

Aon Trust Corporation Limited

Company Number 02677201

Annual Report - 31 December 2017

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Aon Trust Corporation Limited

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Aon Trust Corporation Limited
Corporate directory
31 December 2017

Directors	I R Herbert S M Roylance G P Suckling
Company secretary	CoSec 2000 Limited
Registered office	The Aon Centre, The Leadenhall Building 122 Leadenhall Street London EC3V 4AN United Kingdom
Auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY United Kingdom

Aon Trust Corporation Limited
Strategic report
31 December 2017

The directors present their Strategic report on Aon Trust Corporation Limited (the "Company") for the year ended 31 December 2017.

The Company is a limited liability company incorporated in the United Kingdom ("UK") under the UK Companies Act 2006 ('the Companies Act') and registered in England and Wales. The address of the registered office is given on the Corporate directory on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company reports under Financial Reporting Standard ("FRS") 101, and has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Financial Reporting Council ("FRC") that are mandatory for the current reporting period.

Principal activities

The principal activity of the Company is to act as a trustee to pension funds.

Review of operations

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

	2017 £	2016 £	Change £	Change %
Interest receivable	2,004	2,398	(394)	(16%)

Revenue - During the year the Company's activities generated no revenue and incurred no administrative expenses; the intention is to gradually cease trading.

Interest receivable - relates to interest on cash

	2017 £	2016 £
Shareholder's funds	398,463	396,845
Net current assets	<u>398,463</u>	<u>396,845</u>

Principal risks and uncertainties

The risk factors set forth below reflect material risks associated with the business and contain forward-looking statements as discussed in section addressing the likely future developments below. Readers should consider them in addition to the other information contained in this report as our business, financial condition or results of operations could be adversely affected if any of these risks were to actually occur.

The following are material risks related to our businesses specifically and the industries in which we operate generally that could adversely affect our business, financial condition and results of operations and cause our actual results to differ materially from those included in the forward-looking statements in this document and elsewhere.

Legal and regulatory risks

Our business is subject to extensive legal and regulatory oversight, the complexity of the laws and regulations and the development of new laws and regulations or changes in application or interpretation of current laws and regulations increases our legal and regulatory compliance complexity and could have an adverse impact on our results of operations.

For instance, The General Data Protection Regulation (the "GDPR"), effective in May 2018, creates a range of new compliance obligations, increases financial penalties for non-compliance, and extends the scope of the European Union data protection law to all companies processing data of European Union residents, wherever the company's location. Complying with the GDPR will cause us to incur substantial operational costs and may require us to change our business practices.

External environment risk

The UK's formal initiation of a withdrawal process from the European Union has created significant uncertainty about the future relationship between the United Kingdom and the European Union. These developments may have a material adverse effect on global economic conditions and the stability of global financial markets. Lack of clarity about future United Kingdom laws and regulations, including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws, could also depress economic activity and have a material adverse effect on our business, financial condition and results of operations.

Financial risk management

Objectives and policies

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk for the Company are credit risk and liquidity/cash flow risk. The directors review operations and transactions on an ongoing basis to ensure that any such exposure is managed to minimise any potential risk arising.

Exposure to liquidity and cash flow risk

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company meets its day to day working capital requirements through operating cash flows, existing cash resources and ultimately if required by access to the Group cash pooling arrangements. Liquidity is managed centrally by Aon Corporate Treasury on a global basis to ensure there is sufficient available unutilised capacity on its committed borrowing facilities.

The Aon Group

The Company is an indirect subsidiary of Aon plc, a company listed on the New York Stock Exchange which had net assets of circa. US \$4.6 billion (2016: US \$5.7 billion) as disclosed in its audited financial statements for the year ended 31 December 2017 and had an S&P rating of A-/Stable. The Company benefits from Aon plc and certain fellow Group undertakings for services provided in a wide range of areas including Group credit facilities detailed in note 13 of the financial statements, Group capital injections, and other head office services. The Company continues to benefit from the Group's support and the directors expect this support to continue for the foreseeable future. Availability of this support provides additional mitigation to many of the Company's principle risks.

