

AON PREMIUM FINANCE LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2008

THURSDAY



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AON PREMIUM FINANCE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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AON PREMIUM FINANCE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008**

Directors	C. Copestake C.J Crouch J.C Cullen
Company secretary	CoSec 2000 Limited
Registered office	8 Devonshire Square London EC2M 4PL
Auditor	Ernst & Young LLP Registered Auditor 1 More London Place London SE1 2AF

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present their report together with the financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company is the arrangement of insurance premium financing through a fellow group company under a securitisation programme.

There was no change in the activity of the company in 2008.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £2,205,968 (2007: profit £3,862,003).

Particulars of dividends paid are detailed in note 7.

BUSINESS REVIEW

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

	2008 £'000	2007 £'000	Change %
Income	4,232,706	5,621,186	(25%)
Expenses and management charges	(1,216,320)	(1,206,305)	1%
Profit before tax	<u>3,016,386</u>	<u>4,414,881</u>	<u>(32%)</u>

The main factors contributing to the reduction in income are:

- Although the gain on sale of receivables increased year on year by 34%, the interest income reduced by (50%). This was due to a large intercompany settlement during 2008, which reduced the intercompany loan balance and therefore the interest earned.
- A sharp increase in the securitised borrowing rates during the last quarter of 2008.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are foreign currency and liquidity risks. These risks are managed both globally and locally by Aon Corporate Treasury and Aon UK Treasury respectively.

FOREIGN CURRENCY RISKS

The risk is managed by Aon Corporation who enters into forward contracts and options on behalf of the company to reduce exposure to fluctuation in exchange rates.

LIQUIDITY RISKS

The company mitigates liquidity risks through availability of credit facilities with J.P. Morgan Securities Inc, and through managing cash generation and utilization by its operations.

CASH FLOW RISKS

Interest rate exposures are managed by Aon Corporation Treasury in Chicago on a global basis to ensure certainty of cashflows. Foreign exchange risks on non-sterling inter-company loans are managed globally for the group.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008**

FUTURE DEVELOPMENTS

After 28 September 2009, the company will cease to arrange premium financing. From that date, the company will go into run-off for the length of time required to realise the net assets recognised on the balance sheet at that date. Accordingly, the directors have determined that the financial statements should be prepared on a break-up basis. Consequently all assets and liabilities are required to reflect realisable values. No adjustments have arisen as a result of the change in basis.

DIRECTORS

The directors who served the company during the year are listed on page 1.

RESPONSIBILITIES OF THE DIRECTORS

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 proper accounting records which 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 1985. 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.

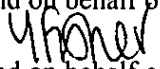
DISCLOSURE OF INFORMATION TO THE AUDITOR

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 he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

For and on behalf of the Board


For and on behalf of
CoSec 2000 Limited
Company Secretary
Date: 28 August 2009

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AON PREMIUM FINANCE LIMITED**

We have audited the financial statements ("financial statements") of Aon Premium Finance Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein. The financial statements have been prepared on a break-up basis.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AON PREMIUM FINANCE LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

Date: *28 August 2009*

· **AON PREMIUM FINANCE LIMITED**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
INCOME	2	4,232,706	5,621,186
EXPENSES			
Other expenses		(982,644)	(839,874)
Management charges		(233,676)	(366,431)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	3	<u>3,016,386</u>	<u>4,414,881</u>
Tax on profit on ordinary activities	6	(810,418)	(552,878)
PROFIT FOR THE FINANCIAL YEAR	13	<u><u>2,205,968</u></u>	<u><u>3,862,003</u></u>

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the profit for the financial year. Accordingly, a separate statement of total recognised gains and losses has not been presented.

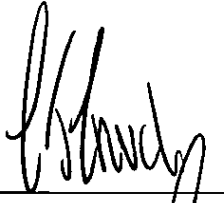
The notes on pages 8 to 14 form part of these financial statements

AON PREMIUM FINANCE LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
FIXED ASSETS			
Investments	8	15,000	15,000
Tangible assets	9	7,460	-
		<u>22,460</u>	<u>15,000</u>
CURRENT ASSETS			
Debtors	10	48,473,151	76,937,058
Cash at bank		<u>897,036</u>	<u>433,497</u>
		49,370,187	77,370,555
CREDITORS: Amounts falling due within one year	11	(46,907,646)	(75,106,522)
NET CURRENT ASSETS		<u>2,462,541</u>	<u>2,264,033</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,485,001</u>	<u>2,279,033</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	2,484,901	2,278,933
SHAREHOLDERS' FUNDS	13	<u>2,485,001</u>	<u>2,279,033</u>

The financial statements were approved by the board of directors on 28 August 2009 and are signed on their behalf by:


 _____ Director
 C J Crouch

The notes on pages 8 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The significant accounting policies adopted are described below.

