

Registration number: 00308372

# Invesco Holding Company Limited

Strategic Report, Directors' Report and Audited Financial Statements

for the Year Ended 31 December 2019

**Invesco Holding Company Limited**

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## **Invesco Holding Company Limited**

### **Company Information**

<b>Directors</b>	A. Lege
	J. Callahan
	A. Dukes
<b>Company secretary</b>	A. Gerry
<b>Registered office</b>	Perpetual Park Perpetual Park Drive Henley-on-Thames Oxfordshire RG9 1HH
<b>Independent auditors</b>	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

## **Invesco Holding Company Limited**

### **Strategic Report for the Year Ended 31 December 2019**

The directors present their strategic report on the affairs of Invesco Holding Company Limited ("the company") for the year ended 31 December 2019. The company is a subsidiary of Invesco Ltd., a company organised under the laws of Bermuda and listed on the New York Stock Exchange. In this report and these financial statements, Invesco Ltd. and its subsidiaries are referred to as "the group".

#### **Purpose and key stakeholders**

The company forms part of the wider Invesco group, with a clear purpose; to help people get more out of life by delivering a superior investment experience. The Invesco group focuses on four key strategic objectives that are designed to sharpen focus on client needs, further strengthen the business over time and help ensure its long-term success:

- 1) Achieve strong, long-term investment performance across distinct investment capabilities with clearly articulated investment philosophies and processes, aligned with client needs;
- 2) Be instrumental to its clients' success by delivering distinctive investment capabilities worldwide to meet their needs;
- 3) Harness the power of its global platform by continuously improving executional effectiveness to enhance quality and productivity, and allocating resources to the opportunities that will best benefit clients and the business; and
- 4) Perpetuate a high-performance organization by driving greater transparency, accountability, fact-based decision making and execution at all levels.

In delivering in this purpose, and considering the requirements of Section 172 of the Companies Act 2006, the board has due regard for the key stakeholders of the company and group. As a holding company, the key stakeholders of the company are its parent company, its subsidiaries and other group companies with which it has intercompany relationships. The primary considerations for these stakeholders are the effective flow of cash resources through the Invesco group, whether through intercompany loans, dividends or other capital activities. The company has due regard to the priorities and requirements of its intercompany counterparties when making decisions about its own resource allocations, and this is managed largely through the support of global functions for legal, compliance and finance which assess and recommend transactions based on the impact to all Invesco companies impacted by the changes.

The company also issues floating interest rate notes listed on The International Stock Exchange, however the sole bearer of these notes is another Invesco group company. The company therefore considers The International Stock Exchange to be a key stakeholder, and ensures that its obligations under the listing rules are met.

#### **Business review**

##### ***Fair review of the business***

The profit and total comprehensive income for the financial year was \$165.10m (2018: profit and total comprehensive income: \$138.60m (restated)).

Dividends of \$214.4m were paid during the year (2018: \$550m). The directors do not recommend the payment of a final dividend (2018: \$Nil).

## Invesco Holding Company Limited

### Strategic Report for the Year Ended 31 December 2019 (continued)

#### Business review (continued)

The company's key financial and other performance indicators during the year were as follows:

	2019 \$ m	Restated 2018 \$ m
Income from shares in group undertakings	250.0	153.9
Finance income	91.7	49.7
Finance costs	<u>(169.2)</u>	<u>(70.4)</u>

On 24 May 2019, Invesco Ltd. acquired 100% of Oppenheimer Acquisition Corp. ("Oppenheimer Equity Interests"). The Oppenheimer Equity Interests were transferred from Invesco Ltd. to the company for a total consideration of \$5,712.0m. The acquisition was funded by the issuance of \$3,000.0m floating interest rate notes, due 2029, and 52,000,000 ordinary shares of \$0.10 with a total nominal value of \$5.2m and a total share premium of \$2,706.8m. The company subsequently transferred the Oppenheimer Equity Interests to a wholly owned direct subsidiary, Invesco Holding Company (US), Inc. in exchange for shares.

Included within the Creditors: amounts falling due after more than one year balance of \$4,519.2m (2018: \$1,512.2m) is \$3,000.0m (2018: \$Nil) of debt which is publicly listed on The International Stock Exchange in Guernsey. Further details are included within note 16, Loans and borrowings.

#### *Correction of Prior Period Error*

The value of investments as at 31 December 2018 was overstated in the financial statements for the year then ended. As required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this error has been corrected in the comparative information presented within these financial statements. This has resulted in a reduction in the balance of Investments as at 31 December 2018 of \$750m as shown in Notes 11 and 24. This also resulted in a reduction in the income from shares in group undertakings recognised through the 2018 Statement of Comprehensive Income of \$750m.

## **Invesco Holding Company Limited**

### **Strategic Report for the Year Ended 31 December 2019 (continued)**

#### **Environmental, social and governance policies**

As a global investment management organisation, the group is committed to adopting and implementing responsible investment principles in a manner that is consistent with our fiduciary responsibilities to clients. The group recognises the importance of considering environmental, social and governance (“ESG”) issues as part of a robust investment process.

We measure and provide appropriate oversight by having a robust governance process to hold ourselves accountable for meeting our corporate social responsibility commitments.

Operating sustainably and responsibly is fundamental to our corporate social responsibility mission. We maintain environmental management processes which meet international standards such as ISO 14001 and comply with other relevant compliance obligations as part of our commitment to continuous improvement in environmental management. Efforts include:

- Principles for Responsible Investment, as supported by The United Nations, is an international network of investors working together to incorporate ESG (environmental, social, governance) issues into their investment processes.
- The group is a constituent of the FTSE4Good Index Series. The Series communicates the performance of companies which meet global corporate responsibility standards to help potential clients make investments in organizations with good records of corporate social responsibility.
- Carbon Disclosure Project (CDP) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. The group participates in the CDP, reporting on carbon emissions and reduction management processes.
- The group is extending its ongoing commitment to environmental stewardship by ensuring that all corporate travel is climate-neutral.

The company has quadruple certification of our UK properties under the Carbon Trust Standard, and has exceeded its targets for reducing carbon emissions, water use and waste.

#### **Principal Risks and Uncertainties**

##### *Managing the impact of Brexit*

To monitor and mitigate the Brexit risk, Invesco has established a Brexit Steering Committee that is responsible for taking any decisions on the impact of Brexit on the business operations and legal structure of the group. Due to the nature of the activities of the company it is not anticipated that Brexit will affect the value of assets, liabilities or revenue streams apart from any broader macro-economic impacts.

## Invesco Holding Company Limited

### Strategic Report for the Year Ended 31 December 2019 (continued)

#### *Managing the risks presented by the outbreak of Coronavirus*

The spread of a new coronavirus (COVID-19) disease has caused significant volatility within the global economy and financial markets. To date, the primary focus of our response has been threefold:

- to ensure the health and safety of our employees;
- to preserve our ability to serve our clients; and
- to appropriately manage client assets in a highly dynamic market environment.

We have established cross-functional teams in each region (Americas, Asia Pacific and EMEA) that are monitoring the situational globally and regionally. These teams, which include representatives from Distribution, Portfolio Management, Trading, Technology/Operations, Human Resources, Business Continuity, Compliance, as well as other areas, are taking steps to ensure an appropriate and effective response during a highly fluid situation.

