

Registration number: 00308372

Invesco Holding Company Limited

Strategic Report, Directors' Report and Audited Financial Statements

for the Year Ended 31 December 2023

Invesco Holding Company Limited

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Invesco Holding Company Limited

Company Information

Directors	L. A. Dukes
	T. G. Vacheron
	M. K. Rathod
Company secretary	A. Gerry
Registered office	Perpetual Park
	Perpetual Park Drive
	Henley-on-Thames
	Oxfordshire
	RG9 1HH
Independent auditors	PricewaterhouseCoopers LLP
	7 More London Riverside
	London
	SE1 2RT

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023

The directors present their strategic report on the affairs of Invesco Holding Company Limited ("the company") for the year ended 31 December 2023. 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". The activities of the Invesco Ltd. business in the United Kingdom fall primarily within a group of subsidiaries referred to as "the IUK group" in this report.

Principal activities

The principal activity of the company is that of a holding company for investment in subsidiary undertakings. The company also provides financing facilities to other entities within the group.

The company is a public limited company and is limited by shares. The company is incorporated and domiciled in the UK.

Purpose and key stakeholders

The company shares a clear purpose with the group; to help people get more out of life by delivering a superior investment experience. The strategy for the group is set globally, and this is then tailored within each region (EMEA, Americas and Asia Pacific) in order to meet the region-specific needs of clients and regulators.

The group positions itself as a global, independent asset manager with a breadth of investment capabilities. The group aims to position itself ahead of client demand trends and deliver against these needs across channels, asset classes and geographies. This begins with a focus to understand each client's unique set of investment objectives and then utilize the group's comprehensive range of active, passive and alternative investment capabilities to provide solutions and outcomes aligned to its clients' needs.

To effectively deliver their strategy, the board has due regard for the key stakeholders of the company and group, in line with the requirements of S172 of the Companies Act 2006. As a holding company its main stakeholder is the group which its strategy is directly aligned with. This is achieved by reporting at both board and operational levels with activities being monitored by management through centralised group functions. Details of the engagement with other stakeholders such as clients and employees can be found in the financial statements of Invesco UK Limited.

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Business review

Fair review of the business

The profit and total comprehensive income for the financial year was \$321.5m (2022: profit and total comprehensive income: \$882.9m).

Dividends of \$250.0m were paid during the year (2022: \$477.7m). The directors do not recommend the payment of a final dividend (2022: \$Nil).

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

	2023	2022
	\$ m	\$ m
Income from shares in group undertakings	480.0	961.7
Finance income	46.6	46.7
Finance costs	<u>(256.4)</u>	<u>(151.8)</u>

The key performance indicators are driven by dividends received from subsidiary companies and interest bearing assets and liabilities. Included within the creditors: amounts falling due after more than one year balance of \$3,641.24m (2022: \$2,650.00m) is \$2,400.0m (2022: \$2,400.0m) of debt which is publicly listed on The International Stock Exchange in Guernsey. Further details are included within note 16, Creditors: Amounts falling due after more than one year.

Employees

The company does not have any employees. Invesco UK Limited, a fellow subsidiary of Invesco Ltd., employs all staff in the UK and employee numbers, costs and welfare are all managed through this entity and relevant costs are then recharged to the company. Please refer to the financial statements of Invesco UK Limited for further information on employees.

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Environmental, social and governance philosophy

Due to our global footprint and role in financing companies and economies around the world, we hold a deep understanding and appreciation for the complex interconnections between the financial markets, business, industry, society and the environment. Environmental, social and governance (“ESG”) investing is a fundamental commitment at Invesco, aligned with our fiduciary responsibilities to clients.

Our actions underscore our dedication to understanding the unique investment philosophies of our clients and confirming our investments support their objectives.

Additionally, the company’s corporate stewardship programs focus on human capital development and our responsibility to help sustain a healthy, clean environment for future generations. We are committed to fostering greater transparency and continuous improvement regarding responsible investment and corporate stewardship within our business.

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

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

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

- Signing UN sponsored Principles for Responsible Investment (“PRI”) in 2013 thereby formalising our commitment to responsible investment globally. Under PRI’s new 2021 scoring methodology, we received four stars for the Investment & Stewardship Policy module and scored above the group median in every other module. Under PRI’s prior methodology, we achieved an A+ rating for our overall approach to responsible investment (Strategy and Governance module) for four consecutive years as well as achieving an A or A+ across all categories. These ratings demonstrate our extensive efforts in terms of ESG integration, active ownership, investor collaboration and transparency. The UN sponsored Principles for Responsible Investment is a set of six international principles which is recognized as the global standard for responsible investment. The PRI secretariat provides several services and also reviews and rates the annual submission of our responsible investment activities at Invesco global level.
- Carbon Disclosure Project (CDP) is a not-for-profit organisation that runs the global disclosure of climate change related data of corporates, cities, states, and regions. Invesco continues to annually disclose to CDP and has also supported CDP’s corporate environmental information requests as an investor signatory since 2019. In 2023 The IUK group scored a B rating.
- In 2019, the IUK group became a supporter of the Task Force on Climate-related Financial Disclosures (“TCFD”) and published our inaugural Climate Change Report in 2020. The TCFD develops voluntary, consistent climate-related financial risk disclosures to provide information to key stakeholders. Please refer to <https://www.invesco.com/uk/en/about-us/corporate-policies.html> for our latest TCFD report.
- The group is a member of the Institutional Investor Group on Climate Change (“IIGCC”) which helps champion and shape the public policies, investment practices and corporate action required to address the long-term financial risks associated with climate change. Through our membership we are part of the Net Zero Asset Managers Initiative, and we have committed to net zero by 2050 or sooner.
- Our own approach to net zero is aligned with the Paris Aligned Investment Initiative’s Net Zero Investment Framework and includes a top-down portfolio carbon footprint reduction of at least 50% by 2030.
- In the UK, Invesco Asset Management Limited is a signatory to the 2020 UK Stewardship Code, overseen by the Financial Reporting Council (“FRC”). As long term, valuation led, active investors, our investment process is aligned with ESG integration and active ownership.
- The IUK 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.
- All of the UK's air and rail emissions are offset through Invesco's partnership with ClimateCapital Partners. This includes a project with the Bangladesh Bondhu Foundation to increase access to clean cooking within the country, through supporting the Rimba Raya Biodiversity reserve in Indonesia to defend it from being converted into palm oil estates, and through the Yuqing Household Biogas Project in Rural China which supports farmers to build and maintain a household biogas digester, improving sanitation for them and their livestock and enabling long-term access to a source of renewable, clean fuel for cooking and heating.