Likely future developments

Whilst the intention is to gradually cease trading, in the interim and in regard to an ongoing business the Company maintains its focus on executing a strategy around:

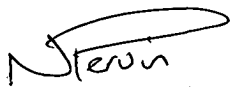
Distinctive Client Value: While each of our clients is unique, they fundamentally expect the same things from Aon: partnership, expertise, innovation, excellence, and results. The Aon Client Promise defines the way we work together with our clients, what clients can expect from us, and the value we will deliver;

Operational Excellence: differentiate Aon from the competition through operational excellence, risk awareness and client service; and

Unmatched Talent: having the best talent that builds intellectual capital and drives both thought leadership and execution.

Aon Trust Corporation Limited
Strategic report
31 December 2017

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'N Pervin', written over a horizontal line.

Nicholas Pervin
for and on behalf of CoSec 2000 Limited: Company Secretary

12 July 2018

Aon Trust Corporation Limited
Directors' report
31 December 2017

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2017.

Results

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

Political donations

No political donations were made during the year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Likely future developments

Information on likely future developments of the Company are disclosed in the Strategic report.

Principal risks and uncertainties

Information on principal risks and uncertainties of the Company are disclosed in the Strategic report.

Financial risk management

Information on the Company's financial risk management is disclosed in the Strategic report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic report.

The Company has adequate financial resources and as a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow Group undertakings.

The directors of the Company are not aware of or have any reason to believe in regard to the Company's ultimate parent entity Aon plc that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The directors have prepared a going concern assessment for Aon Trust Corporation Limited for the financial period to July 2019 (reflecting a one-year projection from the date of the signing of the 2017 statutory accounts in July 2018).

Events after the reporting period date

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Aon Trust Corporation Limited
Directors' report
31 December 2017

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information required in connection with the auditor's report, of which the auditor is unaware. Each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Ernst & Young LLP are deemed to be reappointed as the Company's auditor in accordance with section 487 of the Companies Act 2006.

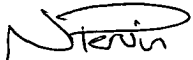
Indemnity of directors

The Group has qualifying third party indemnity provisions in place for the benefit of the Company's directors which were in place during the year and remain in force at the date of this report.

Directors

The current directors and all directors who served during the year and to the date of this report are shown on page 2.

For and on behalf of the Board of Directors



Nicholas Pervin
for and on behalf of CoSec 2000 Limited: Company Secretary

12 July 2018

Aon Trust Corporation Limited
Directors' responsibilities statement
31 December 2017

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK GAAP (United Kingdom Accounting Standards 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 for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

Opinion

We have audited the financial statements of Aon Trust Corporation Limited for the year ended 31 December 2017 which comprise the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Aon Trust Corporation Limited
Independent auditor's report to the members of Aon Trust Corporation Limited
31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

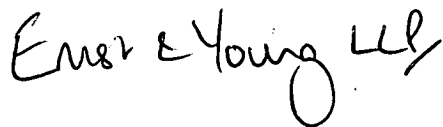
Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP'.

Michael Purrington (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 18 JULY 2018

Aon Trust Corporation Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2017

	Note	2017 £	2016 £
Interest receivable and similar income	6	<u>2,004</u>	<u>2,398</u>
Profit before income tax expense		2,004	2,398
Income tax expense	7	<u>(386)</u>	<u>(481)</u>
Profit after income tax expense for the year attributable to the owners of Aon Trust Corporation Limited		1,618	1,917
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Aon Trust Corporation Limited		<u>1,618</u>	<u>1,917</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Aon Trust Corporation Limited
Statement of financial position
As at 31 December 2017

	Note	2017 £	2016 £
Assets			
Current assets			
Cash and cash equivalents	8	399,139	397,576
Trade and other receivables	9	239	156
Total current assets		<u>399,378</u>	<u>397,732</u>
Total assets		<u>399,378</u>	<u>397,732</u>
Liabilities			
Current liabilities			
Trade and other payables	10	529	407
Income tax	11	386	480
Total current liabilities		<u>915</u>	<u>887</u>
Total liabilities		<u>915</u>	<u>887</u>
Net assets		<u>398,463</u>	<u>396,845</u>
Equity			
Share capital	12	250,000	250,000
Retained profits	13	<u>148,463</u>	<u>146,845</u>
Total equity		<u>398,463</u>	<u>396,845</u>

The Company's registration number is 02677201.