We have considered whether there are any financial contingencies as part of Note 19 and have determined that there are no commitments, contingent liabilities or balances after the reporting period to be disclosed at this stage.

#### **Governance**

The group, which includes the company, has a robust risk governance structure and framework which is considered to be 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 company's Board on the risks managed by the business. These are reviewed by the Invesco Ltd. Risk and Review Committee that has been established to monitor the risks within the business and report to the Invesco Ltd. board.

Governance and risk management operate within the company structure as follows:

#### *Board and Committee structure*

The board has oversight of the company. There is a schedule of matters reserved for decision by the board.

#### *Risk Management Framework*

The company operates a “three lines of defence” model as the primary means to structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective governance, risk management and assurance.

#### *First line of defence: Business*

The business is the primary control function and is accountable and responsible for the day to day activities, processes, risks and controls. Business management are responsible for ensuring that controls are designed and operate effectively as part of the day to day operations.

As the first line of defence, operational management owns and manages risk. They are also responsible for implementing corrective actions to address any identified process and control deficiencies.

The business regularly assesses all key risks for both the impact and likelihood of the risk occurring along with any key operational known gaps and the progress to alleviate such gaps.

## **Invesco Holding Company Limited**

### **Strategic Report for the Year Ended 31 December 2019 (continued)**

#### *Second line of defence: Independent Risk Function and Compliance*

Both the Operational Risk team and the Investment Risk Oversight team are independent risk management functions that support the first line risk owners, in assessing, managing, monitoring and reporting on the status of risks. Risks that are assessed by the business or the management team to be outside of the company's risk appetite, or which may not meet regulatory requirements, are reported together with recommended actions for their reduction to an accepted tolerance level to the board and its committees in order to ensure that appropriate attention is paid to these risks. Both teams provide reports to the Board as well as to senior management.

Compliance's aim is to be recognised as a pro-active business partner that fully supports initiatives and strategies whilst mitigating regulatory risk. This will include the interpretation and impact of relevant regulations, best business practice, identifying and monitoring regulatory risk and providing appropriate technical advice, guidance, challenge and training. Compliance provides reports to the Board as well as to senior management.

#### *Third line of defence: Internal Audit*

Internal Audit provides an objective and independent review of the effectiveness of the overall system of internal control, including in its scope the effectiveness of the Compliance and Independent Risk Management functions. Internal Audit reports to the Board and provides reports to senior management.

#### **Future strategy**

The company will continue to act as a holding company.

Approved by the Board on 18 September 2020 and signed by order of the Board by:



.....  
A. Dukes  
Director



## **Invesco Holding Company Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the audited financial statements for the year ended 31 December 2019. In preparing this report the directors have considered the requirements of the Companies Act 2006 and certain disclosures which have already been included in the notes to the accounts have not been repeated. These include financial risk management in Note 20.

#### **Directors of the company**

The directors, who held office during the year and up to the date of signing the financial statements were as follows:

K. M. Carome (resigned 29 April 2019)

R. H. Rigsby (resigned 29 April 2019)

L. Starr (resigned 31 July 2020)

A. Lege (appointed 29 April 2019)

J. Callahan (appointed 29 April 2019)

The following director was appointed after the year end:

A. Dukes (appointed 1 August 2020)

#### **Going concern**

As at 31 December 2019, the company has net assets of \$4,952.50m (2018: \$2,289.80m (restated)).

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 current financial obligations over its existing current financial assets, consisting primarily of loans due to other group companies. However, the company has received confirmation that its immediate parent will provide any necessary support required to allow the company to meet its obligations as they fall due. Accordingly, the directors have continued to adopt the going concern basis in the preparation of the financial statements.

In making this assessment, the directors have taken account of the recent Coronavirus pandemic and the impact this may have on the group, as well as direct subsidiaries of the company. Group management actions to mitigate the risk of lower cash inflows would include a reduction in discretionary expenditure, a reduction in dividend payments, and, where necessary, the use of intercompany loan funding from other group companies. The result of these management actions, should they be necessary, would ensure that group companies, including the company, maintain the required liquidity to meet liabilities as they fall due for a period of at least 12 months from the date of signing.

#### **Directors' liabilities**

Invesco Ltd., the ultimate parent company, has taken out indemnity insurance for all 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. This indemnity was in force during the financial year and also at the date of approval of these financial statements.

## **Invesco Holding Company Limited**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 18 September 2020 and signed on its behalf by:



.....  
A. Dukes  
Director

## **Invesco Holding Company Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Invesco Holding Company Limited**

### **Independent Auditors' Report to the members of Invesco Holding Company Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Invesco Holding Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic report, Directors' report and Audited financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income for the year ended 31 December 2019, the statement of changes in equity for the year ended 31 December 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Our audit approach**

##### **Overview**

##### ***Materiality***

- 2019 overall materiality: \$103.0 million for balances related to the statement of financial position, based on 1% of total assets, and \$0.9m for balances related to the statement of comprehensive income, based on 1% of total finance income. 2018 overall materiality: \$53.5 million based on 1% of total assets.

##### ***Audit Scope***

- We performed a full scope audit of Invesco Holding Company Limited in accordance with our materiality and risk assessment.

##### ***Key audit matters***

- Impact of the outbreak of COVID-19 pandemic on the financial statements.
- Impairment of investments.

## **Invesco Holding Company Limited**

### **Independent Auditors' Report to the members of Invesco Holding Company Limited (continued)**

#### **The scope of our audit**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

#### **Key audit matters**

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

## **Invesco Holding Company Limited**

### **Independent Auditors' Report to the members of Invesco Holding Company Limited (continued)**

#### **Key audit matter - Impact of the outbreak of COVID-19 pandemic on the financial statements**

Refer to note 23 "Non adjusting events after the financial period" in the financial statements.

Subsequent to the year-end 31 December 2019, there has been a global pandemic from the outbreak of COVID-19 (Coronavirus). During the latter stages of finalising the financial statements, the potential impact of COVID-19 became significant and has caused widespread disruption to financial markets and normal patterns of business activity across the world, including the UK.

The directors have considered the impact on the financial statements and have concluded that the matter is a non-adjusting post balance sheet event, and that the going concern basis of preparation is appropriate.

#### **How our audit addressed the key audit matter**

We critically assessed management's assessment of the impact of COVID-19 and the treatment of the matter as a non-adjusting post balance sheet event.

We considered:

- The accounting implications of the timing of the development of the outbreak across the world and in the UK; and
- How the financial statements and business operations of the company might be impacted by the disruption.

We assessed that our initial risk assessment did not need to be revised.

Our procedures in respect to the COVID-19 pandemic included:

- We evaluated management's going concern assessment and their reliance on a letter of support from Invesco Ltd..
- We have reviewed management's assessment that there are no assets or liabilities of the company at 31 December 2019 which are expected to be materially impacted by COVID-19.
- We made enquiries of management to understand the potential impact of COVID-19 on the company's financial performance and operations.
- In addition, we consider whether, in our view, the disclosures in the financial statements relating to risk management and going concern were reasonable and supportable in light of the emergence of the COVID-19 pandemic subsequent to the year end.

