

# **Aon UK Holdings Limited**

**Company Registration Number 06652620**

## **Annual Report - 31 December 2021**

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**Aon UK Holdings Limited**  
**Contents**  
**31 December 2021**

Corporate directory	2
Strategic report	3
Directors' report	9
Directors' responsibilities statement	11
Independent auditor's report to the members of Aon UK Holdings Limited	12
Statement of profit or loss and other comprehensive income	15
Statement of financial position	16
Statement of changes in equity	17
Notes to the financial statements	18
Appendix	38

**Aon UK Holdings Limited**  
**Corporate directory**  
**31 December 2021**

Directors	E M Sergeant N J Hardman P Katsaouni-Dodd G Mugashu
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 UK Holdings Limited**  
**Strategic report**  
**31 December 2021**

The Directors present their Strategic report on Aon UK Holdings Limited ("the Company") for the year ended 31 December 2021.

The Company is a company limited by shares, 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 ("Pounds") as 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.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements under Section 401 of the Companies Act, because it is included in the Group financial statements of Aon plc ("the Group"). Aon plc accounts are prepared in accordance with accounting standards which are equivalent to IFRS, as determined pursuant to Commission Regulation (EC) No. 1569/2007(6) of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council. The Group financial statements are available to the public and can be obtained as set out in note 36.

**Principal activities**

The principal activity of the Company during the year was that of an intermediate holding company.

**Review of operations**

The profit after taxation for the Company amounted to £396.1m (2020: £632.8m). This profit was mainly driven from the below items:

	2021 £'000	2020 £'000	Change £'000	Change %
Revenue	403,321	646,735	(243,414)	(38%)
Administrative expenses	(4,864)	(10,340)	5,476	(53%)
Interest payable and similar charges	(3,680)	(4,015)	335	(8%)

**Revenue**

The revenue relates to dividends received from subsidiary undertakings during the year.

**Administrative expenses**

Administration expenses decreased by £5.5m largely due to a decrease in impairment loss on investments of £6.1m (2020: £11.3m).

**Interest payable and similar charges**

Interest payable relates to the interest on lease liabilities.

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

	2021 £'000	2020 £'000
Shareholder's funds	2,603,146	2,347,821
Net current assets/(liabilities)	<u>249,789</u>	<u>(7,938)</u>

Shareholder's funds increased by £255.3m due to profit for the year of £396.1m and fair value through other comprehensive income gain of £10.2m, offset by dividends paid of £151.0m.

The Company's net current asset position of £249.8m (2020: net current liability of £7.9m) is due to an increase in cash balances by £237.7m and £19.8m decrease in trade and other payables.

**Aon UK Holdings Limited**  
**Strategic report**  
**31 December 2021**

**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 the “Likely future developments” section below. Readers should consider them in addition to the other information contained in this report as the Company’s 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 the Company’s business specifically and the industries in which it operates generally that could adversely affect its business, financial condition and results of operations and cause the actual results to differ materially from those included in the forward-looking statements in this document and elsewhere.

***Accounting estimates and assumptions***

The Company is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the Company’s financial statements. The Company periodically evaluates its estimates and assumptions including, but not limited to, those relating to recoverability of assets including investments in subsidiaries, available-for-sale financial assets, tangible fixed assets, intercompany receivables, income and deferred taxes. The Company bases its estimates on historical experience and various assumptions that the Company believes to be reasonable based on specific circumstances. These assumptions and estimates involve the exercise of judgement and discretion, which may evolve over time in light of operational experience, regulatory direction, developments in accounting principles, and other factors. Actual results could differ from these estimates and changes in assumptions, estimates, policies, or developments in the business may change the Company’s initial estimates, which could materially affect the Statements of profit and loss and other comprehensive income, Statement of financial position, and Statement of changes in equity.

***Ability to receive dividends from subsidiaries***

The Company is an intermediate holding company and a legal entity separate and distinct from its subsidiaries. As a holding company without significant operations of its own, its principal assets are the shares of capital stock of its subsidiaries. The Company’s subsidiaries are subject to the regulatory requirements of the jurisdictions in which they operate or other restrictions that may limit the amounts that they can pay in dividends or other payments to the Company. No assurance can be given that there will not be further changes in law, regulatory actions, or other circumstances that could restrict the ability of subsidiaries to pay dividends or other payments.

***Non-current assets impairment charges***

The Company may be required to record other non-current assets impairment charges, which could result in a significant charge to earnings.

Non-current assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that may be considered in assessing whether other non-current assets may not be recoverable include a decline in the Company’s ultimate parent’s share price or market capitalisation, reduced estimates of future cash flows and slower growth rates in its industry. Unforeseen circumstances may be experienced that adversely affect the value of other non-current assets. Future other non-current assets impairment charges could materially impact the financial statements.

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

***COVID-19 Pandemic***

The outbreak of the coronavirus, which causes COVID-19, was declared by the World Health Organization to be a pandemic and has impacted almost all countries, in varying degrees, creating significant public health concerns, and significant volatility, uncertainty, and economic disruption in every region in which the Company operates. The COVID-19 pandemic has resulted, and may continue to result, in significant economic disruption and volatility, although in recent months progress has been made in the development and distribution of vaccines, contributing to overall improved economic conditions globally, despite recent developments as a result of the Delta and Omicron variants.

