

Registration number: 2199428

Invesco Administration Services Limited

Strategic Report, Directors' Report and Audited Financial Statements

for the Year Ended 31 December 2017



Invesco Administration Services Limited

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Invesco Administration Services Limited

Company Information

Directors	S. Hofmann N. C. W. Mustoe G. J. Proudfoot A. R. Schlossberg A. J. Trotter
Company secretary	A. Evans
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 Administration Services Limited

Strategic Report for the Year Ended 31 December 2017

The directors present their strategic report on the affairs of Invesco Administration Services Limited ("the company") for the year ended 31 December 2017. The company is a subsidiary of Invesco Ltd. In this report and these financial statements, Invesco Ltd. and its subsidiaries are referred to as "the group".

Principal activities

The company earns interest from its financial assets. The company ceased its previous trading activities with effect from 1 December 2015 following the novation of a transfer agency contract to a fellow group company.

The company is regulated by the Financial Conduct Authority ("FCA") and is authorised in the conduct of its investment business by that organisation. The company does not hold derivative instruments or enter into any hedging arrangements.

Purpose

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

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

Fair review of the business

The profit and total comprehensive income for the financial year was £6,172 (2016: profit and total comprehensive income £7,397).

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

	2017	2016	
	£	£	% change
Profit and total comprehensive income for the year	6,172	7,397	(16.6)%
Net assets	<u>1,915,174</u>	<u>1,909,002</u>	<u>0.3%</u>

Invesco Administration Services Limited

Strategic Report for the Year Ended 31 December 2017 (continued)

Governance, principal risks and uncertainties

The group has a robust risk governance structure and framework which is considered appropriate to the size, nature and complexity of the business. These arrangements are characterised by a matrix management model across functions and regions. The Invesco UK Board defines and monitors the risk appetite of the Invesco UK Limited group, which includes the company, and oversees a risk management framework designed to ensure that this appetite is adhered to. 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 set out below.

Governance

Risk Management Framework

The company's risk strategy is focused on implementing an effective framework to manage risk. The framework is based around the three lines of defence model described below, and is considered by the Board to be a model that fits well with the nature and structure of the company's activities.

At a high level the risk management framework is designed to operate as follows:

- The company Board defines and monitors the company's risk appetite.
- The individual business lines and functional areas identify and assess risks to which they are exposed and implement controls to manage risks according to the risk appetite.
- The Independent Risk Function ("IRF") and Compliance oversee and assist the business units to ensure that this is the case and to report on risk and control exceptions to the Executive Committee and to the Invesco UK Audit Committee and Invesco UK Risk Committee as appropriate.
- Matters are escalated to the Executive Committee where they may be outside the Board's risk appetite or might have an impact on the risk appetite. These may include (for instance) material strategic initiatives, significant capital expenditure and complex or large scale new product proposals.

The reporting and escalation processes enable the company's Board and its committees to review and challenge the extent to which the business is operating in compliance with its risk appetite, where necessary direct action to reduce risks to within risk appetite (or otherwise accept risks), and to assess any consequent impact on capital adequacy and capital planning.

The risk management framework also provides essential tools to enable the company to assess its risks and capital requirements for the Individual Capital Adequacy Assessment Process ("ICAAP").

Invesco Administration Services Limited

Strategic Report for the Year Ended 31 December 2017 (continued)

Governance (continued)

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

First line of defence: Business

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

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

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

Second line of defence: Independent Risk Function and Compliance

The IRF is an independent assurance function. The IRF does not own the risks; its aim is to provide a framework in order to facilitate the business, Directors and Senior Management in assessing, managing, monitoring and reporting on the status of risks. Risks that are assessed by the business or the management team to be inadequately managed, outside of the company’s risk appetite, inconsistent with good practice or which may not meet regulatory requirements, are reported together with recommended actions for their reduction to an accepted tolerance level. The IRF has a duty to highlight where risks may be inadequately or incorrectly assessed to the Board and its committees in order to ensure that appropriate attention is paid to these risks. The IRF provides reports to the Invesco UK Risk Committee as well as to senior management.