In accordance with IAS 10, we are satisfied with management's assessment and based on the work performed, we are satisfied that the matter has been appropriately evaluated and reflected in the financial statements and that the disclosures made by management are appropriate.

## **Invesco Holding Company Limited**

### **Independent Auditors' Report to the members of Invesco Holding Company Limited (continued)**

#### **Key audit matter - Impairment of investments**

Refer to note 11 "Investments" and note 2 "Accounting policies" in the financial statements.

As at 31 December 2019, the entity held \$8,950.2 million investments, the majority relating to subsidiary undertakings, as disclosed in Note 11. Investments in subsidiary undertakings are carried in the entity's financial statements at cost less impairment. Impairments are determined by reference to the subsidiary undertaking's value-in-use and fair value. In accordance with IAS 36 Impairment of assets, management have undertaken an annual assessment of indicators for impairment.

#### **How our audit addressed the key audit matter**

Our audit procedures included, among other, assessing the carrying value of the subsidiaries for any objective indicators of impairment. We have obtained and reviewed management's impairment assessment which concluded there were no impairments. We have challenged and reviewed the assumptions, recalculated the mathematical accuracy of the assessment and corroborated key inputs to the assessment to supporting documentations. For the digital wealth subsidiary impairment review we used a valuation expert to assist in assessing the methodology and certain inputs. Where we have agreed inputs to the group accounting systems, we have obtained suitable controls reliance.

#### **How we tailored the audit scope**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We performed a full scope audit of Invesco Holding Company Limited in accordance with our materiality and risk assessment.

#### **Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall materiality</b>	2019 Overall materiality: \$103.0 million for balances related to the statement of financial position, based on 1% of total assets, and \$0.9m for balances related to the statement of comprehensive income, based on 1% of total finance income. 2018 Overall materiality: \$53.5 million based on 1% of total assets.
<b>How we determined it</b>	1% of total assets for balances related to the statement of financial position, and 1% of total revenue for balances related to the statement of comprehensive income.

## Invesco Holding Company Limited

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

**Rationale for benchmark applied** As the principal activity of the company is that of a holding company for entities within the Invesco group, total assets is the most appropriate benchmark for materiality. Due to assets doubling from previous year, we have elected to utilise a dual materiality as otherwise little of the statement of comprehensive income would be tested. The two sources of income in the year are finance income (interest income on intercompany loans) and income related to group undertakings (dividend income). Dividend income is discretionary and not a fixed source of income. Whereas, the entity is also a financing company so it collects income from related entities based upon loan interest which it has incurred, hence we consider that the finance income balance is the most appropriate basis for specific materiality for the statement of comprehensive income. As the entity has listed debt in the year, it is considered a PwC PIE, and hence the 1% rule of thumb is consistent with the PwC audit methodology for both the asset based benchmark and the finance income specific materiality.

In 2019, we agreed with the directors that we would report to them misstatements identified during our audit above \$5.1 million in relation to the statement of financial position as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons. We also agreed with the directors that we would report to them misstatements identified during our audit above £0.045 million in relation to the statement of comprehensive income. In 2018, we agreed with the directors that we would report to them misstatements identified during our audit of \$2.6 million as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.



## **Invesco Holding Company Limited**

### **Independent Auditors' Report to the members of Invesco Holding Company Limited (continued)**

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 9 the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

## **Invesco Holding Company Limited**

### **Independent Auditors' Report to the members of Invesco Holding Company Limited (continued)**

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

We have no exceptions to report arising from this responsibility.

*Sarah Chandler*

.....  
Sarah Chandler (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors

London

18 September 2020

## Invesco Holding Company Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2019

		2019	Restated*
	Note	\$ m	2018 \$ m
Administrative income/(expenses)		(3.6)	5.6
Operating (loss)/profit	4	(3.6)	5.6
Income from shares in group undertakings		250.0	153.9
Income from other fixed asset investments		-	0.6
Finance income	5	91.7	49.7
Finance costs	6	(169.2)	(70.4)
Profit before income tax		168.9	139.4
Income tax expense	9	(3.8)	(0.8)
Profit and total comprehensive income for the year		<u>165.1</u>	<u>138.6</u>

The above results were derived from continuing operations.

\* The comparative results have been restated as described in Note 24.

The notes on pages 20 to 49 form an integral part of these financial statements.

# Invesco Holding Company Limited

(Registration number: 00308372)

## Statement of Financial Position as at 31 December 2019

		31 December 2019 \$ m	Restated 31 December 2018 \$ m
	Note		
<b>Fixed assets</b>			
Investments	11	8,950.2	3,160.4
Loans to other group undertakings	12	<u>769.6</u>	<u>680.1</u>
		<u>9,719.8</u>	<u>3,840.5</u>
<b>Current assets</b>			
Trade and other receivables	13	581.1	761.2
Cash and cash equivalents	14	<u>1.4</u>	<u>1.6</u>
		<u>582.5</u>	<u>762.8</u>
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	15	(45.7)	(31.3)
Loans and borrowings	16	<u>(784.9)</u>	<u>(770.0)</u>
<b>Creditors: Amounts falling due within one year</b>		<u>(830.6)</u>	<u>(801.3)</u>
<b>Net current liabilities</b>		<u>(248.1)</u>	<u>(38.5)</u>
<b>Total assets less current liabilities</b>		9,471.7	3,802.0
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>(4,519.2)</u>	<u>(1,512.2)</u>
<b>Net assets</b>		<u>4,952.5</u>	<u>2,289.8</u>
<b>Equity</b>			
Share capital	17	90.0	84.8
Share premium		4,230.6	1,523.8
Other reserves	18	489.0	489.0
Retained earnings		<u>142.9</u>	<u>192.2</u>
<b>Total equity</b>		<u>4,952.5</u>	<u>2,289.8</u>

Approved by the Board on 18 September 2020 and signed on its behalf by:



.....  
A. Dukes  
Director

The notes on pages 20 to 49 form an integral part of these financial statements.

## Invesco Holding Company Limited

### Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital \$ m	Share premium \$ m	Other reserves \$ m	Retained earnings \$ m	Total equity \$ m
At 1 January 2019 (restated)	84.8	1,523.8	489.0	192.2	2,289.8
Profit and total comprehensive income for the year	-	-	-	165.1	165.1
Dividends paid	-	-	-	(214.4)	(214.4)
Issuance of share capital and share premium	5.2	2,706.8	-	-	2,712.0
At 31 December 2019	<u>90.0</u>	<u>4,230.6</u>	<u>489.0</u>	<u>142.9</u>	<u>4,952.5</u>

	Share capital \$ m	Share premium \$ m	Other reserves \$ m	Retained earnings \$ m	Total equity \$ m
At 1 January 2018	84.8	1,523.8	489.0	603.6	2,701.2
Profit and total comprehensive income for the year (restated)	-	-	-	138.6	138.6
Dividends paid	-	-	-	(550.0)	(550.0)
At 31 December 2018 (restated)	<u>84.8</u>	<u>1,523.8</u>	<u>489.0</u>	<u>192.2</u>	<u>2,289.8</u>

The notes on pages 20 to 49 form an integral part of these financial statements.

