require explicit prior approval. All contracts for non-audit services in excess of £25,000 must be notified to the Chairman of the Audit and Risk Committee and approved by him.

During the year the value of non-audit services provided by KPMG LLP amounted to £0.5 million (FY2013/14: £0.4 million). Non-audit services as a proportion of total fees paid to the auditor amount to approximately 50%. The overall quantum of non-audit services is not considered to be significant given that Ashmore operates within a highly-regulated market and that a significant proportion of the non-audit services provided relate to the following matters:

- reporting on the half year financial statements;
- providing regular mandatory assurance reports to the FCA (as the regulator of Ashmore Investment Management Limited and Ashmore Investment Advisors Limited);
- the provision of certain tax compliance services;
- reporting on internal controls in Ashmore's offices in London, Washington D.C. and Singapore as required under ISAE 3402 pursuant to investment management industry standards; and
- auditing the controls and procedures employed by the Company relating to the production of investment performance figures over one, three and five-year periods to conform to the investment management industry's Global Investment Performance Standards.

The assurance provided by the Group external auditor on the items listed above is considered by the Audit and Risk Committee to be strictly necessary in the interests of the business and, by their nature, these services could not easily be provided by another professional auditing firm.

The provision of tax advisory services, due diligence/transaction services and litigation services may be permitted with the Audit and Risk 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. During the year there were no circumstances where KPMG LLP was engaged to provide services which might have led to a conflict of interests.

The Committee has considered the impact on the Company of EU legislation introduced in June 2014 which serves to reform the audit market within the EU. The areas considered were:

- Mandatory audit firm rotation is required after 20 years and a re-tender process every 10 years. KPMG has acted as the Group's auditors since the listing in 2006 and it is therefore the intention that KPMG will re-tender for the audit in relation to the year ending 30 June 2017.
- Restrictions on non-audit services: The new legislation restricts the non-audit services which can be provided by the auditor. Ashmore has reviewed the tax services currently provided by KPMG across the Group and concluded that, going forward, none of these services can be undertaken by KPMG on the basis of the prohibitions included in the legislation. Following a tender process Deloitte has been appointed to provide such independent tax advice services.
- Non-audit service fee limits: The legislation also imposes a fee cap of 70% of the average statutory audit fees paid in the last three consecutive years. This cap will enable KPMG to continue to undertake assurance, verification and reporting work in other permitted areas described above such as to the FCA, Global Investment Performance Standards and ISAE 3402.

From time to time during the year the Non-executive Directors met with the external and internal auditors without the Executive Directors being present so as to provide a forum to raise any matters of concern in confidence.

KPMG LLP (and its prior entity KPMG Audit plc) have acted as the auditor to the Company since the IPO in October 2006 and the lead audit partner rotates every five years to assure independence.

In order to assess the effectiveness of the external audit process the Audit and Risk Committee asked detailed questions of key members of management as well as considering the firm-wide audit quality inspection report issued by the FRC in May 2014 and KPMG's response to the findings inspection. Based on this review the Committee concurred with management's view that there had been appropriate focus and challenge of the primary areas of audit risk and assessed the quality of the audit to be satisfactory. Accordingly, the Audit and Risk Committee continues to be satisfied with the work of KPMG LLP and that it continues to remain objective and independent. The Committee has therefore recommended to the Board that a resolution be put to shareholders for the reappointment of the auditor, and its remuneration and terms of engagement, at the Annual General Meeting of the Company.

Internal controls and risk management systems

The Group Head of Risk Management and Control attends each meeting of the Committee and provides reports to each. These reports have addressed a number of risk-related topics and have demonstrated how the output of the different Investment, Risk and Compliance and Pricing and Valuation Methodology Committees' discussions throughout the period have been effective in highlighting, tracking and contributing towards managing key market, liquidity, credit, counterparty and operational risks. In particular, in relation to operational risk, the Audit and Risk Committee has also reviewed and discussed the Group's Principal Risk Matrix which continues to serve as an effective tool to highlight and monitor the principal risks facing the Group and its continued evolution, and reflects changes in the business profile of the Group and the corresponding impact on internal controls and related processes.

The Audit and Risk Committee also received an annual report on, and conducted a review and evaluation of, the system of internal controls and risk management operated within the Company pursuant to the Financial Reporting Council guidance, 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting', prior to final review by the Board.

Internal audit

The Audit and Risk Committee has received regular reports on the findings of the internal auditor and on the proposed programme of reviews. The Committee also received a comprehensive presentation from the internal auditor on effective internal audit in the financial services sector.

Cyber security

The Audit and Risk Committee has received reports and updates from the Ashmore IT Department on potential cyber security threats and how Ashmore would respond to a significant event.

Public funds' audits

The Audit and Risk Committee met with and received reports from the independent auditors of Ashmore's SICAV, US 40-Act and Guernsey public funds on the conduct of those audits and outcomes from them.

Audit and Risk Committee effectiveness

An independently facilitated review of the effectiveness of the Board, its committees and the Directors was conducted in accordance with provision B.6.2 of the Code. Following the review the members of the Committee have concluded that it is working effectively.

Nick Land
Chairman of the Audit and Risk Committee

7 September 2015

Nominations committee report

During the year the activities of the Nominations Committee have included reviewing the requirements for potential independent Non-executive candidates for appointment to the Board, proposals for re-election of Directors at the Annual General Meeting, and reviewing its terms of reference.

Michael Benson
Chairman

Activities

The Committee met three times during the year. The principal items considered at the meetings were the sourcing of new, and succession planning for, Non-executive Directors and the composition of existing Board committees.

During the year under review the Nominations Committee comprised the following Non-executive Directors and was fully compliant with the Code:

- Michael Benson (Chairman)
- Nick Land
- Melda Donnelly
- Simon Fraser

Melda Donnelly retired on 30 October 2014. All other members of the Nominations Committee served throughout the year.

The terms of reference for the Nominations Committee include:

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

The members of the Nomination Committee have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

During the year the activities of the Nominations Committee have included reviewing the requirements for potential independent Non-executive candidates for appointment to the Board, proposals for re-election of Directors at the Annual General Meeting, and reviewing its terms of reference. For the recent Board recruitments the Nominations Committee engaged Egon Zehnder, which has no connection to the Group.

The number of Nominations Committee meetings and their attendance by the Directors are set out in the table on page 45.

Michael Benson
Chairman

7 September 2015

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit and loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations.

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

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Michael Benson
Chairman

7 September 2015

Remuneration Committee Chairman's summary statement

Ashmore's remuneration structure has remained unchanged since the Company first listed, and is designed to align all employees with the long-term success of the business.

As regulations in relation to remuneration continue to develop, we see the remuneration structures and policies of other similar firms converging with the policies and practices Ashmore has had in place since listing, with significant levels of deferral, a clear link between performance and levels of remuneration and strong alignment of Executive Directors and employees with shareholders and clients through significant employee share ownership.

At the 2015 AGM the Company intends to renew its existing share plan, which comes to the end of its 10 year life in 2016, in order that Ashmore can continue with its current practices for the next period of the firm's development. The renewed share plan will remain substantially unchanged, whilst incorporating necessary updates as a result of changes to remuneration regulation which have arisen since 2006.

The Company intends to introduce additional performance conditions for awards made to Executive Directors under the share plan for the year ending 30 June 2016 and thereafter, in order to further align the remuneration of Executive Directors with the interests of shareholders. In addition to the existing relative TSR performance condition, the Company will introduce performance conditions relating to investment performance, growth in assets under management and profitability.

As shareholders will be aware, Ashmore has a 30 June year end, and as a result 2014 was the first year in which the Company was required to comply with the new regulations governing disclosure of Directors' remuneration, which the Company elected to adopt early in 2013. In 2014, the Directors' Remuneration Policy (DRP) was subject to a binding vote for the first time and the Annual Report on Remuneration (ARR) was subject to an advisory vote. The Remuneration Policy formally became effective from 30 October 2014.

Ashmore's successful team-based approach to investment management is well supported by its Remuneration Policy; Executive Directors, members of the investment team, and indeed all other employees, participate in a single capped incentive pool and employees are long-term shareholders in the business. Ashmore's Remuneration Policy has always been closely aligned to the long-term interests of both clients and shareholders. The policy includes:

- A capped basic salary to contain the fixed cost base;
- A cap on the total variable compensation including any awards made under the Company's share plan, available for all employees at 25% of profits, which has yet to be fully utilised; and
- A deferral for five years of a substantial portion of variable compensation into Company shares (or equivalent), which, in the case of Executive Directors is also subject to additional performance conditions measured over five years.

As described in detail in other sections of the annual report, AuM declined by 21% and average AuM declined by 12% as a result of net outflows of US$9.5 billion, negative investment performance of US$6.0 billion, and a disposal of US$0.6 billion. Investment performance remains good with 60% and 81% of AuM outperforming benchmarks over three years and five years, respectively.

Higher performance fees and disciplined control of operating costs resulted in adjusted EBITDA of £176.7 milllion, a decline of 9% compared with the prior year, and a stable adjusted EBITDA margin of 67%. A stronger US dollar against Sterling delivered a foreign exchange translation gain versus a loss in the prior year, and means that profit before tax increased by 6%.

This performance is reflected in the variable compensation received by employees, including the Executive Directors, for the year under review, with variable compensation as a percentage of earnings before variable compensation, interest and tax (VC/EBVCIT) being 18.5% (FY 2013/14: 20%).

Annual bonuses for Executive Directors were increased relative to the prior year.

The Directors' Remuneration Policy, which was approved by shareholders on 30 October 2014, is set out in the first section of the report.

The Remuneration Committee would welcome your support for the Directors' Remuneration report.

Yours sincerely

Simon Fraser
Chairman of the Remuneration Committee

Activities

The members of the Remuneration Committee have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively, and met five times during the year. The Directors' Remuneration Policy and Annual Report on Remuneration on pages 53 to 65 describe the various matters which have been the principal areas of focus for the Remuneration Committee in FY2014/15.

During the year under review the Remuneration Committee comprised the following Non-executive Directors and was fully compliant with the Code:

- Simon Fraser (Chairman)
- Michael Benson
- Nick Land
- Dame Anne Pringle
- Charles Outhwaite

Charles Outhwaite stepped down from the Remuneration Committee on 22 May 2015. All other members of the Remuneration Committee served throughout the year.

Directors' remuneration policy

The terms of reference for the Remuneration Committee include:

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

The number of Remuneration Committee meetings and their attendance by the Directors are set out in the table on page 45. In addition, and in accordance with the terms of reference, the members of the Remuneration Committee were also consulted on a range of issues during the year, including specific matters related to recruitment.

This section of the Remuneration report has been prepared in accordance with Part 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. It sets out the Remuneration Policy for the Company. The Policy has been developed taking into account the principles of the UK Corporate Governance Code 2014 and shareholders' executive remuneration guidelines. The Policy was approved by a binding shareholder vote in 2014.

Policy overview

The Remuneration Committee determines and agrees with the Board, the Company's policy on the remuneration of the Board Chairman, Executive Directors and other members of executive management including employees designated as Code Staff under the FCA's Remuneration Code. The Remuneration Committee's terms of reference are available on the Company's website.

In determining the Remuneration Policy, the Remuneration Committee takes into account the following:

- the need to encourage and promote the long-term success of the Company;
- the need to attract, retain and motivate talented Executive Directors and senior management;
- consistency with the remuneration principles applied to Ashmore employees as a whole;
- external comparisons to examine current market trends and practices and equivalent roles in similar companies taking into account their size, business complexity, international scope and relative performance; and
- the requirements of the Remuneration Code of the UK financial services regulator.

How the views of shareholders are taken into account

The Remuneration Committee regularly compares the Company's Remuneration Policy with shareholder guidelines, and takes account of the results of shareholder votes on remuneration.

If material changes to the Remuneration Policy are contemplated, the Remuneration Committee Chairman consults with major shareholders about these in advance.

Details of votes cast to approve the Directors' Remuneration Policy and last year's Annual Report on Remuneration are provided in the Annual Report on Remuneration section of this report.

Considerations elsewhere in the Company

The Company applies a consistent remuneration philosophy for employees at all levels.

The cap on base salary means that Executive Directors' base salaries are set at a similar level to other senior investment and professional employees in the Company, and the base salary range from lowest to highest in the Company is considerably narrower than the market norm.

All employees are eligible for a performance-related annual bonus, and the principle of bonus deferral into Company shares or equivalent applies to annual bonuses for all employees who have at least one full year's service. Rates of pension contribution and fringe benefit provisions are consistent between executives and other employees within each country where the Company operates.

The Company does not operate formal employee consultation on remuneration. However, employees are able to provide direct feedback on the Company's Remuneration Policy to their line managers or the Human Resources department. The Remuneration Committee monitors the effectiveness of the Company's Remuneration Policy in recruiting, retaining, engaging and motivating employees, and receives reports from the Chief Executive Officer on how the Company's remuneration policies are viewed by employees and whether they are meeting business needs.

The Remuneration Committee does not seek to apply fixed ratios between the total remuneration levels of different roles in the Company, as this would prevent it from recruiting and retaining the necessary talent in a highly competitive employment market. However, the base salary multiple between highest and lowest paid UK-based employees in the Company is less than 4x (pre-tax).

Policy table

The table overleaf summarises the key aspects of the Company's Remuneration Policy for Executive Directors, which is effective from 30 October 2014.

Figure 1
Remuneration Policy (the Policy) for Executive Directors

BASE SALARY (Fixed pay)

PURPOSE AND LINK TO SHORT AND LONG-TERM STRATEGY
Provides a level of fixed remuneration sufficient to permit a zero bonus payment should that be appropriate. The cap on base salary helps to contain fixed costs.

OPERATION, PERFORMANCE MEASURES AND PERIODS, DEFERRAL AND CLAWBACK
Base salaries are capped.

MAXIMUM OPPORTUNITY
The current cap is £120,000.

The cap is reviewed periodically; the Policy permits the cap to be changed if this is deemed necessary to meet business, legislative or regulatory requirements.

FRINGE BENEFITS (Fixed pay)

PURPOSE AND LINK TO SHORT AND LONG-TERM STRATEGY
Provide cost-effective benefits, to support the wellbeing of employees.

OPERATION, PERFORMANCE MEASURES AND PERIODS, DEFERRAL AND CLAWBACK
The Company currently provides fringe benefits such as medical insurance and life insurance. In the event of relocation of an executive, the Company could consider appropriate relocation assistance. Specific benefits provision may be subject to minor change from time to time, within the Policy.

MAXIMUM OPPORTUNITY
Fringe benefits are not subject to a specific cap, but represent only a small percentage of total remuneration.

PENSION (Fixed pay)

PURPOSE AND LINK TO SHORT AND LONG-TERM STRATEGY
Provides a basic level of Company contribution, which employees can supplement with their contributions.

OPERATION, PERFORMANCE MEASURES AND PERIODS, DEFERRAL AND CLAWBACK
Company contributions are made, normally on a defined contribution basis, either to a pension plan or in the form of an equivalent cash allowance.

MAXIMUM OPPORTUNITY
The current level of Company contribution increased on 1 January 2015 from 7% to 9% of base salary, with a further matching contribution of up to 1% of base salary should the Executive Director make a personal contribution of an equivalent amount. The contribution level is reviewed periodically; the Policy permits the contribution rate to be amended if necessary to reflect trends in market practice.

VARIABLE COMPENSATION (Discretionary)

PURPOSE AND LINK TO SHORT AND LONG-TERM STRATEGY

Rewards performance and aligns executives closely with other shareholders.

OPERATION, PERFORMANCE MEASURES AND PERIODS, DEFERRAL AND CLAWBACK

Executive Directors are considered each year for a discretionary variable pay award depending on personal and Company performance, by applying a range of performance indicators such as growth in AuM, investment performance, profits, and strategic and operational achievements. The variable pay award comprises a cash bonus (part of which may be voluntarily deferred) and a long-term incentive in the form of both a Restricted Share award and a Matching Share award on any voluntarily deferred cash bonus.

1. Cash bonus (60% of total award)

The executive may voluntarily commute up to half of the cash bonus in return for the same value in a Bonus Shares award (or Phantom equivalent) deferred for five years. The deferred shares are eligible for Matching Shares (or Phantom equivalent) vesting after five years subject to conditions (see 3. opposite).

Long-term incentives under the Company Executive Omnibus Incentive Plan (Omnibus Plan)

2. Restricted Shares award (40% of total award)

This is compulsorily deferred into Company shares (or Phantom equivalent) for a period of five years and does not qualify for matching. Half of this deferred portion is subject to additional performance conditions on vesting. The policy permits the Committee to set suitable performance conditions for each award.

The performance condition for the most recent award was relative total shareholder return (TSR) measured against an asset management peer group, measured over five years. None of the award vests below median TSR; 25% of the award vests at median; 100% vests at upper quartile (straight-line proportionate vesting between median and upper quartile).

3. Matching Shares awarded on the voluntarily commuted cash bonus (from 1. above)

Matching is provided on the voluntarily commuted cash bonus, subject to the same performance condition on half of the matching award as that described in 2. above. The maximum match used to date on any award made under the current policy was one-for-one; the policy permits the matching level to be changed for future awards but not to exceed three-for-one. Dividends or dividend equivalents on deferred Bonus Share (or Phantom equivalent) awards and on the portion of Restricted Share and Matching Share awards that are not subject to a performance condition vesting after five years will be paid out in line with the Company's dividend payment schedule. Dividends or dividend equivalents on the portion of Restricted and Matching Share (or Phantom equivalent) awards which are subject to a performance condition will be accrued and paid out at the time the award vests and to the extent of vesting. For any awards made to a Director prior to their appointment as a Director, the dividend or dividend equivalent payments are made on share awards in full, under previous commitments made to participants.

In addition to the TSR condition described above, 'clawback' can be applied to the long-term incentive components during the five-year deferral period, if performance has been materially misstated or there is gross misconduct.

The Remuneration Policy permits the award of deferred remuneration in alternative forms such as share options, although none have been granted in recent years, and to vary the percentage split of award between cash and share awards to meet business, legislative or regulatory requirements.

MAXIMUM OPPORTUNITY

The aggregate variable compensation pool for all employees, including executives, is capped, currently at 25% of earnings before variable compensation, interest and tax (EBVCIT). The policy permits the Remuneration Committee to vary this cap if necessary to meet business needs.

The policy is to cap the aggregate sum available for variable compensation rather than to cap individual variable compensation awards, as the capping of individuals is not market practice for most of the Company's peer group.

The high proportion of variable compensation deferral, with vesting after five years and subject in part to ongoing performance conditions, encourages a prudent approach to risk management, in support of the Company's risk and compliance controls.

Differences in Remuneration Policy for Executive Directors compared to other employees

The Remuneration Policy for the Executive Directors is generally consistent with that for employees across the Company as a whole. However, there are some differences which the Remuneration Committee believes are necessary to reflect the different responsibilities of employees across the Company. Below Executive Director level, whilst the same five-year deferral policy applies, share awards are not subject to an additional performance condition.

External Non-executive Director positions

Executive Directors are permitted to serve as Non-executive Directors of other companies where there is no competition with the Company's business activities and where these duties do not interfere with the individual's ability to perform his duties for the Company. Tom Shippey holds two external appointments with companies limited by guarantee having social and charitable purposes respectively. Save as aforesaid Executive Directors do not presently hold any external appointments with any non Ashmore-related companies.

> Where an outside appointment is accepted in furtherance of the Company's business, any fees received are remitted to the Company. If the appointment is not connected to the Company's business, the Executive Director is entitled to retain any fees received.

Approach to remuneration for new Executive Director appointments

The remuneration package for an externally recruited new Executive Director would be set in accordance with the terms and maximum levels of the Company's approved Remuneration Policy in force at the time of appointment.

In addition, the Remuneration Committee may offer additional cash and/or share-based elements to take account of any remuneration relinquished when leaving the former employer when it considers these to be in the best interests of the Company (and therefore shareholders). In considering any such payments the Committee would take account of the nature, vesting dates and any performance requirements attached to the relinquished remuneration. For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted if necessary to take into account the appointment.

For external and internal appointments, the Company may meet certain relocation expenses as appropriate.

Service contracts and loss of office payment policy

Service contracts normally continue until the Executive Director's agreed retirement date or such other date as the parties agree. The service contracts contain provisions for early termination. Notice periods are limited to 12 months by either party. Service agreements contain no contractual entitlement to receive variable pay; participation in these arrangements is at the Remuneration Committee's discretion. The Executive Directors' service contracts are available for inspection at the Company's registered office during normal business hours.

If the employing company terminates the employment of an Executive Director without giving the period of notice required under the contract, the Executive Director would be entitled to claim recompense for up to one year's remuneration subject to consideration of the obligation to mitigate the loss. Such recompense is expected to be limited to base salary due for any unexpired notice period; any amount assessed by the Remuneration Committee as representing the value of other contractual benefits, and pension which would have been received during the period. In the event of a change of control of the Company there is no enhancement to these terms.

In summary, the contractual provisions are as follows:

Provision	Detailed terms
Notice period	12 months
Termination payment in the event of termination by the Company without due notice	Base salary plus value of benefits (including pension) paid monthly and subject to mitigation
Change of control	Same terms as above on termination

Any outstanding share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. The default treatment is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, disability, retirement or other circumstances at the discretion of the Remuneration Committee (taking into account the individual's performance and the reasons for their departure), 'good leaver' status can be applied.

An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

Incentive plan discretions

The Remuneration Committee will operate the current share plans in accordance with their respective rules and the policy set out above, and in accordance with the Listing Rules and relevant legislation or regulation. As is consistent with market practice, the Remuneration Committee retains discretion over a number of areas relating to operating and administrating these plans. These include (but are not limited to) the following:

- Who participates in the plans;
- The timing of the grant of an award and/or payment;
- The size of an award and/or a payment within the plan limits approved by shareholders;
- The choice of (and adjustment of) performance measures and targets in accordance with the policy set out above and the rules of each plan (including the treatment of delisted companies for the purpose of the TSR comparator group);
- Discretion relating to the measurement of performance in the event of a change of control or reconstruction;
- Determination of a good leaver (in addition to any specified categories) for incentive plan purposes, based on the rules of each plan and the appropriate treatment under the plan rules; and
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, special dividends and on a change of control).

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration. As appropriate, it might also be the subject of consultation with the Company's major shareholders.

Legacy arrangements

For the avoidance of doubt, this Policy includes authority for the Company to honour any commitments entered into with current or former Directors that have been disclosed to shareholders in previous Remuneration Reports. Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

Reward scenarios

The Company's Policy results in the majority of the remuneration received by the Executive Directors being dependent on Company performance.

As noted earlier, the policy is not to cap individual awards, but rather the aggregate pool. As such it is not possible to demonstrate minimum, target and maximum remuneration levels. In lieu of this, the minimum (fixed) remuneration is illustrated in Figure 2, which provides an indication of the potential range of total remuneration using the highest and lowest variable pay awards in a rolling five-year period and assuming full vesting, five years later, of the long-term incentive components based on upper quartile TSR.

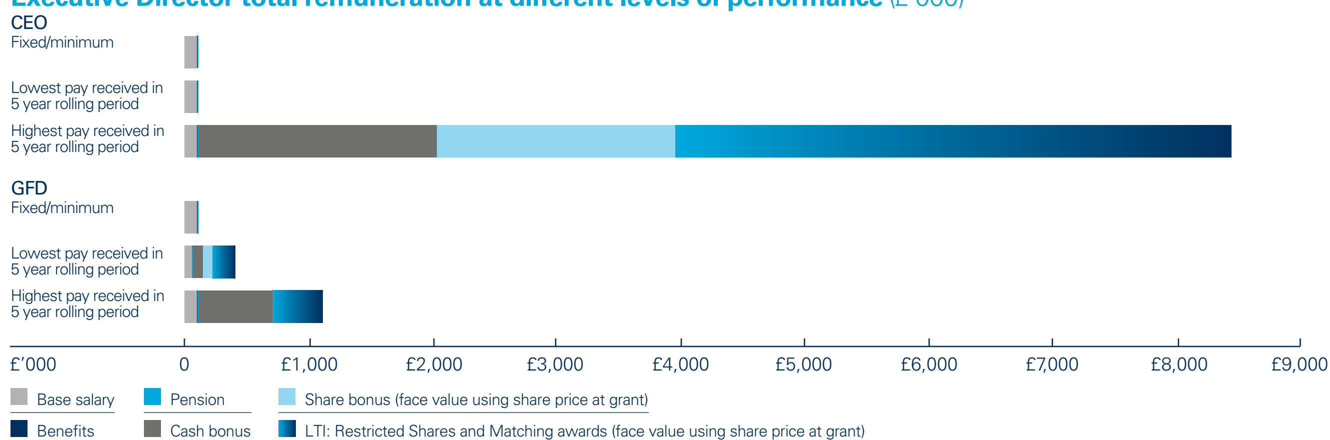
Non-executive Directors are engaged under letters of appointment and do not have contracts of service. They are appointed for an initial three-year period, subject to annual shareholder re-election. Their continued engagement is subject to the requirements of the Company's Articles relating to the retirement of Directors by rotation. The letters of appointment are available for inspection at the Company's registered office during normal business hours.