After 28 September 2009, the company will cease to arrange premium financing. From that date, the company will go into run-off for the length of time required to realise the net assets recognised on the balance sheet at that date. Accordingly, the directors have determined that the financial statements should be prepared on a break-up basis. Consequently all assets and liabilities are required to reflect realisable values. No adjustments have arisen as a result of the change in basis.

Group accounts

The company has taken advantage of the exemption from preparation of consolidated accounts in section 228A of the Companies Act 1985 as its results are included in the financial statements of Aon Corporation.

Income recognition

Finance charges earned on premium finance loans, including fees, are recognised in the month when the loans are sold to a fellow group company under a securitisation programme. The finance charge earned on the sold loan is based on the total net interest earned on the loan in the month in which the loan is sold. In subsequent months, until the loan has been fully repaid, an adjustment may be made to the net interest for any interest rate changes on the amount financed by the securitisation programme. Income also includes interest earned on deposits placed with a fellow group company, until such time as the insurance premiums financed are paid to the insurance market.

Fixed asset investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over their estimated useful lives as follows:

Leasehold property	10 years
Fixtures and fittings	7 years

Investment income

Interest on loans, deposits and fixed interest receipts is recorded on the accruals basis.

Deferred taxation

In accordance with FRS 19 deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Cash flow statement

The company is exempt from preparing a cash flow statement as it is consolidated within the financial statements of Aon Corporation whose accounts are publicly available.

Foreign currency translation

Foreign currency transactions are converted into sterling at the rates of exchange ruling at the dates of the transactions. Foreign currency balances at the year end are translated into sterling at the year end rates of exchange. All exchange differences are accounted for through the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. ACCOUNTING POLICIES (continued)

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, subject to periodic rent reviews.

Pension costs

Aon Limited is the principal employer for a number of operating companies within the group including Aon Premium Finance Limited. Aon Limited operates several pension schemes in the U.K., both defined contribution and defined benefit in nature, of which the majority of the company's employees are members. The assets of all schemes, excluding the Group Personal Pension Plan Scheme which is a defined contribution scheme, are held in separate trustee administered funds.

The staff working for the company are employed by Aon Ltd and are members of its pension schemes. The pension costs have been recharged to the company from Aon Ltd. The appropriate disclosures regarding these costs and details of the scheme are included in the financial statements of Aon Ltd.

Contributions to defined contribution schemes are charged to the profit and loss account on an accruals basis in accordance with the rules of the scheme.

Share Based Payments

Directors and certain senior employees of the company receive an element of remuneration in the form of share based payments, whereby the participants effectively render their services as consideration for shares in Aon Corporation, the company's ultimate parent company.

The employees working for the company are employed by Aon Limited and the appropriate disclosures regarding these expenses are included in the financial statements of Aon Limited. The share based payment remuneration expense has been recharged from Aon Limited to Aon Premium Finance Limited.

Related party transactions

As the company is a subsidiary of Aon Corporation whose consolidated financial statements are publicly available, it has taken advantage of the disclosure exemptions allowed by FRS8.

2. INCOME

Income, which comprises finance charges including fees earned on premium finance loans, and profit before tax are attributable to the sole principal activity of the company. Income is analysed below by the location of the activities from which it is derived:

	<u>2008</u>	<u>2007</u>
	£	£
United Kingdom	4,175,495	5,580,543
Republic of Ireland	57,211	40,643
	<u>4,232,706</u>	<u>5,621,186</u>
Included in income is interest receivable from group undertakings amounting to	<u>1,847,786</u>	<u>3,704,299</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

3. OPERATING EXPENSES

Operating profit is stated after charging / (crediting):