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Greenhouse gas emissions

Wherever possible we seek to enhance and expand the monitoring, measuring and reporting of our greenhouse gas emissions. For year ended 31 December 2023 there has been a change in the methodology of calculating commuting miles and emissions, to more accurately reflect the usage of all staff and contractors. This has resulted in a change to the comparative disclosures for commuting transportation.

In 2023 the total carbon dioxide equivalent (CO₂E) emissions for the UK activities of the IUK group were 2,419 tonnes (2022: 2,911 tonnes). Due to the interlinked nature of the company's business within the UK Group it is not possible to separately disclose the company's emissions.

Emission data for all Invesco Group UK based companies

	2023	Restated 2022
Energy in kWh:		
Electricity (Grid) - Source: Green Tariff (General)	2,597,548	2,847,173
Electricity - Work from Home	93,114	199,164
Natural Gas	2,086,684	1,780,972
Natural Gas - Working from Home	1,034,592	2,212,928
Energy in Litres:		
Diesel	910.0	1,646.0
Transport in miles:		
Air travel	1,691,071	4,216,692
Rail Travel	170,600	82,570
Road Travel	256,288	226,558
Commuting	3,125,147	1,853,261
Waste in tonnes:		
Food & Garden (Mixed)	15	13
Glass (Mixed)	1	4
Municipal (Mixed)	19	21
General Waste (Non-recyclable)	3	-
Dry waste (Mixed)	3	-
Paper (confidential)	3	3
WEEE (Mixed)	8	5
Water usage in liters:		
Discharge	24,520,632	22,358,632
Recycled	1,999	2,400
Withdrawal	<u>24,520,632</u>	<u>22,358,632</u>

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

	2023	Restated
	(tCO₂)	2022
		(tCO₂)
Electricity	577	551
Natural Gas	381	326
Diesel	4	6
Refrigerant	28	-
Air Travel	791	1,309
Rail Travel	8	3
Road Travel	59	58
Waste: Municipal (Mixed)	1	1
Water: Discharge	5	6
Water: Withdrawal	4	3
Commuting	340	202
Electricity & Natural Gas - Working from Home	221	446
Total emissions	<u>2,419</u>	<u>2,911</u>
Carbon offsetting	<u>(799)</u>	<u>(1,312)</u>
Net emissions	<u>1,620</u>	<u>1,599</u>
Headcount (employees and contractors)	1,067	948
CO2 usage per headcount (including contractors)	2.3	3.1
Net CO2 usage per headcount (including contractors)	1.5	1.7
Gas & electric as % of CO2 usage	49	45
Air transport as % of CO2 usage	<u>33</u>	<u>45</u>

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Greenhouse gas emissions (continued)

These figures have been calculated according to the Greenhouse Gas (GHG) Protocol, which provides a framework to measure and report greenhouse gas emissions. This net CO₂ usage is equivalent to 1.52 tonnes per full time employee (2022: 1.69 tonnes). The decline in the intensity ratio is as a result of the lower usage of electricity and gas through the year. The decline in the gross CO₂ emissions was due to lower international air travel due to cost control within the IUK group.

The IUK group currently supports three carbon offsetting projects in order to address and fully offset their air and rail emissions, details of which are included above along with our ESG efforts. Gas and electricity usage significantly contributes to our total CO₂ emissions. Where we have direct control - such as our Henley office - 100% of our energy is procured from renewable sources and supplemented by site-based PV electricity generation. Where we do not have direct control, we actively engage with landlords to seek energy from cleaner sources. The company, as part of the wider Invesco Group, is committed to reducing our energy use and emissions output in line with Science Based Targets by 4.2% year on year compared to 2019 usage, and by 46% by 2030, to mitigate the effects of climate change. We will consider new targets relating to corporate air and rail travel once the new normal state is fully established.

Our activities to address the risk of climate change, and to influence the wider climate change issue, have been set out below within the management of principal risks and uncertainties.