I R Herbert
Director

12 July 2018

Aon Trust Corporation Limited
Statement of changes in equity
For the year ended 31 December 2017

	Share capital £	Retained profits £	Total equity £
Balance at 1 January 2016	250,000	144,928	394,928
Profit after income tax expense for the year	-	1,917	1,917
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,917	1,917
Balance at 31 December 2016	<u>250,000</u>	<u>146,845</u>	<u>396,845</u>
	Share capital £	Retained profits £	Total equity £
Balance at 1 January 2017	250,000	146,845	396,845
Profit after income tax expense for the year	-	1,618	1,618
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,618	1,618
Balance at 31 December 2017	<u>250,000</u>	<u>148,463</u>	<u>398,463</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

1. Significant accounting policies

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

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 issued by the FRC. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the FRC.

Amounts in these financial statements have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements have been prepared on a going concern basis. The directors have considered the appropriateness of the going concern basis in the Directors' report.

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available under this standard where applicable to the Company. Where relevant, equivalent disclosures have been given in the Group financial statements. The Group financial statements are available to the public and can be obtained as set out in note 16.

The Company adopted the relevant presentation requirements of IAS 1 (Presentation of Financial Statements) formats for the Statement of financial position and the Statement of profit or loss and other comprehensive income in accordance with Schedule 1 to the Regulations, as amended by Statutory Instrument 2015/980, which permits a company a choice of adapted or statutory formats. The Company chose IAS 1 presentation format to be aligned with the financial statements of Aon plc.

Foreign currencies

The financial statements presentational currency is pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency are recognised at the rates of exchange at the date of the transactions. At each reporting period date, monetary assets and liabilities that are denominated in non-functional currencies are retranslated at the rate ruling at the reporting period date. Non-monetary items remain at the rates of exchange at the date of the transaction.

Exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit or loss and other comprehensive income.

Interest receivable and similar income

Interest receivable and similar income is recognised as interest accrues using the effective interest method.

This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

1. Significant accounting policies (continued)

Taxation

Current tax

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting period date.

Deferred tax

Deferred tax is provided on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the liability method.

A deferred tax asset or liability arising from the initial recognition of an asset or liability in a transaction that is not a business combination and that at the time of the transaction, affects neither the accounting nor taxable profits, is not recognised.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting period date.

Deferred tax is charged or credited to the statement of other comprehensive income, for items that are charged or credited directly in the statement of other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash balances. The estimated fair value approximates their carrying values.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

1. Significant accounting policies (continued)

Other financial assets and liabilities

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Other financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

All other financial liabilities held by the Company are measured at amortised cost. The Company's financial liabilities included within this category under IAS 39 include balances classified as current and non-current liabilities on the Statement of financial position.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which remain unpaid at the reporting date. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 days of recognition.

Value-Added Tax ("VAT") and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of financial position.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Issued capital

Ordinary shares are classified as equity.

2. Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 1, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements, estimates and assumptions that pose significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the foreseeable future.

3. Average number of employees

The Company had no employees during the year (2016:nil).

4. Directors' remuneration

	2017	2016
	£	£
Directors' remuneration		
Aggregate remuneration in respect of qualifying services	302,537	313,914
Amounts received or receivable by directors under long term incentive schemes (other than shares and share options) in respect of qualifying services	9,517	3,513
Aggregate of company contributions paid in respect of money purchase schemes	19,911	43,789
Total	331,965	361,216

The aggregate emoluments in respect of qualifying services paid to directors or past directors as compensation for loss of office during the year was £Nil (2016: £Nil).

