

Invesco Holding Company Limited

**Financial statements for the year ended 31 December 2010
together with directors' and auditors' reports**

Registered number: 308372

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Invesco Holding Company Limited
Company Information

Directors	K M Carome R H Rigsby L Starr
Assistant Secretary	R H Rigsby
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Registered Office	30 Finsbury Square London EC2A 1AG

Invesco Holding Company Limited
Directors' Report for the year ended 31 December 2010

The directors present their report and financial statements for the year ended 31 December 2010 for Invesco Holding Company Limited ("the company")

PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The principal activity of the company is that of a holding company. It is the intention of the Directors to continue the current activities of the company for the foreseeable future.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2010

The statement of comprehensive income for the year ended 31 December 2010 together with the statement of financial position at that date are set out on pages 8 and 9 respectively. The loss on ordinary activities for the year before taxation and dividends amounted to US\$44.0m (2009: loss US\$30.0m).

Capital Contribution

During August 2010, a new share was issued to Invesco Ltd at a premium of US\$206m. In September 2010, one new ordinary share was issued to Invesco Ltd, as consideration for Invesco Ltd assigning the rights and obligations of three loan agreements. The share was issued at a premium of US\$567.8m.

Separately, the parent company made new capital contributions totalling US\$75.5m during 2010 as detailed in note 16.

Liquidity and credit risk

The company is subject to credit, liquidity and cashflow risks, as it holds principal debt on behalf of the Invesco Ltd group ("the group"). The company is subject to liquidity risk as it both provides and receives a large number of loans to and from fellow group undertakings.

In May 2010, the company and Invesco Ltd negotiated, as co-borrowers, a new credit facility of US\$1.25 billion. This replaces the US\$500 million credit facility of IVZ Inc for which the company was a guarantor.

Foreign exchange risk

The company is subject to foreign exchange risk within both assets and liabilities through amounts due from and owing to other group undertakings. The company does not hedge any foreign exchange exposure.

Interest rate risks

The company earns and incurs interest on inter-group loans. The rate of interest is dependent on commercial banking interest rates and Libor. The company also pays interest on the outstanding senior notes, which have fixed maturities and fixed interest rates determined at the date of issue of these senior notes.

Invesco Holding Company Limited
Directors' Report for the year ended 31 December 2010 (continued)

Risk management

The company's operations are managed within the limits defined by the Board. The Board regularly reviews the overall risk inherent in the company's business and actions are taken to mitigate those risks where appropriate. Further details of the company's policies for managing risk are included in note 18 to the financial statements.

KEY PERFORMANCE INDICATORS

	2010	2009	Change
	US\$m	US\$m	%
Administrative expenses	0.2	(18.8)	(101)
Expenses from investments in group undertakings	9.2	4.9	88
Interest receivable and similar income	17.4	19.7	(12)
Interest payable and similar charges	59.2	66.9	(12)
Loss on ordinary activities before tax	44.0	30.0	47

Administrative expenses have increased significantly due to foreign exchange credits incurred in 2009. Interest receivable fell mostly due to lower interest bearing inter-company balances compared to 2009. This was partially offset in September 2010 when the company issued a new share to its parent at a premium of US\$567.8m. The share was issued against the parent assigning the rights and obligations of three loans due to the company. The interest accruing on these loans partially offset the fall in other interest bearing inter-company balances.

DIVIDENDS

No dividends (2009: US\$246.5m) were paid during the year.

GOING CONCERN

As at December 2010 the company's net asset value is US\$1,749.2m (2009 – US\$945.1m) and there are no financial commitments outside normal business operations. Consequently the directors believe the company can manage its business risk successfully in the future and that the company has adequate resources to continue to operate for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in the preparing of the annual reports and financial statements.