## **Invesco Holding Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The company is a private company limited by share capital incorporated and domiciled in UK.

The address of its registered office is:

Perpetual Park  
Perpetual Park Drive  
Henley-on-Thames  
Oxfordshire  
RG9 1HH

These financial statements were authorised for issue by the Board on 18 September 2020.

#### **2 Accounting policies**

##### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council.

The financial statements are prepared under the historic cost convention and in accordance with the Companies Act 2006, as applicable to companies applying FRS 101.

The functional currency of the company is US Dollars (\$), reflecting the primary currency in which the underlying transactions are undertaken, which is also the presentation currency.

##### **Summary of disclosure exemptions**

The company has availed itself of a number of exemptions from the disclosure requirements of IFRS in the preparation of these financial statements, in accordance with FRS 101. In accordance with FRS 101, paragraph 8, the company has claimed an exemption from the following paragraphs of IFRS:

- Paragraphs 45(b) and 46-52 of IFRS 2 "Share-based Payment" (details of the number and weighted-average exercise price of share options, and how the fair value of goods or services received was determined);
- The requirements of IFRS 7 "Financial Instruments: Disclosure";
- Paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities), provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- The requirement of paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information requirements in respect of:

## **Invesco Holding Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions (continued)**

- paragraph 79(a)(iv) of IAS 1 "Presentation of Financial Statements" (number of shares outstanding);
- paragraph 73(e) of IAS 16 "Property, Plant and Equipment";
- paragraph 118(e) of IAS 38 "Intangible Assets" (reconciliation between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, "Presentation of Financial Statements":
  - 10(d) (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (third party balance sheet on restatement),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures).
- The requirements under IAS 7 "Statement of Cash Flows";
- Paragraph 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24 "Related Party Disclosures" (key management compensation);
- The requirements in IAS 24, "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

##### **Exemption from preparing group financial statements**

The financial statements contain information about Invesco Holding Company Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400-402 of the Companies Act 2006, UITF Abstract 43 and the Seventh Directive from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Invesco Ltd., a company incorporated in Bermuda, which prepares financial statements in accordance with US Generally Accepted Accounting Practice.

## **Invesco Holding Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Changes in accounting policy**

###### **New standards, interpretations and amendments effective**

The following have been applied for the first time from 1 January 2019 and have had an effect on the financial statements:

###### ***IFRS 16 - Leases***

IFRS 16 replaced existing leases guidance, including IAS 17 Leases. This new accounting standard became effective from 1 January 2019 and is applied to the company's 2019 financial statements using a modified retrospective approach to adoption. In applying the new standard, a company will recognise lease assets and lease liabilities on the balance sheet for all leases with a lease term greater than 12 months. Invesco Holding Company Limited has not entered into any lease arrangements and the introduction of IFRS 16 has not had a material impact on the financial statements of the company.

None of the other new accounting interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

###### **Administrative expenses**

The company recognises expenses, on an accruals basis, as goods are received or services are provided by the supplier.

###### **Finance income and costs**

Finance income and finance costs are recognised on an accruals basis using the effective interest rate method.

###### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency of the company at the rates prevailing on the reporting period date. All monetary foreign exchange differences resulting from the translation of assets and liabilities denominated in foreign currencies are taken to the statement of comprehensive income.

###### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date. The tax liability of the company may be reduced wholly or in part by the surrender of losses by fellow group companies.

###### **Investments**

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

###### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

###### **Loans and Borrowings**

The loans due to other group undertakings are classified as loans and are held at amortised cost.



## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Accounting policies (continued)

##### Financial instruments

##### Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

- financial assets/liabilities at amortised cost; or
- financial assets/liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and liabilities and the contractual cash flow characteristics of the financial assets and liabilities, as detailed below:-

##### *Financial assets/liabilities at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

##### *Financial assets/liabilities at fair value through the profit or loss (FVTPL)*

Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Accounting policies (continued)

##### **Initial recognition**

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding Property, Plant and Equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

##### **Derecognition**

###### *Financial assets*

The company derecognises a financial asset when;

- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

###### *Financial liabilities*

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

##### **Impairment of financial assets**

###### *Measurement of Expected Credit Losses*

Financial assets, other than those measured at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events which have occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The company uses the expected credit losses (ECL) model when assessing the impairment of financial assets.

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Accounting policies (continued)

##### Share capital

Ordinary shares are classified as equity.

##### Dividends

Dividends receivable are recognised when the company becomes legally entitled to the dividend. Interim dividends payable are recognised when they are paid by the company and final dividends are recognised when approved by shareholders.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements may require management to make estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. In such cases, management believes that the estimates and judgements utilised in preparing its financial statements are reasonable. Actual results could differ from these estimates.

##### *Valuation of investments*

The valuation and assessment for impairment of investments involves a significant level of judgement. As set out in Notes 2 and 11, the investments are carried at cost, minus any impairments recorded.

A quantitative assessment of investments is performed on an annual basis for indication of impairment, either by comparing the net asset value or a revenue multiple valuation to the carrying value of the investments. This assessment is supported by a series of qualitative reviews on each of the underlying investments to further confirm that there are no indicators of impairment. The impairment assessment uses a revenue multiplier appropriate to the entity being assessed. For the majority of the assessments a revenue multiplier of 2.7 has been applied, which is based on comparable companies and discounted to reflect smaller entities within large companies. For the assessments where this multiple is applied, the multiple would have to reduce by 28% before there would be an indicator of impairment.

For the assessment of the digital wealth subsidiary, a revenue multiplier of 9.4 has been applied. This was based on the acquisition multiple given the company was acquired 18 months prior to the reporting date, and the multiple has been validated with reference to comparable listed companies in the digital wealth market which indicate an overall increase in these multiples over the time since the acquisition of this subsidiary. This multiple would have to reduce by 28% before there would be an indicator of impairment.

Having considered these assessments, the directors believe the valuation of investments to be appropriate as at 31 December 2019.

#### 4 Operating (loss)/profit

Arrived at after charging/(crediting)

	2019	2018
	\$ m	\$ m
Foreign exchange losses/(gains)	3.5	(6.6)

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 5 Finance income

	2019 \$ m	2018 \$ m
Interest income from group undertakings	<u>91.7</u>	<u>49.7</u>

#### 6 Finance costs

	2019 \$ m	2018 \$ m
Interest paid to group undertakings	<u>169.2</u>	<u>70.4</u>

#### 7 Directors' remuneration and staff costs

There were no employees of the company during the year (2018: 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 and are not recharged to the company.

The 5 directors (2018: 3) who held office during the year received no remuneration from the company (2018: \$Nil). All directors' remuneration is borne by Invesco Group Services, Inc. and the proportion of directors' remuneration relating to services provided to the company is not able to be separately identified. Therefore, no recharge has been made to the company. No director exercised share options during the current year (2018: Nil). No share options were issued to directors during either the current or prior year in respect of qualifying services.

#### 8 Auditors' remuneration

	2019 \$	2018 \$
Audit of the financial statements	<u>49,376.0</u>	<u>10,621.0</u>

The auditors' remuneration is borne by Invesco UK Limited, a fellow subsidiary of the group. The portion of the aggregate auditors' remuneration of the group relating to audit and other services provided to the company is shown above.