Compliance with the Remuneration Code

The Remuneration Committee regularly reviews its Remuneration Policy's compliance with the principles of the Remuneration Code of the UK financial services regulator, as applicable to Ashmore. The Remuneration Policy is designed to be consistent with the prudent management of risk, and the sustained, long-term performance of the Company.

Figure 2

Executive Director total remuneration at different levels of performance (£'000)



Notes: The lowest pay received data reflects partial prior year comparison data for the Group Finance Director as he was appointed part way through the year ending 30 June 2014. The highest pay received data for the Group Finance Director is for the year ending 30 June 2015 and is shown prior to any election to commute cash bonus for Bonus and Matching Shares.

Figure 3

Fees policy for the Board Chairman and other Non-executive Directors

Element	Purpose and link to strategy	Operation	Maximum
Board Chairman fee	To pay an all-inclusive basic fee that takes account of the role and responsibilities	The Board Chairman is paid a single fee for all his responsibilities. The level of the fee is reviewed periodically by the Committee, with reference to market levels in comparably sized FTSE companies, and a recommendation is then made to the Board (without the Chairman being present)	The overall fees payable to Non-executive Directors will remain within the limit stated in the Articles of Association, currently £750,000 The current level of fees is disclosed in the Annual Report on Remuneration
Non-executive Director fees	To pay an all-inclusive basic fee that takes account of the role and responsibilities	The Non-executives are paid a single inclusive basic fee. There are no supplements for Committee Chairmanships or memberships. The fee levels are reviewed periodically by the Chairman and Executive Directors	The overall fees payable to Non-executive Directors will remain within the limit stated in the Articles of Association, currently £750,000 The current level of fees is disclosed in the Annual Report on Remuneration

This part of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and 9.8.6R of the Listing Rules.

Figure 4

Remuneration for the year ending 30 June 2015 – *audited information*

The table below sets out the remuneration received by the Directors in the year ending 30 June 2015.

	Salary and fees		Taxable benefits[1]		Pensions	
	2015	2014	**2015**	2014	**2015**	2014
Executive Directors						
Mark Coombs[3, 4, 5, 6]	**100,000**	100,000	**2,088**	2,634	**8,000**	7,000
Tom Shippey[4, 6, 7, 8]	**100,000**	58,333	**2,088**	1,537	**8,500**	4,083
Non-executive Directors						
Hon. Michael Benson	**150,000**	150,000	**–**	–	**–**	–
Nick Land	**100,000**	86,667	**–**	–	**–**	–
David Bennett[8]	**40,000**	–	**–**	–	**–**	–
Melda Donnelly[9]	**20,000**	60,000	**–**	–	**–**	–
Simon Fraser	**60,000**	60,000	**–**	–	**–**	–
Peter Gibbs[10]	**10,000**	–	**–**	–	**–**	–
Charles Outhwaite[11]	**55,000**	60,000	**–**	–	**–**	–
Dame Anne Pringle DCMG	**60,000**	60,000	**–**	–	**–**	–

1. Benefits for Executive Directors include membership of the Company medical scheme.
2. Long-term incentives vesting relates to awards with performance conditions where the performance period has ended in the relevant financial year and payments of dividends or dividend equivalents on such awards.
3. In respect of the year ended 30 June 2015, Mark Coombs waived any eligibility for, and any right or expectation to receive a cash bonus of up to £435,000, which has been excluded from the figure in the table. The waived amount is to be used by the Company for the general benefit of employees. Had he not waived this amount, then Mark Coombs cash bonus would have been £1,800,000.
4. Mark Coombs' and Tom Shippey's variable compensation is made up of 60% cash bonus and 40% deferred Restricted Share or Restricted Phantom Share awards. They may commute up to 50% of their cash bonus in favour of an equivalent amount of Bonus Share or Phantom Bonus Share awards and an equivalent value in Matching Share or Phantom Matching Share awards. All Share or Phantom Share awards will be reported in the Directors' Share and Phantom Share award tables in the year of grant. Tom Shippey chose to commute 50% of his cash bonus in 2014 for an equivalent amount of Bonus Share awards.

Total bonus award for the year ending 30 June 2015

Chief Executive Officer (CEO) and Group Finance Director (GFD) performance measures

The decision regarding the bonus award for the year under review for the CEO was based on annual performance against financial objectives (75%) and achievement of non-financial, business development and management objectives (25%).

The bonus award for the GFD was based on his performance against operational objectives related to the departments he manages (45%), management of subsidiary business activities outside the UK, including joint ventures (20%), corporate development and contribution to business strategy (20%) and investor relations and communication with stakeholders (15%). The performance criteria and performance outcomes for both the CEO and the GFD, as assessed by the Committee, are shown in the table opposite.

As described in detail in other sections of the annual report, while average AuM declined 12%, higher performance fees and disciplined control of operating costs delivered adjusted EBITDA of £176.7 million, a reduction of 9% compared with the prior year, and a stable adjusted EBITDA margin of 67%. Investment performance remains good, and profit before tax increased 6% with the benefit of a stronger US dollar against Sterling.

The Remuneration Committee ensures that there is a clear relationship between the Group's performance and the remuneration of the CEO and GFD.

For additional information, Figure 6 shows the history of financial results for the last five years.

	Cash bonus		Voluntarily deferred share bonus		Total bonus		Long-term incentives vesting[2]		Total for year ending 30 June 2015	Total for year ending 30 June 2014
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	1,365,000	–	**–**	–	**1,365,000**	–	**462,159**	452,386	**1,937,247**	562,020
	600,000	78,750	**–**	78,750	**600,000**	157,500	**118,674**	132,186	**829,262**	353,639
	–	–	**–**	–	**–**	–	**–**	–	**150,000**	150,000
	–	–	**–**	–	**–**	–	**–**	–	**100,000**	86,667
	–	–	**–**	–	**–**	–	**–**	–	**40,000**	–
	–	–	**–**	–	**–**	–	**–**	–	**20,000**	60,000
	–	–	**–**	–	**–**	–	**–**	–	**60,000**	60,000
	–	–	**–**	–	**–**	–	**–**	–	**10,000**	–
	–	–	**–**	–	**–**	–	**–**	–	**55,000**	60,000
	–	–	**–**	–	**–**	–	**–**	–	**60,000**	60,000

5. In respect of deferred Share awards which have been waived to charity, any dividend equivalents associated with the amounts waived are paid directly to the nominated charities. The figures shown exclude the amounts waived.
6. Dividend equivalents were paid relating to voluntarily deferred Share or Phantom Share awards in the period.
7. Tom Shippey was appointed as Group Finance Director on 25 November 2013. 2014 figures shown above relate to the period since his appointment.
8. David Bennett was appointed to the Board on 30 October 2014.
9. Melda Donnelly retired from the Board on 30 October 2014.
10. Peter Gibbs was appointed to the Board on 29 April 2015.
11. Charles Outhwaite resigned from the Board on 22 May 2015.

Figure 5

CEO and GFD performance measures[1]

Executive Director	KPI	Areas considered within KPI	Weighting	Committee assessment
CEO	Business financial performance	To achieve higher than budgeted EBIT (minus performance fees), to achieve higher than budgeted growth in AuM and to effectively manage investment performance to deliver consistent growth relative to each unblended investment theme	75%	Satisfactory performance in respect of EBIT and investment performance. AuM below target
CEO	Non-financial management performance	Strategy development and implementation, recruitment, staff turnover and succession planning and regulatory and compliance adherence	25%	Strong performance
GFD	Management of departments	Department performance assessed for Finance, Corporate Development, Investor Relations, Company Secretarial and Facilities	45%	Strong performance
GFD	Management of subsidiary business activities outside the UK, including joint ventures	Local asset management business growth and development of profitability and scale, integration of offices and effectiveness of joint venture relationships	20%	Substantial development in respect of the majority of activities
GFD	Corporate development and contribution to business strategy	Contribution to the development and implementation of strategic goals and increasing value for shareholders	20%	Satisfactory performance
GFD	Investor relations and communication	Broadening the shareholder base and communicating effectively with external parties, the Board and all other relevant stakeholders	15%	Good performance

1. Detailed targets and achievement against these are not included due to commercial sensitivities.

Figure 6
Five-year summary of financial results

	2015	2014	2013	2012	2011
AuM US$bn (at period end)	**58.9**	75.0	77.4	63.7	65.8
Operating profit	**181.0**	171.3	232.0	225.1	239.4

Figure 7
Long-term incentive awards made during the year ended 30 June 2015 – audited information

Name	Type of award	No. of shares	Date of award	Share price on date of award (£)	Face value (£)	Face value (% of salary)	Performance period end date
Tom Shippey	Restricted Shares	33,981	30 September 2014	£3.0900	£105,001	105%	29 September 2019
Tom Shippey	Matching Shares	25,486	30 September 2014	£3.0900	£78,752	79%	29 September 2019

1. Mark Coombs did not receive a long-term incentive award in the performance period.

Long-term incentive scheme interests awarded during the year ended 30 June 2015
Figure 7 provides details of the long-term incentive awards that were made during the year. These represent the mandatory deferral of 40% of the Executive Directors' bonus award for the year ended 30 June 2014 into Restricted Shares, and the Matching Award on the voluntarily commuted portion of cash bonus in respect of the year ended 30 June 2014.

Both the Restricted and Matching Share awards vest on the fifth anniversary of the award date, to the extent that the TSR performance condition is met. TSR is measured relative to an asset management peer group. The TSR vesting scale and peer group are shown in Figures 8 and 9 respectively. TSR is a well-established and recognised performance measure, which aligns the interests of the Executive Directors with those of shareholders. A comparator group of 18 companies has been selected from the global investment management sector. The Committee reviews the peer group periodically to take account of de-listings, new listings or other sector changes that are relevant.

Performance and vesting outcome for the Group Finance Director's 2009 LTIP which vested during 2014
During the period, shares awarded to Tom Shippey in 2009 reached their vesting date. On the vesting date all Bonus, Restricted and Matching shares vested. These awards were not subject to the TSR performance measure as they were awarded prior to his appointment as an Executive Director.

Figure 8
TSR vesting scale

Performance	% of award vesting
Below median of peer group	Zero
Median	25%
Upper quartile	100% (linear interpolation between median and upper quartile)

Figure 9
TSR peer group

Company	Country of listing	Company	Country of listing
Aberdeen Asset Management	UK	Franklin Templeton	USA
Affiliated Managers	USA	Henderson Group	UK
AGF	Canada	Invesco	USA
Alliance Bernstein	USA	Janus Capital	USA
Azimut Holding	Italy	Partners Group Holdings	Switzerland
Blackrock	USA	Schroders	UK
CI Financial Income Fund	Canada	SEI Investments	USA
Eaton Vance	USA	T Rowe Price	USA
Federated Investors	USA	Waddell and Reed	USA

Outstanding share awards

The table below sets out details of Executive Directors' outstanding share awards.

Figure 10
Outstanding share awards – audited information

Executive	Type of Omnibus award	Date of award	Market price on date of award	Number of shares at 30 June 2014	Granted during year	Vested during year	Lapsed during year	Number of shares at 30 June 2015	Performance period	Vesting/release date
Mark Coombs	RS[1]	29 October 2010	£3.1724	617,829	–	–	–	617,829	5 years	21 September 2015
	RBS[1]	29 October 2010	£3.1724	463,371	–	–	–	463,371	5 years	21 September 2015
	RMS[1]	29 October 2010	£3.1724	463,371	–	–	–	463,371	5 years	21 September 2015
	RS[1]	20 September 2011	£3.9392	649,878	–	–	–	649,878	5 years	19 September 2016
	RBS[1]	20 September 2011	£3.9392	487,409	–	–	–	487,409	5 years	19 September 2016
	RMS[1]	20 September 2011	£3.9392	487,409	–	–	–	487,409	5 years	19 September 2016
	RS	18 September 2012	£3.2926	328,009	–	–	–	328,009	5 years	17 September 2017
	RBS[1]	18 September 2012	£3.2926	246,007	–	–	–	246,007	5 years	17 September 2017
	RMS[1]	18 September 2012	£3.2926	246,007	–	–	–	246,007	5 years	17 September 2017
	RS	17 September 2013	£3.8340	422,536	–	–	–	422,536	5 years	16 September 2018
	BS	17 September 2013	£3.8340	316,902	–	–	–	316,902	5 years	16 September 2018
	MS	17 September 2013	£3.8340	316,902	–	–	–	316,902	5 years	16 September 2018
Total				**5,045,630**	**–**	**–**	**–**	**5,045,630**		

Figure 10 continued

Outstanding share awards – audited information continued

Executive	Type of Omnibus award	Date of award	Market price on date of award	Number of shares at 30 June 2014	Granted during year	Vested during year	Lapsed during year	Number of shares at 30 June 2015	Performance period	Vesting/release date
Tom Shippey	NDRS	15 October 2009	£2.7342	58,518	–	58,518	–	–	5 years	15 October 2014
	NDBS	15 October 2009	£2.7342	43,889	–	43,889	–	–	5 years	15 October 2014
	NDMS	15 October 2009	£2.7342	43,889	–	43,889	–	–	5 years	15 October 2014
	NDRS	21 September 2010	£3.1724	78,805	–	–	–	78,805	5 years	21 September 2015
	NDBS	21 September 2010	£3.1724	59,104	–	–	–	59,104	5 years	21 September 2015
	NDMS	21 September 2010	£3.1724	59,104	–	–	–	59,104	5 years	21 September 2015
	NDRS	20 September 2011	£3.9392	215,780	–	–	–	215,780	5 years	19 September 2016
	NDRS	18 September 2012	£3.2926	78,965	–	–	–	78,965	5 years	17 September 2017
	NDBS	18 September 2012	£3.2926	59,224	–	–	–	59,224	5 years	17 September 2017
	NDMS	18 September 2012	£3.2926	59,224	–	–	–	59,224	5 years	17 September 2017
	NDRS	17 September 2013	£3.8340	70,423	–	–	–	70,423	5 years	16 September 2018
	NDBS	17 September 2013	£3.8340	52,817	–	–	–	52,817	5 years	16 September 2018
	NDMS	17 September 2013	£3.8340	52,817	–	–	–	52,817	5 years	16 September 2018
	RS	30 September 2014	£3.0900	–	58,253	–	–	58,253	5 years	29 September 2019
	BS	30 September 2014	£3.0900	–	43,690	–	–	43,690	5 years	29 September 2019
	MS	30 September 2014	£3.0900	–	43,690	–	–	43,690	5 years	29 September 2019
Total				**932,559**	**145,633**	**146,296**		**931,896**		

1. Mark Coombs elected to convert his existing Phantom Restricted Share awards, Phantom Bonus Share and Phantom Matching Share awards on the same terms into Restricted Share awards, Restricted Bonus Shares awards and Restricted Matching Share awards on 24 and 30 March 2015.
2. In view of Mark Coombs' substantial existing shareholding, and taking account of the requirements of the Takeover Code, the Remuneration Committee elected until 2012 to make Phantom Share awards to Mark Coombs, which have the same terms as Restricted Shares and Matching Shares but are settled in cash. In respect of the years ending 30 June 2010, 30 June 2011, 30 June 2012 and 30 June 2013, Mark Coombs chose to waive 30%, 20%, 10% and 10% respectively of any element of his potential variable remuneration award in return for the Remuneration Committee considering and approving a contribution to charity or charities nominated by himself. The 'Number of shares at 30 June 2014', 'Granted during year' and 'Number of shares at 30 June 2015' figures are shown excluding the amounts waived. On the vesting/release date any shares waived to charity will vest to them to the extent that any relevant performance conditions have been satisfied.

Key

RS – Restricted Shares
BS – Bonus Shares
MS – Matching Shares
RBS – Restricted Bonus Shares
RMS – Restricted Matching Shares
NDRS – Restricted Shares awarded whilst not a Director
NDBS – Bonus Shares awarded whilst not a Director
NDMS – Matching Shares awarded whilst not a Director

The Company's obligations under its employee share plans can be met by newly issued shares in the Company, or shares purchased in the market by the trustees of the Employee Benefit Trust (EBT). As detailed in the financial statements, the EBT continues to make market purchases of shares to satisfy awards.

The overall limits on new issuance operated under the existing share plans were established on the listing of the Company in 2006. Under these agreed limits, the number of shares which may be issued in aggregate under employee share plans of the Company over any 10 year period following the date of the Company's Admission in 2006 is limited to 15% of the Company's issued share capital. As at 30 June 2015, the Company had 5.24% of the Company's issued share capital outstanding under employee share plans to its staff. All of these awards have been satisfied by the acquisition of shares in the market, thus none of the Company's obligations under its employee share plans have been met by newly issued shares.

Defined benefit pension entitlements

None of the Directors has any entitlements under Company defined benefit pension plans.

Directors' shareholding and share interests

Details of the Directors' interests in shares are shown in the table below. Although there is no formal shareholding requirement, the Executive Directors have substantial interests in Company shares.

Figure 11

Share interests of Directors and connected persons at 30 June 2015 – audited information

	Beneficially owned	Outstanding Restricted and Matching Share awards[1]	Outstanding voluntarily deferred Bonus Share awards	Total interest in shares
Executive Directors				
Mark Coombs [2]	286,574,200	3,531,941	1,513,689	291,619,830
Tom Shippey [3]	130,000	717,061	214,835	1,061,896
Non-executive Directors				
The Hon. Michael Benson	29,000	–	–	29,000
Nick Land	43,000	–	–	43,000
David Bennett	10,000	–	–	10,000
Melda Donnelly [4]	20,000	–	–	20,000
Simon Fraser	25,000	–	–	25,000
Peter Gibbs	–	–	–	–
Charles Outhwaite [5]	46,000	–	–	46,000
Dame Anne Pringle DCMG	3,377	–	–	3,377

1. Outstanding Restricted Shares and Matching Shares are subject to performance conditions.
2. Restricted and Matching Share awards made to Tom Shippey prior to his appointment as a Director are not subject to performance conditions.
3. Save as described above there have been no other changes in the shareholdings of the Directors between 30 June and 7 September 2015. The Directors are permitted to hold their shares as collateral for loans with the express permission of the Board. Tom Shippey and his connected persons have granted security over 130,000 Ashmore Group plc shares as part of a pre-existing credit facility.
4. The table shows the number of shares held by Melda Donnelly at the point she retired from the Board on 30 October 2014.
5. The table shows the number of shares held by Charles Outhwaite at the point he retired from the Board on 22 May 2015.

Percentage change in the remuneration of the Chief Executive Officer

Figure 12

Comparison of percentage change in salary, benefits and annual bonus

	2014 to 2015 % change
Chief Executive base salary	0%
Relevant comparator employees' base salary	2%
Chief Executive taxable benefits	-21%
Relevant comparator employees' average taxable benefits	-21%
Chief Executive annual bonus	N/A
Relevant comparator employees' average annual bonus	36%

Figure 12 compares the percentage change from 2014 to 2015 in remuneration elements for the Chief Executive with the average year-on-year change across relevant comparator employees as a whole. Relevant employees are full-time employees of Ashmore Group who have been employed throughout the full performance year. Figures do not include amounts of cash waived to charity. The Chief Executive did not receive a bonus during the prior period.

Performance chart

Figure 13 shows the Company's TSR performance (with dividends reinvested) against the performance of the relevant indices for the last six years. Each point at a financial year end is calculated using an average total shareholder return value over the month of June (i.e. 1 June to 30 June inclusive). As the chart indicates, £100 invested in Ashmore on 30 June 2009 was worth £199.50 six years later, compared with £193.00 for the same investment in the FTSE 100 index, and £280.40 for the same investment in the FTSE 250 index.

Figure 13

Total return performance chart to 30 June 2015

Source: Thomson Reuters

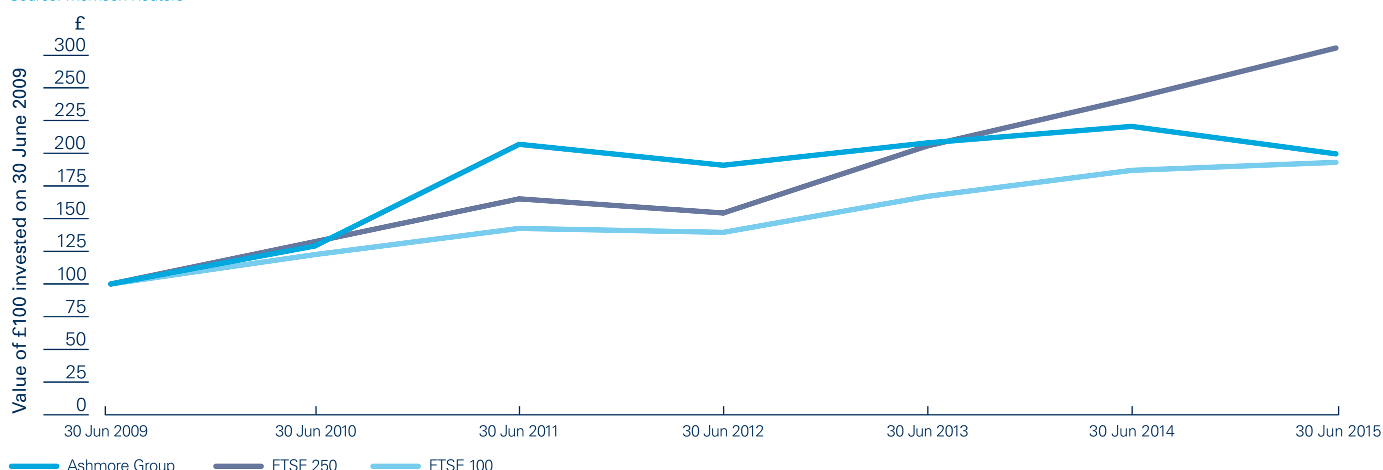


Figure 14 shows the total remuneration figure for the Chief Executive Officer during each of the financial years shown in the TSR chart. The total remuneration figure includes the annual bonus and LTI awards which vested based on performance in those years. As there is no cap on the maximum individual bonus award, a percentage of maximum annual bonus is not shown.

Figure 14

Chief Executive – audited information

Year ended 30 June	Salary	Benefits	Pension[5]	Annual bonus[1,2]	Performance-related Restricted and Matching Phantom Shares vested[3]	Percentage of Restricted and Matching Phantom Shares vested[4]	Total
2015	£100,000	£2,088	£8,000	£1,365,000	£462,159	N/A	£1,937,247
2014	£100,000	£2,634	£7,000	£0	£452,386	N/A	£562,020
2013	£100,000	£2,698	£7,000	£2,430,000	£421,668	N/A	£2,961,366
2012	£100,000	£2,832	£7,000	£1,620,000	£323,677	N/A	£2,053,509
2011	£100,000	£2,023	£7,000	£3,840,000	£145,962	N/A	£4,094,985
2010	£100,000	£1,689	£7,000	£2,940,000	£0	N/A	£3,048,689
2009	£100,000	£1,636	£7,000	£0	£0	N/A	£108,636

1. Figures do not include amounts of cash, voluntarily deferred Bonus Shares or Phantom Bonus Shares or dividend equivalents waived to charity. Voluntarily deferred Bonus Shares or Phantom Bonus Shares which are waived to charity will result in a cash payment to the charity, on the vesting date, of a sum equivalent to the market value of the number of waived Bonus Shares or Phantom Bonus Shares vesting on that date. During the restricted period the charity will receive any dividends or dividend equivalents associated with any waived Bonus or Phantom Bonus Shares awarded prior to 2013.
2. In respect of the year ended 30 June 2015, Mark Coombs waived any eligibility for, and any right or expectation to receive a cash bonus of up to £435,000, which has been excluded from the figure in the table. The waived amount is to be used by the Company for the general benefit of employees. Had he not waived this amount, then Mark Coomb's cash bonus would have been £1,800,000.
3. Mark Coombs' variable compensation is made up of 60% cash bonus and 40% deferred Restricted Share or Phantom Restricted Share awards. He may commute up to 50% of his cash bonus in favour of an equivalent amount of Bonus Share or Phantom Bonus Share awards which then attract an equivalent value in Matching Share or Phantom Matching Share awards. All awards will be reported in the Directors' Share and Phantom Share award tables in the year of grant. Mark Coombs received dividend equivalents related to his Share or Phantom Share awards granted for years prior to 2013.
4. No performance-related Restricted and Matching or Phantom Share equivalent awards have vested during the periods shown. The sums shown relate to dividends or dividend equivalents paid on Share or Phantom Share awards.
5. Mark Coombs receives a cash allowance of equivalent value in lieu of pension contributions.