DIRECTORS

The directors who served during the year are as shown below:

K. M. Carome
R. H. Rigsby
L. Starr

Invesco Holding Company Limited
Directors' Report for the year ended 31 December 2010 (continued)

DIRECTORS' LIABILITIES

Invesco Ltd has taken out indemnity insurance for the directors of the company in connection with their roles and responsibilities as director

COMPANY SECRETARY

Under the Companies Act 2006 there is no longer a requirement for the company to have a Company Secretary and therefore the Company Secretary resigned with effect from 23 March 2010

POST BALANCE SHEET EVENTS

A new wholly owned subsidiary company, Invesco Finance Limited, was incorporated in England and Wales on 31 May 2011 under company registration number 7652214

On 3 June, 2011, Invesco Holding Company Limited, IVZ, Inc , Invesco Finance Limited, and Invesco Finance Inc , all direct or indirect wholly-owned subsidiaries of Invesco Ltd , entered into a five-year unsecured \$1 25 billion Credit Agreement which amends and restates an existing \$1 25 billion Credit Agreement dated as of 24 May, 2010 that was scheduled to expire on 24 May, 2013 Invesco Ltd , Invesco Advisers, Inc , Invesco North American Holdings, Inc , and Invesco Management Group, Inc , are guarantors of the facility

Invesco Holding Company Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the Directors



Director

Date 19 September 2011

Invesco Holding Company Limited
Independent Auditors' Report to the Members of Invesco Holding Company Limited

We have audited the financial statements of Invesco Holding Company Limited for the year ended 31 December 2010 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards (as adopted by the European Union), and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

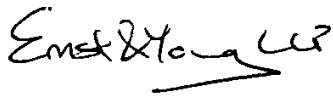
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Invesco Holding Company Limited
Independent Auditors' Report to the Members of Invesco Holding Company Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Amarjit Singh (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date 20 SEPTEMBER 2011

Invesco Holding Company Limited
Statement of Comprehensive Income for the year ended 31 December 2010

		Year ended 2010	Year ended 2009
	Note	US\$ million	US\$ million
Administrative expenses		(0.2)	18.8
Operating profit		(0.2)	18.8
Income from investments in group undertakings		7.2	-
Expense from investments in group undertakings	2	(9.2)	(4.9)
Gain on disposal of long term debt		-	3.3
Interest receivable and similar income	3	17.4	19.7
Interest payable and similar charges	4	(59.2)	(66.9)
Loss on ordinary activities before taxation		(44.0)	(30.0)
Tax on loss on ordinary activities	7	(1.2)	3.5
Loss attributable to Equity Shareholders		(45.2)	(26.5)

All activities derive from continuing operations

The accompanying notes are an integral part of these financial statements

Invesco Holding Company Limited

Statement of Financial Position at 31 December 2010 Registered No: 308372

	Note	Year ended 2010 US\$ million	Year ended 2009 US\$ million
Non-current assets			
Investments in subsidiaries	9	2,481 7	2,549 2
Other receivables	10	567 8	-
		<u>3,049 5</u>	<u>2,549 2</u>
Current assets			
Trade and other receivables	11	158 6	66 2
Cash and cash equivalents		1 1	0 2
		<u>159 7</u>	<u>66 4</u>
Total assets		<u>3,209 2</u>	<u>2,615 6</u>
Non-current liabilities			
Senior notes	12	(743 7)	(742 9)
Trade and other payables amounts falling due after more than one year	14	(691 1)	(910 3)
		<u>(1,434 8)</u>	<u>(1,653 2)</u>
Current liabilities			
Creditors amounts falling due within one year	13	(25 2)	(17 3)
		<u>(25 2)</u>	<u>(17 3)</u>
Total liabilities		<u>(1,460 0)</u>	<u>(1670 5)</u>
Net assets		<u>1,749 2</u>	<u>945 1</u>
Equity			
Share capital	16	84 8	84 8
Share premium	17	773 8	-
Capital contribution	17	75 5	-
Other reserves	17	413 5	413 5
Retained earnings		401 6	446 8
Total equity		<u>1,749 2</u>	<u>945 1</u>

Signed on behalf of the Board on 19 September 2011



L. Starr
Director

The accompanying notes are an integral part of these financial statements

Invesco Holding Company Limited
Statement of Changes in Equity for the year ended 31 December 2010

