

Invesco Holding Company Limited

**Directors' report and audited financial statements for the year ended 31
December 2011**

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
Auditor	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 2011

The directors present their report and financial statements for the year ended 31 December 2011 for Invesco Holding Company Limited ("the company"). The company is a subsidiary of Invesco Ltd. In these financial statements, Invesco Ltd and its subsidiaries are referred to as "the group".

Principal activity

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.

Principal risks and uncertainties

The group has a robust risk governance structure and framework which is considered appropriate to the size, nature and complexity of the business. These arrangements are characterised by a matrix management model across functions and regions. The risk management framework is supported by an established risk and control self assessment programme, which informs functional and regional senior management and the Board on the risks managed by the business. These are reviewed by the appropriate Risk Management Committees that have been established to monitor the risks within the business and report to the group and/or local representative Board.

Results for the year and state of affairs at 31 December 2011

The statement of comprehensive income for the year ended 31 December 2011 together with the statement of financial position at that date are set out on pages 9 and 10 respectively. The loss on ordinary activities for the year before taxation and dividends amounted to US\$0.9m (2010 loss US\$44.0m).

Liquidity and credit risk

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

The company became a party to the group five-year unsecured US\$1.25 billion credit agreement which was amended and restated on 3 June 2011. This facility is subject to a floating interest rate and is scheduled to expire on 3 June 2016. The new facility replaces the US\$1.25 billion credit facility of the company and Invesco Ltd, negotiated in May 2010 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.

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 2011 (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 17 to the financial statements.

Key performance indicators

	2011	2010	Change
	US\$m	US\$m	%
Administrative expenses	2.2	0.2	1,168
Expenses from investments in group undertakings	-	9.2	(100)
Interest receivable and similar income	49.3	17.4	183
Interest payable and similar charges	49.4	59.2	(16)
Loss on ordinary activities before tax and dividends	0.9	44.0	(98)

Administrative expenses in 2010 benefitted from favourable foreign exchange movements which were not repeated in 2011. Interest receivable increased due to higher interest bearing inter-company balances compared to 2010. This included a full years benefit of the three loans assigned by the immediate parent company in return for the share issued during 2010 by the company. Interest payable fell as a result of lower interest-bearing intercompany balances compared to 2010.

Dividends

Dividends of US\$48.4m (2010: US\$nil) were declared and paid during the year.

Going concern

The company's business activities, together with the factors likely to affect its financial position, exposure to principal risks and uncertainties and future development are described above.

The company's existing trading activity relates primarily to transactions with other subsidiaries. Although the company has a positive net asset position, a significant portion of the assets of the company are held in illiquid investments that are not readily realisable to manage existing financial obligations. The company has a surplus of financial obligations over its existing financial assets. However, the fellow subsidiaries of the group to which these existing obligations are due have provided assurances to the directors of the company that these obligations will not require to be settled until the company has sufficient financial resources with which to meet these obligations. Accordingly, the directors have continued to adopt the going concern basis in the preparation of the financial statements.

Invesco Holding Company Limited
Directors' Report for the year ended 31 December 2011 (continued)

Directors

The directors who served throughout the year were as follows

K M Carome
R H Rigsby
L Starr

The company has no employees

Directors' liabilities

Invesco Ltd, the ultimate parent company, has taken out indemnity insurance for one or more of the directors of the company in connection with their roles and responsibilities as director and in accordance with the requirements and limitations of Section 234 of the Companies Act 2006

Subsidiary incorporation

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

Loan facility

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.

Subsequent events

In May 2012 and July 2012, a group restructuring resulted in two fellow subsidiaries, Invesco Taiwan Limited and Invesco Asset Management (Japan) Limited, being transferred into the Asia Pacific group structure under the company. These transactions are described in note 21.

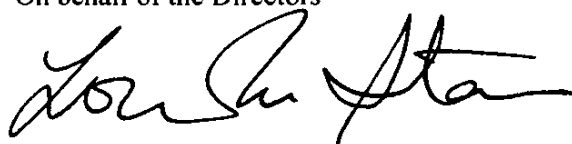
In the second quarter of 2012, the company purchased four put option contracts to hedge a portion of foreign currency translation risk relating to the group's Pound Sterling denominated earnings, translated into US Dollars for \$2.5 million.