All fees payable to the company's auditors include amounts in respect of expenses.

#### 9 Income tax expense

Tax charged in the statement of comprehensive income

# Invesco Holding Company Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 9 Income tax expense (continued)

	2019 \$ m	2018 \$ m
<b>Current taxation</b>		
UK corporation tax	3.9	0.5
UK corporation tax adjustment to prior periods	<u>(0.1)</u>	<u>0.3</u>
	<u>3.8</u>	<u>0.8</u>

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 9 Income tax expense (continued)

The tax expense for the year is lower than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	<b>2019</b> <b>\$ m</b>	<b>Restated</b> <b>2018</b> <b>\$ m</b>
Profit before income tax	168.9	139.4
Profit multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	32.1	26.5
Increase (decrease) in current tax from adjustment for prior periods	(0.1)	0.3
Increase (decrease) from effect of revenues exempt from taxation	(47.5)	(29.3)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	3.9	-
Increase (decrease) arising from group relief tax reconciliation	15.4	3.3
Increase (decrease) from transfer pricing adjustments	-	(0.4)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	0.4
Total tax charge	3.8	0.8

#### 10 Dividends

	<b>2019</b> <b>\$ m</b>	<b>2018</b> <b>\$ m</b>
Dividend of \$0.24 (2018 - \$0.52) per ordinary share	214.4	550

#### 11 Investments

	<b>31 December</b> <b>2019</b> <b>\$ m</b>	<b>Restated</b> <b>31 December</b> <b>2018</b> <b>\$ m</b>
Investments in subsidiaries	8,946.3	3,156.5
Investments in associates	3.9	3.9
	8,950.2	3,160.4

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

The value of investments as at 31 December 2018 was overstated in the financial statements for the year then ended. As required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this has been corrected in the comparative information presented within these financial statements. This has resulted in a reduction in the balance of Investments as at 31 December 2018 by \$750m.

<b>Subsidiaries</b>	<b>Restated \$ m</b>
<b>Cost or valuation</b>	
At 1 January 2019 (restated)	3,227.8
Additions	5,808.4
Return of capital	(18.6)
At 31 December 2019	<u>9,017.6</u>
<b>Provisions for impairment</b>	
At 1 January 2019	<u>71.3</u>
At 31 December 2019	<u>71.3</u>
<b>Carrying amount</b>	
At 31 December 2019	<u><u>8,946.3</u></u>
At 31 December 2018 (restated)	<u><u>3,156.5</u></u>

Details of the subsidiaries as at 31 December 2019 are as follows:

<b>Name of subsidiary</b>	<b>Principal activity</b>	<b>Registered office</b>	<b>Proportion of ownership interest and voting rights held</b>	
			<b>2019</b>	<b>2018</b>
Invesco Asset Management (Bermuda) Limited*	Holding Company	Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda	100%	100%
Coff Associates (Cayman) Limited	Acts as a General Partner	PO Box 309 GT Ugland House, South Church St., George Town, Grand Cayman, Cayman Islands	100%	100%
Invesco UK Holdings Limited*	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Perpetual Limited	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Invesco (Nominees) Limited	Dormant	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Invesco Group Limited	Dormant	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Elliot Associates Limited	Non-trading	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	80%	80%
Invesco GT Asset Management Limited	Property holding company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Invesco Holland BV	Liquidated	c/o Zon Trust Management BV, Burgemeester Haspelslaan 67, 1181 NB, Amstelveen, Netherlands	0%	100%
Invesco North American Group Limited*	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Invesco Pacific Group Limited*	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Invesco Asset Management Singapore Ltd.	Investment management, advisory and sales and marketing services	9 Raffles Place, #18-01, Republic Plaza, Singapore 048619	100%	100%



## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Invesco Asset Management Pacific Limited	Investment holding	41/F, Champion Tower, Three Garden Road, Central Hong Kong	100%	100%
Invesco Australia Limited	Investment management	Level 26, 333 Collins Street, Melbourne, Victoria 3000, Australia	100%	100%
Invesco Asset Management Australia (Holdings) Limited	Real estate/investment management	Level 26, 333 Collins Street, Melbourne Victoria 3000 Australia	100%	100%
Invesco Real Estate Investment Asia Pacific Limited	Investment advisory services	41/F, Champion Tower, Three Garden Road, Central Hong Kong	100%	100%
Invesco Asset Management Asia Limited	Sales and marketing services	41/F, Champion Tower, Three Garden Road, Central Hong Kong	100%	100%
Invesco Hong Kong Limited	Investment management, advisory and sales and marketing services	41/F, Champion Tower, Three Garden Road, Central Hong Kong	100%	100%
Invesco (BVI) Nominees Limited	Nominee services	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, Virgin Islands, British Virgin Islands	100%	100%
Invesco Investment Consulting (Beijing) Limited	Foreign investment consulting	12th Floor, Wudinghou Street, Xicheng District, Beijing	100%	100%
Invesco Asia Pacific Real Estate Investment Management Consulting (Shenzhen) Limited	Investment consulting	Bay Road, 1st Building A Room China	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Invesco Taiwan Limited	Raising securities-investment-trust funds discretionary investment business, securities investment consulting services and other related business approved by the authorities.	22F, No. 1, Songzhi Road, Taipei Taiwan 11047	100%	100%
Invesco Asset Management (India) Private Limited	Investment management	3rd Floor, GYS Infinity, Paranjpe "B" Scheme, Subhash Road, Vile Parle (East), Mumbai Maharashtra, India, 400057	100%	100%
Invesco Trustee Private Ltd.	Trustee for financial institutions	3rd Floor, GYS Infinity, Paranjpe "B" Scheme, Subhash Road, Vile Parle (East), Mumbai Maharashtra, India, 400057	100%	100%
Invesco Holding Company (US), Inc.*	Holding Company	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Group Services, Inc.	Holding Company	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Finance, Inc.	Public debt financing	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Real Estate Korea	Marketing and Asset Management	31F, One IFC International Finance Center Building Seoul Yoido-dong Youngdeungpo-gu Seoul Korea 150-876	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Invesco Real Estate (Investment) Asia LLC	Holding Company	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Real Estate Advisors (Shanghai) Ltd.	Investment advisor	Room 445, 1376 Nanjing West Road, Jing'an District, Shanghai, China	100%	100%
Invesco Trust Co.	Trust and Investment Management Services Company	CT Corporation System, 1999 Bryan Street, Suite 900, Dallas County, Dallas Texas 75201-3136	100%	100%
Invesco Advisers, Inc	Investment advisor	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Realty, Inc.	Holding Company	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Private Capital, Inc.	Investment advisory service for mutual funds	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	100%
Invesco Senior Secured Management, Inc.	Investment advisory to mutual funds	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Insurance Agency, Inc. (DE)	General agency and brokerage service company	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Distributors, Inc.	Broker/dealer	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Invesco Gemini Associates LLC	Managing member for collective investment fund	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco US Senior Loans Associates LLC	Investment advisory	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Investment Services, Inc.	Transfer agency services to Invesco's mutual funds	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Investment Advisers LLC	Supervisory activities for the company's unit investment trust	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Capital Markets, Inc.	Registered broker dealer	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Ross Expansion Associates L.P.	Special Limited Partner	600 Lexington Avenue, 19th Floor, New York, NY 10022	100%	100%
W L Ross & Co. LLC	Investment management service	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
WL Ross DIP Management LLC	Dormant entity	600 Lexington Avenue, 19th Floor, New York, NY 10022	100%	100%
Invesco Private Capital Investments, Inc.	General Partner	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
WLR Euro Wagon Management Ltd	Special Limited Partner	600 Lexington Avenue, 19th Floor, New York, NY 10022	100%	100%
W L Ross (India) Private Limited	Dormant entity	600 Lexington Avenue, 19th Floor, New York, NY 10022	100%	100%
W L Ross & Co. (India) LLC	Dormant entity	600 Lexington Avenue, 19th Floor, New York, NY 10022	100%	100%
Ross CG Management LP	Management services	600 Lexington Avenue, 19th Floor, New York, NY 10022	100%	100%
India Asset Recovery Management Limited	Management company	St. Louis Business Centre, Cnr Desroches & St. Lous St. Port Louis, Mauritius	80.1%	80.1%
Jemstep, Inc.	Investment software solutions	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Inc.*	Holding Company	Suite 900, 1969 Upper Water Street, Halifax NS B3J2X2 Canada	100%	100%
Invesco Far East Limited*	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Invesco Asset Management (Japan) Limited	Investment Management	Roppongi Hills Mori Tower 14F, P.O. Box 115,10-1, Roppongi 6-chome, Minato-ku, Tokyo Japan 106-6114	100%	100%
Gatefold Hayes GP Limited*	General partner for Gatefold Hayes Limited partnership	7 Albermarle Street, London W12 4HQ, United Kingdom	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Greenspruce GP Limited*	General partner for Greenspruce Limited partnership	7 Albermarle Street, London W12 4HQ, United Kingdom	100%	100%
James Bryant Limited*	Dormant	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Invesco Polska Sp.z.o.o.*	Holding Company	Grzybowska 2/45 Warsaw Poland	100%	100%
Invesco Finance plc*	Financing entity	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
IVZ Finance S.à.r.l.*	Liquidated	37A Avenue JF Kennedy, L-1855, Luxembourg	0%	100%
Invesco Canada Holdings Inc.	Liquidated	5140 Yonge Street, Suite 800, Torono ON M2N 6X7	0%	100%
Invesco IP Holdings (Canada) Ltd.	Intellectual Property holding company	5140 Yonge Street, Suite 800, Torono ON M2N 6X7	100%	100%
Invesco Canada Ltd.	Holding Company	5140 Yonge Street, Suite 800, Torono ON M2N 6X7	100%	100%
Trimark Investments Ltd.	Holding Company	5140 Yonge Street, Suite 800, Torono ON M2N 6X7	100%	100%
Invesco Financial Services Ltd.	Holding Company	5140 Yonge Street, Suite 800, Torono ON M2N 6X7	100%	100%
Invesco Global Direct Real Estate GP Ltd.	General Partner	5140 Yonge Street, Suite 800, Torono ON M2N 6X7	100%	100%
Invesco Global Direct Real Estate Feeder GP Ltd.	General Partner for new Ontario limited partnership	5140 Yonge Street, Suite 800, Torono ON M2N 6X7	100%	100%
Invesco Investment Management (Shanghai) Limited	Investment management	Unit #032, 1000 Lujiazui Ring Road, Pudong New Area, Shanghai 200120, China	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Invesco Overseas Investment Fund Management (Shanghai) Ltd	Investment fund management	Unit 32, 5/F, 1000 Lujiazui Ring Road, Pudong New Area, Shanghai 200120, PRC	100%	100%
Invesco Indexing LLC	Self indexing entity	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, USA	100%	100%
Accretive Asset Management LLC	Asset management	CT Corporation System, 711 Capitol Way, S Ste 204, Olympia, Washington 98501	100%	100%
Invesco Capital Management LLC	Investment management	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Specialized Products LLC	Investment management	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Intelliflo Holdings 2013 Limited*	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Intelliflo Intermediate Holdings Limited	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Intelliflo Midco Limited	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Intelliflo Bidco Limited	Holding Company	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Intelliflo Limited *	Digital wealth	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
i4C Technology Limited	Business and domestic software development	Northgate House, Barton Court, Upper Borough Walls, Bath, BA1 1RG, United Kingdom	100%	0%
Oppenheimer Acquisition Corp.	Holding company	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	0%
Oppenheimer Funds, Inc.	Investment adviser	CT Corporation System, 7700 East Arapahoe Road, Suite 220, Centennial CO 80112 United States	100%	0%
Tremont Group Holdings, LLC	Holding company	The Prentice-Hall Corporation System, Inc. 251 Little Falls Drive Wilmington, DE 19808	100%	0%
Tremont GP, LLC	Managing member of and General partner of funds	The Prentice-Hall Corporation System, Inc. 251 Little Falls Drive Wilmington, DE 19808	100%	0%
Tremont Partners, LLC	General Partner and Investment manager	Corporation Service Company 50 Weston Street Hartford, CT 06120-1537	100%	0%
Settlement Agent, LLC	Settlement agent	The Prentice-Hall Corporation System, Inc. 251 Little Falls Drive Wilmington, DE 19808	100%	0%
Tremont (Bermuda) Limited	Investment Manager	Conyers Corporate Services (Bermuda) Limited Clarendon House, 2 Church Hamilton HM11	100%	0%



## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Portfolio Pathway, LLC	Portfolio Pathway is a Digital Wealth FinTech company that offers tools to RIAs and professional wealth managers	c/o Clark Capital Management Group, 1635 Market St. 53rd Floor, Philadelphia, PA 19103	100%	0%
OFI Private Investments, Inc.	Investment adviser	CT Corporation, 28 Liberty Street, New York NY 10005, United States	100%	0%
Invesco OFI Global Asset Management LLC	Investment management	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	0%
OFI Steelpath, Inc.	Investment adviser	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	0%
RedBlack Software, LLC	Holding Company	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	0%
RedBlack Software Private Limited		CT Corporation, 2 ½ Beacon Street, Concord, NH 03301-4447	100%	0%
OppenheimerFunds Distributor, Inc.	Broker-dealer and distributor of funds	CT Corporation, 28 Liberty Street, New York NY 10005, United States	100%	0%
OFI Global Institutional Inc.	Investment adviser	CT Corporation, 28 Liberty Street, New York NY 10005, United States	100%	0%
Invesco Global Funds GP, LLC	General partner, manager and/or managing member of funds	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	0%

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Shareholder Services, Inc.	Transfer agent	CT Corporation System, 7700 East Arapahoe Road, Suite 220, Centennial CO 80112, United States	100%	0%
Invesco Loan Manager, LLC	Investment advisor	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	0%
Harbourview Asset Management Corp.	Investment adviser	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	0%
Trinity Investment Management Corp.	Dormant	CT Corporation System, County of Philadelphia, 123 South Broad Street, Philadelphia PA 19109, United States	100%	0%
SNW Asset Management Corp.	Holding company	CT Corporation, 2405 York Road, Suite 201, Lutherville Timonium MD 21093, United States	100%	0%
Invesco Managed Accounts, LLC	Investment adviser	CT Corporation System, 711 Capitol Way South, Suite 204, Olympia WA 98501, United States	100%	0%
Taiyo Fund Management Co. LLC	Co-managing member and investment adviser to the Taiyo Fund JV	600 Lexington Avenue 19th Floor, New York, NY 10022	17.47%	0%
Invesco Korean Real Estate Holdings LLC	Liquidated	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	0%	100%

\* indicates direct investment of the company

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

The direct investment holdings of the company consist entirely of Ordinary shares, although the company holds additional shares as follows: Invesco UK Holdings Limited (Ordinary and redeemable preference shares), Invesco North American Group Limited (Ordinary and non-voting ordinary shares) and Invesco Asset Management (Bermuda) Limited (Ordinary and redeemable preference shares).

