

Invesco Ltd.
Form 10-Q
November 06, 2013
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q
(Mark One)

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

For the quarterly period ended September 30, 2013

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 98-0557567
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

1555 Peachtree Street, N.E., Suite 1800, Atlanta, GA 30309
(Address of Principal Executive Offices) (Zip Code)

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

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 (section 232.405 of this chapter) 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

As of October 31, 2013, the most recent practicable date, 443,280,063 of the company's common shares par value \$0.20 per share, were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Invesco Ltd.

Condensed Consolidated Balance Sheets

(Unaudited)

\$ in millions, except share data	As of September 30, 2013	December 31, 2012
ASSETS		
Cash and cash equivalents	1,174.5	835.5
Unsettled fund receivables	1,003.1	550.1
Accounts receivable	475.6	449.4
Investments	705.0	610.7
Assets of consolidated sponsored investment products (CSIP)	94.3	—
Assets of consolidated investment products (CIP):		
Cash and cash equivalents of CIP	445.0	287.8
Accounts receivable and other assets of CIP	62.2	84.1
Investments of CIP	4,514.6	4,550.6
Assets held for policyholders	1,449.0	1,153.6
Prepaid assets	111.4	99.9
Assets held for sale	106.7	—
Other assets	107.6	146.8
Deferred tax asset, net	10.9	38.4
Property and equipment, net	336.4	349.6
Intangible assets, net	1,268.6	1,287.7
Goodwill	6,898.6	7,048.2
Total assets	18,763.5	17,492.4
LIABILITIES		
Accrued compensation and benefits	565.5	609.8
Accounts payable and accrued expenses	660.3	626.4
Liabilities of CIP:		
Debt of CIP	4,003.1	3,899.4
Other liabilities of CIP	251.0	104.3
Policyholder payables	1,449.0	1,153.6
Unsettled fund payables	993.8	552.5
Long-term debt	1,387.6	1,186.0
Deferred tax liabilities, net	333.8	311.4
Total liabilities	9,644.1	8,443.4
Commitments and Contingencies (See Note 11)		
EQUITY		
Equity attributable to common shareholders:		
Common shares (\$0.20 par value; 1,050.0 million authorized; 490.4 million shares issued as of September 30, 2013 and December 31, 2012)	98.1	98.1
Additional paid-in-capital	6,080.1	6,141.0
Treasury shares	(1,363.5) (1,382.9
Retained earnings	3,175.0	2,801.3
Retained earnings appropriated for investors in CIP	106.3	128.8

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Accumulated other comprehensive income, net of tax	434.8	530.5
Total equity attributable to common shareholders	8,530.8	8,316.8
Equity attributable to nonredeemable noncontrolling interests in consolidated entities	588.6	732.2
Total equity	9,119.4	9,049.0
Total liabilities and equity	18,763.5	17,492.4
See accompanying notes.		

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Invesco Ltd.
 Condensed Consolidated Statements of Income
 (Unaudited)

\$ in millions, except per share data	Three months ended		Nine months ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Operating revenues:				
Investment management fees	914.4	790.6	2,644.5	2,309.6
Service and distribution fees	220.7	196.0	642.7	572.1
Performance fees	5.1	3.0	47.2	39.0
Other	31.6	24.3	85.1	83.0
Total operating revenues	1,171.8	1,013.9	3,419.5	3,003.7
Operating expenses:				
Employee compensation	330.3	315.2	995.9	906.0
Third-party distribution, service and advisory	380.9	326.2	1,093.0	958.2
Marketing	22.6	26.3	68.6	79.1
Property, office and technology	71.9	66.1	207.0	195.0
General and administrative	80.1	66.2	224.9	222.7
Transaction				