Invesco Holding Company Limited
Directors' Report for the year ended 31 December 2011 (continued)

Provision of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he or she is obliged to take as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'John S. Stata', written over a horizontal line.

Director

Date 10 September 2012

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) as adopted by the European Union, and applicable law. 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, and
- state whether applicable IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Invesco Holding Company Limited
Independent Auditor's 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 2011 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 21. 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 6 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 2011 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 Auditor's 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 12 SEPTEMBER 2012

Invesco Holding Company Limited
Statement of Comprehensive Income for the year ended 31 December 2011

		Year ended 2011	Year ended 2010
	Note	US\$ million	US\$ million
Administrative expenses		(2 2)	(0 2)
Operating profit		(2 2)	(0 2)
Income from investments in group undertakings		1 4	7 2
Expense from investments in group undertakings	2	-	(9 2)
Interest receivable and similar income	3	49 3	17 4
Interest payable and similar charges	4	(49 4)	(59 2)
Loss on ordinary activities before taxation		(0 9)	(44 0)
Tax on loss on ordinary activities	7	(2 8)	(1 2)
Loss attributable to Equity Shareholders		(3 7)	(45 2)

All activities derive from continuing operations

The accompanying notes are an integral part of these financial statements

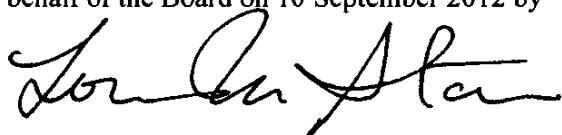
Invesco Holding Company Limited
Statement of Financial Position at 31 December 2011

Registered No: 308372

	Note	Year ended 2011 US\$ million	Year ended 2010 US\$ million
Non-current assets			
Investments in subsidiaries	9	2,536 6	2,481 7
Other receivables	10	567 8	567 8
		<u>3,104 4</u>	<u>3,049 5</u>
Current assets			
Trade and other receivables	11	40 9	158 6
Cash and cash equivalents		3 0	1 1
		<u>43 9</u>	<u>159 7</u>
Total assets		<u>3,148.3</u>	<u>3,209 2</u>
Non-current liabilities			
Senior notes	12	(529 6)	(743 7)
Trade and other payables amounts falling due after more than one year	14	(656 5)	(691 1)
		<u>(1,186 1)</u>	<u>(1,434 8)</u>
Current liabilities			
Senior notes	12	(215 0)	-
Creditors amounts falling due within one year	13	(50 1)	(25 2)
		<u>(265 1)</u>	<u>(25 2)</u>
Total liabilities		<u>(1,451 2)</u>	<u>(1,460 0)</u>
Net assets		<u>1,697 1</u>	<u>1,749 2</u>
Equity			
Share capital	16	84 8	84 8
Share premium	17	773 8	773 8
Capital contribution	17	75 5	75 5
Other reserves	17	413 5	413 5
Retained earnings		349 5	401 6
Total equity		<u>1,697 1</u>	<u>1,749 2</u>

Signed on behalf of the Board on 10 September 2012 by

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 2011

	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 2010	84.8	-	-	413.5	446.8	945.1
Profit 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
Loss after taxation	-	-	-	-	(3.7)	(3.7)
Dividends paid	-	-	-	-	(48.4)	(48.4)
31 December 2011	84.8	773.8	75.5	413.5	349.5	1,697.1

Invesco Holding Company Limited
Cash Flow Statement for the year ended 31 December 2011