Figure 15 shows the relative movement in profits, total staff costs and dividends to shareholders, year-on-year.

Figure 15
Relative importance of spend on pay

Metric	2015	2014	2014 to 2015 % change
Remuneration paid to or receivable by all employees of the Group (i.e. accounting cost)	**65.7**	64.1	2%
Average headcount	**293**	290	1%
Distributions to shareholders (dividends and/or share buybacks)	**114.0**	112.5	1%

Statement on implementation of Remuneration Policy in the year commencing 1 July 2015
The Remuneration Committee intends to continue to apply broadly the same metrics and weightings to annual variable remuneration in the year ending 30 June 2016.

For long-term incentive awards (Restricted Shares, Matching Shares and their Phantom equivalents), the Remuneration Committee intends to continue to apply the existing relative TSR performance condition policy as used the previous year, subject to any changes to the peer group that may be necessary to take account of de-listings, new listings or other sector changes that are relevant. In addition to this, three new performance conditions will be introduced with the aim of further aligning the remuneration of Executive Directors with shareholders. These will relate to investment performance, assets under management and profitability. Further details will be provided in the annual report for the year ending 30 June 2016.

Membership of the Remuneration Committee
The members of the Remuneration Committee are listed in the table below. All of these are independent Non-executive Directors, as defined under the Corporate Governance Code, with the exception of the Company Chairman who was independent on his appointment.

Remuneration Committee attendance

	Percentage of meetings attended out of potential maximum
Nick Land	100%
Simon Fraser	100%
The Hon. Michael Benson	100%
Dame Anne Pringle DCMG	100%
Charles Outhwaite	100%

Charles Outhwaite attended all Committee meetings prior to his resignation as a Director on 22 May 2015.

The Company's CEO attends the meeting by invitation and assists the Remuneration Committee in its deliberations, except when his personal remuneration is discussed. No Directors are involved in deciding their own remuneration. The Company Secretary acts as Secretary to the Remuneration Committee. Other executives may be invited to attend as the Remuneration Committee requests.

External advisers
The Remuneration Committee received independent advice from New Bridge Street (NBS) consultants throughout the period from 1 July 2014 to 30 June 2015. NBS abides by the Remuneration Consultants' Code of Conduct, which requires it to provide objective and impartial advice. NBS' fees for the year ending 30 June 2015 were £49,099. The Company participates in the McLagan Partners compensation survey from which relevant data is provided to the Remuneration Committee. Neither of the above provide other services to the Company.

Statement of shareholder voting
At last year's AGM, the Directors' Remuneration Policy received the following votes from shareholders:

Figure 16
Shareholder voting – Remuneration Policy

	2014 AGM resolution to approve the Remuneration Policy	% of votes cast
Votes cast in favour	469,111,535	82.25%
Votes cast against	101,266,631	17.75%
Total votes cast	570,378,166	100.00%
Abstentions	3,697,611	N/A

At last year's AGM, the Directors' Remuneration Report received the following votes from shareholders:

Figure 17
Shareholder voting – Remuneration Report

	2014 AGM resolution to approve the Directors' Remuneration Report for the year ended 30 June 2014	% of votes cast
Votes cast in favour	567,980,844	98.98%
Votes cast against	5,848,874	1.02%
Total votes cast	573,829,718	100.00%
Abstentions	246,059	N/A

Approval
This Directors' Remuneration report including both the Directors' Remuneration Policy and the Annual Report on remuneration have been approved by the Board of Directors.

Signed on behalf of the Board of Directors.

Simon Fraser
Chairman of the Remuneration Committee

7 September 2015

The Directors present their annual report and financial statements for the year ended 30 June 2015.

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

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 2015 and of the position of the Group at the end of that financial year and a description of the principal risks and uncertainties facing the Group (referred to as the Business review). The information that fulfils the requirements of the Business review can be found in the financial highlights on the inside front cover, the Chief Executive Officer's report on pages 13 to 17, the Business review on pages 24 to 29 and the Corporate governance report on pages 43 to 50.

The principal risks facing the business are detailed on pages 32 to 35 and in the Corporate governance report on pages 43 to 50.

Results and dividends

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 73.

The Directors recommend a final dividend of 12.1 pence per share (2014: 12.00 pence) which, together with the interim dividend of 4.55 pence per share (2014: 4.45 pence) already declared, makes a total for the year ended 30 June 2015 of 16.65 pence per share (2014: 16.45 pence). Details of the interim dividend payment are set out in note 14 to the financial statements.

Subject to approval at the Annual General Meeting, the final dividend will be paid on 4 December 2015 to shareholders on the register on 6 November 2015 (the ex-dividend date being 5 November 2015).

Related party transactions

Details of related party transactions are set out in note 29 to the financial statements.

Post-balance sheet events

As set out in note 32 to the financial statements there were no post-balance sheet events that required adjustment or disclosure herein.

Directors

The members of the Board together with biographical details are shown on page 42. All members of the Board served as Directors throughout the year.

Details of the service contracts of the current Directors are described in the Directors' remuneration policy on page 56.

Details of the constitution and powers of the Board and its committees are set out in the Corporate governance report on pages 43 to 50. The Corporate governance report also summarises the Company's rules concerning appointment and replacement of Directors.

Board diversity

The Board has noted the recommendations of the Davies Report issued in February 2011 relating to Board diversity. The Nominations Committee considers diversity, including the balance of skills, experience, gender and nationality, amongst many other factors, when reviewing the appointment of new Directors but does not consider it appropriate to establish targets or quotas in this regard. The Board currently consists of two Executive and six Non-executive Directors of whom one is female.

The Nominations Committee from time to time engages the services of an external search consultant for the purpose of seeking new candidates for Board membership, conditional upon such consultant having no connection to the Company.

Insurance and indemnification of Directors

Directors' and officers' liability insurance is maintained by the Company for all Directors. To the extent permissible by law, the Articles of Association also permit the Company to indemnify Directors and former Directors against any liability incurred whilst serving in such capacity.

Directors' conflicts of interests

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

Tom Shippey holds two external appointments with companies limited by guarantee having social and charitable purposes respectively. Save as aforesaid, Executive Directors do not presently hold any external appointments with any non Ashmore-related companies.

Directors' share interests

The interests of Directors in the Company's shares are shown on page 63 within the Annual report on remuneration.

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

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

Resolution 18 in the Notice of Annual General Meeting will seek approval from shareholders to a waiver of the provisions of Rule 9 of the Takeover Code in respect of the obligation that could arise for Mark Coombs to make a mandatory offer for the Company in the event that the Company exercises the authority to make market purchases of its own shares. Further details are contained in the separate Notice of AGM.

Substantial shareholdings

The Company has been notified of the following significant interests in accordance with the Financial Conduct Authority's (FCA) Disclosure and Transparency Rules (other than those of the Directors which are disclosed separately on page 63) in the Company's ordinary shares of 0.01 pence each as set out in the table below.

Substantial shareholdings (disclosed in accordance with DTR5)

	Number of voting rights disclosed as at 30 June 2015	Percentage interests[2]	Number of voting rights disclosed as at 7 September 2015	Percentage interests[3]
Jerome Paul Booth	**31,488,677**	4.45	Below 3 per cent	
Carey Pensions and Benefits Limited as Trustees of the Ashmore 2004 Employee Benefit Trust[1]	**35,824,935**	5.06	**35,824,935**	5.06
Schroders plc	**33,175,432**	4.69	**33,175,432**	4.69
Allianz Global Investors GmbH	**35,784,393**	5.05	**35,784,393**	5.05
UBS Group AG	**27,178,994**	3.84	**28,622,963**	4.04
Artemis Investment Management LLP	**35,595,360**	5.03	**35,595,360**	5.03

1. In addition to the interests in the Company's ordinary shares referred to above, each Director and 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 (EBT). The voting rights disclosed for the EBT in this table reflect the last notification made to the Company in accordance with DTR5. The actual number of shares held by the EBT at 30 June 2015 is disclosed in note 23 on page 109 of the accounts.
2. The shareholding of Mark Coombs, a Director and substantial shareholder, is disclosed separately on page 63.
3. Percentage interests are based upon 707,372,473 shares in issue (which excludes 5,368,331 shares held in Treasury) (2014: 707,372,473 shares in issue which excluded 5,368,331 in Treasury).

Relations with shareholders

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

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

The 2015 Annual General Meeting will be attended by all Directors, and the Chairmen of the Audit and Risk, Nominations and Remuneration Committees will be available to answer questions. Private investors are encouraged to attend the Annual General Meeting.

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

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

Share capital

The Company has a single class of share capital which is divided into ordinary shares of 0.01 pence, each of which rank pari passu in respect of participation and voting rights. The shares are in registered form. The issued share capital of the Company at 30 June 2015 is 712,740,804 shares in issue (of which 5,368,331 shares are held in Treasury).

Details of the structure of and changes in share capital are set out in note 22 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

In the year under review the Company did not purchase any of its own shares for Treasury. The Company is, until the date of the next Annual General Meeting, generally and unconditionally authorised to buy back up to 35,368,623 of its own issued shares. The Company retains a total of 5,368,331 shares for Treasury which were acquired at an average price of 129 pence per share. The Company is seeking a renewal of the share buyback authority at the 2015 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 £23,579.08 (and £47,158.16 in connection with an offer by way of a rights issue).

A further authority has been granted to the Directors to allot the Company's shares for cash, up to a maximum nominal amount of £3,556.58,without regard to the pre-emption provisions of the Companies Acts. No such shares have been issued or allotted under these authorities, nor is there any current intention to do so, other than to satisfy outstanding obligations under the employee share schemes where necessary.

These authorities are valid until the date of the next Annual General Meeting. A resolution for the renewal of such authorities will be proposed at the 2015 Annual General Meeting.

Employees

Details of the Company's employment practices (including the employment of disabled persons) can be found in the Ashmore CSR Report on pages 36 to 41.

Carey Pensions and Benefits Limited as trustee of the Ashmore 2004 Employee Benefit Trust has discretion as to the exercise of voting rights over shares which it holds in respect of unallocated shares, namely those shares in which no employee beneficial interests exist.

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 UK Corporate Governance Code, and to state how its principles have been applied. A report on corporate governance and compliance with the provisions of the Code is set out on pages 43 to 50.

Mandatory greenhouse gas emissions reporting

Since 1 October 2013 all companies listed on the Main Market of the London Stock Exchange have been required to report their Scope 1 and 2 Greenhouse Gas emissions (GHGs) in their annual report.

Operational control methodology

Ashmore has adopted the operational control method of reporting which includes those entities over which Ashmore has operational control. The emissions reported below are for the 12 offices around the world where Ashmore exercised direct operational control throughout the year. These office emissions are those which are considered material to Ashmore. All data has been collected and analysed in line with the GHG Protocol Corporate Accounting and Reporting Standard. Defra's UK and international 2015 emission factors have been applied.

Emission scopes

Mandatory GHG reporting requires emissions associated with Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity, heating and cooling) to be reported[1]. It is not obligatory to report Scope 3 (indirect emissions from the inputs and outputs to the main business activity – i.e. supply chain and consumer/end user-related emissions). However, for completeness, Ashmore will continue to report on some Scope 3 emissions in order to offer a wider picture to stakeholders and investors.

Exclusions

Whilst every effort has been made to collect full and consistent data from all international offices, in some cases information was not available. The following approaches were therefore taken to account for this.

- Saudi Arabia is a new office and data was not currently available for most sources of emissions, consequently it has not been possible to benchmark as no data was available for water, electricity, gas or refrigerants.

Ashmore's emissions by scope

Scope	Source	Tonnes CO_2e 2012/13	Absolute totals Tonnes CO_2e 2012/13	Tonnes CO_2e 2013/14	Absolute totals Tonnes CO_2e 2013/14	**Tonnes CO_2e 2014/15**	**Absolute totals Tonnes CO_2e 2014/15**
Scope 1	Natural gas	46.9	53.1	54.1	55.5	**37.4**	**39.7**
Scope 1	Refrigerants	6.2		1.4		**2.3**	
Scope 2	Electricity	542.5	542.5	512.0	512.0	**432.5**	**432.5**
Scope 3	Air travel	2,098.8		2,132.5		**1528.3**	
Scope 3	Water	5.3	2,105.0	5.6	2,139.2	**4.2**	**1,533.2**
Scope 3	Waste	0.9		1.2		**0.7**	
Total			2,700.7		2,706.7		**2,005.4**

1. Scope 1 emissions relate to gas combustion and refrigerant usage.
   Scope 2 emissions relate to purchased electricity.
   Scope 3 emissions relate to water usage, air travel and office waste.
2. http://www.ghgprotocol.org/
3. All emissions factors have been selected from the emissions conversion factors published annually by Defra: https://www.gov.uk/measuring-and-reporting-environmental-impacts-guidance-for-businesses
4. The data inputs and outputs have been independently reviewed by Ricardo-AEA Ltd.
5. FTE 2012/13 = 276 employees; FTE 2013/14 = 283 employees. FTE 2014/15 = 278 employees

- A number of offices provided data for the whole building and in such cases the total floor area of the building and the floor area occupied by the Ashmore Group to create a ratio has been used and the total emissions apportioned.
- Where possible, missing data was pro-rated, where less than 12 months' data was available or, where no country data was available, 2013/14 data was used instead.
- Missing water data was estimated using a per-head average consumption figure, calculated from the offices which provided data.
- For US-NY water consumption the same methodology as last year has been used.
- Where offices were not able to provide any waste data for their buildings it was not deemed appropriate to estimate their waste data, due to the uncertainties surrounding the varying nature of building sizes, modes of working and cities' waste disposal infrastructure amongst other factors. It has also not been possible to convert data supplied in litres, as density of the waste is unknown and necessary to make this calculation.
- For Brazil, 2012/13 waste data was used as no current waste data in acceptable units (kg or US tonnes) was available. The data provided in litres indicated a 50% reduction in the amount of non-recyclable and recyclable waste and a reduction factor of 50% to the 2012/13 data has been applied to capture the improvements made in this office.
- New York office electricity consumption was provided in US dollars, an average cost per kWh was used to estimate the total kWh consumption.

Methodology

Ashmore Group has used a customised tool, developed by Ricardo-AEA Ltd, to undertake the emissions calculations.

The data inputs and outputs have been reviewed by Ricardo-AEA Ltd. on behalf of Ashmore Group.

Ashmore Group's emissions

Air travel accounts for the greatest amount of overall emissions (1,528 tonnes CO_2e or 76%). Around 22% of Ashmore Group's emissions come from purchased electricity across the business (433 tonnes CO_2e). Waste, water and refrigerants (based on the data available) account for the lowest levels of emissions.

Emissions per full-time employee

	Tonnes CO_2e/employee		
	2012/13	2013/14	**2014/15**
Scope 1	0.2	0.2	**0.1**
Scope 2	2.0	1.8	**1.6**
Scope 3	7.6	7.6	**5.5**
Total	9.8	9.6	**7.2**

Emissions have also been calculated using an 'intensity metric', which enables Ashmore Group to monitor how well it is controlling emissions on an annual basis, independent of fluctuations in the levels of its activity. As Ashmore Group is a 'people' business, the most suitable metric is 'emissions per full-time equivalent (FTE) employee'. Ashmore Group's emissions per person are shown in the table. Based on available data, tonnes of CO_2e emitted per employee have fallen substantially since last year.

Charitable and political contributions

During the year, the Group made charitable donations of £0.1 million (FY2013/2014: £0.1 million). The work of the Ashmore Foundation is described in the corporate social responsibility section of this report on pages 40 to 41. 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 2015, the amount owed to the Group's trade creditors in the UK represented approximately 19 days' average purchases from suppliers (FY2013/14: 21 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 himself or herself 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 LLP as auditor and to authorise the Directors to agree their remuneration. Note 11 to the financial statements sets out details of the auditor's remuneration.

2015 Annual General Meeting

The 2015 Annual General Meeting of the Company will be held at 12.00 noon on Thursday 22 October 2015 at Kingsway Hall Hotel, 66 Great Queen Street, London WC2B 5BX. Details of the resolutions to be proposed at the Annual General Meeting are given in the separate circular and notice of meeting.

Going concern

The Company and Group have considerable financial resources and the Directors believe that both are well placed to manage their business risks successfully. Further information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position is set out on pages 13 to 35.

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 66 to 69 inclusive has been drawn up and presented in accordance with and in reliance on English company law and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

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

Approved by the Board and signed on its behalf by:

Michael Perman
Company Secretary

7 September 2015

Opinions and conclusions arising from our audit

Our opinion on the financial statements is unmodified

We have audited the financial statements of Ashmore Group plc (Group) for the year ended 30 June 2015 set out on pages 73 to 118. In our opinion:

– the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2015 and of the Group's profit for the year then ended;
– the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
– the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
– the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards to the Group financial statements, Article 4 of the IAS Regulation.

Our assessment of risks of material misstatement

We summarise below the risks of material misstatement that had the greatest effect on our audit, our key audit procedures to address those risks and our findings from those procedures in order that the Group's members as a body may better understand the process by which we arrived at our audit opinion. Our findings are the results of procedures undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and consequently are incidental to that opinion, and we do not express discrete opinions on separate elements of the financial statements.

Management fee rebates (£40.5 million)

Refer to pages 46 to 49 (Audit and Risk Committee report) and page 86 (accounting policy) and note 6 of the financial statements disclosures.

– The risk – individual investment management agreements include bespoke complex rebate calculations and these calculations are subject to periodic alterations which increases the risk of error in the determination of net revenue. This is one of the key areas that our audit is concentrated on because of the need to keep the data used for these calculations up to date and to ensure that the calculations are performed in accordance with the relevant agreements. The Group uses a system to automate the calculation for a majority of management fee rebates.

  Our response in terms of rate accuracy:

– We evaluated controls around ensuring the fee rebate rates used are accurate and up to date. The Directors have a process whereby the rebate rates are maintained on a separate table that is reviewed and approved by three teams: legal, distribution and finance. We assessed the controls by evaluating the approval process. For a selection of months, we assessed the operating effectiveness of the control by inspecting the approvals. We also agreed a selection of the rebate rates on the table to the original investment management agreements.
– For calculations performed outside of the system, we agreed the rates used to the table for a selection of calculations, in order to determine that the rates in the table were used in the calculation.
– For calculations performed on the system, the rates used for calculations are input to the system from the table by a member of the legal team and approved by authorised members in the finance and distribution teams. We tested the reviewing controls around the change of the rebate rates from the table to the system on a sample basis over the period.

  Our response in terms of calculation complexity:

– For calculations performed outside the new system, we performed recalculations for the rebates on a sample basis.

  For calculations performed on the system, we performed testing over user access and authorisation controls and testing of changes through inspection of approval documentation and system configurations/records. We also performed testing of the interface between the rebate calculation system and the third-party service provider who provides the assets under management data for the purpose of rebate calculations as well as the system generated reports through retrieving system data and records to ascertain the completeness and accuracy of the interface process and reports.
– Our findings – our testing did not identify any deviations in controls that would have required us to amend the nature or scope of our planned detailed test work. We found no errors in the calculations above the materiality level over which we are required to report to the Audit and Risk Committee.

Classification of seed capital investments (£207 million)

Refer to pages 46 to 49 (Audit and Risk Committee report), pages 83 to 84 (accounting policy) and note 20 of the financial statements disclosures.

– The risk – the Group invests in funds that are managed by Group subsidiaries. If the Group is deemed to have control over the funds invested, they need to be consolidated into the Group's financial statements. When determining whether the Group controls the underlying funds, the strength of the linkage between the Group's power to influence the funds' operations and the variable returns received by the Group is one of the key judgmental areas that our audit is concentrated on, because there is a risk that management could incorrectly assess the strength of the linkage, leading to an incorrect decision on whether the seed capital investments should be consolidated.

  In our audit report for the year ended 30 June 2014 we included the classification of seed capital investments as HFS investments as one of the risks of material misstatement that had the greatest effect on our audit. We considered this risk to be less significant in the current year as the Directors now have well established processes to assess the classification.
– Our responses – we critically assessed the Directors' rationale for determining the linkage between the power and the variable returns for each seed capital investment. We assessed against the accounting standard the framework that the directors designed for identifying combinations of different levels of economic interests in funds and strength of other investors' rights to replace the Group entities as the investment manager, that constitute control. Since the accounting standard does not include preset levels for these combinations, we assessed the appropriateness of the Directors' threshold combinations by comparing it to the industry normal practice. We agreed the aggregate economic interest (including direct holdings, indirect holdings, management fees and performance fees where relevant) held by the Group to

funds legal documents and independent confirmations from fund administrators. We also assessed the strength of other investors' rights by reference to the funds legal documents and agreeing the number of investors in each fund to the fund administrators' reports.

- We also assessed whether the Group's disclosures on the classification of seed capital investment reflect the Group's involvement in each fund.
- Our findings – we found that the Group's judgments made in determining these classifications were balanced, and that the disclosures on the basis of classification judgments are proportionate. We found no errors in the holdings above the materiality level over which we are required to report to the Audit and Risk Committee.

Intangible assets (£14.1 million)

Refer to pages 46 to 49 (Audit and Risk Committee report), page 83 (accounting policy) and note 15 of the financial statements disclosures.

- The risk – intangible assets consist of management contracts acquired with Ashmore Equities Investment Management (US), LLC in 2011. They are reviewed for impairment using a value in use model, the outcome of which could vary significantly if different assumptions were applied. There are a number of assumptions used to determine the value in use, including the operating margin, the net management fee margin, the net subscription rate, the investment performance, the tax rate and the discount rate. The first two assumptions are the key judgmental areas that our audit is concentrated on because the value of the intangible assets is sensitive to these two assumptions.
- Our responses – our audit procedures included comparison of the net subscription rates to the actual results in the year ended 30 June 2015. We also compared the investment performance assumption used to the actual performance in the year ended 30 June 2015 as well as the market based performance indices. We performed break-even analysis on the assumptions to assess the impact if the assumptions are proved to be incorrect. We also performed stress testing on these key assumptions to assess the reasonableness of these assumptions.
- We considered the adequacy of the Group's disclosures in respect of impairment testing and whether disclosures about the sensitivity of the outcome of impairment assessment to changes in key assumptions properly reflected the risks inherent in the key assumptions and the requirements of accounting standards.
- Our findings – we found the resulting estimates to be balanced and that note 15 proportionately discloses the sensitivity.

Share-based payments (£24.5 million)

Refer to pages 46 to 49 (Audit and Risk Committee report), pages 52 to 65 (Directors Remuneration Report), page 86 (accounting policy) and note 10 of the financial statements disclosures.

- The risk – the Group issues share awards to employees under a number of share-based compensation plans. The number of shares that vest for Executive Directors are subject to the relative total shareholder return (TSR) condition over the vesting period. This is one of the key judgmental areas that our audit is concentrated on because of the judgments involved in determining the likelihood of the TSR condition being met.
- Our responses – we assessed the Directors' basis for determining the impact of the TSR condition at the start of the vesting period (for both equity and cash-settled share-based schemes) and at the end of the period (applicable only to the cash-settled scheme) by critically assessing reports prepared for Directors by a third party remuneration consultant.
- We assessed the competency of the third-party remuneration consultant. For the cash-settled scheme, we also evaluated those assessments in the light of the movement in the share price from the start of the relevant vesting period to the current year end and the total shareholder returns of the peer group over the same period.
- We also assessed whether the disclosure in relation to the schemes is sufficient, in particular around the impact of the TSR condition on the shares vested for Executive Directors.
- Our findings – we had no concerns with the competence or instruction of the third-party consultant. We found the resulting estimates to be balanced and note 10 disclosures to be proportionate.

Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at £8.9 million, determined with reference to a benchmark of Group profit before taxation (of which it represents 5%).

We report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.4 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 38 reporting components, we subjected 4 to audits for group reporting purposes. These audits covered 98% of total Group revenue; 94% of Group profit before taxation; and 95% of total Group assets.

For the remaining components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team set the component materialities which ranged from £0.9 million to £6.1 million having regard to the mix of size and risk profile of the Group across the components. The work on the components was performed by the Group audit team.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or
- the section of the annual report describing the work of the Group Audit and Risk Committee does not appropriately address matters communicated by us to the audit committee.

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

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

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 69, in relation to going concern; and
- the part of the Corporate Governance Statement on pages 43 to 50 relating to the company's compliance with the ten provisions of the 2012 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Statement of Directors' responsibilities set out on page 51, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014b, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
7 September 2015

www.kpmg.com/uk/auditscopeukco2014a

Consolidated statement of comprehensive income

For the year ended 30 June 2015

	Notes	**2015 £m**	Restated 2014 £m
Management fees		**250.2**	283.1
Performance fees		**13.3**	3.1
Other revenue		**4.6**	7.9
Total revenue		**268.1**	294.1
Distribution costs		**(2.9)**	(4.6)
Foreign exchange	7	**18.1**	(26.6)
Net revenue		**283.3**	262.9
Gains/(losses) on investment securities	20	**(3.6)**	14.9
Change in third-party interests in consolidated funds	20	**0.8**	(6.1)
Personnel expenses	9	**(67.2)**	(66.1)
Other expenses	11	**(32.3)**	(34.3)
Operating profit		**181.0**	171.3
Finance income	8	**7.0**	10.7
Finance expense	8	**(5.1)**	(8.5)
Share of losses from associates and joint ventures	27	**(1.6)**	(1.9)
Profit before tax		**181.3**	171.6
Tax expense	12	**(41.3)**	(36.9)
Profit for the year		**140.0**	134.7
Other comprehensive income, net of related tax effect			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences arising on foreign operations		**9.7**	(20.2)
Fair value reserve (available-for-sale financial assets):			
Net change in fair value		**3.2**	(3.3)
Net amount transferred to profit or loss		**(1.1)**	(2.5)
Cash flow hedge intrinsic value gains/(losses)		**(1.9)**	2.8
Other comprehensive income, net of tax		**9.9**	(23.2)
Total comprehensive income for the year		**149.9**	111.5
Profit attributable to:			
Equity holders of the parent		**136.5**	132.1
Non-controlling interests		**3.5**	2.6
Profit for the year		**140.0**	134.7
Total comprehensive income attributable to:			
Equity holders of the parent		**145.7**	109.5
Non-controlling interests		**4.2**	2.0
Total comprehensive income for the year		**149.9**	111.5
Earnings per share			
Basic	13	**20.26p**	19.48p
Diluted	13	**19.34p**	18.63p

Comparative information has been restated to reflect the adoption of IFRS 10 Consolidated Financial Statements: see notes 3 and 31.
The notes on pages 80 to 118 form an integral part of these financial statements.

Consolidated balance sheet
As at 30 June 2015

	Notes	2015 £m	Restated 2014 £m	Restated 2013 £m
Assets				
Non-current assets				
Goodwill and intangible assets	15	**74.1**	72.2	84.3
Property, plant and equipment	16	**2.5**	3.0	3.7
Investment in associates and joint ventures	27	**7.3**	9.7	11.8
Non-current asset investments	20	**8.9**	11.7	9.1
Other receivables		**0.2**	0.2	0.1
Deferred acquisition costs		**–**	–	0.6
Deferred tax assets	18	**20.3**	21.3	21.0
		113.3	118.1	130.6
Current assets				
Investment securities	20	**131.0**	173.2	107.5
Available-for-sale financial assets	20	**10.6**	29.4	36.4
Fair value through profit or loss investments	20	**61.8**	8.4	–
Trade and other receivables	17	**64.0**	69.7	82.5
Derivative financial instruments	21	**0.3**	2.5	–
Cash and cash equivalents		**380.8**	372.2	395.7
		648.5	655.4	622.1
Non-current assets held-for-sale	20	**31.7**	39.1	104.9
Total assets		**793.5**	812.6	857.6
Equity and liabilities				
Capital and reserves – attributable to equity holders of the parent				
Issued capital	22	**–**	–	–
Share premium		**15.7**	15.7	15.7
Retained earnings		**649.3**	618.2	608.5
Foreign exchange reserve		**(5.6)**	(14.6)	5.0
Available-for-sale fair value reserve		**(3.2)**	(5.3)	0.5
Cash flow hedging reserve		**(0.1)**	1.8	(1.0)
		656.1	615.8	628.7
Non-controlling interests		**14.0**	16.4	17.1
Total equity		**670.1**	632.2	645.8
Liabilities				
Non-current liabilities				
Deferred tax liabilities	18	**3.5**	4.5	3.0
		3.5	4.5	3.0
Current liabilities				
Current tax		**13.0**	16.4	28.9
Third-party interests in consolidated funds	20	**41.5**	69.7	40.8
Derivative financial instruments	21	**0.3**	0.1	2.2
Trade and other payables	25	**54.1**	87.0	110.0
		108.9	173.2	181.9
Non-current liabilities held-for-sale	20	**11.0**	2.7	26.9
Total liabilities		**123.4**	180.4	211.8
Total equity and liabilities		**793.5**	812.6	857.6

Comparative information has been restated to reflect the adoption of IFRS 10 Consolidated Financial Statements: see notes 3 and 31.
The notes on pages 80 to 118 form an integral part of these financial statements.

Approved by the Board on 7 September 2015 and signed on its behalf by:

Mark Coombs
Chief Executive Officer

Tom Shippey
Group Finance Director

Consolidated statement of changes in equity

For the year ended 30 June 2015

	Attributable to equity holders of the parent								
	Issued capital £m	Share premium £m	Retained earnings £m	Foreign exchange reserve £m	Available-for-sale reserve £m	Cash flow hedging reserve £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 30 June 2013 (restated)	–	15.7	608.5	5.0	0.5	(1.0)	628.7	17.1	645.8
Profit for the year	–	–	132.1	–	–	–	132.1	2.6	134.7
Other comprehensive income/(loss):									
Foreign currency translation differences arising on foreign operations	–	–	–	(19.6)	–	–	(19.6)	(0.6)	(20.2)
Net fair value gain on available-for-sale assets including tax	–	–	–	–	(3.3)	–	(3.3)	–	(3.3)
Net gains reclassified from available-for-sale reserve to comprehensive income	–	–	–	–	(2.5)	–	(2.5)	–	(2.5)
Cash flow hedge intrinsic value gains	–	–	–	–	–	2.8	2.8	–	2.8
Total comprehensive income/(loss)	–	–	132.1	(19.6)	(5.8)	2.8	109.5	2.0	111.5
Transactions with owners:									
Purchase of own shares	–	–	(29.8)	–	–	–	(29.8)	–	(29.8)
Share-based payments	–	–	19.9	–	–	–	19.9	3.9	23.8
Dividends to equity holders	–	–	(112.5)	–	–	–	(112.5)	–	(112.5)
Dividends to non-controlling interests	–	–	–	–	–	–	–	(6.6)	(6.6)
Total contributions and distributions	–	–	(122.4)	–	–	–	(122.4)	(2.7)	(125.1)
Balance at 30 June 2014 (restated)	–	15.7	618.2	(14.6)	(5.3)	1.8	615.8	16.4	632.2
Profit for the year	**–**	**–**	**136.5**	**–**	**–**	**–**	**136.5**	**3.5**	**140.0**
Other comprehensive income/(loss):									
Foreign currency translation differences arising on foreign operations	**–**	**–**	**–**	**9.0**	**–**	**–**	**9.0**	**0.7**	**9.7**
Net fair value gain on available-for-sale assets including tax	**–**	**–**	**–**	**–**	**3.2**	**–**	**3.2**	**–**	**3.2**
Net gains reclassified from available-for-sale reserve to comprehensive income	**–**	**–**	**–**	**–**	**(1.1)**	**–**	**(1.1)**	**–**	**(1.1)**
Cash flow hedge intrinsic value losses	**–**	**–**	**–**	**–**	**–**	**(1.9)**	**(1.9)**	**–**	**(1.9)**
Total comprehensive income/(loss)	**–**	**–**	**136.5**	**9.0**	**2.1**	**(1.9)**	**145.7**	**4.2**	**149.9**
Transactions with owners:									
Purchase of own shares	**–**	**–**	**(11.4)**	**–**	**–**	**–**	**(11.4)**	**–**	**(11.4)**
Acquisition of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.9)**	**(0.9)**
Share-based payments	**–**	**–**	**19.9**	**–**	**–**	**–**	**19.9**	**0.4**	**20.3**
Proceeds received on exercise of vested options	**–**	**–**	**0.1**	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Dividends to equity holders	**–**	**–**	**(114.0)**	**–**	**–**	**–**	**(114.0)**	**–**	**(114.0)**
Dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6.1)**	**(6.1)**
Total contributions and distributions	**–**	**–**	**(105.4)**	**–**	**–**	**–**	**(105.4)**	**(6.6)**	**(112.0)**
Balance at 30 June 2015	**–**	**15.7**	**649.3**	**(5.6)**	**(3.2)**	**(0.1)**	**656.1**	**14.0**	**670.1**

Comparative information has been restated to reflect the adoption of IFRS 10 Consolidated Financial Statements: see notes 3 and 31. The notes on pages 80 to 118 form an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 30 June 2015

	2015 £m	Restated 2014 £m
Operating activities		
Operating profit	**181.0**	171.3
Adjustments for non-cash items:		
Depreciation and amortisation	**5.3**	4.9
Accrual for variable compensation	**42.4**	41.5
Unrealised foreign exchange (gains)/losses	**(17.7)**	26.6
Other non-cash items	**4.2**	3.6
Cash generated from operations before working capital changes	**215.2**	247.9
Changes in working capital:		
Decrease in trade and other receivables	**5.7**	12.8
Decrease/(increase) in derivative financial instruments	**2.4**	(4.6)
Decrease in trade and other payables	**(32.9)**	(23.0)
Cash generated from operations	**190.4**	233.1
Taxes paid	**(44.7)**	(48.3)
Net cash from operating activities	**145.7**	184.8
Investing activities		
Interest received	**4.1**	0.5
Dividends received	**1.8**	0.3
Proceeds on disposal of associates	**0.6**	–
Purchase of non-current asset investments	**(0.3)**	(2.0)
Purchase of financial assets held-for-sale	**(21.8)**	(30.4)
Purchase of available-for-sale financial assets	**–**	(21.3)
Purchase of fair value through profit or loss investments	**(2.0)**	–
Purchase of investment securities	**(77.0)**	(58.3)
Sale of non-current asset investments	**0.4**	2.3
Sale of financial assets held-for-sale	**–**	12.7
Sale of available-for-sale financial assets	**20.8**	24.9
Sale of fair value through profit or loss investments	**10.1**	–
Sale of investment securities	**30.1**	17.7
Net cash flow arising on initial consolidation/deconsolidation of seed capital investments	**(6.8)**	9.9
Purchase of property, plant and equipment	**(0.7)**	(0.4)
Net cash used in investing activities	**(40.7)**	(44.1)
Financing activities		
Dividends paid to equity holders	**(114.0)**	(112.5)
Dividends paid to non-controlling interests	**(6.1)**	(6.6)
Third-party subscriptions into consolidated funds	**34.0**	63.7
Third-party redemptions from consolidated funds	**(15.8)**	(46.2)
Distributions paid by consolidated funds	**–**	(0.5)
Acquisition of non-controlling interests	**(0.9)**	–
Purchase of own shares	**(11.4)**	(29.8)
Net cash used in financing activities	**(114.2)**	(131.9)
Net (decrease)/increase in cash and cash equivalents	**(9.2)**	8.8
Cash and cash equivalents at beginning of year	**372.2**	395.7
Effect of exchange rate changes on cash and cash equivalents	**17.8**	(32.3)
Cash and cash equivalents at end of year	**380.8**	372.2
Cash and cash equivalents at end of year comprise:		
Cash at bank and in hand	**84.5**	76.4
Daily dealing liquidity funds	**109.6**	224.6
Deposits	**186.7**	71.2
	380.8	372.2

The indirect method of presenting cash generated from operations has been adopted with effect from 1 July 2014. Previously, the direct method was presented: see note 3 for further details. Comparative information has been restated to reflect the adoption of IFRS 10 Consolidated Financial Statements: see notes 3 and 31. The notes on pages 80 to 118 form an integral part of these financial statements.

Company balance sheet

As at 30 June 2015

	Notes	**2015 £m**	2014 £m
Assets			
Non-current assets			
Goodwill and intangible assets	15	**4.1**	4.1
Property, plant and equipment	16	**1.1**	1.5
Investment in subsidiaries	26	**20.1**	20.1
Deferred tax assets	18	**9.0**	12.3
		34.3	38.0
Current assets			
Trade and other receivables	17	**451.8**	256.9
Cash and cash equivalents		**114.5**	249.1
		566.3	506.0
Total assets		**600.6**	544.0
Equity and liabilities			
Capital and reserves			
Issued capital	22	**–**	–
Share premium		**15.7**	15.7
Retained earnings		**547.0**	495.5
Total equity attributable to equity holders of the Company		**562.7**	511.2
Liabilities			
Current liabilities			
Trade and other payables	25	**37.9**	32.8
		37.9	32.8
Total equity and liabilities		**600.6**	544.0

The notes on pages 80 to 118 form an integral part of these financial statements.

Approved by the Board on 7 September 2015 and signed on its behalf by:

Mark Coombs
Chief Executive Officer

Tom Shippey
Group Finance Director

Company statement of changes in equity

For the year ended 30 June 2015

	Issued capital £m	Share premium £m	Retained earnings £m	Total equity attributable to equity holders of the parent £m
Balance at 30 June 2013	–	15.7	526.2	541.9
Profit for the year	–	–	94.4	94.4
Purchase of own shares	–	–	(29.8)	(29.8)
Share-based payments	–	–	17.2	17.2
Dividends to equity holders	–	–	(112.5)	(112.5)
Balance at 30 June 2014	–	15.7	495.5	511.2
Profit for the year	**–**	**–**	**158.9**	**158.9**
Purchase of own shares	**–**	**–**	**(11.4)**	**(11.4)**
Share-based payments	**–**	**–**	**18.0**	**18.0**
Dividends to equity holders	**–**	**–**	**(114.0)**	**(114.0)**
Balance at 30 June 2015	**–**	**15.7**	**547.0**	**562.7**

The notes on pages 80 to 118 form an integral part of these financial statements.

Company cash flow statement

For the year ended 30 June 2015

	2015 £m	2014 £m
Operating activities		
Cash generated from operations before working capital changes	**144.0**	8.4
Changes in working capital:		
Decrease/(increase) in trade and other receivables	**(150.4)**	36.8
Increase/(decrease) in trade and other payables	**5.1**	(13.0)
Cash generated from operations	**(1.3)**	32.2
Taxes paid	**(21.6)**	–
Net cash from/(used in) operating activities	**(22.9)**	32.2
Investing activities		
Interest received	**0.4**	0.2
Loans to subsidiaries	**(44.5)**	(37.7)
Dividends received from subsidiaries	**41.1**	143.2
Purchase of property, plant and equipment	**–**	(0.4)
Net cash from/(used in) investing activities	**(3.0)**	105.3
Financing activities		
Dividends paid	**(114.0)**	(112.5)
Purchase of own shares	**(11.4)**	(29.8)
Net cash used in financing activities	**(125.4)**	(142.3)
Net decrease in cash and cash equivalents	**(151.3)**	(4.8)
Cash and cash equivalents at beginning of year	**249.1**	271.7
Effect of exchange rate changes on cash and cash equivalents	**16.7**	(17.8)
Cash and cash equivalents at end of year	**114.5**	249.1
Cash and cash equivalents at end of year comprise:		
Cash at bank and in hand	**5.0**	20.4
Daily dealing liquidity funds	**39.5**	183.7
Deposits	**70.0**	45.0
	114.5	249.1

The indirect method of presenting cash generated from operations has been adopted with effect from 1 July 2014. Previously, the direct method was presented: see note 3 for further details.

The notes on pages 80 to 118 form an integral part of these financial statements.

1) General information

Ashmore Group plc (the Company) is a public limited company listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. The consolidated financial statements of the Company and its subsidiaries (together the Group) for the year ended 30 June 2015 were authorised for issue by the Board of Directors on 7 September 2015. The principal activity of the Group is described in the Directors' report on page 66.

2) Basis of preparation

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) effective for the Group's reporting for the year ended 30 June 2015 and applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention, except for the measurement at fair value of certain financial assets that are available-for-sale or classified as fair value through profit or loss.

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

The preparation of financial statements 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. Further information about key assumptions and other key sources of estimation and areas of judgement are set out in note 33.

3) Effects of new and amended IFRSs

New standards, interpretations and amendments adopted during the year

The following standards and amendments to standards relevant to the Group's operations were adopted with effect from 1 July 2014.

- IFRS 10 *Consolidated Financial Statements* redefines the concept of control for consolidation purposes and its adoption has led to four additional funds being consolidated where the Group is now deemed to hold a controlling interest, as defined by this accounting Standard. This has resulted in the total assets and liabilities of those funds being consolidated on a line-by-line basis within the Group's consolidated balance sheet, and the third-party interest in the consolidated funds being recorded within liabilities. There is no impact on the net assets or total comprehensive income of the Group. The Group's previously reported consolidated balance sheets from 1 July 2013 and consolidated cash flows for the year ended 30 June 2014 have been restated to include the consolidation of those funds. Further details on the effect of the restatement on the Group's consolidated financial statements are set out in note 31.

  Prior to the application of IFRS 10, the Group consolidated investments where its shareholding resulted in control, as defined by IFRS. This policy has not changed subsequent to the adoption of IFRS 10. However, the change to the definition of control under IFRS 10 means that certain of the Group's funds, principally where the Group holds seed capital investments, now meet the definition of a subsidiary as they are deemed to be controlled by the Group.
- IFRS 11 *Joint Arrangements* outlines the classification and accounting for jointly controlled arrangements that involve contractually agreed sharing of control. An arrangement subject to joint control under IFRS 11 is classified as either a joint venture (representing a share of net assets, accounted for using the equity method) or a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly). The adoption of this Standard has not resulted in any impact on the Group's consolidated financial statements.
- IFRS 12 *Disclosure of Interests in Other Entities* requires certain additional disclosures to be made in respect of the Group's interests in the funds it manages but does not control, as defined by IFRS 10. These disclosures are included in note 28.

Change in accounting policy

The Group adopted the indirect method of presenting cash generated from operations in the Group consolidated cash flow statement with effect from 1 July 2014.

- In accordance with IAS 7 *Statement of Cash Flows*, the Group has elected to present cash generated from operations using the indirect method (i.e. presenting a line-by-line reconciliation of operating profit to net cash from operating activities on the face of the consolidated cash flow statement). Previously, the Group presented cash generated from operations using the direct method (i.e. presenting cash receipts from customers less cash paid to suppliers and employees on the face of the cash flow statement).
- The Group believes that the indirect method provides additional information regarding the items that affect cash flows generated from operating activities. Comparative consolidated cash flow statement information has also been restated to reflect the new presentation; however, this did not result in any impact on the current or prior period's cash flows generated from operations.

New standards and interpretations not yet adopted

At the date of authorisation of these consolidated financial statements the following standards and interpretations relevant to the Group's operations were issued by the IASB but are not yet mandatory. The Group is assessing the impact of these standards on the Group's future consolidated financial statements.

- IFRS 9 *Financial instruments* was originally issued in November 2009, and the finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition, was issued in July 2014. IFRS 9 replaces the classification and measurement models for financial instruments in IAS 39 with three classification categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. Under IFRS 9, the Group's business model and the contractual cash flows arising from its investments in financial instruments will determine the appropriate classification. All equity investments within the scope of IFRS 9 are to be measured at fair value, with gains or losses reported either in the statement of comprehensive income or, by election, through other comprehensive income. However, where fair value gains and losses are recorded through other comprehensive income there will no longer be a requirement to transfer gains or losses to the statement of comprehensive income on impairment or disposal.

  In addition, IFRS 9 introduces an expected loss model for the assessment of impairment. The current model under IAS 39 (incurred loss model) requires the Group to recognise impairment losses when there is objective evidence that an asset is impaired. Under the expected loss model, impairment losses are recorded if there is an expectation of credit losses, even in the absence of a default event. The Group does not anticipate that this will have a material impact on its results. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 and has yet to be endorsed for use in the EU.
- IFRS 15 *Revenue from Contracts with Customers* deals with revenue recognition and establishes a single, principles-based model to be applied to all contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. IFRS 15 replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related interpretations. The Standard provides guidance on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and has yet to be endorsed for use in the EU.

No other standards or interpretations issued and not yet effective are expected to have an impact on the Group's consolidated financial statements.

4) Significant accounting policies

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

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries, associates and joint ventures. This includes an Employee Benefit Trust (EBT) established for the employee share-based awards and consolidated investment funds.

Interests in subsidiaries

Subsidiaries are those entities, including investment funds, over which the Group has control as defined by IFRS 10. The Group has control if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

The profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to any non-controlling interests. Based on their nature, the interests of third-parties in consolidated funds are classified as liabilities and appear as 'Third-party interests in consolidated funds' on the Group's balance sheet. Associates and joint ventures are presented as single line items in the statement of comprehensive income and balance sheet (see note 27). Intercompany transactions and balances are eliminated on consolidation. Consistent accounting policies have been applied across the Group in the preparation of the consolidated financial statements as at 30 June 2015.

A change in the ownership interest of a consolidated entity that does not result in a loss of control by the Group is accounted for as an equity transaction. If the Group loses control over a consolidated entity, it derecognises the related assets, goodwill, liabilities, non-controlling interest and other components of equity, and any gain or loss is recognised in consolidated comprehensive income. Any investment retained is recognised at its fair value at the date of loss of control.

Interests in associates and joint arrangements

Associates are partly owned entities over which the Group has significant influence but no control. Joint ventures are entities through which the Group and other parties undertake an economic activity which is subject to joint control.

Investments in associates and interests in joint ventures are measured using the equity method of accounting. Under this method, the investments are initially recognised at cost, including attributable goodwill, and are adjusted thereafter for the post-acquisition changes in the Group's share of net assets. The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income.

Where the Group's financial year is not coterminous with those of its associates or joint ventures, unaudited interim financial information is used after appropriate adjustments have been made.

Interests in consolidated structured entities

The Group acts as fund manager to investment funds that are considered to be structured entities. Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding which party has control: for example, when any voting rights relate to administrative tasks only and the relevant activities of the entity are directed by means of contractual arrangements. The Group's assets under management are managed within structured entities. These structured entities typically consist of unitised vehicles such as Sociétés d'Investissement à Capital Variable (SICAVs), limited partnerships, unit trusts and open-ended and closed-ended vehicles which entitle third-party investors to a percentage of the vehicle's net asset value.

4) Significant accounting policies continued

The Group has interests in structured entities as a result of the management of assets on behalf of its clients. Where the Group holds a direct interest in a closed-ended fund, private equity fund or open-ended pooled fund such as a SICAV, the interest is accounted for either as a consolidated structured entity or as a financial asset, depending on whether the Group has control over the fund or not.

Control is determined in accordance with IFRS 10, based on an assessment of the level of power and aggregate economic interest that the Group has over the fund, relative to third-party investors. Power is normally conveyed to the Group through the existence of an investment management agreement and/or other contractual arrangements. Aggregate economic interest is a measure of the Group's exposure to variable returns in the fund through a combination of direct interest, carried interest, expected management fees, fair value gains or losses, and distributions receivable from the fund.