The company also owns 17.47% of Taiyo Fund Management Co LLC as an indirect holding.

On 24 May 2019, Invesco Ltd. acquired 100% of Oppenheimer Acquisition Corp. ("Oppenheimer Equity Interests"). The Oppenheimer Equity Interests were transferred from Invesco Ltd. to the company for a total consideration of \$5,712.0m. The acquisition was funded by the issuance of \$3,000.0m floating interest rate notes, due 2029, and 52,000,000 ordinary shares of \$0.10 with a total nominal value of \$5.2m and a total share premium of \$2,706.8m. The company subsequently transferred the Oppenheimer Equity Interests to a wholly owned direct subsidiary, Invesco Holding Company (US), Inc. in exchange for shares.

During the year the company received \$18.6m by way of a return of capital from its wholly owned subsidiary, Invesco Inc.

On 15 November 2019, the company made an additional investment in a wholly owned subsidiary of \$96.3m in exchange for 1 new share issued. This was funded by a deed of satisfaction of an intra group loan.

On the 7 February 2020 Invesco North American Group was dissolved. At the year end the net assets of the subsidiary exceeded the carrying value of the investment therefore no impairment is required.

#### Associates

	\$ m
<b>Cost or valuation</b>	
At 1 January 2019	11.4
At 31 December 2019	11.4
<b>Provision for impairment</b>	
At 1 January 2019	7.5
At 31 December 2019	7.5
<b>Carrying amount</b>	
At 31 December 2019	3.9
At 31 December 2018	3.9

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments (continued)

Details of the associates as at 31 December 2019 are as follows:

Name of associate	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2019	2018
Pocztylion – ARKA *	Acting as pension fund society to manage long term savings	Pilsudskiego Squer 3 00-078 Warsaw Poland	29.3%	29.3%

\* indicates direct investment of the company

#### 12 Loans to other group undertakings

	2019 \$ m	2018 \$ m
Loans to other group undertakings	<u>769.6</u>	<u>680.1</u>

The loans are unsecured and bear interest at rates ranging from 0.0% to 6.0% (2018: 0.0% to 8.9%). The loans are repayable in 2022 to 2026 (2018: 2020-2022).

#### 13 Trade and other receivables

	31 December 2019 \$ m	31 December 2018 \$ m
Amounts due from group undertakings	578.8	758.8
Other receivables	(0.1)	0.1
Income tax asset	<u>2.4</u>	<u>2.3</u>
Total current trade and other receivables	<u>581.1</u>	<u>761.2</u>

Within amounts due from group undertakings are \$567.8m (2018: \$750m) of unsecured loans with interest rates ranging from 8.2% to 8.9% (2018: 4%). The other amounts due from other group undertakings are unsecured, interest free and repayable on demand. The carrying value of receivables approximates fair value.

#### 14 Cash and cash equivalents

	31 December 2019 \$ m	31 December 2018 \$ m
Cash at bank	0.6	0.4
Short-term deposits	<u>0.8</u>	<u>1.2</u>
	<u>1.4</u>	<u>1.6</u>

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 15 Trade and other payables

	31 December 2019 \$ m	31 December 2018 \$ m
Amounts owed to group undertakings	36.5	25.4
Taxation and social security	7.6	4.3
Other creditors	1.6	1.6
	<u>45.7</u>	<u>31.3</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand. The carrying value of creditors approximates to fair value.

#### 16 Loans and borrowings

	31 December 2019 \$ m	31 December 2018 \$ m
<b>Loans: amounts falling due after more than one year</b>		
Other borrowings	3,000.0	-
Loans from group undertakings	1,519.2	1,512.2
	<u>4,519.2</u>	<u>1,512.2</u>

The loans are unsecured and incur interest at rates ranging from 4.0% to 6.0% (2018: 4.0% to 6.0%). The loans are repayable between 2022-2029 (2018: 2022-2025).

	2019 Book Value \$ m	2019 Fair Value \$ m	2018 Book Value \$ m	2018 Fair Value \$ m
Floating rate loan notes due 2029	3,000.0	3,000.0	-	-
	<u>3,000.0</u>	<u>3,000.0</u>	<u>-</u>	<u>-</u>

On 24 May 2019, the company issued floating interest rate notes with aggregate principal amounts of \$3,000 million at the three-month LIBOR rate for US dollars plus 1.75% due 24 May 2029. The proceeds were used to fund the acquisition of OppenheimerFunds Inc.

The floating interest rate notes are listed on The International Stock Exchange. The fair market value of the company's floating interest rate notes was determined by market quotes. The notes are therefore included in level 1. Level 1 financial assets and liabilities are those whose fair value is based on quoted prices in active markets for identical assets.

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 16 Loans and borrowings (continued)

	31 December 2019 \$ m	31 December 2018 \$ m
<b>Loans: amounts falling due within one year</b>		
Loans from group undertakings	784.9	770.0

The loans are unsecured and incur interest at rates ranging from 0% to 11.6% (2018: 0% to 11.6%).

#### 17 Share capital

##### Allotted, called up and fully paid shares

	No. m	2019 \$ m	No. m	2018 \$ m
Ordinary shares of \$0.10 each	899.9	90.0	848.0	84.8

##### Allotted, called up and fully paid shares

	No. m	31 December 2019 \$ m	No. m	31 December 2018 \$ m
Issued Deferred Sterling shares of £1 each	0.1	0.1	0.1	0.1

##### New shares allotted

During the year 52,000,000.0 Ordinary shares having an aggregate nominal value of \$5,200,000 were allotted for an aggregate consideration of \$2,712,041,601. The shares were issued to provide additional capital to the company.

##### Rights, preferences and restrictions

Issued Deferred Sterling shares have the following rights, preferences and restrictions:

The Deferred Sterling shares of £1 have no voting rights, no rights to profits and no rights to any assets upon a winding up of the company. All such rights reside with the ordinary shareholders.

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 18 Other reserves

The company's other reserves shown in the Statement of Financial Position is made up of the following balances:

	2019 \$ m	2018 \$ m
Capital contribution	75.5	75.5
Goodwill reserve	7.1	7.1
Merger reserve	401.3	401.3
Tax reserve	(0.7)	(0.7)
Warrant reserve	5.8	5.8
Total Other Reserves	<u>489.0</u>	<u>489.0</u>

#### Capital contribution

The capital contribution reserve arises from capital contributions from the parent company that are over and above the nominal value of shares issued by the company to the parent.