	Notes	2011 US\$ million	2010 US\$ million
Operating Activities:			
Loss for the year attributed to shareholders		(3 7)	(45 2)
Adjustments to reconcile profit to net cash provided by operating activities			
Decrease in trade and other receivables		2 9	125 7
Decrease in trade and other payables		(9 4)	(193 7)
Loss on disposal of long term debt		-	-
Impairment charge of investment in subsidiaries		-	-
Investment in associated company		(1 4)	(7 2)
Amortisation of loan notes		0 9	0 9
Impairment charge of investment in associated company	2	-	9 2
Exchange rate movements		(1 4)	(0 7)
Net cash inflow from operating activities		(12 1)	(111 0)
Investing Activities:			
Investment income		1 4	1 7
Purchase of investment in subsidiary holdings		-	(97 2)
Return of capital from subsidiary holdings		61 0	38 0
Repayment of intercompany-loan by subsidiary holding		-	106 7
Net cash inflow from investing activities		62 4	49 2
Financing Activities:			
Capital contribution from parent		-	62 7
Dividends paid		(48 4)	-
Net cash outflow from financing activities		(48 4)	62 7
Increase/(decrease) in cash and cash equivalents		1 9	0 9
Cash and cash equivalents, beginning of year		1 1	0 2
Cash and cash equivalents, end of year		3 0	1 1
Supplemental Cash Flow Information			
Interest paid – financing activities	4	49 4	59 2
Interest received – financing / investing activities	3	49 3	17 4
Dividends received – investing activities		1 4	1 7
Taxes (paid)/received – operating activities		(2 1)	0 2

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011

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 and recorded on an accruals basis.

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (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.

In 2009, the IASB issued IFRS 9, *Financial Instruments – Classification and Measurement*, with an expanded and amended version covering additional requirements for financial liabilities issued during 2010. The standard is effective prospectively for accounting periods commencing 1 January 2015 or later, and is therefore not applicable for the current accounting period. On adoption, IFRS 9 will require the company to review the classification of certain financial instruments while allowing the company to retain fair value measurement necessary. The company is in the process of assessing the full impact of these requirements.

(j) Standards issued but not yet effective

During 2011, the IASB issued IFRS 12 *Disclosure of Interests in Other Entities* and IFRS 13, *Fair Value Measurement*. Each of these standards is applicable for periods commencing on or after 1 January 2013.

On adoption of IFRS 12 the company will be required to review the entities that it classifies as subsidiaries, joint ventures and associates and the related disclosures required in respect of each of these types of investments. The directors of the company are currently assessing the changes required to the presentation of the company's financial statements and disclosures.

As a result of the new standards issued above, the IASB has also issued amended versions of IAS 27, *Separate Financial Statements* (effective for accounting periods commencing on or after 1 January 2013) and IAS 28, *Investments in Associates and Joint Ventures* (effective for accounting periods commencing on or after 1 July 2012).

During 2011, the IASB has also issued amendments to IAS 1, *Presentation of Financial Statements*, (applicable for accounting periods commencing on or after 1 July 2012). The amendments made to these standards are not expected to have a significant impact on the financial statements of the company.

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (continued)

(j) *Standards issued but not yet effective (continued)*

In previous years, the IASB issued amendments to IFRS 1 *First Time Adoption of IFRS* (applicable prospectively for accounting periods commencing on 1 July 2011), IFRS 7, *Financial Instruments – Disclosures* (applicable prospectively for accounting periods commencing on 1 July 2011) and IAS 12, *Income Taxes* (applicable prospectively for accounting periods commencing on 1 January 2012). On adoption, these standards are not expected to have any material impact on the company's financial reporting.

2. Expenses from investments in group undertakings	2011 US\$ million	2010 US\$ million
Impairment of subsidiary investments and loans	-	(9.2)
	-	(9.2)

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

3. Interest receivable and similar income	2011 US\$ million	2010 US\$ million
Interest receivable from other group undertakings	49.3	17.4
	49.3	17.4

4. Interest payable and similar charges	2011 US\$ million	2010 US\$ million
Interest payable – Senior Notes	40.6	40.6
Interest payable to other group undertakings	8.8	18.6
	49.4	59.2

5. **Directors' remuneration and staff costs**

There were no employees of the company during the year (2010 – nil). Staff costs including pension contributions, of all group employees who provide services to the company are borne by Invesco Group Services, Inc. and Invesco UK Limited.