	Share Capital	Share Premium	Capital Contribution	Other Reserves	Retained Earnings	Total
	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
1 January 2009	84.8	704.2	-	422.3	6.8	1,218.1
Profit after taxation	-	-	-	-	(26.5)	(26.5)
Total equity before transactions with owners	84.8	704.2	-	422.3	(19.7)	1,191.6
Dividends	-	-	-	-	(246.5)	(246.5)
Transfer reserves to retained earnings	-	(704.2)	-	(8.8)	713.0	-
31 December 2009	84.8	-	-	413.5	446.8	945.1
Loss after taxation	-	-	-	-	(45.2)	(45.2)
Total equity before transactions with owners	84.8	-	-	413.5	401.6	899.9
Share premium on share issued	-	773.8	-	-	-	773.8
Capital contribution received	-	-	75.5	-	-	75.5
31 December 2010	84.8	773.8	75.5	413.5	401.6	1,749.2

Invesco Holding Company Limited
Cash Flow Statement for the year ended 31 December 2010

	Notes	2010 US\$ million	2009 US\$ million
Operating Activities:			
Loss for the year attributed to shareholders		(45 2)	(26 5)
Adjustments to reconcile profit to net cash provided by operating activities			
Decrease in trade and other receivables		125 7	215 4
(Decrease)/increase in trade and other payables		(193 7)	231 7
Loss on disposal of long term debt		-	(3 9)
Impairment charge of investment in subsidiaries		-	7 0
Investment in associated company		(7 2)	(2 2)
Amortisation of loan notes		0 9	1 5
Impairment charge of investment in associated company	2	9 2	-
Exchange rate movements		(0 7)	(17 1)
Net cash inflow from operating activities		(111 0)	405 9
Investing Activities:			
Investment income		1 7	1 7
Purchase of investment in subsidiary holdings		(97 2)	-
Return of capital from subsidiary holdings		38 0	-
Repayment of intercompany-loan by subsidiary holding		106 7	-
Net cash inflow from investing activities		49 2	1 7
Financing Activities:			
Credit facility		-	(12 0)
Repayments of senior notes		-	(397 2)
Capital contribution from parent		62 7	-
Net cash outflow from financing activities		62 7	(409 2)
Increase/(decrease) in cash and cash equivalents		0 9	(1 6)
Cash and cash equivalents, beginning of year		0 2	1 8
Cash and cash equivalents, end of year		1 1	0 2
Supplemental Cash Flow Information			
Interest paid – financing activities	4	59 2	(64 2)
Interest received – financing / investing activities	3	17 4	19 7
Dividends received – investing activities		1 7	2 1
Taxes received – operating activities		0 2	0 8

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010

1. Accounting policies

The principal accounting policies adopted by the company are as follows

(a) *Statement of compliance*

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

The company is exempt from the requirements to produce consolidated financial statements, in accordance with section s400 to s402 of the Companies Act 2006, as it is a wholly owned subsidiary undertaking of Invesco Ltd, a company incorporated in Bermuda and which publishes consolidated financial statements including the results of the company and its subsidiary undertakings in accordance with US Generally Accepted Accounting Practice

(b) *Basis of preparation*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable. Actual results could differ from these estimates.

(c) *Foreign currency*

The functional currency of the company is US Dollars (\$), which is also the presentation currency.

Transactions during the period denominated in foreign currencies have been translated at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated to dollars at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the Statement of Comprehensive Income.

(d) *Investments*

Fixed asset investments in subsidiaries and associates are shown at cost less any provision for impairment.

(e) *Long term debt*

Long term debt balances are recorded at cost. Finance charges are amortised over the term of the debt using the effective interest method. Interest charges are recognised in the period in which they are incurred.

(f) *Income and expenses*

Income and expenses are calculated on an accruals basis.

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

1. Accounting policies (continued)

(g) Current tax

Current tax assets and liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(h) Deferred taxation

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

2. Expenses from investments in group undertakings

	2010 US\$ million	2009 US\$ million
Amounts receivable from subsidiary undertakings	-	2.1
Impairment of subsidiary investments and loans	(9.2)	(7.0)
	<u>(9.2)</u>	<u>(4.9)</u>

The 2010 results include the impact of the write-down of the Polish associate.