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

Third line of defence: Internal Audit

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

The Invesco UK Audit and Invesco UK Risk Committee have the responsibility for overseeing the financial reporting, risk management and internal control environment and report to the Invesco UK Board.

The governance framework of the group defined above incorporates the oversight activities of the company.

Invesco Administration Services Limited

Strategic Report for the Year Ended 31 December 2017 (continued)

Principal risks and uncertainties

The principal risks and uncertainties facing the company are categorised as - strategic, conduct, operational, capital and liquidity, and counterparty / credit risk.

Strategic risk

Strategic risks are those which may impact on the group's ability to deliver its strategic objectives, resulting from poor strategic decision making, or the poor execution of strategic decisions. Strategic risks may threaten Invesco's purpose - to help people get more out of life by delivering a superior investment experience. The protection of data and client assets is seen as fundamental to Invesco's purpose, and the group will take steps to avoid any instances of these being threatened. All staff are trained in identifying and reporting potential cyber threats, which are overseen both globally and locally by the Group Security function.

Conduct Risk

This is the attitude and behaviours of our people that could negatively influence our actions leading to detrimental outcomes for our clients, employees and shareholders. The management of conduct risk is seen by the group as being fundamental to the delivery of its purpose, with any potential conduct risks receiving a high level of management attention. This category also considers the group's regulatory obligations - proactive engagement with current and future regulatory requirements is aligned with the group's purpose to provide for and protect its clients. All staff are responsible for ensuring that they maintain positive conduct behaviours, with potential conduct risks being identified and escalated through the risk management framework as appropriate.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. The sound management of operational risk is key to the group being able to protect its clients and reputation, and to control its cost base.

The Operational Risk team facilitates the process of identifying risks and implementing suitable controls at the individual business lines and functional areas through an operational risk framework.

Capital & liquidity risk

Capital risk refers to the company's ability to maintain sufficient capital to meet its regulatory capital obligations at all times. Liquidity risk refers to the risk that a firm, although solvent, does not have available sufficient resources to enable it to meet its obligations on an ongoing basis as they fall due.

The company's approach to capital and liquidity risks reflects its approach to balance sheet management, and the need to be able to satisfy any obligations and maintain appropriate regulatory capital levels.

Invesco Administration Services Limited

Strategic Report for the Year Ended 31 December 2017 (continued)

Counterparty / credit risk

Counterparty / credit 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 exposures, and will take action to avoid any circumstances where these may be jeopardised.

Principal risks and uncertainties (continued)

Brexit

Due to the nature of the activities of the company it is not anticipated that Brexit will affect the value of assets, liabilities or revenue streams apart from any broader macro-economic impacts.

Dividend policy

The company has a strong balance sheet with a high level of capital reserves to support its business activities against unexpected events. Profits after taxation during the financial year are added to distributable reserves only after they have been audited and the company pays dividends from distributable reserves to Invesco UK Limited. Profits after taxation during the financial year are added to regulatory reserves only once they have been verified by external auditors and approved by the FCA. The company's Board would not propose and Invesco UK Limited would not accept a dividend which would have the effect of leaving the company with less capital than required for regulatory purposes.

Going concern

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

The company maintains considerable liquid financial resources and earns interest income from its deposits. Consequently the directors believe that the company is well placed to manage its future business risk exposure and has adequate resources to continue to operate for the foreseeable future, which is a period not less than one year from the date of signing of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

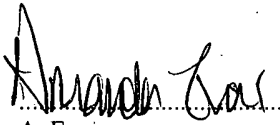
Future strategy

The company is expected to continue to earn interest from its financial assets.

Approved by the Board on 29 March 2018 and signed by order of the Board by:

Invesco Administration Services Limited

Strategic Report for the Year Ended 31 December 2017 (continued)



A. Evans
Company secretary

Invesco Administration Services Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Directors' of the company

The directors, who held office during the year, were as follows:

S. Hofmann

N. C. W. Mustoe

G. J. Proudfoot

A. R. Schlossberg

A. J. Trotter (appointed 1 January 2017)

On 1 September 2017 K. J. Bye resigned as secretary and A. Evans was appointed.

Dividends

There was no interim dividend paid during the year (2016: £Nil). The directors do not recommend the payment of a final dividend (2016: £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 signing of these financial statements.