The three directors (2010 – three) who held office during the year received no remuneration from the company (2010 – £nil). All directors' remuneration is borne by Invesco Group Services, Inc. The proportion of the service charge relating to directors' remuneration is not able to be separately identified.

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (continued)

6. Auditor's remuneration

There is no charge for auditor's remuneration in the financial statements of the company. The auditor remuneration for the audit of the company is borne by a sister company, Invesco UK Limited and is not recharged to the company. The portion of the aggregate auditor remuneration of the group relating to the audit and the provision of other services to the company is US\$44,157 (2010 - US\$42,429).

	2011	2010
	US\$	US\$
Audit of the Financial statements	27,037	25,457
Other services		
- other services supplied pursuant to legislation	17,120	16,972
	<u>44,157</u>	<u>42,429</u>

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

7. Taxation on loss on ordinary activities

The tax charge comprises the following

	2011	2010
	US\$ million	US\$ million
UK corporation tax at 26.49% (2010 – 28%)	2.7	-
Adjustment in respect of prior years	0.1	1.2
Total current UK tax	<u>2.8</u>	<u>1.2</u>
Deferred tax -		
Prior year	-	-
Total Tax	<u>2.8</u>	<u>1.2</u>

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (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

	2011 US\$ million	2010 US\$ million
Loss on ordinary activities before tax	(0.9)	(44.0)
Tax on loss on ordinary activities at standard UK corporation tax rate of 26.49% (2010 – 28%)	(0.3)	(12.3)
Effect of		
Expenses not deductible for tax purposes	-	3.5
Dividends from overseas offices	(0.4)	(2.0)
Uncertain tax position	0.4	-
Apportioned profits from overseas subsidiaries	3.4	1.4
Adjustments in respect of prior years	0.1	1.2
Group relief (claimed)/surrendered for nil payment	(0.4)	9.4
Total UK tax	2.8	1.2

8. Equity dividends

	2011 US\$ million	2010 US\$ million
Interim dividend at US\$0.46 per Ordinary Share (2010 - US\$Nil)	48.4	-

9. Non-current investments

	Shares in Subsidiary Undertakings and Associates US\$ million
Cost	
1 January 2011	2,553.0
Additions	116.0
Disposals	(61.1)
Impairment loan reclass	-
31 December 2011	2,607.9
Provisions against investments	
1 January 2011	(71.3)
Impairments in the year	-
31 December 2011	(71.3)
Net book value	
1 January 2011	2,481.7
31 December 2011	2,536.6

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (continued)

9. Non-current investments (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 Finance Limited	England & Wales	Finance subsidiary	Ordinary

The companies listed below, are associates of the company

Name of company	Country of incorporation or registration	Principal activity	Percentage holding
Pocztylion - ARKA	Poland	Acting as pension fund to service long - term savings	29.3%
Invesco Pension Trustees Limited	England & Wales	Acting as pension trustee for UK pension scheme	100% 'B' Ordinary

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

	2011	2010
	US\$ million	US\$ million
Amounts receivable from subsidiary undertakings	567 8	567 8
	567 8	567 8

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (continued)

11. Trade and other receivables	2011	2010
	US\$ million	US\$ million
Amounts receivable from parent	-	152.7
Amounts receivable from subsidiary undertakings	38.1	2.3
Amounts receivable from other group undertakings	-	0.8
Tax	2.8	2.8
	40.9	158.6

As at 31 December 2011 trade and other receivables have been impaired by US\$5.8m (2010 US\$5.8m). Movements in the provision are as follows:

	2011	2010
	US\$ million	US\$ million
Balance 1 January	5.8	5.9
Exchange movement on provision balance	-	(0.1)
Balance at 31 December	5.8	5.8

12. Long-term debt

	2011		2010	
	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%	215.0	217.3	214.7	223.7
US\$350 million due 27 February 2013 at 5.375%	333.0	343.8	332.5	335.2
US\$200 million due 15 December 2014 at 5.375%	196.6	207.4	196.5	210.4
Total long-term debt	744.6	768.5	743.7	769.3
Less: current maturities of long-term debt	(215.0)	(217.3)	-	-
Non-current maturities of long term debt	529.6	551.2	743.7	769.3

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 2011 (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. This facility was re-negotiated as stated in the liquidity and credit risk note in the directors' report.