	<u>2008</u>	<u>2007</u>
	£	£
Directors' emoluments	103,518	113,885
Auditor's remuneration - audit of the financial statements	24,800	-
Depreciation	781	-
Net loss / (gain) on foreign currency translation	<u>125,693</u>	<u>(9,190)</u>

Auditor's remuneration for statutory audit has previously been borne by another group company. The costs incurred are further analysed as follows:

	<u>2008</u>	<u>2007</u>
	£	£
Audit of the financial statements	-	19,000
Other fees incurred in the current year, relating to prior years	<u>-</u>	<u>10,000</u>

4. EMPLOYEE COSTS

The staff working for the company are employed by Aon Limited and are members of its pension scheme. The pension costs have been recharged from Aon Limited to Aon Premium Finance Limited. The appropriate disclosures regarding these costs are included in the financial statements of Aon Limited. Details of the pension scheme are to be found in the financial statements of Aon Limited.

5. DIRECTORS' EMOLUMENTS

	<u>2008</u>	<u>2007</u>
	£	£
Emoluments of directors are as follows:		
Emoluments (including pension contributions)	103,518	113,885
Value of company pension contributions paid to a defined benefit scheme	-	2,841
Value of company pension contributions paid to a money purchase scheme	<u>6,408</u>	<u>4,717</u>

The director whose emoluments include the pension contribution disclosed above was a member of the company's defined benefit scheme until 31st March 2007, the date on which the benefit scheme ceased. Following closure of the defined benefit scheme, the director became a member of the company's money purchase scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	<u>2008</u> £	<u>2007</u> £
(a) Analysis of charge in the year		
UK corporation tax	813,601	869,879
Adjustment in respect of prior years	<u>(20,618)</u>	<u>(312,898)</u>
	792,983	556,981
FOREIGN TAX		
On current year's profit	<u>-</u>	<u>-</u>
Total current tax charge	792,983	556,981
DEFERRED TAX		
Current year movement	17,435	(3,869)
Prior year movement	<u>-</u>	<u>(234)</u>
	17,435	(4,103)
 Tax on profit on ordinary activities	<u><u>810,418</u></u>	<u><u>552,878</u></u>

(b) Factors affecting current tax charge:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28.5% (2007: 30%).

The differences are reconciled below:

	<u>2008</u> £	<u>2007</u> £
Profit on ordinary activities before tax	<u>3,016,386</u>	<u>4,414,881</u>
 Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	859,670	1,324,464
Expenses not deductible for tax purposes	(7,505)	2,918
Accelerated capital allowances	51	70
Prior year adjustments	(20,618)	(312,898)
Other timing differences	34	7,495
Transfer Pricing	<u>(38,649)</u>	<u>(465,068)</u>
Total current tax (Note 6 (a))	<u><u>792,983</u></u>	<u><u>556,981</u></u>

The movements in deferred tax are as follows:

	<u>2008</u> £	<u>2007</u> £
Balance at 1 January	83,151	79,048
(Charge) / credit for the year	(15,014)	3,869
Rate change adjustment	(2,421)	-
Prior year adjustment	<u>-</u>	<u>234</u>
Balance at 31 December	<u><u>65,716</u></u>	<u><u>83,151</u></u>

The deferred tax balance (Note 10) as at 31 December represents:

Accelerated capital allowances	668	848
Other timing differences	<u>65,048</u>	<u>82,303</u>
	<u><u>65,716</u></u>	<u><u>83,151</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

7. DIVIDENDS

Equity dividends

	<u>2008</u> £	<u>2007</u> £
Equity dividends on ordinary shares	<u>2,000,000</u>	<u>11,823,437</u>

8. INVESTMENTS

The subsidiary company, Cananwill Receivables Purchase Facility, LLC is incorporated in the USA and is 100% owned by the company. Cananwill Receivables Purchase Facility, LLC is a limited recourse company established in the US to transfer the securitisation facility between Aon Premium Finance Limited and the banks.

The directors are of the opinion that the company's investment in its subsidiary undertaking would realise an amount equal to its book value.