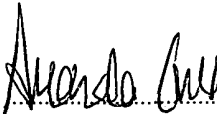
Pillar 3 disclosures

In order to comply with the regulations of the FCA, Invesco UK Limited, the immediate parent company, has prepared a Capital Requirements Directive Pillar 3 disclosure document. A copy of this disclosure document can be obtained from the group website at www.invesco.com.

Disclosure of information to the auditors

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

Approved by the Board on 29 March 2018 and signed by order of the Board by:



A. Evans
Company secretary

Invesco Administration Services Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Invesco Administration Services Limited

Independent Auditors' Report to the members of Invesco Administration Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Invesco Administration Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic report, directors' report and audited financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income for the year ended 31 December 2017, the statement of changes in equity for the year ended 31 December 2017; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Invesco Administration Services Limited

Independent Auditors' Report to the members of Invesco Administration Services Limited (continued)

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 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 of the directors for the financial statements

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

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

Invesco Administration Services Limited

Independent Auditors' Report to the members of Invesco Administration Services Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. 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 received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.



Sally Cosgrove (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors

7 More London Riverside
London
SE1 2RT

29 March 2018

Invesco Administration Services Limited

Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Administrative expenses		(1,472)	(1,166)
Finance income	4.	<u>9,115</u>	<u>10,412</u>
Profit before income tax		7,643	9,246
Income tax expense	7.	<u>(1,471)</u>	<u>(1,849)</u>
Profit and total comprehensive income for the year		<u><u>6,172</u></u>	<u><u>7,397</u></u>

The above results were derived from continuing operations.

Invesco Administration Services Limited

(Registration number: 2199428)

Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Trade and other receivables	8.	1,151,962	1,152,018
Cash and cash equivalents		<u>766,632</u>	<u>775,398</u>
		1,918,594	1,927,416
Creditors: Amounts falling due within one year			
Trade and other payables	9.	<u>(3,420)</u>	<u>(18,414)</u>
Net assets		<u>1,915,174</u>	<u>1,909,002</u>
Equity			
Share capital	10.	1,000,000	1,000,000
Retained earnings		<u>915,174</u>	<u>909,002</u>
Total equity		<u>1,915,174</u>	<u>1,909,002</u>

Approved by the Board on 29 March 2018 and signed on its behalf by:



.....
A. J. Trotter
Director

Invesco Administration Services Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Retained earnings £	Total equity £
At 1 January 2017	1,000,000	909,002	1,909,002
Profit and total comprehensive income for the year	-	6,172	6,172
At 31 December 2017	<u>1,000,000</u>	<u>915,174</u>	<u>1,915,174</u>

	Share capital £	Retained earnings £	Total equity £
At 1 January 2016	1,000,000	901,605	1,901,605
Profit and total comprehensive income for the year	-	7,397	7,397
At 31 December 2016	<u>1,000,000</u>	<u>909,002</u>	<u>1,909,002</u>

The notes on pages 16 to 22 form an integral part of these financial statements.

Invesco Administration Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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 29 March 2018.

2. Accounting policies

Summary of significant accounting policies

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

Basis of preparation

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

The 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 Sterling (£), 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:

Invesco Administration Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2. Accounting policies (continued)

Summary of disclosure exemptions (continued)

- 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:
 - paragraph 79(a)(iv) of IAS 1 "Presentation of Financial Statements";
 - 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),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- The requirements under IAS 7 "Statement of Cash Flows";
- Paragraph 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24 "Related Party Disclosures" (key management compensation);
- The requirements in IAS 24, "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group.

Going concern

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

Changes in accounting policy

None of the new accounting interpretations and amendments effective for the first time from 1 January 2017 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.

Invesco Administration Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2. Accounting policies (continued)

Finance income and costs

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

Tax

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

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

Loans due from other group undertakings

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

Cash and cash equivalents

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

Share capital

Ordinary shares are classified as equity.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. Management does not believe there are any critical accounting judgements or key sources of estimation uncertainty in the preparation of these financial statements.