#### Goodwill reserve

The goodwill reserve represents the excess of the consideration paid over the net assets acquired in respect of certain acquisitions completed by the company prior to 1998.

#### Merger reserve

The merger reserve was created pursuant to company law for the excess value over par value of shares issued as consideration for acquisition by the company of certain other subsidiaries in the group. The reserve is non-distributable.

#### Tax reserve

The tax reserve relates to current tax benefits for realised foreign exchange losses.

#### Warrant reserve

The warrant reserve was created in 1997 in connection with the merger of the company with the AIM Management Group Inc. The reserve is non-distributable.

#### 19 Contingent liabilities

During 2019, the company entered into discussions with HMRC in respect of the European Commission's State Aid decision concerning the UK's group financing exemption under the controlled foreign companies rules. Following those discussions, HMRC has removed the company from its list of potential beneficiaries of State Aid and has informed the European Commission accordingly. As a result, no contingent liability arises.

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 20 Risks and uncertainties

The company's primary financial risk factors and the approach to their management is set out below.

##### Credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of the loans and receivables and cash and cash equivalents in the Statement of Financial Position. The company does not hold any collateral as security.

##### Interest rate risk

The company earns and incurs interest on inter-group loans and external debt finance. The rate of interest is depending on commercial banking interest rates, Sibor and Libor.

The amounts due from and to other group undertakings, as shown in notes 13 and 15, include balances that attract interest at a rate which is subject to periodic review. The company is entitled to receive a fixed rate of interest in respect of each of the loans shown in note 12. The company is expected to pay fixed and variable interest charges on the intergroup loans presented in note 16.

If interest rates increased by 100 basis points, based on the combined closing balance of cash and cash equivalents and the intergroup loans subject to variable interest rates as at 31 December 2019, the annualised net interest payable by the company would increase by \$36.8m (2018: \$6.7m) which would translate to profits and net assets.

##### Foreign exchange risk

The company has exposure to foreign exchange risk due to \$121.3m (2018: \$77.8m) of foreign currency denominated liabilities that are held within the amounts owed to other group undertakings.

The foreign exchange exposure split by currency is as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$ m</b>	<b>\$ m</b>
CAD	11.6	-
GBP	79.0	70.1
JPY	23.2	0.4
SGD	7.5	7.3
	<u>121.3</u>	<u>77.8</u>

##### Sensitivity analysis

Assuming a 5% increase in exchange rates against US dollars, the profit and net assets of the company arising from the foreign exchange exposure by currency will increase or decrease by the following:

	<b>2019</b>	<b>2018</b>
	<b>\$ m</b>	<b>\$ m</b>
CAD	(0.6)	-
GBP	(4.0)	(3.5)
JPY	(1.2)	-
SGD	(0.4)	(0.4)
	<u>(6.2)</u>	<u>(3.9)</u>



## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 20 Risks and uncertainties (continued)

##### Liquidity risk

The company maintains sufficient cash and liquid investments such that the liquidity and cash flow risks are negligible.

##### Maturity analysis

	Within 6 months \$ m	Between 6 months and 1 year \$ m	After 1 year \$ m	Total \$ m
<b>2019</b>				
Creditors: amounts falling due within one year	38.2	7.5	-	45.7
Loans: amounts falling due within one year	696.0	104.0	-	800.0
Loans: amounts falling due after more than one year (undiscounted)	91.4	760.6	4,892.7	5,744.7
	<u>825.6</u>	<u>872.1</u>	<u>4,892.7</u>	<u>6,590.4</u>
	Within 6 months \$ m	Between 6 months and 1 year \$ m	After 1 year \$ m	Total \$ m
<b>2018</b>				
Creditors: amounts falling due within one year	27.0	4.3	-	31.3
Loans: amounts falling due within one year	681.4	104.0	-	785.4
Loans: amounts falling due after more than one year (undiscounted)	38.5	38.5	1,795.9	1,872.9
	<u>746.9</u>	<u>146.8</u>	<u>1,795.9</u>	<u>2,689.6</u>

##### Capital risk management

The company considers its capital to be the total equity as shown in the Statement of Financial Position.

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.

#### 21 Ultimate controlling party and ultimate and immediate parent company

The company's ultimate controlling party, ultimate parent company and the parent undertaking of the only group of undertakings for which consolidated financial statements are drawn up and of which the company is a member is Invesco Ltd., which is registered in Bermuda. The company's immediate parent company is Invesco Ltd.. Copies of the group consolidated financial statements can be obtained from Two Peachtree Pointe, 1555 Peachtree Street, N.E. Atlanta, Georgia 30309, U.S.A.

## **Invesco Holding Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **22 Commitments**

##### **Capital commitments**

The company does not have any capital commitments as at 31 December 2019 (2018: \$Nil).

#### **23 Non adjusting events after the financial period**

On 15 January 2020 the company made a further capital injection into its wholly owned subsidiary, Invesco Pacific Group Limited, of USD 5 million. In exchange the company received 1 new share issued by its subsidiary. This represents an increase in the carrying value of investments.

On 7 February 2020 Invesco North American Group was dissolved. At the year end the net assets of the subsidiary exceeded the carrying value of the investment therefore no impairment is required.

On 1 September 2020 the company received a \$200m dividend from its subsidiary, Invesco Holding Company (US) Inc, and used this to pay a combination of dividends and interest to Invesco Ltd. amounting to \$200m. On the same day, the company also borrowed an additional \$600m on an internal credit facility with a subsidiary company and used this to repay \$600m of its floating rate loan notes.

The outbreak of novel Coronavirus (COVID-19) in China in January 2020 and its subsequent spread to other countries, including the United Kingdom, has led to significant investor uncertainty across the globe. The recent market volatility has had a direct impact on the level of the group's Assets Under Management and, although this does not directly impact the company, it is considered a risk. A continued rise in the number of COVID-19 infections, or a prolongation of the outbreak, may further increase uncertainty and result in significant adverse economic effects.

The financial impact of the COVID-19 situation on the company is not yet fully known, however there are no assets or liabilities of the company at 31 December 2019 which are expected to be materially impacted by the current situation.

## Invesco Holding Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 24 Restatement of prior year financial statements

The value of investments as at 31 December 2018 was overstated in the financial statements for the year then ended. As required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this error has been corrected in the comparative information presented within these financial statements. This has resulted in a reduction in the balance of Investments as at 31 December 2018 of \$750m as shown in Note 11. This also resulted in a reduction in the income from shares in group undertakings recognised through the 2018 Statement of Comprehensive Income of \$750m.

#### Statement of financial position at 31 December 2018

	As originally reported \$ m	Adjustment \$ m	As restated \$ m
Investments	3,910.4	(750.0)	3,160.4
Net Assets	3,039.8	(750.0)	2,289.8
Retained earnings	942.2	(750.0)	192.2
Total Equity	3,039.8	(750.0)	2,289.8

#### Statement of comprehensive income for the financial year ended 31 December 2018

	As originally reported \$ m	Adjustment \$ m	As restated \$ m
Income from shares in group undertakings	903.9	(750.0)	153.9
Profit after tax	888.6	(750.0)	138.6