Analysis of borrowings:

	2011	2010
	US\$ million	US\$ million
Less than one year	215.0	-
Between one and three years	529.6	547.2
Between three and five years	-	196.5
Total long-term debt	<u>744.6</u>	<u>743.7</u>

13. Creditors: Amounts falling due within one year

	2011	2010
	US\$ million	US\$ million
Amounts due to subsidiary undertakings	-	9.2
Amounts due to other group undertakings	33.2	1.3
Taxation and social security	5.8	5.1
Accruals and deferred income	11.1	9.6
	<u>50.1</u>	<u>25.2</u>

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

	2011	2010
	US\$ million	US\$ million
Amounts due to subsidiary undertakings	448.3	447.9
Amounts due to other group undertakings	208.2	243.2
	<u>656.5</u>	<u>691.1</u>

15. Called up share capital and exchangeable shares

Ordinary shares

	2011		2010	
	Book Value		Book Value	
	US\$ million	Number million	US\$ million	Number 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

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

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (continued)

16. Reserves

US\$ million	Tax Reserve	Warrant Reserve	Merger Reserve	Goodwill Reserve	Share Premium Account	Capital Contribution	Total Other Reserves
1 January 2010	(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
31 December 2011	(0.7)	5.8	401.3	7.1	773.8	75.5	1,262.8

17. 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 2011, the annualised net interest earned by the company would increase/decrease by US\$4.3m (2010: US\$5.8m) which would translate to profits and net assets.

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 per the terms of the underlying contracts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable in notes 10 and 11. The company does not hold any collateral as security.

The company has significant exposure to foreign exchange of US\$116.5 million (2010: US\$143.6 million) within the amounts owing to other group undertakings.

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (continued)

17. Risks and uncertainties (continued)

d) Foreign exchange risk

The foreign exchange exposure per currency is as follows

	2011 US\$ million	2010 US\$ million
Hong Kong Dollar (HKD)	104.7	109.1
Sterling (GBP)	8.3	31.0
Singapore Dollar (SGD)	3.5	3.5
	116.5	143.6

Sensitivity analysis

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

	2011 US\$ million	2010 US\$ million
Hong Kong Dollar (HKD)	5.2	5.5
Sterling (GBP)	0.4	1.6
Singapore Dollar (SGD)	0.2	0.2
	5.8	7.3

e) Capital management

The company considers its capital to be the total equity shown in notes 15 and 16, as well as the retained earnings on the balance sheet. 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

18. 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 2011, the company had US\$605.9 million in receivables from subsidiaries and other group companies (2010 US\$723.6 million). As of 31 December 2011, the company had payables to its subsidiaries and other group companies of US\$689.7 million (2010 US\$701.6 million).

Invesco Holding Company Limited
Notes to the accounts at 31 December 2011 (continued)

19. 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

20. Capital commitments and contingent liabilities

The company does not have any capital commitments or contingent liabilities as at 31 December 2011 (2010 \$nil)

21. Post balance sheet events

In April 2012, the company redeemed the US\$300m Senior notes that fell due, utilising the credit facility negotiated during 2011. The redemption was financed by the company drawing down US\$222m from the credit facility.

On 31 May 2012, Invesco Taiwan Limited was transferred from the UK group structure to the Asia Pacific group structure below the Invesco Pacific Group Limited subsidiaries. As a result of this transaction, the company paid down intercompany balances due to Invesco Hong Kong Limited and Invesco Asset Asia Management Limited and issued a loan to Invesco Asset Management Pacific Limited.

On 31 July 2012, the company acquired another subsidiary, Invesco Far East Limited (IFEL) for the net asset value of £11m. The company subsequently injected £42m of capital into IFEL. On the same date, IFEL acquired Invesco Asset Management (Japan) Limited from fellow sister company, Invesco Asset Management Limited.