4. Finance income

	2017	2016
	£	£
Interest income from group undertakings	<u>9,115</u>	<u>10,412</u>

Invesco Administration Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

5. Directors' remuneration and staff costs

There were no employees of the company during the year (2016: Nil). Staff costs, including pension contributions, of all group employees who provide services to the company are borne by Invesco UK Limited and are not recharged to the company.

The 5 directors (2016: 6) who held office during the year received no remuneration from the company (2016: £Nil). All directors' remuneration is borne by Invesco UK Limited 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 (2016: Nil). No share options were issued to directors during either the current or prior year in respect of qualifying services.

6. Auditors' remuneration

	2017 £	2016 £
Auditors' remuneration		
Audit of these financial statements	3,540	3,611
Audit-related assurance services	10,417	10,921
	<u>13,957</u>	<u>14,532</u>

There is no charge for auditors' remuneration in the financial statements of the company (2016: £Nil). 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.

7. Income tax expense

Tax charged in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	<u>1,471</u>	<u>1,849</u>

The tax expense for the year is the same as the standard rate of corporation tax in the UK (2016: the same as the standard rate of corporation tax in the UK) of 19.25% (2016: 20%).

The differences are reconciled below:

Invesco Administration Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

7. Income tax expense (continued)

	2017 £	2016 £
Profit before income tax	<u>7,643</u>	<u>9,246</u>
Profit multiplied by the standard rate of tax in the UK of 19.25% (2016: 20%)	<u>1,471</u>	<u>1,849</u>
Total tax charge	<u>1,471</u>	<u>1,849</u>

The tax rate for the current year is lower than the prior year due to a change in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017. A further reduction to the UK Corporation tax rate was enacted as part of the Finance Act 2016 which will reduce the main rate to 17% from 1 April 2020.

8. Trade and other receivables

	2017 £	2016 £
Amounts due from group undertakings	1,151,962	1,151,727
Prepayments	<u>-</u>	<u>291</u>
Total current trade and other receivables	<u>1,151,962</u>	<u>1,152,018</u>

The amounts due from group undertakings are unsecured and repayable on demand. The carrying value of receivables approximates fair value.

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	1,949	16,565
Taxation and social security	<u>1,471</u>	<u>1,849</u>
	<u>3,420</u>	<u>18,414</u>

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

Invesco Administration Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

10. Share capital

Allotted, called up and fully paid shares

	No.	2017 £	No.	2016 £
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

11. Risks and uncertainties

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

Credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable in note 8 and cash balances held at banks. 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 investment policy. None of the receivables are considered to be impaired.

Interest rate risk

The company earns interest on cash balances and a loan to the immediate parent company. The rate of interest is dependent on commercial banking interest rates and Libor.

If interest rates increased by 100 basis points, based on the closing balances as at 31 December 2017, the annualised interest earned by the company would increase by £19,137 (2016: £19,225).

Liquidity risk

The company maintains sufficient cash and liquid investments such that the liquidity and cash flow risks are negligible. The company is able to manage its working capital requirements and surplus liquid financial resources in order to meet its financial obligations as they fall due for payment.

Maturity analysis

	Within 30 days £	Between 6 months and 1 year £	Total £
2017			
Creditors: amounts falling due within one year	<u>1,949</u>	<u>1,471</u>	<u>3,420</u>
2016			
Creditors: amounts falling due within one year	<u>16,565</u>	<u>1,849</u>	<u>18,414</u>

Invesco Administration Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

11. Risks and uncertainties (continued)

Capital risk management

The company is regulated by the FCA and subject to the rules imposed by the FCA. The Capital Requirements Directive requires a company to maintain a surplus of capital over and above the capital resource defined by the FCA rules at all times. At 31 December 2017, the company's surplus was £1.9m (2016: £1.9m).

The company considers its capital to be the total equity shown in the statement of changes in equity. 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;
- to maintain a strong capital base to support the company's business; and
- to ensure regulatory capital requirements are maintained.

12. 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 UK Limited. Copies of the group consolidated financial statements can be obtained from Two Peachtree Pointe, 1555 Peachtree Street, N.E. Atlanta, Georgia 30309, U.S.A.

13. Commitments and contingent liabilities

The company does not have any capital commitments as at 31 December 2017 (2016: £Nil).

The company does not have any contingent liabilities as at 31 December 2017 (2016: £Nil).