3. Interest receivable and similar income

	2010 US\$ million	2009 US\$ million
Interest receivable from other group undertakings	17.4	19.4
Other interest receivable	-	0.3
	<u>17.4</u>	<u>19.7</u>

4. Interest payable and similar charges

	2010 US\$ million	2009 US\$ million
Interest payable – Credit Facility	-	0.5
Interest payable – Senior Notes	40.6	56.0
Interest payable to other group undertakings	18.6	10.4
	<u>59.2</u>	<u>66.9</u>

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

5. Directors' remuneration and staff costs

The three (2009 three) directors who held office during the year received no remuneration from the company (2009 US\$nil) Staff costs, including pension contributions of all group employees who provide services to Invesco Holding Company Limited are borne by Invesco Group Services, Inc and Invesco UK Limited There were no employees of the company during the year (2009 nil)

6. Auditors remuneration

There is no charge for auditors' remuneration in the financial statements of the company Their remuneration for the audit of the company is borne by a sister company, Invesco UK Limited The portion of their remuneration relating to the audit of the company is US\$42,429 (2009 - US\$35,948)

	2010	2009
	US\$	US\$
Audit of the Financial statements	25,457	21,569
Other services		
- other services supplied pursuant to legislation	16,972	14,379
	<u>42,429</u>	<u>35,948</u>

Other services supplied pursuant to legislation relates to the audit of SOX process

7. Taxation on loss on ordinary activities

The tax charge /(credit) comprises the following

	2010	2009
	US\$ million	US\$ million
UK corporation tax at 28% (2009 – 28%)	-	-
Adjustment in respect of prior years	1.2	0.1
Total current UK tax	<u>1.2</u>	<u>0.1</u>
Deferred Tax -		
Current Year	-	(3.6)
Total Tax	<u>1.2</u>	<u>(3.5)</u>

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

7. Taxation on loss on ordinary activities (continued)

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2010	2009
	US\$ million	US\$ million
Loss on ordinary activities before tax	(44 0)	(30 0)
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2009 – 28%)	(12 3)	(8 4)
Effect of		
Expenses not deductible for UK tax purposes	3 5	2 2
Non Taxable income	-	(0 6)
Dividends from overseas offices	(2 0)	-
Apportioned profits from overseas subsidiaries	1 4	0 6
Adjustments in respect of prior years	1 2	0 1
Group relief surrendered for nil payment	9 4	6 2
Total UK tax	1 2	0 1

8. Equity Dividends

	2010	2009
	US\$ million	US\$ million
Interim dividend at US\$nil per Ordinary Share (2009 - US\$0 29)	-	246 5

9. Non-current investments

	Shares in Subsidiary Undertakings and Associates	Loans to Subsidiary Undertakings and Associates	Total
	US\$ million	US\$ million	US\$ million
Cost			
1 January 2010	2,493.7	123.0	2,616.7
Foreign exchange	-	-	-
Additions	97 2	-	97 2
Disposals	(37 9)	(123 0)	(160 9)
Impairment loan reclass	-	-	-
31 December 2010	2,553.0	-	2,553.0
Provisions against investments			
1 January 2010	(67.5)	-	(67.5)
Impairments in the year	(3 8)	-	(3 8)
31 December 2010	(71.3)	-	(71.3)
Net book value			
1 January 2010	2,426.2	123.0	2,549.2
31 December 2010	2,481.7	-	2,481.7

9. Non-current investments (continued)

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

The principal operating companies, all of which are wholly owned, are set out below

Name of company	Country of incorporation or registration	Principal activity	Description of shares
Invesco UK Holdings Limited	England & Wales	Holding Company	Ordinary & Redeemable Preference
Invesco North America Group Limited	England & Wales	Holding Company	Ordinary
Invesco Pacific Group Limited	England & Wales	Holding Company	Ordinary
IVZ, Inc	United States of America	Holding Company	Common
Invesco Inc	Canada	Holding Company	Common
Invesco Asset Management (Bermuda) Ltd	Bermuda	Holding Company	Ordinary & Redeemable Preference
James Bryant Limited	England & Wales	Nominee Company	Ordinary
Invesco Polska Spolka z ograniczona odpowiedzialnoscia	Poland	Holding Company	Ordinary
Invesco Pension Trustees Limited	England & Wales	Acting as pension trustee for UK pension scheme	Ordinary

The company listed below, is an associate of the company

Name of company	Country of incorporation or registration	Principal activity	Percentage holding
Pocztynion - ARKA	Poland	Acting as pension fund to service long - term savings	29.3%