The Group concludes that it acts as a principal when the power it has over the fund is deemed to be exercised for self-benefit, considering the level of aggregate economic exposure in the fund and the assessed strength of third-party investors' kick-out rights. The Group concludes that it acts as an agent when the power it has over the fund is deemed to be exercised for the benefit of third-party investors.

The Group concludes that it has control and, therefore, will consolidate a fund as if it were a subsidiary where the Group acts as a principal. If the Group concludes that it does not have control over the fund, the Group accounts for its interest in the fund as a financial asset.

Interests in unconsolidated structured entities

The Group classifies the following investment funds as unconsolidated structured entities:

- Segregated mandates and pooled funds managed where the Group does not hold any direct interest. In this case, the Group considers that its aggregate economic exposure is insignificant, and, in relation to segregated mandates, the third-party investor has the practical ability to remove the Group from acting as fund manager, without cause. As a result, the Group concludes that it acts as an agent for third-party investors.
- Pooled funds managed by the Group where the Group holds a direct interest, for example seed capital investments, and the Group's aggregate economic exposure in the fund relative to third-party investors is less than 20% (i.e. the threshold established by the Group for determining agent versus principal classification). As a result, the Group concludes that it is an agent for third-party investors and, therefore, will account for its beneficial interest in the fund as a financial asset.

The disclosure of the AuM in respect of consolidated and unconsolidated structured entities is provided in note 28.

Foreign currency

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

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the spot exchange rate at that date. 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.

Foreign currency differences arising on translation are generally recognised in comprehensive income. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- available-for-sale equity instruments; and
- qualifying cash flow hedges to the extent that the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Sterling at the spot exchange rates at the balance sheet date. The revenues and expenses of foreign operations are translated into Sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to comprehensive income as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, then foreign currency differences arising on the item form part of the net investment in the foreign operation and are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve within equity.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The consideration transferred for the acquisition is generally measured at the acquisition date fair value, as are the identifiable net assets acquired, liabilities incurred (including any asset or liability resulting from a contingent consideration arrangement) and equity instruments issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequently, changes to the fair value of the contingent consideration that is deemed to be a liability will be recognised in accordance with IAS 39 in comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured and settlement is accounted for within equity.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Goodwill

The cost of a business combination in excess of the fair value of net identifiable assets or liabilities acquired, including intangible assets identified, is recognised as goodwill and stated at cost less any accumulated impairment losses. Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment or when there is an indication of impairment.

Intangible assets

The cost of intangible assets, such as management contracts and brand names, acquired as part of a business combination is their fair value as at the date of acquisition. The fair value at the date of acquisition is calculated using the discounted cash flow methodology and represents the valuation of the profits expected to be earned from the management contracts and brand name in place at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Intangible assets are amortised, if appropriate, over their useful lives, which have been assessed as being between 31 months and eight years.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes to the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost is determined on the basis of the direct and indirect costs that are directly attributable. Property, plant and equipment is depreciated using the straight-line method over the estimated useful lives, assessed to be five years for office equipment and four years for IT equipment. The residual values and useful lives of assets are reviewed at least annually.

Deferred acquisition costs

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

Financial instruments

Recognition and initial measurement

Financial instruments are recognised when the Group becomes party to the contractual provisions of an instrument, initially at fair value plus transaction costs except for financial assets classified at fair value through profit or loss. Purchases or sales of financial assets are recognised on the trade date, being the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or been transferred or when the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or expires.

Subsequent measurement

The subsequent measurement of financial instruments depends on their classification in accordance with IAS 39 *Financial instruments: recognition and measurement* and IFRS 5 *Non-current assets held-for-sale and discontinued operations*.

Financial assets

The Group classifies its financial assets into the following categories: financial assets held-for-sale, investment securities, fair value through profit or loss investments, available-for-sale financial assets and non-current financial assets held-for-sale.

The Group may, from time to time, invest in funds where an Ashmore Group subsidiary is the investment manager or an adviser (seeding). Where the holding in such investments is deemed to represent a controlling stake and is acquired exclusively with a view to subsequent disposal through sale or dilution, these seed capital investments are recognised as non-current financial assets held-for-sale in accordance with IFRS 5. The Group recognises 100% of the investment in the fund as a 'held-for-sale' asset and the interest held by other parties as a 'liability held-for-sale'. Where control is not deemed to exist, and the assets are readily realisable, they are recognised as financial assets at fair value through profit or loss in accordance with IAS 39. Where the assets are not readily realisable, they are recognised as non-current asset investments. If a seed capital investment remains under the control of the Group for more than one year from the original investment date, the underlying fund is consolidated line-by-line.

Investment securities

Investment securities represent listed securities, other than derivatives, held by consolidated funds. These securities are held at fair value with gains and losses recognised through the consolidated statement of comprehensive income.

Non-current financial assets held-for-sale

Non-current financial assets held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell except where measurement and remeasurement is outside the scope of IFRS 5. Where investments that have initially been recognised as non-current financial assets held-for-sale, because the Group has been deemed as holding a controlling stake, are subsequently disposed of or diluted such that the Group's holding is no longer deemed a controlling stake, the investment will subsequently be classified as fair value through profit or loss investments in accordance with IAS 39. Subsequent movements will be recognised in accordance with the Group's accounting policy for the newly adopted classification.

4) Significant accounting policies continued

Available-for-sale financial assets

Available-for-sale financial assets include readily realisable interests in seeded funds that are either allocated specifically to this category or cannot be assigned to any other category. They are carried at fair value and changes in fair value are recognised in other comprehensive income, until the asset is disposed of or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in profit for the year as part of comprehensive income. Dividend income and impairment losses are recognised in the consolidated statement of comprehensive income.

Financial assets designated as fair value through profit or loss (FVTPL)

Financial assets designated as FVTPL include certain readily realisable interests in seeded funds, non-current asset investments and derivatives. The Group designates financial assets as FVTPL when:

- the financial assets are managed, evaluated and reported internally on a fair value basis; and
- the classification at fair value eliminates or significantly reduces an accounting mismatch which would otherwise arise.

From the date the financial asset is designated as FVTPL all subsequent changes in fair value, foreign exchange differences, interest and dividends are reflected in the consolidated statement of comprehensive income and presented in finance income or expense.

(i) FVTPL investments

The Group classifies new readily realisable interests in seeded funds as FVTPL investments with fair value changes being directly recognised through the consolidated statement of comprehensive income. Fair value is measured based on the proportionate net asset value in the fund.

(ii) Non-current asset investments

Non-current asset investments include closed-end funds which are designated as FVTPL. They are held at fair value with changes in fair value being recognised through the consolidated statement of comprehensive income. Fair value is assessed by taking account of the extent to which potential dilution of gains or losses may arise as a result of additional investors subscribing to the fund where the final close of a fund has not occurred.

(iii) Derivatives

Derivatives include foreign exchange forward contracts and options used by the Group to manage its foreign currency exposures and those held in consolidated funds. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. Transaction costs are recognised immediately in the statement of comprehensive income. All derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly in comprehensive income, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

Trade and other receivables

Trade and other receivables 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 statement of comprehensive income when there is appropriate evidence that trade and other receivables are impaired. However, if a longer-term receivable carries no interest, the fair value is estimated as the present value of all future cash payments or receipts discounted using the Group's weighted average cost of capital. The resulting adjustment is recognised as interest expense or interest income. Subsequent to initial recognition these assets are measured at amortised cost less any impairment.

Cash and cash equivalents

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

Financial liabilities

The Group classifies its financial liabilities into the following categories: non-current financial liabilities held-for-sale, financial liabilities designated as FVTPL and financial liabilities at amortised cost.

Non-current financial liabilities held-for-sale

Non-current financial liabilities represent interests held by other parties in funds in which the Group recognises 100% of the investment in the fund as a held-for-sale financial asset. These liabilities are carried at fair value with gains or losses recognised in the statement of comprehensive income within finance income or expense.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include derivative financial instruments and third-party interests in consolidated funds. They are carried at fair value with gains or losses recognised in the consolidated statement of comprehensive income within finance income or expense.

Other financial liabilities

Other financial liabilities including trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the 'exit price') in an orderly transaction between market participants at the measurement date. In determining fair value, the Group uses various valuation approaches and establishes a hierarchy for inputs used in measuring fair value that maximises the use of relevant observable inputs and minimises the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Group.

Unobservable inputs are inputs that reflect the Group's assumptions about the assumptions other market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

Securities listed on a recognised stock exchange or dealt on any other regulated market that operates regularly, recognised and open to the public, are valued at the last known available closing bid price. If a security is traded on several actively traded and organised financial markets, the valuation is made on the basis of the last known bid price on the main market on which the securities are traded. In the case of securities for which trading on an actively traded and organised financial market is not significant, but which are bought and sold on a secondary market with regulated trading among security dealers (with the effect that the price is set on a market basis), the valuation may be based on this secondary market.

Where instruments are not listed on any stock exchange or not traded on any regulated markets, valuation techniques are used by valuation specialists. These techniques include the market approach, the income approach or the cost approach for which sufficient and reliable data is available. The use of the market approach generally consists of using comparable market transactions or using techniques based on market observable inputs, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as deemed appropriate for liquidity, credit, market and/or other risk factors.

Investments in open-ended funds are valued on the basis of the last available NAV of the units or shares of such funds.

The fair value of the derivatives is their quoted market price at the balance sheet date.

Hedge accounting

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

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

For qualifying cash flow hedges, the change in fair value of the effective hedging instrument is initially recognised in other comprehensive income and is released to comprehensive income in the same period during which the relevant financial asset or liability affects the Group's results.

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

Derecognition of financial assets and liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset. The Group derecognises a financial liability when the Group's obligations are discharged, cancelled or they expire.

Impairment of financial assets

General

At each reporting date, the carrying amounts of the Group's assets are reviewed to assess whether there is any objective evidence of impairment in the value of financial assets classified as either available-for-sale or as trade and other receivables. Impairment losses are recognised if an event has occurred which will have an adverse impact on the expected future cash flows of an asset and the expected impact can be reliably estimated. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the Group's weighted average cost of capital. 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.

Impairment losses on available-for-sale financial assets are measured as the difference between cost and the current fair value. Where there is evidence that the available-for-sale financial asset is impaired, the cumulative loss that had been previously recognised in other comprehensive income is reclassified from the available-for-sale fair value reserve and recognised in the consolidated statement of comprehensive income.

Impairment losses in respect of assets other than goodwill are measured as the difference between the carrying amount of the financial asset and the present value of estimated cash flows discounted at the asset's original effective interest rate. Such impairment losses are recognised in the consolidated statement of other comprehensive income and are recognised against the carrying amount of the impaired asset on the consolidated statement of financial position. Interest on the impaired asset continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

Subsequent increases in fair value of previously impaired available-for-sale financial assets are reported as fair value gains in the available-for-sale fair value reserve through other comprehensive income and not separately identified as an impairment reversal.

For all other assets other than goodwill, if in a subsequent year the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, but is limited to the extent that the value of the asset may not exceed the original carrying amount that would have been determined, net of depreciation or amortisation, had no impairment occurred.

4) Significant accounting policies continued

Goodwill

Goodwill is tested for impairment annually or whenever there is an indication that the carrying amount may not be recoverable based on management's judgements regarding the future prospects of the business, estimates of future cash flows and discount rates. When assessing the appropriateness of the carrying value of goodwill at year end, the recoverable amount is considered to be the greater of fair value less costs to sell or value in use. The pre-tax discount rate applied is based on the Group's weighted average cost of capital after making allowances for any specific risks.

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

An impairment loss in respect of goodwill is not reversed.

Revenue

Revenue comprises management fees, performance fees and other revenue. Revenue is recognised in the statement of comprehensive income as and when the related services are provided. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Specific revenue recognition policies are:

Management fees

Management fees net of rebates 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.

Performance fees

Performance fees net of rebates relate to the performance of funds managed during the period and are recognised 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 or upon early redemption by a client.

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.

Distribution costs

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

Employee benefits

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

Share-based payments

The Group issues share awards to its employees under share-based compensation plans.

For equity-settled awards, the fair value of the amounts payable to employees is recognised as an expense with a corresponding increase in equity over the vesting period after adjusting for the estimated number of shares that are expected to vest. The fair value is measured at the grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted. At each balance sheet date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is calculated. The movement in cumulative expense is recognised in the statement of comprehensive income with a corresponding entry within equity.

For cash-settled awards, the fair value of the amounts payable to employees is recognised as an expense with a corresponding liability on the Group's balance sheet. The fair value is measured using an appropriate valuation model, taking into account the estimated number of awards that are expected to vest and the terms and conditions upon which the instruments were granted. During the vesting period, the liability recognised represents the portion of the vesting period that has expired at the balance sheet date multiplied by the fair value of the awards at that date. Movements in the liability are recognised in the statement of comprehensive income.

Operating leases

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

Finance income and expense

Finance income includes interest receivable on the Group's cash and cash equivalents, realised gains on available-for-sale financial assets and both realised and unrealised gains on held-for-sale assets and investments measured at FVTPL.

Finance expense includes realised losses on available-for-sale financial assets and both realised and unrealised losses on held-for-sale assets and investments measured at FVTPL.

Taxation

Tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the balance sheet date in the countries where the Group operates. Current tax also includes withholding tax arising from dividends.

Deferred tax

Deferred tax is recognised using the balance sheet liability method, in respect of 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 reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the balance sheet date.

Dividends

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

Equity shares

The Company's ordinary shares of 0.01 pence each are classified as equity instruments. Ordinary shares issued by the Company are recorded at the fair value of the consideration received or the market price at the day of issue. Direct issue costs, net of tax, are deducted from equity through share premium. When share capital is repurchased, the amount of consideration paid, including directly attributable costs, is recognised as a change in equity.

Own shares

Own shares are held by the EBT. The holding of the EBT comprises own shares that have not vested unconditionally to employees of the Group. In both the Group and Company, own shares are recorded at cost and are deducted from retained earnings.

Treasury shares

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

Segmental information

Key management information, including revenues, margins, investment performance, distribution costs and AuM flows, which is relevant to the operation of the Group, is reported to and reviewed by the Board on the basis of the investment management business as a whole. Hence the Group's management considers that the Group's services and its operations are not run on a discrete geographic basis and comprise one business segment (being provision of investment management services).

Company-only accounting policies

In addition to the above accounting policies, the following specifically relates to the Company:

Investment in subsidiaries

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

5) Segmental information

The location of the Group's non-current assets at year end other than financial instruments, deferred tax assets and post-employment benefit assets is shown in the table below. Disclosures relating to revenue are in note 6.

Analysis of non-current assets by geography

	2015 £m	2014 £m
United Kingdom	**12.4**	14.3
United States	**70.9**	70.1
Other	**0.6**	0.5

6) Revenue

Management fees are accrued throughout the year in line with prevailing levels of assets under management and performance fees are recognised when they can be estimated reliably and it is probable that they will crystallise. The Group is not considered to be reliant on any single source of revenue. During the year, none of the Group's funds (FY2013/14: none) provided more than 10% of total revenue in the year respectively when considering management fees and performance fees on a combined basis.

Analysis of revenue by geography

	2015 £m	2014 £m
United Kingdom earned revenue	**247.3**	266.2
United States earned revenue	**14.4**	22.2
Other revenue	**6.4**	5.7

7) Foreign exchange

The foreign exchange rates which had a material impact on the Group's results are the US dollar, the Brazilian real and Indonesian rupiah.

£1	Closing rate as at 30 June 2015	Closing rate as at 30 June 2014	Average rate year ended 30 June 2015	Average rate year ended 30 June 2014
US dollar	**1.5712**	1.7106	**1.5822**	1.6281
Brazilian real	**4.8744**	3.7854	**4.2257**	3.7250
Indonesian rupiah	**20,970**	20,219	**19,713**	18,618

Foreign exchange gains and losses are shown below.

	2015 £m	2014 £m
Net realised and unrealised hedging gains/(losses)	**(0.4)**	3.5
Translation gains/(losses) on non-Sterling denominated monetary assets and liabilities	**18.5**	(30.1)
Total foreign exchange gains/(losses)	**18.1**	(26.6)

8) Finance income and expense

	2015 £m	Restated 2014 £m
Finance income		
Interest income	**7.0**	4.7
Net gains on disposal of available-for-sale financial assets	**–**	2.5
Net realised gains on seed capital investments measured at fair value	**–**	3.0
Release of contingent consideration	**–**	0.5
Total finance income	**7.0**	10.7
Finance expense		
Net realised losses on disposal of available-for-sale financial assets	**(0.2)**	–
Net realised losses on disposal of seed capital investments measured at fair value	**(1.2)**	–
Net unrealised losses on seed capital investments measured at fair value	**(3.7)**	(8.5)
Total finance expense	**(5.1)**	(8.5)
Net finance income	**1.9**	2.2

9) Personnel expenses

Personnel expenses during the year comprised the following:

	2015 £m	2014 £m
Wages and salaries	**20.0**	19.6
Performance-related cash bonuses	**17.3**	15.0
Share-based payments	**24.5**	23.2
Social security costs	**2.3**	5.1
Pension costs	**1.6**	1.2
Other costs	**1.5**	2.0
Total personnel expenses	**67.2**	66.1

Personnel expenses in respect of the year ended 30 June 2015 include an amount of £0.1 million (FY2013/14: £0.6 million) that has been waived by Directors and employees in earlier periods with an equivalent amount paid to charity in the financial year to 30 June 2015.

Number of employees

The number of employees of the Group (including Directors) during the reporting year, all categorised as investment management personnel, was as follows:

	Average for the year ended 30 June 2015 Number	Average for the year ended 30 June 2014 Number	At 30 June 2015 Number	At 30 June 2014 Number
Total employees	**293**	290	**285**	291

Directors' remuneration

Disclosures of Directors' remuneration during the year as required by the Companies Act 2006 are included in the Remuneration report on pages 52 to 65.

There are retirement benefits accruing to two Directors under a defined contribution scheme (FY2013/14: two).

10) Share-based payments

The total share-based payments-related cost recognised by the Group in the statement of comprehensive income is shown below:

Group	2015 £m	2014 £m
Omnibus Plan	**25.0**	19.2
Ashmore Equities Investment Management (US) L.L.C (AEIM) operating agreement	**1.6**	0.3
Phantom Bonus Plan	**(2.1)**	0.1
Total related to compensation awards	**24.5**	19.6
Related to acquisition of AEIM	**–**	3.6
Total share-based payments expense	**24.5**	23.2

The total expense recognised for the year in respect of equity-settled share-based payment transactions was £26.5 million (FY2013/14: £23.8 million).

10) Share-based payments continued

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 pro rata proportion of the fair value of options at each reporting year end has been accounted for on an equity-settled basis. No further options will be issued under the Option Scheme. All outstanding options are fully vested.

Share options outstanding under the Option Scheme were as follows:

Group and Company	**2015 Number of options**	**Weighted average exercise price pence**	2014 Number of options	Weighted average exercise price pence
At the beginning of the year	**503,750**	**35.11**	503,750	35.11
Exercised	**(328,750)**	**18.72**	–	–
Forfeited	**–**	**–**	–	–
Options outstanding at year end	**175,000**	**65.89**	503,750	35.11
Options exercisable	**175,000**	**65.89**	503,750	35.11

328,750 share options were exercised during the year (FY2013/14: none). The weighted average share price on the date options were exercised during the year was 317.46 pence.

Weighted average remaining contractual life of outstanding options

Group and Company	**At 30 June 2015**	At 30 June 2014
Outstanding options	**175,000**	503,750
Weighted average exercise price	**65.89p**	35.11p
Weighted average remaining contracted life (years)	**1.00**	1.63

Range of exercise prices for share options outstanding at the end of the year

Group and Company Exercise price per share (p)	Exercise periods	**2015 Number**	2014 Number
10.00 – 20.00	9 December 2010 – 8 December 2015	**–**	328,750
20.00 – 30.00	27 April 2011 – 26 April 2016	**125,000**	125,000
170.00 – 180.00	8 December 2011 – 7 December 2016	**50,000**	50,000
		175,000	503,750

There were no new share options granted during the year ended 30 June 2015 (FY2013/14: none).

The Executive Omnibus Incentive Plan (Omnibus Plan)

The Omnibus Plan was introduced prior to the Company listing in October 2006 and provides for the grant of share awards, market value options, premium cost options, discounted options, linked options, phantoms and/or nil-cost options to employees. 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. Awards granted under the Omnibus Plan typically vest after five years from date of grant, with the exception of bonus awards which vest after the shorter of five years from date of grant or on the date of termination of employment. Awards under the Omnibus Plan are accounted for as equity-settled, with the exception of phantoms which are classified as cash-settled.

The share-based payments relating to the Omnibus Plan represent the combined cash and equity-settled payments.

Total expense by year awards were granted

Group and Company Year of grant	**2015 £m**	2014 £m
2009	**–**	0.9
2010	**2.0**	1.1
2011	**3.0**	2.9
2012	**2.9**	3.2
2013	**4.0**	(0.3)
2014	**2.6**	11.4
2015	**8.4**	–
	22.9	19.2

Awards outstanding under the Omnibus Plan were as follows:

i) Equity-settled awards

Group and Company	**2015 Number of shares subject to awards**	**2015 Weighted average share price**	2014 Number of shares subject to awards	2014 Weighted average share price
Restricted share awards				
At the beginning of the year	**17,996,262**	**£3.50**	18,070,806	£2.98
Granted	**5,386,125**	**£3.07**	5,316,273	£3.83
Vested	**(2,296,630)**	**£2.86**	(4,288,564)	£3.88
Forfeited	**(561,123)**	**£3.46**	(1,102,253)	£3.52
Awards outstanding at year end	**20,524,634**	**£3.46**	17,996,262	£3.50
Bonus share awards				
At the beginning of the year	**5,659,814**	**£3.55**	5,134,098	£3.10
Granted	**2,422,401**	**£3.05**	1,918,121	£3.83
Vested	**(677,641)**	**£3.03**	(1,388,760)	£3.77
Forfeited	**–**	**–**	(3,645)	£3.25
Awards outstanding at year end	**7,404,574**	**£3.43**	5,659,814	£3.55
Matching share awards				
At the beginning of the year	**5,659,814**	**£3.55**	5,134,098	£3.10
Granted	**2,421,333**	**£3.05**	1,918,121	£3.83
Vested	**(605,548)**	**£2.97**	(941,429)	£3.91
Forfeited	**(71,025)**	**£3.58**	(450,976)	£3.47
Awards outstanding at year end	**7,404,574**	**£3.43**	5,659,814	£3.55
Total	**35,333,782**	**£3.44**	29,315,890	£3.52

ii) Cash-settled awards

Group and Company	**2015 Number of shares subject to awards**	**2015 Weighted average share price**	2014 Number of shares subject to awards	2014 Weighted average share price
Restricted share awards				
At the beginning of the year	**2,200,290**	**£3.50**	2,205,318	£3.49
Granted	**15,161**	**£3.09**	70,423	£3.83
Vested	**(36,887)**	**£3.94**	(11,491)	£3.24
Forfeited	**(1,595,716)**	**£3.51**	(63,960)	£3.25
Awards outstanding at year end	**582,848**	**£3.48**	2,200,290	£3.50
Bonus share awards				
At the beginning of the year	**1,579,772**	**£3.50**	1,596,195	£3.50
Granted	**–**	**–**	35,211	£3.83
Vested	**–**	**–**	(51,634)	£3.24
Forfeited	**(1,196,787)**	**£3.51**	–	–
Awards outstanding at year end	**382,985**	**£3.49**	1,579,772	£3.50
Matching share awards				
At the beginning of the year	**1,579,772**	**£3.50**	1,596,195	£3.50
Granted	**–**	**–**	35,211	£3.83
Vested	**–**	**–**	(8,618)	£3.24
Forfeited	**(1,196,787)**	**£3.51**	(43,016)	£3.24
Awards outstanding at year end	**382,985**	**£3.49**	1,579,772	£3.50
Total	**1,348,818**	**£3.49**	5,359,834	£3.50

10) Share-based payments continued

iii) Total awards

Group and Company	2015 Number of shares subject to awards	2015 Weighted average share price	2014 Number of shares subject to awards	2014 Weighted average share price
Restricted share awards				
At the beginning of the year	**20,196,552**	**£3.50**	20,276,124	£3.04
Granted	**5,401,286**	**£3.07**	5,386,696	£3.83
Vested	**(2,333,517)**	**£2.88**	(4,300,055)	£3.88
Forfeited	**(2,156,839)**	**£3.50**	(1,166,213)	£3.51
Awards outstanding at year end	**21,107,482**	**£3.46**	20,196,552	£3.50
Bonus share awards				
At the beginning of the year	**7,239,586**	**£3.54**	6,730,293	£3.19
Granted	**2,422,401**	**£3.05**	1,953,332	£3.83
Vested	**(677,641)**	**£3.03**	(1,440,394)	£3.75
Forfeited	**(1,196,787)**	**£3.51**	(3,645)	£3.25
Awards outstanding at year end	**7,787,559**	**£3.43**	7,239,586	£3.54
Matching share awards				
At the beginning of the year	**7,239,586**	**£3.54**	6,730,293	£3.19
Granted	**2,421,333**	**£3.05**	1,953,332	£3.83
Vested	**(605,548)**	**£2.97**	(950,047)	£3.90
Forfeited	**(1,267,812)**	**£3.51**	(493,992)	£3.45
Awards outstanding at year end	**7,787,559**	**£3.43**	7,239,586	£3.54
Total	**36,682,600**	**£3.45**	34,675,724	£3.52

The fair value of awards granted under the Omnibus Plan is determined by the average Ashmore Group plc closing share price for the five business days prior to grant.