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Governance, principal risks and uncertainties

The group has a robust risk governance structure and risk management framework which is considered by the board 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 board on the risks managed by the business. These are reviewed by the appropriate Risk Management Committee that has been established to monitor the risks within the business and report to the board. Governance and risk management operate within the company structure as follows:

Board and Committee structure

The board oversees the company's performance in the context of its strategic objectives and sets its risk appetite. Membership of the board includes four executive directors. The EMEA Risk Management Committee has oversight of risk management related activities across the EMEA region, which reports to the company's board on risk matters.

Risk Management Framework

The company is committed to sound practices of risk management embedded in all aspects of the company, seen through the strategic, financial, investment and operational frameworks. These principles and the company's undertaking of enterprise risk management is set out within the EMEA Enterprise Risk Management Policy and the EMEA Enterprise Risk Management Framework, which are both approved and adopted by the company. An Enterprise Risk Taxonomy informs the management of risks across first line business areas and functions, whilst promoting consistency in the measurement and aggregation of risks to govern the company's overall risk profile relative to board-stated risk appetite and impact tolerance thresholds.

The board and the EMEA Risk Management Committee are supported by an established 'three lines model' to manage and oversee the risk management lifecycle. This establishes distinct roles and responsibilities for managing and governing risks, as follows:

- The first line (risk-taking and management) is made up of business processes that support the design, development, manufacture, supply and delivery of products and services to clients. The 'first line' is responsible for implementing and managing processes to identify, measure, manage, monitor and govern risks in the day-to-day operation of the business.
- The second line (risk oversight and challenge) comprises the Compliance, Enterprise Risk and Investment Risk functions. These teams provide expertise, advice, guidance, monitoring, challenge, and oversight related to the management of risks.
- The third line (independent assurance) is the EMEA Internal Audit function, which provides independent assessment and assurance on the adequacy and effectiveness of governance and risk management, including internal control, to support the achievement of the company's objectives and to promote and facilitate continuous improvement.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are categorised as counterparty, interest rate, operational and liquidity risk.

Counterparty risk

Counterparty risk is defined as the risk of loss caused by the failure of a counterparty to perform its contractual obligations. The company maintains a high level of oversight over counterparties to which it or its clients or funds may have exposure and will take action to avoid circumstances where there is a risk of counterparty failure.

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Interest rate risk

The company earns interest on the intra-group loans issued by the company and pays interest on loans due to other undertakings. The rates of interest are dependent on commercial banking and central bank interest rates.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate resources, failed processes or systems due to internal or external events. The sound management of operational risk is key to the group being able to protect its clients and reputation, and to meet its business objectives.

The Operational Risk team facilitates the process of identifying, assessing, mitigating and monitoring risks in the individual business lines and functional areas through an operational risk framework.

Liquidity Risk

Liquidity risk is defined as the risk of insufficient high-quality liquid resources to meet obligations as they fall due under business as usual and stress conditions. There are series of quantified metrics in place to monitor compliance with the liquidity risk appetite and manage the company's liquidity risk. Given the potential pre-funding requirement that exists for the company, additional Key Risk Indicators (KRIs) are in place specific to this entity in order to monitor the levels of funding requests.

Management of principal risks and uncertainties.

Managing the risk from macro-economic instability

The company is exposed to broad, macro external factors that may impact operations, strategic direction, financial position, regulatory landscape and/or market share. These include macroeconomic fluctuations (such as inflationary pressures), government policy changes and geopolitical events. The company has established robust systems, controls, and processes to encourage forward planning, anticipation, response to and recovery from such events in a coordinated and organized manner that prevents - and where prevention is not permissible - minimises the impact to clients, the firm, and wider financial markets.

Managing the risk of climate change

Invesco's approach to climate change is integrated into our broader governance structure covering ESG responsibility at investment level and corporate responsibility at operational level, as set out in the 'Environmental, social and governance policies' section of this report.

Our commitment to ESG investing ensures that climate change considerations are integrated into our investment decisions, and the importance we place on ESG has led us to launch structural governance oversight, comprising a Corporate Responsibility Committee ("CRC"), the Corporate Responsibility Committee Working Group and ESG Regional Working Groups. These groups are responsible for monitoring climate related issues and opportunities and acting upon them. An ESG risk appetite which directs the risk-taking, management and governance of ESG risks has been approved by the board during the year.

We have defined a framework for Environmental Management System ("EMS") Governance to address the risk of climate change within our operations. To ensure the effective management and continuous improvement of Invesco's EMS, we assigned operational EMS responsibilities to Corporate Properties, supported by local facilities teams and subcontracted services.

Invesco Holding Company Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Going concern

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

As at 31 December 2023, the company has net assets of \$5,585.5m (2022 : \$5,514.0m). The directors have also considered the net current asset position of the company. This is lower, at \$14.2m (2022: net liabilities of \$1,082.6m) due to intercompany loans which are repayable on demand. These loans are centrally managed and would not be called upon within the next 12 month period if it would lead to the company becoming insolvent.


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 risks which may impact the profitability of the 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.

Future strategy

The company will continue to act as a holding company.

Approved by the Board on 25 June 2024 and signed on the behalf of the board by:


.....
T. G. Vacheron
Director

Invesco Holding Company Limited

Directors' Report for the Year Ended 31 December 2023

The directors present their report and the audited financial statements for the year ended 31 December 2023. 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 financial statements have not been repeated. These include financial risk management in Note 19.

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:

L. A. Dukes

T. G. Vacheron

M. K. Rathod

Dividends

Interim dividends of \$250.0m were paid during the year (2022: \$477.7m). The directors do not recommend the payment of a final dividend (2022: \$Nil).

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.

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.

Statement by the directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of directors of Invesco Holding Company Limited consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its member in decisions taken during the year ended 31 December 2023. All decisions, short-term and long-term, have been taken with due regard for the stakeholders as has been detailed in the Strategic Report.

Approved by the Board on 25 June 2024 and signed on its behalf by:

Terry Vacheron

.....
T. G. Vacheron
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.

Approved by the Board on 25 June 2024 and signed on its behalf by:

Terry Vacheron

.....
T. G. Vacheron
Director

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 2023 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, including 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 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

Audit scope

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

Key audit matters

- Impairment of investments

Materiality

- Overall materiality: US\$93,197,044 (2022: US\$92,466,000) based on 1% of total assets.
- Specific overall materiality: US\$465,772 (2022: US\$467,000) based on 1% of the total finance income
- Performance materiality: US\$69,897,783 (2022: US\$69,349,500).
- Specific performance materiality: US\$349,329 (2022: US\$350,250)

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.

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.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of investments</p> <p>As at 31 December 2023, the company held US\$8,462.5 million of Investments, and management consider this to be a significant judgement as disclosed in the Note 3.</p> <p>Investments are carried in the company's financial statements at cost less impairment. In accordance with IAS 36 Impairment of Assets, management has undertaken an annual assessment of indicators of impairment. Impairment assessments are performed by comparing the subsidiaries and associate undertakings' net asset value or revenue multiple valuation to the carrying value.</p> <p>The impairment assessment of the company's investments was identified as a key audit matter given the assessment is impacted by the key judgements made in relation to the net asset value or revenue multiple valuation of the underlying subsidiary and associate undertakings.</p> <p>Management's impairment assessment identified that no impairment was required for the year ended 31 December 2023.</p>	<p>We have assessed the accounting policy for Investments to ensure it is compliant with FRS 101.</p> <p>We obtained management's assessment of impairment of investments as at 31 December 2023 and verified that no impairment has been identified.</p> <p>We have challenged and reviewed the key assumptions used in management's impairment assessment.</p> <p>We have recalculated the mathematical accuracy of the assessment and corroborated key inputs in the assessment to supporting documentation.</p> <p>We have assessed the carrying value of the subsidiaries and associate for any objective indicators of impairment.</p> <p>We have no findings to report as a result of the work performed.</p>

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.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

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:

<i>Overall company materiality</i>	US\$93,197,044 (2022: US\$92,466,000).
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	The principal activity of the company is that of a holding company for entities within the Invesco group as well as a financing entity for the Invesco group. As a result, total assets is the most appropriate benchmark for materiality.

In addition, we set a specific overall materiality level of US\$465,772 (2022: US\$467,000) based on 1% of the total finance income for testing income statement balances. The benchmark was utilised as the company is a financing entity and a key activity is the collection of interest revenue from related entities.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to US\$69,897,783 (2022: US\$69,349,500) for the company financial statements. Our specific performance materiality was 75% (2022: 75%) of specific overall materiality, amounting to US\$349,329 (US\$350,250) for the Statement of Comprehensive Income.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US\$4,659,852 (2022: US\$4,623,300) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons. In addition, we agreed with those charged with governance that we would report to them misstatements identified during our audit above US\$23,288 (2021: US\$23,350) for misstatements related to items in the Statement of Comprehensive Income, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessment of management's going concern analysis;
- Inspection of actual financial information to assess the reasonability of management's assessment;
- Review of letter of support from the US parent to confirm that the intercompany loans will not be sought after and the access to additional funding if required;

- Review and assessment of key assumptions to the intercompany loan receivables; and
- Review of the disclosure provided relating to the going concern basis of preparation and evaluation of whether management's assessment is in line with the evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of regulatory principles and rules, such as those governed by the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to improve the position and performance of the company, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, internal audit, senior management involved in Risk and Compliance functions and the company's legal advisors/function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, by unexpected users, by the same creators and approvers, and post-close of the period;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their accounting estimates, in particular in relation to the impairment assessments of investments.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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. 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:

- we have not obtained 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.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 June 2024

Invesco Holding Company Limited

Statement of Comprehensive Income for the Year Ended 31 December 2023

	Note	2023 \$ m	2022 \$ m
Administrative expenses		(1.7)	20.7
Operating (loss)/profit	4	(1.7)	20.7
Income from shares in group undertakings		480.0	961.7
Finance income	5	46.6	46.7
Finance costs	6	(256.4)	(151.8)
Profit before income tax		268.5	877.3
Income tax credit	9	53.0	5.6
Profit and total comprehensive income for the year		321.5	882.9

The above results were derived from continuing operations.

The notes on pages 23 to 53 form an integral part of these financial statements.

Invesco Holding Company Limited

(Registration number: 00308372)

Statement of Financial Position as at 31 December 2023

	Note	31 December 2023 \$ m	31 December 2022 \$ m
Fixed assets			
Investments	11	8,462.5	8,450.6
Loans to group undertakings	12	<u>750.0</u>	<u>796.0</u>
		<u>9,212.5</u>	<u>9,246.6</u>
Current assets			
Trade and other receivables	13	106.7	41.6
Cash and cash equivalents	14	<u>0.4</u>	<u>0.9</u>
		<u>107.1</u>	<u>42.5</u>
Creditors: Amounts falling due within one year			
Trade and other payables	15	(25.7)	(23.4)
Loans and borrowings	15	<u>(67.2)</u>	<u>(1,101.7)</u>
Creditors: Amounts falling due within one year		<u>(92.9)</u>	<u>(1,125.1)</u>
Net current assets/(liabilities)		<u>14.2</u>	<u>(1,082.6)</u>
Total assets less current liabilities		9,226.7	8,164.0
Creditors: Amounts falling due after more than one year	16	<u>(3,641.2)</u>	<u>(2,650.0)</u>
Net assets		<u><u>5,585.5</u></u>	<u><u>5,514.0</u></u>
Equity			
Called up share capital	17	90.0	90.0
Share premium account		4,230.6	4,230.6
Other reserves	18	489.0	489.0
Retained earnings		<u>775.9</u>	<u>704.4</u>
Total equity		<u><u>5,585.5</u></u>	<u><u>5,514.0</u></u>

The financial statements on pages 20 to 53 were approved by the Board of Directors on 25 June 2024 and signed on its behalf by:

Terry Vacheron

 T. G. Vacheron
 Director

The notes on pages 23 to 53 form an integral part of these financial statements.

Invesco Holding Company Limited

Statement of Changes in Equity for the Year Ended 31 December 2023

	Share capital \$ m	Share premium \$ m	Other reserves \$ m	Retained earnings \$ m	Total equity \$ m
At 1 January 2023	90.0	4,230.6	489.0	704.4	5,514.0
Profit and total comprehensive income for the year	-	-	-	321.5	321.5
Dividends paid (Note 10)	-	-	-	(250.0)	(250.0)
At 31 December 2023	<u>90.0</u>	<u>4,230.6</u>	<u>489.0</u>	<u>775.9</u>	<u>5,585.5</u>

	Share capital \$ m	Share premium \$ m	Other reserves \$ m	Retained earnings \$ m	Total equity \$ m
At 1 January 2022	90.0	4,230.6	489.0	299.2	5,108.8
Profit and total comprehensive income for the year	-	-	-	882.9	882.9
Dividends paid (Note 10)	-	-	-	(477.7)	(477.7)
At 31 December 2022	<u>90.0</u>	<u>4,230.6</u>	<u>489.0</u>	<u>704.4</u>	<u>5,514.0</u>

The notes on pages 23 to 53 form an integral part of these financial statements.

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

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 25 June 2024.

2 Accounting policies

Summary of material 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 2023 (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.

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Going concern

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

As at 31 December 2023, the company has net assets of \$5,585.5m (2022 : \$5,514.0m). The directors have also considered the net current asset position of the company. This is lower, at \$14.2m (2022: net liabilities of \$1,082.6m) due to intercompany loans which are repayable on demand. These loans are centrally managed and would not be called upon within the next 12 month period if it would lead to the company becoming insolvent.

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 risks which may impact the profitability of the 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.

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 401 of the Companies Act 2006 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 2023 (continued)

2 Accounting policies (continued)

Changes in accounting policy

None of the new accounting interpretations and amendments effective for the first time from 1 January 2023 have had a material effect on the financial statements. No new accounting standards have been adopted during the period.

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 and deferred 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority where the company intends to settle its current tax assets and liabilities on a net basis.

On 20 June 2023, the Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The company has applied the exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes. Any impact of the new rules in 2024 is expected to be immaterial as the company is expected to either avail itself of transitional safe harbour rules or have an effective tax rate equal to or greater than 15%.

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

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.

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 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 2023 (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 2023 (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 indicator assessment uses a revenue multiplier appropriate to the entity being assessed. For the majority of the assessments a revenue multiplier of 2.98 (2022: 2.7) has been applied, which is based on comparable companies. For a material impairment to be recognised a fall in the multiplier of more than 25% would be required.

In 2023 for the indicator assessment of the digital wealth subsidiary, a forecast cash flow of the subsidiary has been used. This assessment uses a pre-tax discount rate of 11.3% based on an EMEA centric weighted average cost of capital. The calculation also uses cash flow projections for five years which are derived from management approved revenue and expense forecasts, with a terminal growth rate of 2% used for subsequent years. The company would start to recognise impairments if there was a decrease in the average revenue growth forecast of 30%, or an increase in the weighted average cost of capital of 8.1%.

Having considered these assessments, the directors believe the valuation of investments to be appropriate as at 31 December 2023.

4 Operating (loss)/profit

Arrived at after charging / (crediting)

	2023	2022
	\$ m	\$ m
Foreign exchange losses/(gains)	<u>1.2</u>	<u>(21.1)</u>

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

5 Finance income

	2023	2022
	\$ m	\$ m
Interest income on bank deposits	0.1	-
Interest income in relation to loans due from group undertakings	46.5	46.7
	<u>46.6</u>	<u>46.7</u>

6 Finance costs

	2023	2022
	\$ m	\$ m
Interest paid in relation to loans due to group undertakings	256.4	151.8
	<u>256.4</u>	<u>151.8</u>

7 Directors' remuneration and staff costs

There were no employees of the company during the year (2022: 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 3 directors (2022: 4) who held office during the year received no remuneration from the company (2022: \$Nil). All directors' remuneration is borne by other group entities 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 (2022: \$Nil). No share options were issued to directors during either the current or prior year in respect of qualifying services.

8 Auditors' remuneration

	2023	2022
	\$	\$
Audit of the financial statements	43,932.0	43,260.0
	<u>43,932.0</u>	<u>43,260.0</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.

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

9 Income tax credit

Tax (credited)/charged in the statement of comprehensive income. As of April 2023 the UK rate of corporation tax has increased from 19% to 25%.

	2023	2022
	\$ m	\$ m
Current taxation		
UK corporation tax	(35.4)	5.2
UK corporation tax adjustment to prior periods	<u>2.9</u>	<u>(23.4)</u>
Total Tax charge	<u>(32.5)</u>	<u>(18.2)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(25.1)	(16.0)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	6.3	32.5
Arising from changes in tax rates and laws	<u>(1.7)</u>	<u>(3.9)</u>
Total deferred taxation	<u>(20.5)</u>	<u>12.6</u>
Tax receipt in the statement of comprehensive income	<u>(53.0)</u>	<u>(5.6)</u>

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

9 Income tax credit (continued)

The tax expense for the year is lower than the standard rate of corporation tax in the UK (2022: lower than the standard rate of corporation tax in the UK) of 23.52% (2022: 19%).

The differences are reconciled below:

	2023 \$ m	2022 \$ m
Profit before tax	<u>268.5</u>	<u>877.3</u>
Corporation tax at standard rate	63.2	166.7
Increase in current tax from adjustment for prior periods	9.2	9.0
Increase from effect of revenues exempt from taxation	(112.9)	(182.7)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	4.0	0.4
Decrease from transfer pricing adjustments	(0.8)	-
Deferred tax credit relating to changes in tax rates or laws	(1.7)	(3.9)
Other tax effects for reconciliation between accounting profit and tax (income)/expense	<u>(14.0)</u>	<u>4.9</u>
Total tax credit	<u>(53.0)</u>	<u>(5.6)</u>

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

10 Dividends

	2023 \$ m	2022 \$ m
Dividend of \$0.28 (2022- \$0.53) per ordinary share	<u>250.0</u>	<u>477.7</u>

11 Investments

	31 December 2023 \$ m	31 December 2022 \$ m
Investments in subsidiaries	8,458.6	8,446.7
Investments in associates	<u>3.9</u>	<u>3.9</u>
	<u><u>8,462.5</u></u>	<u><u>8,450.6</u></u>

Subsidiaries	\$ m
Cost or valuation	
At 1 January 2023	8,461.0
Additions	26.4
Return of capital	<u>(14.5)</u>
At 31 December 2023	<u>8,472.9</u>
Provisions for impairment	
At 1 January 2023	<u>14.3</u>
At 31 December 2023	<u>14.3</u>
Carrying amount	
At 31 December 2023	<u><u>8,458.6</u></u>
At 31 December 2022	<u><u>8,446.7</u></u>

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Details of the subsidiaries as at 31 December 2023 are as follows:

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
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%
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	Dormant	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	20%	20%
Invesco GT Asset Management Limited	Non-trading	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 Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
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 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	0%	100%

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
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 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
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 Distributors, Inc.	Broker/dealer	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Invesco Gemini Associates LLC	Managing member for collective investment fund	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	0%	100%
Invesco US Senior Loans Associates LLC	Investment advisory	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	0%	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 Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
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%
Invesco Private Capital Investments, Inc.	General Partner	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
W L Ross (India) Private Limited	Dormant entity	600 Lexington Avenue, 19th Floor, New York, NY 10022	99%	99%
W L Ross & Co. (India) LLC	Dormant entity	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%
Intelliflo Advisers, Inc.	Investment software	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 Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
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	0%	100%
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%
Invesco IP Holdings (Canada) Ltd.	Intellectual Property Holding Company	5140 Yonge Street, Suite 800, Toronto ON M2N 6X7	100%	100%
Invesco Canada Ltd.	Holding Company	5140 Yonge Street, Suite 800, Toronto ON M2N 6X7	100%	100%
Invesco Financial Services Ltd.	Holding Company	5140 Yonge Street, Suite 800, Toronto ON M2N 6X7	100%	100%
Invesco Global Direct Real Estate GP Ltd.	General Partner	5140 Yonge Street, Suite 800, Toronto ON M2N 6X7	100%	100%

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
Invesco Global Direct Real Estate Feeder GP Ltd.	General Partner for Ontario limited partnership	5140 Yonge Street, Suite 800, Toronto 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 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 Limited *	Digital Wealth	Perpetual Park, Perpetual Park Drive, Henley-On-Thames, Oxfordshire, RG9 1HH	100%	100%
Oppenheimer Acquisition Corp.	Holding company	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 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
Oppenheimer Funds, Inc.	Investment adviser	CT Corporation System, 7700 East Arapahoe Road, Suite 220, Centennial CO 80112 United States	100%	100%
Tremont Group Holdings, LLC	Holding company	The Prentice-Hall Corporation System, Inc. 251 Little Falls Drive Wilmington, DE 19808	100%	100%
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%	100%
Tremont Partners, LLC	General Partner and Investment manager	Corporation Service Company 50 Weston Street Hartford, CT 06120-1537	100%	100%
Settlement Agent, LLC	Settlement agent	The Prentice-Hall Corporation System, Inc. 251 Little Falls Drive Wilmington, DE 19808	100%	100%
Tremont (Bermuda) Limited	Investment Manager	Conyers Corporate Services (Bermuda) Limited Clarendon House, 2 Church Hamilton HM11	100%	100%
Invesco OFI Global Asset Management LLC	Investment management	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
OFI Steelpath, Inc.	Investment adviser	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	0%	100%
RedBlack Software, LLC	Holding Company	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 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
RedBlack Software Private Limited	Digital wealth	CT Corporation, 2 ½ Beacon Street, Concord, NH 03301-4447	100%	100%
OppenheimerFunds Distributor, Inc.	Broker-dealer and distributor of funds	CT Corporation, 28 Liberty Street, New York NY 10005, United States	0%	100%
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%	100%
Invesco Loan Manager, LLC	Investment advisor	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Harbourview Asset Management Corp.	Investment adviser	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801	100%	100%
Trinity Investment Management Corp.	Dormant	CT Corporation System, County of Philadelphia, 123 South Broad Street, Philadelphia PA 19109, United States	100%	100%
SNW Asset Management Corp.	Holding company	CT Corporation, 2405 York Road, Suite 201, Lutherville Timonium MD 21093, United States	100%	100%
Invesco Managed Accounts, LLC	Investment adviser	CT Corporation System, 711 Capitol Way South, Suite 204, Olympia WA 98501, United States	100%	100%
Invesco Global Real Estate Asia Pacific, INC.	Investment management services	Two Peachtree Point, 1555 Peachtree Street, Suite 1800, Atlanta, Georgia 30309 Delaware	100%	100%

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
Invesco RUIHE (Shanghai) Private Equity Investment Management Company Limited	Equity investment management; investment advisory	Unit 2401-2, No. 1688, North Sichuan Road, Hong Kou District, Shanghai 200000, China	100%	100%
Intelliflo Australia Pty Ltd.	Investment Management	Level 26, 333 Collins Street, Melbourne, Victoria 3000, Australia	100%	100%
The Investment Advisor Alliance Limited Liability Company	Digital wealth	820 Bear Tavern Road, West Trenton, New Jersey 08628, USA	100%	100%
Invesco Private Credit Associates LLC	Digital wealth	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	100%	100%
Invesco Private Credit Lending LLC	Digital wealth	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	100%	100%
Invesco Asia Pacific Private Equity Investment and fund Management (Shenzhen) Limited	Investment advisory services	Qianhai Complex A201, Qianwan Road 1, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, China	100%	100%
Invesco Ruihong (Shanghai) Enterprise Management And Consulting Company Limited	Advisory services	No.391-393 Dongdaming Road, 4th Floor, Hong Kou District, Shanghai 200080, China	100%	100%
RedBlack Software, LLC dba Intelliflo	Digital Wealth	CT Corporation Systems 2 ½ Beacon Street, Concord NH 03301-4447, U.S.A.	100%	0%
Invesco Realty, Inc.	General partner of funds	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100%	0%

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
Steelpath Funds Remediation LLC	Payment administration	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100%	0%
Invesco Alternative Solutions GP LLC	Investment Management	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100%	0%

* indicates direct investment of the company

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) 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.

During the year the company received \$14.5m by way of a return of capital from its wholly owned subsidiary, Invesco Inc. and the company made a further investment of \$26.4m into Intelliflo Limited.

In 2023, Invesco Indexing LLC did not generate any revenue pursuant to Article 48l of the Regulation (EU) 2016/1011 (EU BMR) in relation to the use of its benchmarks by supervised entities in the EU.

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Investments (continued)

Associates

	\$ m
Cost or valuation	
At 1 January 2023	11.4
At 31 December 2023	11.4
Provision for impairment	
At 1 January 2023	7.5
At 31 December 2023	7.5
Carrying amount	
At 31 December 2023	3.9
At 31 December 2022	3.9

Details of the associates as at 31 December 2023 are as follows:

Name of associate	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2023	2022
Pocztylion – ARKA *	Acting as pension fund society to manage long term savings	Pilsudskiego Square 3 00-078 Warsaw Poland	29.3%	29.3%

* indicates direct investment of the company

12 Loans to group undertakings

	31 December 2023 \$ m	13 December 2022 \$ m
Loans to other group undertakings	750.0	796.0

The loans are unsecured and bear interest at a rate of 6% (2022: 3.75% to 6%). The loans are repayable in 2026 (2022: 2024 to 2026).

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

13 Trade and other receivables

	31 December 2023 \$ m	31 December 2022 \$ m
Amounts due from group undertakings	21.9	14.5
Loans due from group undertakings	19.6	-
Other receivables	(0.1)	(0.1)
Deferred tax assets	45.5	25.0
Income tax asset	19.8	2.2
Total current trade and other receivables	<u>106.7</u>	<u>41.6</u>

Within amounts due from group undertakings are no loans that are charged interest. The other amounts due from other group undertakings are unsecured, interest free and repayable on demand. The carrying value of receivables approximates fair value.

The trade and other receivables classified as financial instruments are disclosed below. The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

14 Cash and cash equivalents

	31 December 2023 \$ m	31 December 2022 \$ m
Cash at bank	0.1	0.5
Short-term deposits	0.3	0.4
	<u>0.4</u>	<u>0.9</u>

15 Trade and other payables

	31 December 2023 \$ m	31 December 2022 \$ m
Amounts owed to group undertakings	24.1	20.2
Taxation and social security	-	1.7
Other creditors	1.6	1.5
Loans and borrowings	67.2	1,101.7
	<u>92.9</u>	<u>1,125.1</u>

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

The loans are unsecured and incur interest at rates ranging from 0% to 2.0% (2022: 0% to 2.0%).

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

16 Creditors: Amounts falling due after more than one year

	31 December 2023 \$ m	31 December 2022 \$ m
Creditors: Amounts falling due after more than one year		
Other borrowings	2,400.0	2,400.0
Loans from group undertakings	1,241.2	250.0
	<u>3,641.2</u>	<u>2,650.0</u>

The loans are unsecured and incur interest at either a variable rate of 1.75% plus Sonia or 1.10% plus SOFR or a fixed rate of 6.0% (2022: 1.75% plus Libor or a fixed rate of 6.0%). The loans are repayable between 2025-2029 (2022: 2025-2029).

	2023 Book Value \$ m	2023 Fair Value \$ m	2022 Book Value \$ m	2022 Fair Value \$ m
Floating rate loan notes due 2029	2,400.0	2,400.0	2,400.0	2,400.0
	<u>2,400.0</u>	<u>2,400.0</u>	<u>2,400.0</u>	<u>2,400.0</u>

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 2023 (continued)

17 Called up share capital

Allotted, called up and fully paid shares

	No. m	2023 \$ m	No. m	2022 \$ m
Ordinary shares of \$0.10 each	899.9	90.0	899.9	90.0

Allotted, called up and fully paid shares

	No. m	31 December 2023 \$ m	No. m	31 December 2022 \$ m
Issued Deferred Sterling shares of £1 each	0.1	0.1	0.1	0.1

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.

18 Other reserves

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

	2023 \$ m	2022 \$ 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	489.0	489.0

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

18 Other reserves (continued)

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 Risks and uncertainties

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

Credit risk

The company manages counterparty credit risk by operating strict credit control procedures.

The company has a material income tax debtor due to its ongoing taxable losses. This will be settled via tax relief offsets from other UK group companies.

The amounts due from and owing to group undertakings primarily arise from loans and investing operations which are settled in accordance with the terms of those loans. All intragroup balances have also been assessed in the context of IFRS 9, and no impairment has been recognised.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable in Notes 12 & 13 and cash balances held at banks as shown in note 14. The company does not hold any collateral as security. The credit ratings of banks to which the company has exposure is assessed in accordance with the group treasury policy.

Interest rate risk

The company earns and incurs interest on inter-group loans and external debt finance. The rate of interest is depending on the secured overnight financing rate, (SOFR), Sonia, and the Sibor commercial bank interest rate, (2022: the Libor and Sibor commercial bank interest rates).

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

19 Risks and uncertainties (continued)

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 2023, the annualised net interest payable by the company would increase by \$24.1m (2022: \$24.1m) which would reduce profit before tax and net assets.

Foreign exchange risk

The company has exposure to foreign exchange risk due to \$24.7m (2022: \$160.5m) 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:

	2023	2022
	\$ m	\$ m
GBP	(35.4)	149.0
JPY	10.7	11.5
	<u>(24.7)</u>	<u>160.5</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:

	2023	2022
	\$ m	\$ m
GBP	1.8	(7.5)
JPY	(0.5)	(0.6)
	<u>1.3</u>	<u>(8.1)</u>

Liquidity risk

The company manages its cash and liquid investments to meet its cash flow requirements, including the use of a regular flow of dividend income from subsidiary companies to meet loan obligations as they fall due.

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

19 Risks and uncertainties (continued)

Maturity analysis

	Within 6 months \$ m	Between 6 months and 1 year \$ m	After 1 year \$ m	Total \$ m
2023				
Creditors: amounts falling due within one year	25.7	-	-	25.7
Loans: amounts falling due within one year	67.3	-	-	67.3
Loans: amounts falling due after more than one year (undiscounted)	57.8	57.8	4,032.4	4,148.0
	<u>150.8</u>	<u>57.8</u>	<u>4,032.4</u>	<u>4,241.0</u>
	Within 6 months \$ m	Between 6 months and 1 year \$ m	After 1 year \$ m	Total \$ m
2022				
Creditors: amounts falling due within one year	21.7	7.7	-	29.4
Loans: amounts falling due within one year	1,102.4	-	-	1,102.4
Loans: amounts falling due after more than one year (undiscounted)	28.5	28.5	2,678.5	2,735.5
	<u>1,152.6</u>	<u>36.2</u>	<u>2,678.5</u>	<u>3,867.3</u>

Invesco Holding Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

19 Risks and uncertainties (continued)

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.

20 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 1331 Spring Street NW, Atlanta, Georgia 30309, U.S.A.

21 Contingent liabilities

The company does not have any contingent liabilities as at 31st December 2023 (2022: \$Nil).

22 Commitments

Capital commitments

The company does not have any capital commitments as at 31 December 2023 (2022: \$Nil).