10. Other receivables: Amounts receivable after more than one year

	2010 US\$ million	2009 US\$ million
Amounts receivable from subsidiary undertakings	567.8	-
	567.8	-

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

11. Trade and other Receivables

	2010	2009
	US\$ million	US\$ million
Amounts receivable from parent	152.7	-
Amounts receivable from subsidiary undertakings	2.3	61.9
Amounts receivable from other group undertakings	0.8	1.4
Tax	2.8	2.9
	158.6	66.2

As at 31 December 2010 trade and other receivables have been impaired by US\$5.8m (2009 US\$5.9m). Movements in the provision are as follows

	2010	2009
	US\$ million	US\$ million
Balance 1 January	5.9	-
Impairment reclass from non-current investments		
Amounts receivable from subsidiary undertakings	-	0.2
Amounts receivable from other group undertakings	-	5.7
Exchange movement on provision balance	(0.1)	-
Balance at 31 December	5.8	5.9

12. Long-term Debt

	2010		2009	
	Book Value	Fair Value	Book Value	Fair Value
	US\$ million	US\$ million	US\$ million	US\$ million
Senior notes				
US\$300 million due 17 April 2012 at 5.625%	214.7	223.7	214.6	227.0
US\$350 million due 27 February 2013 at 5.375%	332.5	335.2	332.1	343.4
US\$200 million due 15 December 2014 at 5.375%	196.5	210.4	196.2	195.1
Total long-term debt	743.7	769.3	742.9	765.5
Less current maturities of long-term debt	-	-	-	-
Non-current maturities of long term debt	743.7	769.3	742.9	765.5

The senior notes are listed on the Luxembourg Stock Exchange on the Euro MTF Market. The Euro MTF market is not an European regulated market as defined in the European Directive 2004/39-EC. As such the companies which have securities admitted to trading in the Euro MTF market are outside the scope of some EU regulations such as the Prospectus and Transparency Directive, hence issuers having securities admitted to trading the Euro MTF are bound to less stringent requirements for financial reporting.

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

12. Long-term Debt (continued)

Because an active market does not exist for the company's debt in which to obtain current market price information, fair value amounts disclosed in the table above were derived from estimates and analysis performed by the company's external financing providers. Such analysis included comparison of the terms of the company's debt with other actively traded debt of other companies.

In May 2010, a new facility was negotiated as stated in the liquidity and credit risk note in the Director's report.

Analysis of Borrowings:

	2010	2009
	US\$ million	US\$ million
Less than one year	-	-
Between one and three years	547.2	214.6
Between three and five years	196.5	528.3
More than five years	-	-
Total long-term debt	<u>743.7</u>	<u>742.9</u>

13. Creditors: Amounts falling due within one year

	2010	2009
	US\$ million	US\$ million
Amounts due to subsidiary undertakings	9.2	-
Amounts due to other group undertakings	1.3	3.9
Taxation and social security	5.1	3.9
Accruals and deferred income	9.6	9.5
	<u>25.2</u>	<u>17.3</u>

14. Trade and other payables: Amounts falling due after more than one year

	2010	2009
	US\$ million	US\$ million
Amounts due to subsidiary undertakings	447.9	448.0
Amounts due to other group undertakings	243.2	462.3
	<u>691.1</u>	<u>910.3</u>

15. Analysis of Deferred Tax Balances

	2010	2009
	US\$ million	US\$ million
At 1 January	-	(3.6)
Credit to profit and loss account	-	3.6
At 31 December	<u>-</u>	<u>-</u>

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

16 Called up Share Capital and Exchangeable Shares

Ordinary Shares

	2010		2009	
	Book Value		Book Value	
	US\$	Number	US\$	Number
	million	million	million	million
Authorised Ordinary shares of 10 cents each	105 0	1,050 0	105 0	1,050 0
Allotted, called up and fully paid				
Ordinary shares of 10 cents each	84 8	848 0	84 8	848 0
Authorised and issued Deferred Sterling shares of £1 each	0 05	0 05	0 05	0 05

During August 2010, a new share was issued to Invesco Ltd at a premium of US\$206m. In September 2010, one new Ordinary share was issued to Invesco Ltd, as consideration for Invesco Ltd assigning the rights and obligations of three loan agreements. The share was issued at a premium of US\$567.8m.