Where the grant of restricted and matching share awards is linked to the annual bonus process the fair value of the awards is spread over a period including the current financial year and the subsequent five years to their vesting date when the grantee becomes unconditionally entitled to the underlying shares. The fair value of the remaining awards is spread over the period from the date of grant to the vesting date.

The liability arising from cash-settled awards under the Omnibus Plan at the end of the year and reported within trade and other payables on the consolidated balance sheet is £1.3 million (30 June 2014: £7.1 million) of which £nil (30 June 2013: £nil) relates to vested awards.

The Approved Company Share Option Plan (CSOP)

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

Other arrangements

AEIM operating agreement

Under the terms of AEIM's operating agreement, certain employees are eligible to receive part of their variable compensation in the form of partnership units. These awards, which typically vest five years from the date of grant depending on the satisfaction of service conditions, are accounted for as equity-settled share-based payments. The fair value of awards granted is based on the equity valuation of the subsidiary at the date of grant. Upon vesting, the holders are entitled to receive units in the subsidiary.

Share awards outstanding at year end under the operating arrangement were as follows:

Group	**2015 Number of shares subject to awards**	**2015 Weighted average share price (US dollars)**	2014 Number of shares subject to awards	2014 Weighted average share price (US dollars)
At the beginning of the year	**67,289**	**$31.88**	54,352	$32.05
Granted	**21,678**	**$41.11**	31,187	$31.66
Vested	**–**	**–**	–	–
Forfeited	**(15,246)**	**$37.60**	(18,250)	$32.00
Awards outstanding at year end	**73,721**	**$33.41**	67,289	$31.88

The total expense recognised for the year in respect of the AEIM equity-settled share-based payment transactions was £1.5 million (FY2013/14: £3.8 million).

AEIM Phantom Bonus Plan

The Phantom Bonus Plan is a cash-settled share-based payment plan set up to provide long-term incentives to certain employees. The units typically vest after five years from date of grant, contingent upon continued employment. Units awarded under the plan carry no voting rights. The fair value of units granted under the plan is determined with reference to the equity valuation of the underlying employing entity.

Awards outstanding at year end under the Phantom Bonus Plan were as follows:

Group	**2015 Number of shares subject to awards**	**2015 Weighted average share price (US dollars)**	2014 Number of shares subject to awards	2014 Weighted average share price (US dollars)
At the beginning of the year	**22,041**	**$31.85**	13,229	$32.02
Granted	**10,643**	**$41.11**	12,609	$31.66
Vested	**–**	**–**	–	–
Lapsed	**(8,166)**	**$41.11**	(3,797)	$31.93
Awards outstanding at year end	**24,518**	**$41.11**	22,041	$31.85

As at 30 June 2015, the related liability reported within trade and other payables on the consolidated balance sheet is £0.3 million of which £nil relates to vested awards (FY2013/14: £0.2 million of which £nil relates to vested awards).

Prior period acquisition of AEIM

At the time of the acquisition of AEIM in May 2011, employees and management held unvested shares representing 17.9% of its partnership shares. These awards, which vest after five years depending on the satisfaction of service conditions, are accounted for as equity-settled share-based payments in accordance with IFRS 2 *Share-based payment,* which results in an annual charge to the statement of comprehensive income during the period of vesting. Upon vesting, the holders are entitled to receive shares in AEIM which may be exchanged for shares in Ashmore Group plc or cash at the discretion of the Group. The grant date fair value was based on the intrinsic value proportionate with the value implied from the purchase consideration paid by the Group to acquire AEIM.

During the year, no awards were granted (FY2013/14: none), none vested (FY2013/14: none vested) and 73,600 awards were forfeited (FY2013/14: 11,500 awards were forfeited). 232,300 awards (30 June 2014: 305,900 awards) are outstanding as at the year end.

11) Other expenses

Other expenses consist of the following:

	2015 £m	Restated 2014 £m
Travel	**4.1**	4.9
Professional fees	**3.3**	4.3
Information technology and communications	**5.9**	5.6
Deferred acquisition costs	**–**	0.1
Amortisation of intangible assets (note 15)	**3.6**	3.8
Impairment of intangible assets (note 15)	**0.4**	–
Operating leases	**3.3**	3.2
Premises-related costs	**0.9**	1.4
Insurance	**1.1**	0.9
Auditors' remuneration (see below)	**1.0**	0.9
Depreciation of property, plant and equipment (note 16)	**1.3**	1.1
Consolidated funds (note 20)	**2.7**	3.5
Other expenses	**4.7**	4.6
	32.3	34.3

Auditors' remuneration

	2015 £m	2014 £m
Fees for statutory audit services:		
– Fees payable to the Company's auditor for the audit of the Group's accounts	**0.2**	0.2
– Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	**0.3**	0.3
Fees for non-audit services:		
– Fees payable to the Company's auditor and its associates for tax services	**0.3**	0.2
– Fees payable to the Company's auditor and its associates for other services	**0.2**	0.2
	1.0	0.9

12) Taxation

Analysis of tax charge for the year:

	2015 £m	2014 £m
Current tax		
UK corporation tax on profits for the year	**37.6**	30.7
Overseas corporation tax charge	**4.9**	4.7
Adjustments in respect of prior years	**(1.2)**	0.3
	41.3	35.7
Deferred tax		
Origination and reversal of temporary differences (see note 18)	**–**	(0.1)
Adjustments in respect of prior year	**–**	(0.2)
Effect of changes in corporation tax rates	**–**	1.5
Tax expense for the year	**41.3**	36.9

Factors affecting tax charge for the year

	2015 £m	Restated 2014 £m
Profit before tax	**181.3**	171.6
Profit on ordinary activities multiplied by the blended UK tax rate of 20.75% (FY2013/14: 22.5%)	**37.6**	38.6
Effects of:		
Non-deductible expenses	**8.0**	8.4
Deduction in respect of vested shares/exercised options (Part 12, Corporation Tax Act 2009)	**(2.5)**	(3.9)
Deferred tax arising from origination and reversal of temporary differences	**–**	(0.1)
Different rate of taxes on overseas profits	**–**	(0.1)
Non-taxable income	**(2.0)**	(4.9)
Tax relief on amortisation and impairment of goodwill and intangibles	**(1.0)**	(1.5)
Effect of deferred tax balance from changes in the UK corporation tax rate	**–**	1.5
Other items	**2.4**	(1.2)
Adjustments in respect of prior years	**(1.2)**	0.1
Tax expense for the year	**41.3**	36.9

Non-deductible expenses include the tax impact of non-deductible IFRS 2 accounting charges in respect of share-based payments of £5.0 million (FY 2013/14: £5.2 million).

Non-taxable income relates mainly to the NCI share of net profits of the Group's US subsidiaries.

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

13) Earnings per share

Basic earnings per share is calculated by dividing the profit after tax for the financial period attributable to equity holders of the parent of £136.5 million (FY2013/14: £132.1 million) by the weighted average number of ordinary shares in issue during the period, excluding own shares.

Diluted earnings per share is calculated based on basic earnings per share adjusted for 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 weighted average number of shares used in calculating basic and diluted earnings per share is shown below.

	2015 Number of ordinary shares	2014 Number of ordinary shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**674,424,923**	677,970,089
Effect of dilutive potential ordinary shares – share options/awards	**31,986,209**	31,034,197
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**706,411,132**	709,004,286

14) Dividends

Dividends paid in the year

Company	**2015 £m**	2014 £m
Final dividend for FY2013/14 – 12.00p (FY2012/13: 11.75p)	**82.7**	81.9
Interim dividend for FY2014/15 – 4.55p (FY2013/14: 4.45p)	**31.3**	30.7
	114.0	112.6

In addition, the Group paid £6.1 million (FY2013/14: £6.6 million) of dividends to non-controlling interests.

Dividends declared/proposed in respect of the year

Company	**2015 pence**	2014 pence
Interim dividend declared per share	**4.55**	4.45
Final dividend proposed per share	**12.10**	12.00
	16.65	16.45

On 7 September 2015 the Board proposed a final dividend of 12.10 pence per share for the year ended 30 June 2015. 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 £83.3 million.

15) Goodwill and intangible assets

Group	Goodwill £m	Fund management relationships £m	Other intangible assets £m	Total £m
Cost – (at original exchange rate)				
At 30 June 2013, 30 June 2014 and 30 June 2015	**57.5**	**39.5**	**2.6**	**99.6**
Accumulated amortisation and impairment				
At 30 June 2013	–	(19.7)	(2.5)	(22.2)
Amortisation charge for the year	–	(3.5)	(0.1)	(3.6)
At 30 June 2014	–	(23.2)	(2.6)	(25.8)
Amortisation charge for the year	**–**	**(3.6)**	**–**	**(3.6)**
Impairment charge for the year	**–**	**(0.4)**	**–**	**(0.4)**
At 30 June 2015	**–**	**(27.2)**	**(2.6)**	**(29.8)**
Net book value				
At 30 June 2013	61.7	22.3	0.3	84.3
Accumulated amortisation for the year	–	(3.5)	(0.3)	(3.8)
Foreign exchange revaluation through reserves*	(6.0)	(2.3)	–	(8.3)
At 30 June 2014	55.7	16.5	–	72.2
Accumulated amortisation and impairment for the year	**–**	**(4.0)**	**–**	**(4.0)**
Foreign exchange revaluation through reserves*	**4.3**	**1.6**	**–**	**5.9**
At 30 June 2015	**60.0**	**14.1**	**–**	**74.1**

* FX revaluation through reserves is a result of the retranslation of US dollar-denominated intangibles and goodwill.

Company	Goodwill £m
Cost	
At the beginning and end of the year	4.1
Net carrying amount at 30 June 2014 and 2015	4.1

Goodwill

The Group's goodwill balance relates principally to the acquisition of AEIM in May 2011.

The Company's goodwill balance relates to the acquisition of the business from ANZ in 1999.

The annual impairment review of goodwill was undertaken for the year ending 30 June 2015. The Group consists of a single cash generating unit for the purpose of assessing the carrying value of goodwill. In performing the impairment review, management prepares a calculation of the recoverable amount of goodwill and compares this to the carrying value. The recoverable amount was based on a fair value less costs to sell calculation using the Company's year end share price. Based on management's assessment as at 30 June 2015, the recoverable amount was in excess of the carrying value of goodwill and no impairment was implied. No impairment losses have been recognised in the current or preceding years.

Fund management relationships

Intangible assets comprise fund management relationships related to profit expected to be earned from clients of AEIM.

An annual impairment review of the fund management relationships was undertaken for the year ending 30 June 2015. The recoverable amount was derived from the cumulative pre-tax net earnings anticipated to be generated over the remaining useful economic life, discounted to present value using a rate of 13.0% per annum. Cumulative net earnings associated with the fund management relationships intangible asset were derived from the annual operating profit contribution that would arise as a result of the remaining fund management relationships, adjusted for investment performance and investor attrition.

The fund management relationships intangible asset was determined to be impaired as the recoverable amount was lower than the carrying value as at 30 June 2015. Accordingly, an impairment charge amounting to £0.4 million was recognised during the year and included within other expenses in the Group's consolidated statement of comprehensive income (FY2013/14: no impairment was recognised).

The remaining amortisation period for fund management relationships is four years (30 June 2014: five years).

16) Property, plant and equipment

Group	**2015 Fixtures, fittings and equipment £m**	2014 Fixtures, fittings and equipment £m
Cost		
At the beginning of the year	**5.8**	11.1
Additions	**0.7**	0.4
Foreign exchange revaluation	**0.1**	(0.4)
Disposals	**–**	(5.3)
At the end of the year	**6.6**	5.8
Accumulated depreciation		
At the beginning of the year	**2.8**	7.4
Depreciation charge for the year	**1.3**	1.1
Foreign exchange revaluation	**–**	(0.4)
Disposals	**–**	(5.3)
At the end of the year	**4.1**	2.8
Net book value at 30 June	**2.5**	3.0

Company	**2015 Fixtures, fittings and equipment £m**	2014 Fixtures, fittings and equipment £m
Cost		
At the beginning of the year	**2.7**	7.5
Additions	**0.3**	0.4
Disposals	**–**	(5.2)
At the end of the year	**3.0**	2.7
Accumulated depreciation		
At the beginning of the year	**1.2**	6.1
Depreciation charge for year	**0.7**	0.3
Disposals	**–**	(5.2)
At the end of the year	**1.9**	1.2
Net book value at 30 June	**1.1**	1.5

17) Trade and other receivables

	Group		Company	
	2015 £m	Restated 2014 £m	**2015 £m**	2014 £m
Current				
Trade debtors	**60.8**	60.7	**2.5**	2.0
Prepayments	**2.3**	2.4	**1.4**	1.9
Loans due from subsidiaries	**–**	–	**294.1**	249.6
Amounts due from subsidiaries	**–**	–	**151.0**	2.8
Other receivables	**0.9**	6.6	**2.8**	0.6
Total trade and other receivables	**64.0**	69.7	**451.8**	256.9

Group trade debtors include all billed and unbilled management fees due to the Group at 30 June 2015 in respect of investment management services provided up to that date. Included in amounts due from subsidiaries for the Company are intercompany dividends receivable and intercompany trade receivables.

18) Deferred taxation

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

			2015			2014
Group	**Other temporary differences £m**	**Share-based payments £m**	**Total £m**	Other temporary differences £m	Share-based payments £m	Total £m
Deferred tax assets	**9.6**	**10.7**	**20.3**	9.4	11.9	21.3
Deferred tax liabilities	**(3.5)**	**–**	**(3.5)**	(4.5)	–	(4.5)
	6.1	**10.7**	**16.8**	4.9	11.9	16.8

			2015			2014
Company	**Other temporary differences £m**	**Share-based payments £m**	**Total £m**	Other temporary differences £m	Share-based payments £m	Total £m
Deferred tax assets	**0.3**	**8.7**	**9.0**	0.4	11.9	12.3

18) Deferred taxation continued

Movement of deferred tax balances

The movement in the deferred tax balances between the balance sheet dates has been reflected in equity or the statement of comprehensive income as follows:

Group	Other temporary differences £m	Share-based payments £m	Total £m
At 30 June 2013	4.7	13.3	18.0
Credited/(charged) to the consolidated statement of comprehensive income	0.2	(1.4)	(1.2)
At 30 June 2014	4.9	11.9	16.8
Credited/(charged) to the consolidated statement of comprehensive income	**1.2**	**(1.2)**	–
At 30 June 2015	**6.1**	**10.7**	**16.8**

Company	Other temporary differences £m	Share-based payments £m	Total £m
At 30 June 2013	0.4	13.3	13.7
Charged to the statement of comprehensive income	(0.1)	(1.4)	(1.5)
At 30 June 2014	0.3	11.9	12.2
Charged to the statement of comprehensive income	–	(3.2)	(3.2)
At 30 June 2015	**0.3**	**8.7**	**9.0**

19) Fair value of financial instruments

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that has overall responsibility for all significant fair value measurements. It regularly reviews significant inputs and valuation adjustments. If third-party information is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support such valuations. There are no material differences between the carrying amounts of financial assets and liabilities and their fair values at the balance sheet date.

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurements.

- Level 1: Valuation is based upon a quoted market price in an active market for an identical instrument. This fair value measure relates to the valuation of quoted and exchange traded equity and debt securities.
- Level 2: Valuation techniques are based upon observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This fair value measure relates to the valuation of quoted equity securities in inactive markets or in interests in unlisted funds whose net asset values are referenced to the fair values of the listed or exchange traded securities held by those funds.
- Level 3: Valuation techniques use significant unobservable inputs.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value hierarchy of financial instruments which are carried at fair value at year end is summarised below:

				2015				Restated 2014
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets								
Investment securities	**36.8**	**46.7**	**47.5**	**131.0**	123.0	50.2	–	173.2
Non-current financial assets held-for-sale	**–**	**31.7**	**–**	**31.7**	–	39.1	–	39.1
Available-for-sale financial assets	**0.4**	**10.2**	**–**	**10.6**	0.8	28.6	–	29.4
Fair value through profit or loss investments	**–**	**61.8**	**–**	**61.8**	–	8.4	–	8.4
Non-current asset investments	**–**	**8.9**	**–**	**8.9**	–	11.7	–	11.7
Derivative financial instruments	**–**	**0.3**	**–**	**0.3**	–	2.5	–	2.5
	37.2	**159.6**	**47.5**	**244.3**	123.8	140.5	–	264.3
Financial liabilities								
Third-party interests in consolidated funds	**15.0**	**8.7**	**17.8**	**41.5**	49.5	20.2	–	69.7
Derivative financial instruments	**–**	**0.3**	**–**	**0.3**	–	0.1	–	0.1
Non-current financial liabilities held-for-sale	**–**	**11.0**	**–**	**11.0**	–	2.7	–	2.7
	15.0	**20.0**	**17.8**	**52.8**	49.5	23.0	–	72.5

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year (FY2013/14: none).

Changes in Level 3 financial assets and liabilities recognised at fair value on a recurring basis

	Investment securities £m	**Third-party interests in consolidated funds £m**
At 1 July 2014	**–**	**–**
Additions	**47.6**	**17.8**
Losses recognised in consolidated comprehensive income within finance income	**(0.1)**	**–**
At 30 June 2015	**47.5**	**17.8**

Valuation of Level 3 financial liabilities recognised at fair value on a recurring basis

The measurement of investment securities and third-party interests in consolidated funds classified within Level 3 relates to investments made during the year in closed-end private equity funds that are neither listed on any stock exchange nor traded on any regulated markets. The Group considered it is more appropriate to classify these investments within Level 3 as the valuation is based on valuation techniques as reflected within the net asset values (NAVs) of the funds as provided by the administrator.

Financial instruments not measured at fair value

Financial assets and liabilities that are not measured at fair value include cash and cash equivalents, trade and other receivables, and trade and other payables. The carrying value of financial assets and financial liabilities not measured at fair value is considered a reasonable approximation of fair value as at 30 June 2015 and 2014.

20) Seed capital investments

The Group considers itself a sponsor of an investment fund when it facilitates the establishment of the fund in which the Group is the investment manager. The Group ordinarily provides seed capital in order to provide initial scale and facilitate marketing of the funds to third-party investors. The fund is then financed through the issue of units to investors. Aggregate interests held by the Group include seed capital, management fees and performance fees. The Group generates management and performance fee income from managing the assets on behalf of third-party investors.

The movements of seed capital investments and related items during the year are as follows:

Group	Net non-current financial assets held-for-sale £m	Available-for-sale financial assets £m	FVTPL investments £m	Investment securities (relating to consolidated funds) £m	Other (relating to consolidated funds)* £m	Third-party interests in consolidated funds £m	Non-current asset investments £m	Total £m
Carrying amount at 30 June 2013 (restated)	78.0	36.4	–	107.5	(7.4)	(40.8)	9.1	182.8
Net transfers:								
Held-for-sale to consolidated funds	(40.6)	–	–	48.1	–	(7.5)	–	–
Held-for-sale to FVTPL investments	(12.0)	–	12.0	–	–	–	–	–
Available-for-sale to held-for-sale	2.7	(2.7)	–	–	–	–	–	–
Net purchases, disposals and fair value changes	8.3	(4.3)	(3.6)	17.6	5.8	(21.4)	2.6	5.0
Carrying amount at 30 June 2014 (restated)	36.4	29.4	8.4	173.2	(1.6)	(69.7)	11.7	187.8
Net transfers:								
Held-for-sale to consolidated funds	**(22.8)**	**–**	**–**	**30.7**	**–**	**(7.9)**	**–**	**–**
Held-for-sale to FVTPL investments	**(13.3)**	**–**	**13.3**	**–**	**–**	**–**	**–**	**–**
Consolidated funds to FVTPL investments	**–**	**–**	**42.6**	**(116.9)**	**–**	**74.3**	**–**	**–**
Net purchases, disposals and fair value changes	**20.4**	**(18.8)**	**(2.5)**	**44.0**	**17.1**	**(38.2)**	**(2.8)**	**19.2**
Carrying amount at 30 June 2015	**20.7**	**10.6**	**61.8**	**131.0**	**15.5**	**(41.5)**	**8.9**	**207.0**

* Relates to cash and other assets in consolidated funds that are not investment securities.

a) Non-current assets and non-current liabilities held-for-sale

Where Group companies invest seed capital into funds operated and controlled by the Group and the Group is actively seeking to reduce its investment and it is considered highly probable that it will relinquish control within a year, the interests in the funds are treated as held-for-sale and are recognised as financial assets and liabilities held-for-sale. During the year, eight funds (FY2013/14: nine) were seeded in this manner, met the above criteria, and consequently the assets and liabilities of these funds were initially classified as held-for-sale.

The non-current assets and liabilities held-for-sale at 30 June 2015 were as follows:

	2015 **£m**	2014 £m
Non-current financial assets held-for-sale	**31.7**	39.1
Non-current financial liabilities held-for-sale	**(11.0)**	(2.7)
Seed capital investments classified as held-for-sale	**20.7**	36.4

Investments cease to be classified as held-for-sale when they are no longer controlled by the Group. A loss of control may happen either through sale of the investment and/or dilution of the Group's holding. When investments cease to be classified as held-for-sale they are classified as financial assets designated as FVTPL. Two such investments were transferred to the FVTPL category during the year (FY2013/14: two funds were transferred to the FVTPL category) after the Group reduced its interests following investment inflows from third parties. There was no impact on net assets or comprehensive income as a result of the reclassification.

If the fund remains under the control of the Group for more than one year from the original investment date it will cease to be classified as held-for-sale, and will be consolidated line-by-line after it is assessed that the Group controls the investment fund in accordance with the requirements of IFRS 10. During the year, six such funds (FY2013/14: four) with an aggregate carrying amount of £22.8 million (FY2013/14: £40.6 million) were transferred from the held-for-sale to consolidated funds category. There was no impact on net assets or comprehensive income as a result of the transfer.

Included within finance income are net gains of £2.1 million (FY2013/14: net losses of £10.7 million) in relation to held-for-sale investments.

As the Group considers itself to have one segment (refer to note 4), no additional segmental disclosure of held-for-sale assets or liabilities is applicable.

b) Available-for-sale financial assets

Available-for-sale financial assets at 30 June 2015 comprise equities held as follows:

	2015 **£m**	Restated 2014 £m
Equities listed on stock exchange	**0.4**	0.8
Equity funds	**7.9**	26.1
Debt funds	**2.3**	2.5
Seed capital classified as available-for-sale	**10.6**	29.4

c) Fair value through profit or loss investments

Fair value through profit or loss investments at 30 June 2015 comprise equities held in equity funds.

	2015 **£m**	Restated 2014 £m
Seed capital classified as fair value through profit or loss investments	**61.8**	8.4

Included within finance income are losses of £2.7 million (FY2013/14: net gains of £4.4 million) on the Group's fair value through profit or loss investments.