	2017	2016
The number of directors who:		
Received shares in respect of qualifying services under a long term incentive scheme	1	1
Exercised options over shares in the parent company	2	1
Are accruing benefits under money purchase schemes	3	3

	2017	2016
	£	£
Remuneration of the highest paid director:		
Emoluments	150,673	143,100
Pension contributions	8,943	20,604
	159,616	163,704

The highest paid director exercised share options of 97 shares at an average price \$127.27 in the year and received 314 shares at an average price \$123.10 under long-term incentive schemes in 2017. The directors have chosen to present the total emoluments received for services as directors of the Company and services to other companies in the Group. Emoluments are paid by the director's employing company within the Group. The directors do not believe that it is practicable to apportion these amounts between their services as directors of the company and their services to other Group companies. Where appropriate remuneration costs are subsequently recharged under group reallocations to the Company.

5. Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by the auditor of the Company, and its associates:

	2017 £	2016 £
Audit of the financial statements	<u>6,000</u>	<u>7,000</u>

Auditor's remuneration was borne by another group company in 2017.

6. Interest receivable and similar income

	2017 £	2016 £
Bank interest receivable	<u>2,004</u>	<u>2,398</u>

7. Income tax expense

	2017 £	2016 £
<i>Income tax expense</i>		
Current tax	386	480
Adjustment recognised for prior periods	<u>-</u>	<u>1</u>
Aggregate income tax expense	<u>386</u>	<u>481</u>

Numerical reconciliation of income tax expense and tax at the statutory rate

The tax charge in the Statement of Profit or Loss for the year is equal to (higher than) that calculated at the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

Profit before income tax expense	<u>2,004</u>	<u>2,398</u>
Tax at the statutory tax rate of 19.25% (2016: 20%)	386	480
Adjustment recognised for prior periods	<u>-</u>	<u>1</u>
Income tax expense	<u>386</u>	<u>481</u>

From 1 April 2017 the UK Government introduced further reductions to the headline corporation tax rate to 19%, and legislation was introduced in the Finance Act 2016 to reduce the corporation tax rate further for the year starting 1 April 2020 to 17%.

8. Current assets - Cash and cash equivalents

	2017 £	2016 £
Cash and cash equivalents	<u>399,139</u>	<u>397,576</u>

9. Current assets - Trade and other receivables

	2017 £	2016 £
Prepayments and accrued income	<u>239</u>	<u>156</u>

10. Current liabilities - Trade and other payables

	2017 £	2016 £
Amounts owed to fellow Group undertakings	479	407
Amounts owed to parent undertaking	<u>50</u>	<u>-</u>
	<u>529</u>	<u>407</u>

11. Current liabilities - Income tax

	2017 £	2016 £
Group relief payable	<u>386</u>	<u>480</u>

12. Equity - Share capital

	2017 Shares	2016 Shares	2017 £	2016 £
Ordinary shares of £1.00 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

All shares are allotted, issued and fully paid. The Company has one class of ordinary shares.

13. Equity - retained profits

	2017 £	2016 £
Retained profits at the beginning of the financial year	146,845	144,928
Profit after income tax charge for the year	<u>1,618</u>	<u>1,917</u>
Retained profits at the end of the financial year	<u>148,463</u>	<u>146,845</u>

14. Guarantees

The Company maintains multi-currency cash pools with third-party banks in which various Aon entities participate. As part of Aon plc's global banking arrangements, individual Aon entities are permitted to overdraw on their individual accounts provided the overall balance does not fall below zero. Under the terms of the cash pool arrangements, participants, such as the Company whose cash at bank balances at 31 December 2017 include cash pool deposits of £389k (2016: £387k), can become liable for any insolvent borrower's debt (limited to the level of the depositor's own credit balances with individual third party banks) via the pledge and set-off clauses in the arrangements. In such circumstances, Aon plc is contractually bound to indemnify the depositor for the amount paid by them to third party banks under the pledge and set-off arrangement.

15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

16. Controlling party

At the end of the reporting period date the Company's immediate parent undertaking was Aon UK Holdings Intermediaries Limited, a company incorporated in the United Kingdom and registered in England & Wales.

The ultimate parent undertaking and controlling party is Aon plc, a company incorporated in the United Kingdom and registered in England and Wales.

The parent undertaking of the Group which contains the Company, and for which Group financial statements are prepared, is Aon plc, a company incorporated in the United Kingdom and registered in England and Wales.

Copies of the Group financial statements of Aon plc are available from Companies House, Crown Way, Cardiff, CF14 3UZ and also from the Company Secretary, The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN.