

Invesco Ltd.
Form 10-K/A
October 30, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A
(Amendment No. 1)
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-13908

Invesco Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Bermuda

(State or Other Jurisdiction of
Incorporation or Organization)

98-0557567

(I.R.S. Employer
Identification No.)

1555 Peachtree Street, N.E., Suite 1800, Atlanta, GA

(Address of Principal Executive Offices)

30309

(Zip Code)

Registrant's telephone number, including area code: (404) 892-0896

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Exchange on Which Registered

Common Shares, \$0.20 par value per share

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

At June 30, 2011, the aggregate market value of the voting stock held by non-affiliates was \$8.4 billion, based on the closing price of the registrant's Common Shares, par value U.S. \$0.20 per share, on the New York Stock Exchange. At January 31, 2012, the most recent practicable date, the number of Common Shares outstanding was 446,157,905.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant will incorporate by reference information required in response to Part III, Items 10-14 in its definitive Proxy Statement for its annual meeting of shareholders, to be filed with the Securities and Exchange Commission within 120 days after December 31, 2011.

Explanatory Note

This amendment (the “Amendment”) to the Annual Report on Form 10-K for the year ended December 31, 2011, of Invesco Ltd. (the “Original Form 10-K”) is being filed for the purposes of revising Note 21 - Guarantor Condensed Consolidating Financial Statements (the “Guarantor Footnote”) - in order to conform to the requirements of Rule 3-10 of Regulation S-X, including:

- grossing up the intercompany balances among the Guarantors, non-Guarantors, Issuer and Parent entities and
- (i) presenting them as current and non-current intercompany receivables and payables on the Guarantor Condensed Consolidating Balance Sheets,
- (ii) grossing up the intercompany revenue and expense sharing transactions on the Guarantor Condensed Consolidating Statements of Income, and
- (iii) correcting the classification of certain intercompany loan, capital, and dividend activity as financing cash flows on the Guarantor Condensed Consolidating Statements of Cash Flows.

These corrections of amounts within the Guarantor Footnote concern presentation and categorization of intercompany balances and transactions. Consequently, none of the corrections affect Invesco Ltd.'s primary consolidated financial statements, including the Consolidated Balance Sheets, Statements of Income and Statements of Cash Flows.

The primary purpose of the Guarantor Footnote is to provide financial information to the holders of the company's publicly-traded debt instruments. The corrections to the presentation of this footnote do not affect compliance with the company's liquidity or debt covenants and do not result in a default under any of the terms of our debt instruments. This Amendment solely modifies Part II, Item 8, and Part IV, Items 15 and 16 of the Original Form 10-K. All other Items of the Original Form 10-K are unaffected by this Amendment and such Items have not been included in this Amendment. Information included in this Amendment is stated as of December 31, 2011, and does not reflect any subsequent events occurring after the filing of the Original Form 10-K.

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SPECIAL CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report, the documents incorporated by reference herein, other public filings and oral and written statements by us and our management, may include statements that constitute “forward-looking statements” within the meaning of the United States securities laws. These statements are based on the beliefs and assumptions of our management and on information available to us at the time such statements are made. Forward-looking statements include information concerning possible or assumed future results of our operations, expenses, earnings, liquidity, cash flows and capital expenditures, industry or market conditions, assets under management, acquisition activities and the effect of completed acquisitions, debt levels and our ability to obtain additional financing or make payments on our debt, legal and regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, when used in this Report, the documents incorporated by reference herein or such other documents or statements, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” “forecasts,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would,” and any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of performance or other outcomes. They involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements.

The following important factors, and other factors described elsewhere in this Report or incorporated by reference into this Report or contained in our other filings with the U.S. Securities and Exchange Commission (SEC), among others, could cause our results to differ materially from any results described in any forward-looking statements:

- variations in demand for our investment products or services, including termination or non-renewal of our investment advisory agreements;
- significant changes in net asset flows into or out of the accounts we manage or declines in market value of the assets in, or redemptions or other withdrawals from, those accounts;
- enactment of adverse state, federal or foreign legislation or changes in government policy or regulation (including accounting standards) affecting our operations, our capital requirements or the way in which our profits are taxed;
- significant fluctuations in the performance of debt and equity markets worldwide;
- exchange rate fluctuations, especially as against the U.S. Dollar;
- the effect of economic conditions and interest rates in the U.S. or globally;
- our ability to compete in the investment management business;
- the effect of consolidation in the investment management business;
- limitations or restrictions on access to distribution channels for our products;
- our ability to attract and retain key personnel, including investment management professionals;
- the investment performance of our investment products;
- our ability to acquire and integrate other companies into our operations successfully and the extent to which we can realize anticipated cost savings and synergies from such acquisitions;
- changes in regulatory capital requirements;
- our debt and the limitations imposed by our credit facility;
- the effect of failures or delays in support systems or customer service functions, and other interruptions of our operations;
- the occurrence of breaches and errors in the conduct of our business, including any failure to properly safeguard confidential and sensitive information;
- the execution risk inherent in our ongoing company-wide transformational initiatives;
- the effect of political or social instability in the countries in which we invest or do business;
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the effect of terrorist attacks in the countries in which we invest or do business and the escalation of hostilities that could result therefrom;

war and other hostilities in or involving countries in which we invest or do business; and

adverse results in litigation, including private civil litigation related to mutual fund fees and any similar potential regulatory or other proceedings.

Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realized may also cause actual results to differ materially from those projected. For more discussion of the risks affecting us, please refer to Part I, Item 1A, "Risk Factors."

You should consider the areas of risk described above in connection with any forward-looking statements that may be made by us and our businesses generally. We expressly disclaim any obligation to update any of the information in this or any other public report if any forward-looking statement later turns out to be inaccurate, whether as a result of new information, future events or otherwise. For all forward-looking statements, we claim the "safe harbor" provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

PART II

Item 8. Financial Statements and Supplementary Data

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Annual Report of Management on Internal Control over Financial Reporting

Management of the company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Securities Exchange Act of 1934, Rules 13a-15(f) and 15d-15(f). The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of the chief executive officer and chief financial officer, management assessed the effectiveness of our internal control over financial reporting as of December 31, 2011. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2011.

The company's independent auditors, Ernst & Young LLP, have issued an audit report on the effectiveness of our internal control over financial reporting, which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in the company's internal control over financial reporting during the fourth quarter of 2011 that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Invesco Ltd.

We have audited the accompanying consolidated balance sheets of Invesco Ltd. ("the Company") as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Invesco Ltd. at December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 24, effective January 1, 2011, the Company retrospectively adopted the presentation and disclosure requirements of Accounting Standard Update (ASU) 2011-05, Presentation of Comprehensive Income, as amended by ASU 2011-12, Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Invesco Ltd.'s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 24, 2012, except for
Notes 21 and 24 as to which the date is
October 30, 2012

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Invesco Ltd.

We have audited Invesco Ltd.'s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Invesco Ltd.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Annual Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Invesco Ltd. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Invesco Ltd. as of December 31, 2011 and 2010, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2011, of Invesco Ltd. and our report dated February 24, 2012 expressed an unqualified opinion thereon.

/s / Ernst & Young LLP

Atlanta, Georgia
February 24, 2012

Invesco Ltd.
Consolidated Balance Sheets

\$ in millions, except per share data	As of December 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	727.4	740.5
Cash and cash equivalents of consolidated investment products	382.3	636.7
Unsettled fund receivables	444.4	513.4
Accounts receivable	424.4	424.7
Accounts receivable of consolidated investment products	98.5	158.8
Investments	283.7	308.8
Prepaid assets	51.2	64.0
Other current assets	150.0	101.8
Deferred tax asset, net	28.7	30.4
Assets held for policyholders	1,243.5	1,295.4
Total current assets	3,834.1	4,274.5
Non-current assets:		
Investments	200.8	164.4
Investments of consolidated investment products	6,629.0	7,206.0
Security deposit assets and receivables	81.2	146.3
Other non-current assets	17.9	20.9
Deferred sales commissions	40.5	42.2
Property and equipment, net	312.8	272.4
Intangible assets, net	1,322.8	1,337.2
Goodwill	6,907.9	6,980.2
Total non-current assets	15,512.9	16,169.6
Total assets	19,347.0	20,444.1
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of total debt	215.1	—
Unsettled fund payables	439.6	504.8
Income taxes payable	59.6	72.2
Other current liabilities	841.5	905.7
Other current liabilities of consolidated investment products	175.1	486.4
Policyholder payables	1,243.5	1,295.4
Total current liabilities	2,974.4	3,264.5
Non-current liabilities:		
Long-term debt	1,069.6	1,315.7
Long-term debt of consolidated investment products	5,512.9	5,865.4
Deferred tax liabilities, net	274.0	229.0
Security deposits payable	81.2	146.3
Other non-current liabilities	297.3	262.3
Total non-current liabilities	7,235.0	7,818.7
Total liabilities	10,209.4	11,083.2
Commitments and contingencies (See Note 19)		
Equity:		

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Equity attributable to common shareholders:

Common shares (\$0.20 par value; 1,050.0 million authorized; 490.4 million shares issued as of December 31, 2011, and 2010)	98.1		98.1
Additional paid-in-capital	6,180.6		6,262.6
Treasury shares	(1,280.4)	(991.5
Retained earnings	2,413.2		1,904.4
Retained earnings appropriated for investors in consolidated investment products	334.3		495.5
Accumulated other comprehensive income, net of tax	373.3		495.5
Total equity attributable to common shareholders	8,119.1		8,264.6
Equity attributable to noncontrolling interests in consolidated entities	1,018.5		1,096.3
Total equity	9,137.6		9,360.9
Total liabilities and equity	19,347.0		20,444.1

See accompanying notes.