20) Seed capital investments continued

d) Consolidated funds

The Group has consolidated 12 investment funds as at 30 June 2015 (30 June 2014: six investment funds), over which the Group is deemed to have control (see note 26). Consolidated funds represent seed capital investments where the Group has held its position for a period greater than one year and its interest represents a controlling stake in the fund in accordance with IFRS 10. Consolidated fund assets and liabilities are presented line by line after intercompany eliminations. The table below sets out an analysis of the carrying amounts of interests held by the Group in consolidated investment funds.

	2015 £m	Restated 2014 £m
Investment securities	**131.0**	173.2
Cash and cash equivalents	**15.7**	7.9
Other	**(0.2)**	(9.5)
Third-party interests in consolidated funds	**(41.5)**	(69.7)
Consolidated seed capital investments	**105.0**	101.9

Investment securities include listed and unlisted equities and debt securities. Other includes trade receivables, trade payables, derivative financial instruments and accruals.

The maximum exposure to loss is the carrying amount of the assets held. The Group has not provided financial support or otherwise agreed to be responsible for supporting any consolidated fund financially.

Included within the consolidated statement of comprehensive income are net losses of £0.2 million (FY2013/14: net gains of £9.1 million) relating to the Group's share of the results of the individual statements of comprehensive income for each of the consolidated funds, as follows:

	2015 £m	Restated 2014 £m
Finance income	**5.3**	3.8
Gains/(losses) on investment securities	**(3.6)**	14.9
Change in third-party interests in consolidated funds	**0.8**	(6.1)
Other expenses	**(2.7)**	(3.5)
Net gains/(losses) on consolidated funds	**(0.2)**	9.1

As of 30 June 2015, the Group's consolidated funds were domiciled in Brazil, Indonesia, Luxembourg and the United States.

e) Non-current asset investments

Non-current asset investments relate to the Group's holding in closed-end funds and are designated as FVTPL. Fair value is assessed by taking account of the extent to which potential dilution of gains or losses may arise as a result of additional investors subscribing to the fund where the final close of a fund has not occurred.

	2015 £m	2014 £m
Non-current asset investments	**8.9**	11.7

Included within finance income are net losses of £2.9 million (FY2013/14: net gains of £3.2 million) on the Group's non-current asset investments.

21) Financial instrument risk management

Group

The Group is subject to strategic, business, investment, operational and treasury risks throughout its business as discussed in the Risk management report. This note discusses the Group's exposure to and management of the following principal risks which arise from the financial instruments it uses: credit risk, liquidity risk, interest rate risk, foreign exchange risk and price risk. Where the Group holds units in investment funds, classified either as held-for-sale, available-for-sale, FVTPL or non-current asset investment financial assets, the related financial instrument risk disclosures in the note below categorise exposures based on the Group's direct interest in those funds without looking through to the nature of underlying securities.

Risk management is the ultimate responsibility of the Board, as noted in the Risk management report on pages 32 to 35.

Capital management

It is the Group's policy that all entities within the Group have sufficient capital to meet regulatory and working capital requirements and it conducts regular reviews of its capital requirements relative to its capital resources.

As the Group is regulated by the United Kingdom's FCA, it is required to maintain appropriate capital and perform regular calculations of capital requirements. This includes development of an Internal Capital Adequacy Assessment Process (ICAAP), based upon the FCA's methodologies under the Capital Requirements Directive. The Group's Pillar III disclosures can be found on the Group's website at www.ashmore.com, covering the year to 30 June 2015. These disclosures indicate that the Group had excess capital of £485.4 million as at 30 June 2015 (30 June 2014: excess capital of £465.7 million) over the level of capital required under a Pillar II assessment. The objective of the assessment is to check that the Group has adequate capital to manage identified risks and the process includes conducting stress tests to identify capital and liquidity requirements under different future scenarios including a potential downturn.

All regulated entities within the Group have complied with regulatory requirements and filings that apply in the jurisdictions they operate.

Credit risk

The Group has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due.

Exposure to credit risk is monitored on an ongoing basis by senior management and the Group's Risk management and control function. The Group has a counterparty and cash management policy in place which, in addition to other controls, restricts exposure to any single counterparty by setting exposure limits and requiring approval and diversification of counterparty banks and other financial institutions. The Group's maximum exposure to credit risk is represented by the carrying value of its financial assets. The table below lists financial assets subject to credit risk.

	Notes	**2015 £m**	Restated 2014 £m
Investment securities	19	**131.0**	173.2
Non-current financial assets held-for-sale	19	**31.7**	39.1
Available-for-sale financial assets	19	**10.6**	29.4
Fair value through profit or loss investments	19	**61.8**	8.4
Derivative financial instruments	19	**0.3**	2.5
Trade and other receivables	17	**64.0**	69.7
Cash and cash equivalents		**380.8**	372.2
Total		**680.2**	694.5

Investment securities, derivative financial instruments, non-current financial assets held-for-sale, available-for-sale financial assets and FVTPL investments expose the Group to credit risk from various counterparties, which is monitored and reviewed by the Group.

The Group's cash and cash equivalents, comprised of short-term deposits with banks and liquidity funds, are predominantly held with counterparties with credit ratings ranging from AA- to AAA as at 30 June 2015 (30 June 2014: A to AAAm).

All trade and other receivables are considered to be fully recoverable and none were overdue at year end (30 June 2014: none). They include fee debtors that arise principally within the Group's investment management business. They are monitored regularly and, historically, default levels have been insignificant, and, unless a client has withdrawn funds, there is an ongoing relationship between the Group and the client. There is no significant concentration of credit risk in respect of fees owing from clients.

21) Financial instrument risk management continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

In order to manage liquidity risk there is a Group Liquidity Policy to ensure that there is sufficient access to funds to cover all forecast committed requirements for the next 12 months.

The maturity profile of the Group's contractual undiscounted financial liabilities is as follows:

At 30 June 2015

	Within 1 year £m	**1-5 years £m**	**More than 5 years £m**	**Total £m**
Non-current liabilities held-for-sale	**11.0**	**–**	**–**	**11.0**
Third-party interests in consolidated funds	**41.5**	**–**	**–**	**41.5**
Derivative financial instruments	**0.3**	**–**	**–**	**0.3**
Current trade and other payables	**54.1**	**–**	**–**	**54.1**
	106.9	**–**	**–**	**106.9**

At 30 June 2014

	Within 1 year £m	1-5 years £m	More than 5 years £m	Total £m
Non-current liabilities held-for-sale	2.7	–	–	2.7
Third-party interests in consolidated funds	13.5	–	–	13.5
Current trade and other payables	69.4	–	–	69.4
	85.6	–	–	85.6

Details on leases and other commitments are provided in note 30.

Interest rate risk

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

The principal interest rate risk is the risk that the Group will sustain a reduction in interest income through adverse movements in interest rates. This relates to bank deposits held in the ordinary course of business. The Group has a cash management policy which monitors cash levels and returns within set parameters on a continuing basis.

Bank and similar deposits held at year end are shown on the consolidated balance sheet as cash and cash equivalents. The effective interest earned on bank and similar deposits during the year is given in the table below:

Effective interest rates applicable to bank deposits

	2015 %	2014 %
Deposits with banks and liquidity funds	**1.17**	0.70

Deposits with banks and liquidity funds are repriced at intervals of less than one year.

At 30 June 2015, if interest rates over the year had been 50 basis points higher/lower with all other variables held constant, profit before tax for the year would have been £0.7 million higher/lower (FY2013/14: £1.9 million higher/lower), mainly as a result of higher/lower interest on cash balances. An assumption that the fair value of assets and liabilities will not be affected by a change in interest rates was used in the model to calculate the effect on profit before tax.

In addition, the Group is indirectly exposed to interest rate risk where the Group holds seed capital investments in funds which invest in debt securities.

Group

Foreign exchange risk

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

The Group's revenue is almost entirely denominated in US dollars, whilst the majority of the Group's costs are denominated in Sterling. Consequently, the Group has an exposure to movements in the GBP:USD exchange rate. In addition, the Group operates globally which means that it may enter into contracts and other arrangements denominated in local currencies in various countries. The Group also holds a number of seed capital investments which are denominated mainly in US dollars, Brazilian real and Indonesian rupiah.

The Group's policy is to hedge a proportion of the Group's revenue by using a combination of forward foreign exchange contracts and options for a period of up to two years forward. The Group also sells US dollars at spot rates when opportunities arise.

The table below shows the Group's sensitivity to a 1.0% exchange movement in the US dollar, Brazilian real and Indonesian rupiah, net of hedging activities.

		2015		2014
Foreign currency sensitivity test	**Impact on profit before tax £m**	**Impact on equity £m**	Impact on profit before tax £m	Impact on equity £m
US dollar +/- 1%	**2.4**	**2.6**	3.2	3.2
Brazilian real +/- 1%	**0.1**	**0.1**	–	0.1
Indonesian rupiah +/- 1%	**0.3**	**0.3**	0.1	0.4

Price risk

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

Seed capital

The Group is exposed to the risk of changes in market prices in respect of seed capital investments. Such price risk is borne by the Group directly through interests in available-for-sale and non-current asset seed capital investments or indirectly either through line-by-line consolidation of underlying financial performance and positions held in certain funds or potential impairments when fair values less costs to sell of seed investments held-for-sale are less than carrying amounts. Details of seed capital investments held are given in note 20.

The Group has well defined procedures governing the appraisal, approval and monitoring of seed capital investments.

At 30 June 2015, a 5% movement in the fair value of these investments would have had a £10.4 million (FY2013/14: £9.4 million) impact on net assets and the impact on profit before tax would have been £4.6 million (FY2013/14: £3.7 million).

Management and performance fees

The Group is also indirectly exposed to price risk in connection with the Group's management fees, which are based on a percentage of value of AuM, and fees based on performance. Movements in market prices, exchange and interest rates could cause the AuM to fluctuate which in turn could affect fees earned. Performance fee revenues could also be reduced depending upon market conditions.

Management and performance fees are diversified across a range of investment themes and are not measurably correlated to any single market index in Emerging Markets. In addition, throughout Ashmore's history, the policy of having funds with year ends staged throughout the financial year has meant that in periods of steep market decline, some performance fees have still been recorded. The profitability impact is likely to be less than this, as cost mitigation actions would apply, including the reduction of the variable compensation paid to employees.

Using the year end AuM level of US$58.9 billion and applying the year's average net management fee rate of 59bps, a 5% movement in AuM would have a US$17.4 million impact on management fee revenues (FY2013/14: using the year end AuM level of US$75.0 billion and applying the year's average net management fee rate of 60bps, a 5% movement in AuM would have a US$22.5 million impact on management fee revenues).

Hedging activities

The Group uses forward and option contracts to hedge its exposure to foreign currency risk. These hedges, which have been assessed as effective cash flow hedges as at 30 June 2015, protect a proportion of the Group's revenue cash flows from foreign exchange movements. The cumulative fair value of the outstanding foreign exchange hedges asset at 30 June 2015 was £0.1 million (30 June 2014: £2.4 million foreign exchange hedges asset) and is included within the Group's derivative financial instrument assets.

21) Financial instrument risk management continued

The notional and fair values of foreign exchange hedging instruments were as follows:

	2015		2014	
	Notional amount £m	**Fair value assets/ (liabilities) £m**	Notional amount £m	Fair value assets/ (liabilities) £m
Cash flow hedges				
Foreign exchange nil-cost option collars	**97.0**	**0.1**	85.9	2.4
	97.0	**0.1**	85.9	2.4

The maturity profile of the Group's outstanding hedges is shown below.

Notional amount of option collars maturing:	**2015 £m**	2014 £m
Within 6 months	**52.0**	39.8
6-12 months	**35.0**	33.3
>12 months	**10.0**	12.8
	97.0	85.9

When hedges are assessed as effective, intrinsic value gains and losses are initially recognised in other comprehensive income and later reclassified to comprehensive income as the corresponding hedged cash flows crystallise. Time value in relation to the Group's hedges is excluded from being part of the hedging item and, as a result, the net unrealised loss related to the time value of the hedges is recognised in the consolidated statement of comprehensive income for the year.

A £1.9 million intrinsic loss (FY2013/14: £2.8 million gain) on the Group's hedges has been recognised through other comprehensive income and £nil intrinsic value (FY2012/13: £nil) was reclassified from equity to the statement of comprehensive income in the year.

Included within the net realised and unrealised hedging loss of £0.4 million (note 7) recognised at 30 June 2015 (£3.5 million gain at 30 June 2014) are:

- a £0.8 million loss in respect of foreign exchange hedges covering net management fee income for the financial year ending 30 June 2015 (FY2013/14: £1.7 million gain in respect of foreign exchange hedges covering net management fee income for the financial year ended 30 June 2014); and
- a £0.4 million gain in respect of crystallised foreign exchange contracts (FY2013/14: £1.8 million gain).

Company

The risk management processes of the Company, including those relating to the specific risk exposures covered below, are aligned with those of the Group as a whole unless stated otherwise.

In addition, the risk definitions that apply to the Group are also relevant for the Company.

Credit risk

The Company's maximum exposure to credit risk is represented by the carrying value of its financial assets. The table below lists financial assets subject to credit risk by credit rating:

	2015 £m	2014 £m
Cash and cash equivalents	**114.5**	249.1
Trade and other receivables	**451.8**	256.9
Total	**566.3**	506.0

The Company's cash and cash equivalents comprise short-term deposits held with banks and liquidity funds which have credit ratings ranging from A- to A+ as at 30 June 2015 (30 June 2014: A to AAAm).

All trade and other receivables are considered to be fully recoverable and none were overdue at year end (30 June 2014: none).

Liquidity risk

The contractual undiscounted cash flows relating to the Company's financial liabilities all fall due within one year.

Details on leases and other commitments are provided in note 30.

Company

Interest rate risk

The principal interest rate risk for the Company is that it could sustain a reduction in interest revenue from bank deposits held in the ordinary course of business through adverse movements in interest rates.

Bank and similar deposits held at year end are shown on the Company's balance sheet as cash and cash equivalents. The effective interest earned on bank and similar deposits during the year is given in the table below:

Effective interest rates applicable to bank deposits

	2015 **%**	2014 %
Deposits with banks and liquidity funds	**1.06**	0.59

Deposits with banks and liquidity funds are repriced at intervals of less than one year.

At 30 June 2015, if interest rates over the year had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been £0.3 million higher/lower (FY2013/14: £0.9 million higher/lower), mainly as a result of higher/lower interest on cash balances. An assumption that the fair value of assets and liabilities will not be affected by a change in interest rates was used in the model to calculate the effect on post-tax profits.

Foreign exchange risk

The Company is exposed primarily to foreign exchange risk in respect of US dollar cash balances and US dollar-denominated intercompany balances. However, such risk is not hedged by the Company.

At 30 June 2015, if the US dollar had strengthened/weakened by 1% against Sterling with all other variables held constant, profit before tax for the year would have decreased/increased by £2.6 million respectively (FY2013/14: decreased/increased by £3.6 million respectively).

22) Share capital

Authorised share capital

Group and Company	**2015 Number of shares**	**2015 Nominal value £'000**	2014 Number of shares	2014 Nominal value £'000
Ordinary shares of 0.01p each	**900,000,000**	**90**	900,000,000	90

Issued share capital – allotted and fully paid

Group and Company	**2015 Number of shares**	**2015 Nominal value £'000**	2014 Number of shares	2014 Nominal value £'000
Ordinary shares of 0.01p each	**712,740,804**	**71**	712,740,804	71

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

At 30 June 2015 there were 175,000 (30 June 2014: 503,750) options in issue with contingent rights to the allotment of ordinary shares of 0.01p in the Company. There were also equity-settled share awards issued under the Omnibus Plan totalling 35,333,782 (30 June 2014: 29,315,890) shares that have release dates ranging from September 2015 to December 2019. Further details are provided in note 10.

23) Own shares

The Ashmore 2004 EBT was established to act as an agent to facilitate the acquisition and holding of shares in the Company with a view to facilitating the recruitment and motivation of employees. As at the year end, the EBT owned 37,889,347 (30 June 2013: 37,962,631) ordinary shares of 0.01p with a nominal value of £3,789 (30 June 2014: £3,796) and shareholders' funds are reduced by £125.3 million (30 June 2014: £124.6 million) in this respect. It is the intention of the Directors to make these shares available to employees through the share-based compensation plans. The EBT is periodically funded by the Company for these purposes.

24) Treasury shares

Treasury shares held by the Company

Group and Company	**2015 Number**	**2015 £m**	2014 Number	2014 £m
Ashmore Group plc ordinary shares	**5,368,331**	**6.9**	5,368,331	6.9

24) Treasury shares continued

Reconciliation of treasury shares

	2015 Number	2014 Number
At the beginning and end of the year	**5,368,331**	5,368,331

The market value of treasury shares was £15.5 million at the year end (30 June 2014: £19.9 million).

25) Trade and other payables

	Group 2015 £m	Group Restated 2014 £m	Company 2015 £m	Company 2014 £m
Current				
Trade and other payables	**26.7**	51.6	**29.7**	28.6
Accruals and deferred income	**27.4**	35.4	**2.7**	3.3
Amounts due to subsidiaries	**–**	–	**5.5**	0.9
Total trade and other payables	**54.1**	87.0	**37.9**	32.8

26) Interests in subsidiaries

Operating subsidiaries

Movements in investments in subsidiaries during the year were as follows:

Company	2015 £m	2014 £m
Cost		
At the beginning and end of the year	**20.1**	20.1

In the opinion of the Directors, the following subsidiary undertakings principally affected the Group's results or financial position at 30 June 2015. A full list of the Group's subsidiaries and all related undertakings is disclosed in note 34.

Name	Country of incorporation/ formation and principal place of operation	% of equity shares held by the Group
Ashmore Investments (UK) Limited	England	**100.00**
Ashmore Investment Management Limited	England	**100.00**
Ashmore Investment Advisors Limited	England	**100.00**
Ashmore Management Company Limited	Guernsey	**100.00**
Ashmore Investment Management (Singapore) Pte. Ltd.	Singapore	**100.00**
AA Development Capital Investment Managers (Mauritius) LLC	Mauritius	**55.00**
Ashmore Investments (Brazil) Limited	Guernsey	**88.57**
Ashmore Investments (India) Limited	Mauritius	**100.00**
Ashmore Investments (Turkey) NV	Netherlands	**84.20**
Ashmore Investment Management (US) Corporation	USA	**100.00**
PT Ashmore Asset Management Indonesia	Indonesia	**70.00**
Ashmore Investments Saudi Arabia	Saudi Arabia	**90.00**
Ashmore Investments (Colombia) SL	Spain	**100.00**
Ashmore Japan Co. Limited	Japan	**100.00**
Ashmore Investment Consulting (Beijing) Co. Limited	China	**100.00**
Ashmore Equities Holding Corporation	USA	**100.00**
Ashmore Equities Investment Management (US) LLC*	USA	**62.90**

* Non-controlling interests (NCI) have a material economic interest in AEIM of 22.4%. The results and net assets of AEIM for the year ended 30 June 2015, prepared in accordance with IFRS and modified for fair value adjustments on acquisition, were: net profit of £16.9 million (of which £3.0 million was attributable to NCI) and net assets of £27.1 million (of which £11.7 million was attributable to NCI).

Consolidated funds

The Group consolidated the following investment funds as at 30 June 2015 over which the Group is deemed to have control:

Name	Type of fund	Country of incorporation/ principal place of operation	**% of net assets value held by the Group**
Ashmore Brazil Long Short Fund	Equity	Brazil	**76.81**
Ashmore Special Opportunities Fund LP	Alternatives	Guernsey	**50.00**
Ashmore Emerging Markets Distressed Debt Fund	Corporate debt	Guernsey	**40.02**
Ashmore Emerging Markets Debt and Currency Fund Limited	Blended debt	Guernsey	**97.84**
Ashmore Dana Obligasi Nusantara	Local currency	Indonesia	**88.35**
Ashmore Dana USD Nusantara	External debt	Indonesia	**100.00**
Ashmore SICAV Turkish Equity Fund	Equity	Luxembourg	**99.61**
Ashmore SICAV Latin America Equity Fund	Equity	Luxembourg	**100.00**
Ashmore SICAV Emerging Markets Local Currency Bonds Broad Fund	Local currency	Luxembourg	**47.75**
Ashmore Emerging Markets Debt Fund	External debt	USA	**97.77**
Ashmore Emerging Markets Frontier Equity Fund	Equity	USA	**78.93**
Ashmore Emerging Markets Equity Fund	Equity	USA	**66.22**

27) Interests in associates and joint arrangements

The Group held interests in the following associates and joint ventures as at 30 June 2015:

Name	Type	Nature of business	Country of incorporation/ formation and principal place of operation	% of equity shares held by the Group
VTB-Ashmore Capital Holdings Limited	Associate	Investment management	Russia	50%
Everbright Ashmore*	Associate	Investment management	China	30%
Central China Securities Co. Limited	Joint venture	Investment management	China	49%

* Everbright Ashmore includes four related investment management entities.

The associates and the joint venture are unlisted.

Movements in investments in associates and joint ventures during the year were as follows:

	2015			2014		
	Associates £m	**Joint ventures £m**	**Total £m**	Associates £m	Joint ventures £m	Total £m
At the beginning of the year	**2.3**	**7.4**	**9.7**	2.3	9.5	11.8
Additions	**–**	**–**	**–**	–	–	–
Share of profit /(loss)	**(0.1)**	**(1.5)**	**(1.6)**	0.2	(2.1)	(1.9)
Distributions	**(0.6)**	**–**	**(0.6)**	(0.2)	–	(0.2)
Foreign exchange revaluation	**(0.2)**	**–**	**(0.2)**	–	–	–
At the end of the year	**1.4**	**5.9**	**7.3**	2.3	7.4	9.7

Associates

The summarised aggregate financial information on associates is shown below.

Group	**2015 £m**	2014 £m
Total assets	**3.3**	3.4
Total liabilities	**(0.3)**	(1.1)
Net assets	**3.0**	2.3
Group's share of net assets	**0.9**	0.7
Revenue for the year	**0.7**	4.6
Profit for the year	**(0.3)**	0.6
Group's share of profit for the year	**(0.1)**	0.2

27) Interests in associates and joint arrangements continued

The carrying value of the investments in associates includes attributable goodwill that arose on acquisition of the associates. Although the Group's share of net assets of the associates is currently below the aggregate carrying value of the associates reflected on the consolidated balance sheet, the Group has considered that this position is temporary. No permanent impairment is believed to exist relating to the associates.

The Group has undrawn capital commitments of £4.2 million (30 June 2014: £5.1 million) to investment funds managed by the associates. Further details are provided in note 28.

Joint ventures

The Group owns 49% interest in a fund management joint venture with Central China Securities Co. Limited in China. Under the terms of the agreement and upon being granted the required approvals by the China Securities Regulatory Commission and other relevant government authorities, the Group contributed its share of the initial capitalisation, equivalent to £9.9 million.

Summarised financial information on the Group's share in the joint venture is shown below:

	2015 £m	2014 £m
Current assets	**5.6**	8.7
Non-current assets	**–**	0.1
Current liabilities	**(0.3)**	(1.4)
Total equity	**5.3**	7.4
Income	**0.2**	0.6
Expenses	**(1.7)**	(2.7)
Loss for the year	**(1.5)**	(2.1)

28) Interests in structured entities

The Group has interests in structured entities as a result of the management of assets on behalf of its clients. Where the Group holds a direct interest in a closed-ended fund, private equity fund or open-ended pooled fund such as a SICAV, the interest is accounted for either as a consolidated structured entity or as a financial asset depending on whether the Group has control over the fund or not.

The Group's interest in structured entities is reflected in the Group's AuM. The Group is exposed to movements in AuM of structured entities through potential loss of fee income as a result of client withdrawals. Outflows from funds are dependent on market sentiment, asset performance and investor considerations. Further information on these risks can be found in the Business review.

Considering the potential for changes in AuM of structured entities, management has determined that the Group's unconsolidated structured entities include segregated mandates and pooled funds vehicles. Disclosure of the Group's exposure to unconsolidated structured entities has been made on this basis.

The reconciliation of AuM reported by the Group within unconsolidated structured entities is shown below.