In addition, capital contributions of \$75.5m, from Invesco Ltd, were received by the company.

The Deferred Sterling shares of £1 have no voting rights, no rights to profits and no rights to any assets upon a winding up.

17. Reserves

US\$ million	Tax Reserve	Warrant Reserve	Capital Redemption Reserve	Merger Reserve	Goodwill Reserve	Share Premium Account	Capital Contribution	Total Other Reserves
1 January 2009	(0.7)	5.8	8.8	401.3	7.1	-	-	422.3
Transfer capital redemption reserve to retained earnings	-	-	(8.8)	-	-	-	-	(8.8)
31 December 2009	(0.7)	5.8	-	401.3	7.1	-	-	413.5
Share premium on issue of new share	-	-	-	-	-	773.8	-	773.8
Capital contribution received	-	-	-	-	-	-	75.5	75.5
31 December 2010	(0.7)	5.8	-	401.3	7.1	773.8	75.5	1,262.8

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

18. Risks and Uncertainties

a) Interest rate risk

The company earns and incurs interest on inter-group loans. The rate of interest is dependent on commercial banking interest rates and Libor. If interest rates increased/decreased by 100 basis points, based on the closing balances as at 31 December 2010, the annualised interest earned by the company would increase/decrease by US\$5.8m (2009 US\$3.7m).

The company pays interest on the senior notes contained in note 12. These notes have fixed maturities and predefined interest rates. The company would bear interest rate risk if it were to reissue any of the maturing notes.

b) Liquidity risk

The company maintains sufficient cash and liquid investments through its intercompany positions, and functions as a holding company, that liquidity and cash flow risks are negligible.

c) Credit risk

The intercompany receivables are payable on demand. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable in notes 10. The company does not hold any collateral as security.

The company has significant exposure to foreign exchange of US\$143.6 million (2009 US\$98.1 million) within the amounts owing to other group undertakings. The company does not hedge any foreign exchange exposure.

d) Foreign Exchange risk

The foreign exchange exposure per currency per balance sheet category is as follows:

	2010 US\$ million	2009 US\$ million
Intercompany receivables		
Sterling (GBP)	6.7	6.0
	<u>6.7</u>	<u>6.0</u>
Intercompany liabilities		
Hong Kong Dollar (HKD)	109.1	94.3
Sterling (GBP)	31.0	0.6
Singapore Dollar (SGD)	3.5	3.2
	<u>143.6</u>	<u>98.1</u>

Invesco Holding Company Limited
Notes to the accounts at 31 December 2010 (continued)

18. Risks and Uncertainties (continued)

d) Foreign Exchange risk (continued)

Sensitivity Analysis

Assuming an increase / decrease of 5% in exchange rates against US Dollar, the foreign exchange exposure per currency per balance sheet category increase / decrease is as follows -

	2010	2009
	US\$ million	US\$ million
Intercompany receivables		
Sterling (GBP)	0 3	0 3
	0 3	0 3
Intercompany liabilities		
Hong Kong Dollar (HKD)	5 5	4 7
Sterling (GBP)	1 6	-
Singapore Dollar (SGD)	0 2	0 2
	7 3	4 9

e) Capital Management

The company considers its capital to be the total equity shown in notes 16 and 17. The company's objectives when managing capital are

- to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns and benefits for stakeholders, and
- to maintain a strong capital base to support the development of the company's business

19. Related party transactions

The company engages in intercompany transactions with its subsidiaries which are all related to the company's tax and treasury management processes. As of 31 December 2010, the company had US\$723.6 million in receivables from subsidiaries and other group companies (2009 US\$63.3 million). As of 31 December 2010, the company had payables to its subsidiaries and other group companies of US\$701.6 million (2009 US\$914.2 million).

20. Immediate and ultimate parent company

The company's immediate and ultimate parent company, and the parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which the company is a member, is Invesco Ltd which is registered in Bermuda. Copies of the group financial statements can be obtained from Two Peachtree Pointe, 1555 Peachtree Street, NE, Suite 1800 Atlanta, Georgia 30309, USA.