The aggregate amount of capital and reserves in respect of the subsidiary undertaking and its results for the financial year were as follows:

		Capital and Reserves <u>2008</u> £	Profit / (loss) for the year after tax <u>2008</u> £
Cananwill Receivable Purchase Facility, LLC	Unaudited	<u>15,000</u>	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Total £
Cost:			
Transfers within the group	7,187	6,291	13,478
As at 31 December 2008	<u>7,187</u>	<u>6,291</u>	<u>13,478</u>
Depreciation:			
Transfers within the group	2,246	2,991	5,237
Current year charge	416	365	781
As at 31 December 2008	<u>2,662</u>	<u>3,356</u>	<u>6,018</u>
Net Book Value:			
As at 31 December 2008	<u>4,525</u>	<u>2,935</u>	<u>7,460</u>
As at 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

10. DEBTORS

	<u>2008</u>	<u>2007</u>
	£	£
Amounts owed by group undertakings:		
Debtors subject to limited recourse financing	75,821,483	85,945,080
Less: non-returnable amounts received	<u>(63,680,678)</u>	<u>(69,877,569)</u>
	12,140,805	16,067,511
Intercompany receivable	12,982,548	42,555,845
Trade debtors	19,349,941	13,602,247
Other debtors	3,889,737	4,628,304
Corporation Tax	44,404	-
Deferred taxation (Note 6)	<u>65,716</u>	<u>83,151</u>
	<u>48,473,151</u>	<u>76,937,058</u>

During 1998 the company entered into a limited recourse financing agreement through its wholly-owned subsidiary, Cananwill Receivables Purchase Facility, LLC. This agreement has continued throughout 2008. Under the agreement the company retains exposure to a minimum of 10% of the maximum amount of trade receivables subject to recourse.

The non-returnable amounts received represent trade receivables against which cash has been advanced. The company is not obliged to and does not intend to support any losses from the trade receivables against which cash has been advanced.

11. CREDITORS: Amounts falling due within one year

	<u>2008</u>	<u>2007</u>
	£	£
Amounts owed to group undertakings	2,122,937	22,520,113
Loans payable to subsidiary undertaking	12,140,805	16,067,511
Deferred income	169,216	179,977
Corporation Tax	-	5,893
Group Relief Payable	813,601	869,879
Trade creditors	28,099,287	31,080,919
Other creditors and accruals	<u>3,561,800</u>	<u>4,382,230</u>
	<u>46,907,646</u>	<u>75,106,522</u>

12. CALLED UP SHARE CAPITAL

	<u>2008</u>	<u>2007</u>
	£	£
<u>Authorised</u>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<u>Allotted, called up and fully paid</u>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

13. RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total Shareholders' Funds £
Balance as at 1 January 2007	100	10,240,367	10,240,467
Profit for the year	-	3,862,003	3,862,003
Dividend paid	-	(11,823,437)	(11,823,437)
Balance as at 31 December 2007	100	2,278,933	2,279,033
Profit for the year	-	2,205,968	2,205,968
Dividend paid	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2008	100	2,484,901	2,485,001

14. CONTINGENT LIABILITIES

The company is a party to a Deed of Guarantee ("the deed") entered into on 8th December 2008. Under the terms of the deed, the company together with the participating co-guarantors jointly and severally guarantee to discharge on demand all the co-guarantors' obligations to The National Westminster Bank PLC with interest from the date of demand. Subsequent to the inception of the agreement, additional group companies may become parties to the agreement through the execution of a Deed of Admission and the Bank reserves the right to release outgoing companies from their obligation under the agreement.

As at the balance sheet date and at the date of approval of these accounts, the following guarantors, in addition to the company, were party to the agreement:

Aon UK Holdings Intermediaries Limited
Aon Consulting Limited
Minet Group

15. POST BALANCE SHEET EVENT

On 21 July 2009, Aon Ltd signed a relationship agreement with a third party premium finance company. Under the terms of the agreement, the company will cease to arrange premium financing with effect from 28 September 2009 and Aon Ltd will submit all requests from its clients for premium financing to the third party premium finance company. From that date, the company will go into run-off for the length of time required to realise the net assets recognised on the balance sheet at that date.

16. PARENT UNDERTAKINGS AND CONTROLLING PARTY

The immediate parent undertaking is Aon UK Holdings Intermediaries Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Aon Corporation, a company incorporated in the State of Delaware, United States of America.

The parent undertaking of the smallest and largest group which contains the company, and for which group accounts are prepared, is Aon Corporation.

Copies of the group financial statements of Aon Corporation are available from the Securities and Exchange Commission, Division of Corporation Finance, 100 F Street NE, Washington DC 20549, United States of America.