Invesco Ltd.
Consolidated Statements of Income

\$ in millions, except per share data	Years ended December 31,			
	2011	2010	2009	
Operating revenues:				
Investment management fees	3,138.5	2,720.9	2,120.2	
Service and distribution fees	780.3	645.5	412.6	
Performance fees	37.9	26.1	30.0	
Other	135.5	95.2	64.5	
Total operating revenues	4,092.2	3,487.7	2,627.3	
Operating expenses:				
Employee compensation	1,246.2	1,114.9	950.8	
Third-party distribution, service and advisory	1,282.5	1,053.8	737.0	
Marketing	86.0	78.5	65.3	
Property, office and technology	254.6	238.4	212.3	
General and administrative	295.4	262.2	166.8	
Transaction and integration	29.4	150.0	10.8	
Total operating expenses	3,194.1	2,897.8	2,143.0	
Operating income	898.1	589.9	484.3	
Other income/(expense):				
Equity in earnings of unconsolidated affiliates	30.5	40.2	27.0	
Interest and dividend income	11.0	10.4	9.8	
Interest income of consolidated investment products	307.2	240.9	—	
Gains/(losses) of consolidated investment products, net	(138.9) 114.0	(106.9)
Interest expense	(61.8) (58.6) (64.5)
Interest expense of consolidated investment products	(187.0) (118.6) —	
Other gains and losses, net	49.0	15.6	7.8	
Income before income taxes	908.1	833.8	357.5	
Income tax provision	(286.1) (197.0) (148.2)
Net income	622.0	636.8	209.3	
(Gains)/losses attributable to noncontrolling interests in consolidated entities, net	107.7	(171.1) 113.2	
Net income attributable to common shareholders	729.7	465.7	322.5	
Earnings per share:				
- basic	\$1.58	\$1.01	\$0.77	
- diluted	\$1.57	\$1.01	\$0.76	
Dividends declared per share	\$0.4775	\$0.4325	\$0.4075	

See accompanying notes.

Invesco Ltd.

Consolidated Statements of Comprehensive Income

\$ in millions	Years ended December 31,		
	2011	2010	2009
Net income	622.0	636.8	209.3
Other comprehensive income, before tax:			
Currency translation differences on investments in overseas subsidiaries	(48.8)	77.3	488.3
Change in accumulated other comprehensive income related to employee benefit plans	(42.4)	18.7	(15.1)
Change in accumulated other comprehensive income of equity method investments	(7.2)	2.9	—
Change in net unrealized gains on available-for-sale investments	(12.3)	9.9	14.6
Adoption of guidance now encompassed in ASC Topic 320	—	—	(1.5)
Other comprehensive income (loss), before tax	(110.7)	108.8	486.3
Income tax related to items of other comprehensive income:			
Tax benefit (expense) on foreign currency translation adjustments	0.5	—	0.7
Tax benefit (expense) on comprehensive income related to employee benefit plans	9.3	(6.2)	4.1
Tax benefit (expense) on change in net unrealized gains on available-for-sale investments	1.8	(0.8)	(1.7)
Total income tax benefit (expense) related to items of other comprehensive income	11.6	(7.0)	3.1
Other comprehensive income, net of tax	(99.1)	101.8	489.4
Total comprehensive income	522.9	738.6	698.7
Comprehensive loss (income) attributable to noncontrolling interests in consolidated entities	84.6	(165.8)	113.2
Comprehensive income attributable to common shareholders	607.5	572.8	811.9
See accompanying notes.			

Invesco Ltd.
Consolidated Statements of Cash Flows

\$ in millions	Years ended December 31,		
	2011	2010	2009
Operating activities:			
Net income	622.0	636.8	209.3
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization and depreciation	117.4	96.7	77.6
Share-based compensation expense	115.1	117.8	90.8
Gains on disposal of property, equipment, and software, net	(5.8)	—	(1.2)
Purchase of trading investments	(10,548.6)	(7,093.1)	(41.9)
Proceeds from sale of trading investments	10,537.6	7,032.7	13.1
Other gains and losses, net	(49.0)	(15.6)	(7.8)
Losses/(gains) of consolidated investment products, net	138.9	(114.0)	106.9
Tax benefit from share-based compensation	77.8	63.4	42.3
Excess tax benefits from share-based compensation	(14.7)	(14.8)	(9.4)
Equity in earnings of unconsolidated affiliates	(30.5)	(40.2)	(27.0)
Dividends from unconsolidated affiliates	21.3	26.0	28.3
Changes in operating assets and liabilities:			
Decrease/(increase) in cash held by consolidated investment products	264.2	(336.2)	45.0
Decrease/(increase) in receivables	213.4	(223.3)	(468.4)
(Decrease)/increase in payables	(494.3)	243.0	305.1
Net cash provided by operating activities	964.8	379.2	362.7
Investing activities:			
Purchase of property and equipment	(107.0)	(89.6)	(39.5)
Disposal of property and equipment	12.6	—	6.8
Purchase of available-for-sale investments	(31.4)	(33.9)	(15.6)
Proceeds from sale of available-for-sale investments	60.2	64.7	18.8
Purchase of investments by consolidated investment products	(2,991.4)	(2,367.7)	(44.1)
Proceeds from sale of investments by consolidated investment products	3,479.0	2,866.3	52.1
Purchase of other investments	(143.4)	(69.4)	(88.5)
Proceeds from sale of other investments	64.6	42.4	31.8
Returns of capital and distributions from equity method investments	36.6	25.3	10.0
Acquisitions of businesses	(14.9		