	Total AuM US$bn	**Less: AuM within consolidated funds US$bn**	**AuM within unconsolidated structured entities US$bn**
30 June 2015	**58.9**	**0.2**	**58.7**

Included in the Group's consolidated management fees of £250.2 million are management fees amounting to £245.8 million earned from unconsolidated structured entities.

The table below shows the carrying values of the Group's interests in unconsolidated structured entities, recognised in the Group balance sheet, which are equal to the Group's maximum exposure to loss from those interests.

	2015 £m
Management fees receivable	**46.5**
Trade and other receivables	**4.7**
Seed capital investments	**102.0**
Total exposure	**153.2**

The main risk the Group faces from its beneficial interests in unconsolidated structured entities arises from a potential decrease in the fair value of seed capital investments. The Group's beneficial interests in seed capital investments are disclosed in note 20. Note 21 includes further information on the Group's exposure to market risk arising from seed capital investments.

The Group has undrawn investment commitments relating to structured entities as follows.

	2015 £m	2014 £m
Ashmore I – FCP Colombia Infrastructure Fund	**2.3**	2.9
Everbright Ashmore China Real Estate Fund	**1.3**	1.6
VTBC-Ashmore Real Estate Partners I, LP	**2.9**	3.5
Ashmore Special Opportunities Fund LP	**6.9**	–
Ashmore Emerging Markets Distressed Debt Fund	**1.4**	–
Ashmore Emerging Markets Corporate Private Debt Fund	**1.2**	–
Total undrawn investment commitments	**16.0**	8.0

29) Related party transactions

Related parties of the Group include key management personnel, close family members of key management personnel, subsidiaries, associates, joint ventures, Ashmore Funds, the EBT and the Ashmore Foundation.

Key management personnel – Group and Company

The compensation paid to or payable to key management personnel for employee services is shown below:

£m	2015 £m	2014 £m
Short-term employee benefits	**1.4**	0.9
Defined contribution pension costs	**–**	–
Share-based payment benefits	**2.9**	(0.4)
	4.3	0.5

Share-based payment benefits represent the fair value charge to the statement of comprehensive income of current year share awards.

Details of the remuneration of Directors are given in the Remuneration report on pages 52 to 65.

During the year, there were no other transactions entered into with key management personnel (FY2013/14: none). Aggregate key management personnel interests in consolidated funds at 30 June 2015 were £11.5 million (30 June 2014: £3.4 million).

Transactions with subsidiaries – Company

Details of transactions between the Company and its subsidiaries are shown below:

	2015 £m	2014 £m
Transactions during the year		
Management fees received	**78.8**	45.0
Net dividends received	**141.1**	143.2
Loans given to subsidiaries	**44.5**	40.9

Amounts receivable or payable to subsidiaries are disclosed in notes 17 and 25, respectively.

Transactions with Ashmore Funds – Group

During the year, the Group received £137.7 million of gross management fees and performance fees (FY2013/14: £158.5 million) from the 96 funds (FY2013/14: 90 funds) it manages and which are classified as related parties. As at 30 June 2015 the Group had receivables due from funds of £46.8 million (30 June 2014: £55.3 million).

Transactions with the EBT – Group and Company

The EBT, which acts as an agent for the purpose of the employee share-based compensation plans, has been provided a loan facility to allow it to acquire Ashmore shares in order to satisfy outstanding unvested shares awards. The EBT is included within the results of the Group and the Company. As at year end the loan outstanding was £149.0 million (30 June 2014: £137.6 million).

Transaction with the Ashmore Foundation – Group and Company

The Ashmore Foundation is a related party to the Group. The Foundation was set up to provide financial grants to worthwhile causes within the Emerging Markets countries in which Ashmore invests and/or operates with a view to giving back to the countries and communities. The Group donated £0.1 million to the Foundation during the year (FY2013/14: £0.1 million).

30) Commitments

Operating lease commitments

The Group and Company have entered into certain property leases. The leases have no escalation clauses or renewal or purchase options, and no restrictions imposed on them. The future aggregate minimum lease payments under these non-cancellable operating leases fall due as follows:

Group

	2015 £m	2014 £m
Within 1 year	**2.3**	2.8
Between 1 and 5 years	**8.5**	8.2
Later than 5 years	**6.6**	5.2
	17.4	16.2

Company

	2015 £m	2014 £m
Within 1 year	**1.2**	1.2
Between 1 and 5 years	**4.6**	4.6
Later than 5 years	**4.1**	5.2
	9.9	11.0

Operating lease expenses are disclosed in note 11.

Company

The Company has undrawn loan commitments to other Group entities totalling £58.9 million (30 June 2014: £84.2 million) to support their investment activities but has no investment commitments of its own (30 June 2014: none).

31) Restatements on adoption of IFRS 10

As explained in note 3, the Group adopted IFRS 10 in the year and has reassessed its consolidation conclusions effective from 1 July 2014. As a result, the Group consolidated four additional funds retrospectively, with the impact of increasing consolidated total assets and liabilities by £73.9 million as at 1 July 2014. These funds were previously accounted for as financial assets and classified as available-for-sale financial assets and investments held at fair value through profit and loss. The Group's comparative cash flow statement has also been restated, with the effect of increasing subscriptions and redemptions in consolidated funds by £44.6 million and £40.2 million, respectively.

The Group has restated comparative information where relevant, as shown below.

Impact on consolidated statement of comprehensive income

			30 June 2014
	As previously reported £m	IFRS 10 restatement £m	**As restated £m**
Net revenue	262.9	–	**262.9**
Operating profit	169.7	1.6	**171.3**
Profit before tax	170.3	1.3	**171.6**
Profit for the period	133.4	1.3	**134.7**
Other comprehensive income, net of related tax effect	(21.9)	(1.3)	**(23.2)**
Total comprehensive income for the period	111.5	–	**111.5**
Profit attributable to:			
Equity holders of the parent	130.8	1.3	**132.1**
Non-controlling interests	2.6	–	**2.6**
Profit for the period	133.4	1.3	**134.7**
Earnings per share			
Basic	19.29p	0.19p	**19.48p**
Diluted	18.44p	0.19p	**18.63p**

Impact on consolidated balance sheets

Condensed consolidated balance sheet	30 June 2014			30 June 2013		
	As previously reported £m	IFRS 10 restatement £m	**As restated £m**	As previously reported £m	IFRS 10 restatement £m	**As restated £m**
Non-current assets	118.1	–	**118.1**	130.6	–	**130.6**
Investment securities	70.7	102.5	**173.2**	49.7	57.8	**107.5**
Available-for-sale financial assets	48.5	(19.1)	**29.4**	55.6	(19.2)	**36.4**
Fair value through profit or loss investments	25.3	(16.9)	**8.4**	–	–	**–**
Trade and other receivables	64.0	5.7	**69.7**	77.3	5.2	**82.5**
Derivative financial instruments	2.4	0.1	**2.5**	–	–	**–**
Cash and cash equivalents	370.6	1.6	**372.2**	395.5	0.2	**395.7**
Non-current assets held-for-sale	39.1	–	**39.1**	104.9	–	**104.9**
Total assets	738.7	73.9	**812.6**	813.6	44.0	**857.6**
Non-current liabilities	4.5	–	**4.5**	3.0	–	**3.0**
Current tax	16.4	–	**16.4**	28.9	–	**28.9**
Third-party interests in consolidated funds	13.5	56.2	**69.7**	12.8	28.0	**40.8**
Derivative financial instruments	–	0.1	**0.1**	2.1	0.1	**2.2**
Trade and other payables	69.4	17.6	**87.0**	94.1	15.9	**110.0**
Non-current liabilities held-for-sale	2.7	–	**2.7**	26.9	–	**26.9**
Total liabilities	106.5	73.9	**180.4**	167.8	44.0	**211.8**
Share capital	15.7	–	**15.7**	15.7	–	**15.7**
Retained earnings	616.4	1.8	**618.2**	608.0	0.5	**608.5**
Foreign exchange reserve	(12.8)	(1.8)	**(14.6)**	5.3	(0.3)	**5.0**
Available-for-sale fair value reserve	(5.3)	–	**(5.3)**	0.7	(0.2)	**0.5**
Cash flow hedging reserve	1.8	–	**1.8**	(1.0)	–	**(1.0)**
Non-controlling interests	16.4	–	**16.4**	17.1	–	**17.1**
Total equity	632.2	–	**632.2**	645.8	–	**645.8**

32) Post-balance sheet events

There were no post-balance sheet events that required adjustment of or disclosure in the financial statements for the year ended 30 June 2015.

33) Accounting estimates and judgements

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

Impairment of intangible assets

The Group tests goodwill and intangible assets annually for impairment. The recoverable amount for goodwill is determined in reference to the Group's market capitalisation, whereas the recoverable amount for intangible assets is determined based upon value in use calculations prepared on the basis of management's assumptions and estimates. The carrying value of goodwill and intangible assets on the Group's balance sheet at 30 June 2015 was £74.1 million (30 June 2014: £72.2 million). Management considers that reasonable possible changes in any of the key assumptions applied would not cause the carrying value of goodwill to materially exceed its recoverable value. An impairment charge of £0.4 million was recognised on the intangible assets, representing the excess of the carrying value over its recoverable value (see note 15).

Performance fees

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. There were no outstanding performance fees receivable at 30 June 2015 (30 June 2014: none).

Share-based payment transactions

The Group measures the cost of equity-settled and cash-settled share-based awards at fair value at the date of grant and expenses them over the vesting period based on the Group's estimate of the shares that will eventually vest.

33) Accounting estimates and judgements continued

Classification of seed capital investments

The Group invests seed capital from time to time to support the initial launch and growth of new products, such as SICAVs, private-equity funds and alternative investment funds. The seed capital investments vary in duration depending on the nature of the product and the time expected to grow the funds to a size and track record required for participation by third-party investors. The Group reviews the size and nature of these investments to consider the level of control over the fund and to determine the appropriate classification for accounting either as full consolidation (where the Group concludes that it has control over the fund), using equity-method accounting (where the Group exercises significant influence or joint control), or as a financial asset classified as available-for-sale, held-for-sale or at fair value through profit or loss. In the case of seed capital investments, where the Group concludes that it does not have control over the fund, the Group is also not deemed to have significant influence over the fund, and therefore does not apply equity-method accounting. The Group would account for the seed capital investment as a financial asset, classified either as an available-for-sale financial asset, financial asset held-for-sale, or a financial asset at fair value through profit or loss. The Group considers that its seeding activity is intended to help establish a fund's track record and to provide initial scale until the fund has attracted sufficient third-party capital, at which stage the Group will actively seek to redeem and redeploy the seed capital.

The adoption of IFRS 10 has led to additional funds being consolidated where the Group is now deemed to hold a controlling interest as defined in IFRS 10. Prior to the adoption of IFRS 10, the Group consolidated funds as held-for-sale assets and liabilities or consolidated funds, when the Group's aggregate economic interest gave the Group control over these funds. This policy has not changed subsequent to the adoption of IFRS 10. However, the change to the definition of control under IFRS 10 means that certain of the Group's funds now meet the definition of a subsidiary as they are deemed to be controlled by the Group as a result of the combination of holding a significant proprietary investment and additionally being the investment manager, with third-party investors unable to remove the Group or Group subsidiary entities easily from that role without cause.

Interests in unconsolidated structured entities

Management exercises judgement to determine whether the Group controls an investment fund under IFRS 10, including making an assessment of whether the Group has power over the fund which the Group exercises for self-benefit. Management also assesses the magnitude of the Group's aggregate economic interest in the fund (comprising direct interests, carried interests, expected management fees, fair value gains or losses, and distributions receivable from funds managed) relative to third-party investors, and whether third-party investors have substantive rights to remove the Group from acting as a fund manager without cause.

The Group has assessed and classified the following fund vehicles as unconsolidated structured entities:

- Segregated mandates and pooled funds managed where the Group does not hold a direct interest, for example, seed capital investment. The Group has assessed that third-party investors have the practical ability to vote by a simple majority, to remove the Group from acting as fund manager without cause. As a result, the Group has concluded that it acts as agent for the third-party investors.
- Pooled funds managed where the Group holds interests, for example seed capital investments, and the Group's aggregate economic exposure in the fund relative to third-party investors is less than 20% (i.e. the threshold established below which the Group is deemed to act as an agent, and above which the Group is deemed to act as a principal, taking into account investor kick-out rights). As a result, the Group concluded it is an agent for third-party investors and, therefore, has accounted for its beneficial interest in the fund as a financial asset. Further details on the carrying values of these seed capital financial assets have been disclosed under note 20.

The disclosure of the AuM in respect of consolidated and unconsolidated structured entities is provided under note 28.

34) Subsidiaries and related undertakings

The following is a full list of the Ashmore Group plc subsidiaries and related undertakings as at 30 June 2015 pursuant to the requirements of Statutory Instrument 2015 No. 80 *The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015*. The list includes the Group's subsidiaries and related undertakings, all significant holdings (greater than 20% interest), associate undertakings, joint ventures and significant holdings in Ashmore sponsored public funds in which the Group has invested seed capital:

Name	Country of incorporation/principal place of operation	Classification	% interest
Ashmore Brasil Gestora de Recursos Limitada	Brazil	Subsidiary	100.00
Ashmore Investment Consulting (Beijing) Co. Limited	China	Subsidiary	100.00
Ashmore Management Company Colombia SAS	Colombia	Subsidiary	61.00
Ashmore Investments (UK) Limited	England and Wales	Subsidiary	100.00
Ashmore Investment Management Limited	England and Wales	Subsidiary	100.00
Ashmore Investment Advisors Limited	England and Wales	Subsidiary	100.00
Aldwych Administration Services Limited	England and Wales	Subsidiary	100.00
Ashmore Asset Management Limited	England and Wales	Subsidiary	100.00
Ashmore Investments (Brazil) Limited	Guernsey	Subsidiary	88.00
Ashmore Management Company Limited	Guernsey	Subsidiary	100.00
Ashmore Management Company Turkey Limited	Guernsey	Subsidiary	100.00
Ashmore Private Equity Turkey Fund 1 (GP) Limited	Guernsey	Subsidiary	100.00
Ashmore Global Special Situations Fund 3 (GP) Limited	Guernsey	Subsidiary	100.00
Ashmore Global Special Situations Fund 4 (GP) Limited	Guernsey	Subsidiary	100.00
Ashmore Global Special Situations Fund 5 (GP) Limited	Guernsey	Subsidiary	100.00
VTBC-Ashmore Investment Management Limited	Guernsey	Subsidiary	100.00
VTBC-Ashmore Partnership Management 1 Limited	Guernsey	Subsidiary	100.00
AA Indian Development Capital Advisors Private Limited	India	Subsidiary	100.00
Ashmore Investment Advisors (India) Private Limited	India	Subsidiary	99.82
Ashmore-Centrum India Opportunities Investment Advisers Private Limited	India	Subsidiary	51.00
Ashmore-Centrum Funds Trustee Company Private Limited	India	Subsidiary	51.00
PT Ashmore Asset Management Indonesia	Indonesia	Subsidiary	70.00
Ashmore Japan Co. Limited	Japan	Subsidiary	100.00
AA Development Capital Investment Managers (Mauritius) LLC	Mauritius	Subsidiary	55.00
Ashmore Investments (India) Limited	Mauritius	Subsidiary	100.00
Ashmore Investments (Turkey) NV	Netherlands	Subsidiary	84.20
Ashmore Russia LLC	Russia	Subsidiary	100.00
Ashmore Investment Saudi Arabia	Saudi Arabia	Subsidiary	90.00
Ashmore Investment Management (Singapore) Pte. Ltd.	Singapore	Subsidiary	100.00
Ashmore Investments (Colombia) SL	Spain	Subsidiary	100.00
Ashmore Portfoy Yonetimi Anonim Sirketi	Turkey	Subsidiary	99.96
Ashmore Emlak ve Yatirim Ltd Sirketi	Turkey	Subsidiary	100.00
Ashmore Investment Management (US) Corporation	USA	Subsidiary	100.00
Ashmore Equities Holding Corporation	USA	Subsidiary	100.00
Ashmore Equities Investment Management (US) LLC	USA	Subsidiary	62.90
Everbright Ashmore Real Estate Partners Limited	Cayman Islands	Associate	30.00
Everbright Ashmore Services and Consulting Limited	Cayman Islands	Associate	30.00
Everbright Ashmore Investment Management Limited	Cayman Islands	Associate	30.00
EA Team Investment Partners Limited	Cayman Islands	Associate	30.00
T&C (Hong Kong) Limited	Hong Kong	Associate	24.00
Ashmore Central China Securities Co. Limited	China	Joint venture	49.00
VTB-Ashmore Capital Holdings Limited	Russia	Associate	50.00

34) Subsidiaries and related undertakings continued

Name	Country of incorporation/ principal place of business	Classification	% interest
Ashmore Brazil Long Short Fund	Brazil	Consolidated fund	76.81
Ashmore Special Opportunities Fund LP	Guernsey	Consolidated fund	50.00
Ashmore Emerging Markets Distressed Debt Fund	Guernsey	Consolidated fund	40.02
Ashmore Emerging Markets Debt and Currency Fund Limited	Guernsey	Consolidated fund	97.84
Ashmore Dana Obligasi Nusantara	Indonesia	Consolidated fund	88.35
Ashmore Dana USD Nusantara	Indonesia	Consolidated fund	100.00
Ashmore SICAV Turkish Equity Fund	Luxembourg	Consolidated fund	99.61
Ashmore SICAV Latin America Equity Fund	Luxembourg	Consolidated fund	100.00
Ashmore SICAV Emerging Markets Local Currency Bonds Broad Fund	Luxembourg	Consolidated fund	47.75
Ashmore Emerging Markets Debt Fund	USA	Consolidated fund	97.84
Ashmore Emerging Markets Frontier Equity Fund	USA	Consolidated fund	78.93
Ashmore Emerging Markets Equity Fund	USA	Consolidated fund	66.22
Everbright Ashmore China Real Estate Fund	China	Significant holding	22.78
Ashmore Russian Debt Fund	Guernsey	Significant holding	83.33
Ashmore Dana Ekuitas Nusantara	Indonesia	Significant holding	27.64
Ashmore Dana USD Equity Nusantara	Indonesia	Significant holding	82.18
Ashmore SICAV Frontier Equity Fund	Luxembourg	Significant holding	31.93
Ashmore SICAV 3 EM Multi Strategy Fund	Luxembourg	Significant holding	33.45
Ashmore SICAV 3 All Chinese Equity Fund	Luxembourg	Significant holding	50.00
Ashmore SICAV 3 Chinese Debt Fund	Luxembourg	Significant holding	100.00
Ashmore SICAV 3 Chinese Multi-Strategy Fund	Luxembourg	Significant holding	100.00
Ashmore Saudi GCC Equity Fund	Saudi Arabia	Significant holding	33.64
Ashmore Saudi Equity Fund	Saudi Arabia	Significant holding	37.81
Ashmore Turkey Equity Fund	Turkey	Significant holding	73.39
Ashmore Emerging Markets Local Currency Fund	USA	Significant holding	36.07
Ashmore Emerging Markets Short Duration Fund	USA	Significant holding	36.74

Cautionary statement regarding forward-looking statements

It is possible that this document could or may contain forward looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning.

Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward looking statements. There are several factors that could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. The Group undertakes no obligation to revise or update any forward looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Five-year summary

	2015 £m	Restated 2014 £m	2013 £m	2012 £m	2011 £m
Management fees	**250.2**	283.1	316.0	302.6	250.9
Performance fees	**13.3**	3.1	33.4	25.4	85.4
Other revenue	**4.6**	7.9	6.2	6.2	6.5
Total revenue	**268.1**	294.1	355.6	334.2	342.8
Distribution costs	**(2.9)**	(4.6)	(4.8)	(3.7)	(1.6)
Foreign exchange	**18.1**	(26.6)	4.7	2.8	(7.4)
Net revenue	**283.3**	262.9	355.5	333.3	333.8
Gain/(loss) on investment securities	**(3.6)**	14.9	4.9	(0.4)	–
Change in third-party interests in consolidated funds	**0.8**	(6.1)	(1.2)	(0.4)	–
Personnel expenses	**(24.8)**	(24.6)	(25.1)	(23.6)	(15.3)
Variable compensation	**(42.4)**	(41.5)	(57.2)	(49.4)	(56.2)
Other operating expenses	**(32.3)**	(34.3)	(44.9)	(34.4)	(22.9)
Total operating expenses	**(102.3)**	(91.6)	(123.5)	(108.2)	(94.4)
Operating profit	**181.0**	171.3	232.0	225.1	239.4
Finance income	**7.0**	10.7	26.6	22.2	6.5
Finance expenses	**(5.1)**	(8.5)	(0.9)	(4.1)	–
Share of profits/(losses) from associates and joint ventures	**(1.6)**	(1.9)	(0.1)	–	–
Profit before tax	**181.3**	171.6	257.6	243.2	245.9
Tax expense	**(41.3)**	(36.9)	(56.0)	(57.5)	(55.7)
Profit for the year	**140.0**	134.7	201.6	185.7	190.2
EPS (basic)	**20.3p**	19.5p	30.0p	26.8p	28.1p
Dividend per share	**16.7p**	16.5p	16.1p	15.0p	14.5p
Other operating data (unaudited)					
AuM at period end (US$bn)	**58.9**	75.0	77.4	63.7	65.8
Average AuM (US$bn)	**66.4**	75.2	72.2	63.9	46.0
Average GBP:USD exchange rate for the year	**1.58**	1.63	1.57	1.59	1.59
Period end GBP:USD exchange rate for the year	**1.57**	1.71	1.52	1.57	1.61

Information for shareholders

Ashmore Group plc

Registered in England and Wales.
Company No. 3675683

Registered office

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

Principal UK trading subsidiary

Ashmore Investment Management Limited

Registered in England and Wales, Company No. 3344281.

Business address and registered office as above.

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

Financial calendar

First quarter AuM statement
15 October 2015

Annual General Meeting
22 October 2015

Ex-dividend date
5 November 2015

Record date
6 November 2015

Final dividend payment date
4 December 2015

Second quarter AuM statement
January 2016

Announcement of unaudited interim results for the six months ending 31 December 2015
February 2016

Third quarter AuM statement
April 2016

Fourth quarter AuM statement
July 2016

Announcement of results for the year ending 30 June 2016
September 2016

Registrar

Equiniti Registrars
Aspect House
Spencer Road
West Sussex
BN99 6DA

UK shareholder helpline: 0871 384 2812 (Calls to this number cost 8 pence per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday).

International shareholder helpline: +44 121 415 7047.

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

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

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

Share price information

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

Share dealing

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

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

You may also use the Shareview service to access and manage your share investments and view balance movements, indicative share prices, information on recent dividends, portfolio valuation and general information for shareholders.

Shareholders must register at www.shareview.co.uk, entering the shareholder reference on the share certificate and other personal details.

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

Electronic copies of the 2015 Annual Report and Accounts and other publications

Copies of the 2015 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 see the Sharegift website at www.sharegift.org.

Frequent shareholder enquiries

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

Notifying the Company of a change of address

You should notify Equiniti Registrars in writing.

If you hold shares in joint names, the notification to change address must be signed by the first-named shareholder. You may choose to do this online, by logging on to www.shareview.co.uk. You will need your shareholder reference number to access this service – this can be found on your share certificate or from a dividend counterfoil.

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

Notifying the Company of a change of name

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

Dividend payments directly into bank or building society accounts

We recommend that all dividend payments are made directly into a bank or building society account. Dividends are paid via BACS, providing tighter security and access to funds more quickly. To apply for a dividend mandate form, contact the Registrar, or you can find one by logging on to www.shareview.co.uk (under Frequently Asked Questions) or by calling the helpline on 0871 384 2812 (Calls to this number cost 8 pence per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday).

International shareholder helpline: +44 121 415 7047.

Transferring Ashmore Group plc shares

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

Lost share certificate(s)

Shareholders who lose their share certificate(s) or have their certificate(s) stolen should inform Equiniti Registrars immediately by calling the shareholder helpline on 0871 384 2812 (Calls to this number cost 8 pence per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday).

International shareholder helpline: +44 121 415 7047.

Disability helpline

For shareholders with hearing difficulties, a special text phone number is available: +44 (0)871 384 2255.

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