**Aon UK Holdings Limited**  
**Strategic report**  
**31 December 2021**

The Group continues to closely monitor the situation and its impacts on the Company's business, liquidity, and capital planning initiatives. The Group continues to be fully operational and to reoccupy certain offices in phases, where deemed appropriate and in compliance with governmental restrictions considering the impact on health and safety of its colleagues, their families, and its clients, and the Company have restricted or minimised access to offices where appropriate to support the health and safety of its colleagues. The Group continues to deploy business continuity protocols to facilitate remote working capabilities to ensure the health and safety of its colleagues and to comply with public health and travel guidelines and restrictions.

As the situation continues to evolve, the scale and duration of disruption cannot be predicted, and it is not possible to quantify or estimate the full impact that COVID-19 will have on the Company's business. While the Company continues to focus on managing its cash flow to meet liquidity needs, our results of operations, particularly with respect to our more discretionary revenues, may be adversely affected. However, for the year ended 31 December 2021, the impacts of COVID-19 on our business results have lessened and we have seen overall strength across the Aon Group. The Group continues to monitor the situation closely.

***Economic and Political risks***

The economic and political conditions of the countries and regions in which the Company and the wider Aon Group operates, including the UK's withdrawal from the European Union (EU), could have an adverse impact on the Company's business, financial condition, operating results, liquidity, and prospects for growth.

The Group's operations in countries undergoing political change or experiencing economic instability are subject to uncertainty and risks that could materially adversely affect the Group's business. These risks include, particularly in emerging markets, the possibility the Group would be subject to undeveloped or evolving legal systems, unstable governments and economies, and potential governmental actions affecting the flow of goods, services, and currency.

Please also see the "Events after the reporting period" section of the Directors report for consideration of the impact of the Russia-Ukraine war on the Company.

Following the UK's formal withdrawal from the EU, commonly referred to as Brexit, the EU and UK ratified a trade cooperation agreement governing their future relationship in 2021 to address trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. As the agreement merely sets forth a framework in many respects and requires ongoing complex additional bilateral negotiations between the UK and the EU as both parties continue to work on the rules for implementation, significant political and economic uncertainty remains. The Company has significant operations and a substantial workforce within the UK, who previously enjoyed certain benefits based on the UK's membership of the EU, and the lack of clarity around the future relationship between the UK and the EU creates uncertainty that may have a material impact on the Company's business and operations. The Company may also be required to incur additional expense as it adapts to and creates the ability to operate within the new political and regulatory environment.

To minimise the disruption to its clients and to continue offering Aon's market leading expertise, the Aon group has set-up two UK branches of Aon Belgium BV and One Underwriting BV to continue servicing EU/EEA clients. The transition of those clients from Aon UK Limited to the branches was primarily effective 1 January 2021.

Additionally, any development that has the effect of devaluing the Euro or British pound could meaningfully reduce the value of the Company's assets and reduce the usefulness of liquidity alternatives denominated in that currency such as the Company's multicurrency U.S. credit facility. The Company also holds cash deposits with certain European financial institutions. While the Company continuously monitors and manages exposures associated with those deposits, to the extent the uncertainty surrounding economic stability in Europe and the future viability of the Euro suddenly and adversely impacts those financial institutions, some or all of those cash deposits could be at risk.

***Risks Related to Technology, Cybersecurity, and Data Protection***

The Company relies on the efficient, uninterrupted, and secure operation of complex information technology systems and networks, some of which are within the Company and some of which are outsourced to third parties. Information technology systems are potentially vulnerable to damage or interruption from a variety of sources, including but not limited to cyber-attacks, computer viruses, security breaches, and unauthorised access or improper actions by insiders or employees.

**Aon UK Holdings Limited**  
**Strategic report**  
**31 December 2021**

The Company is at risk of attack by a growing list of adversaries through new and increasingly sophisticated methods of attack, including methods that take advantage of remote working scenarios due to the Coronavirus pandemic. The techniques used to obtain unauthorised access or sabotage systems change frequently, and the Company may potentially be unable to anticipate these techniques, and implement adequate preventative measures, or detect and respond quickly enough in the event of an incident or attack. The Aon Group regularly experiences social engineering attempts, attacks to its systems and networks and has from time to time experienced cybersecurity incidents, such as computer viruses, unauthorised parties gaining access to our information technology systems, data loss via malicious and non-malicious methods, and similar incidents, which to date have not had a material impact on the Company's business. If the Company is unable to efficiently and effectively maintain and upgrade its system safeguards, it may incur unexpected costs and certain of its systems may become more vulnerable to unauthorised access.

Problems with the information technology systems of vendors, including breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, difficulties in the migration of services or data to third parties or the cloud hosted by third parties, cyber-attacks, and security breaches could adversely affect the Company's ability to deliver products and services to customers and otherwise conduct business. Additionally, the Aon Group is a global and acquisitive organisation and therefore may fail to adequately identify weaknesses in certain of its information systems, including those of acquisition targets, which could expose the Group to unexpected liabilities and fines or make its own systems more vulnerable to attack. These types of incidents affecting the Company, or its third-party vendors could result in intellectual property or other confidential information being lost or stolen, including client or employee personal information or company data.

The Company has implemented a number of measures to manage its risks related to system and network security and disruptions, but a security breach or a significant or extended disruption in the functioning of its information technology systems could damage its reputation, cause the Company to lose its clients, adversely impact its operations, sales, and operating results, and require the Company to incur significant expense and divert resources to address and remediate or otherwise resolve such issues. Additionally, in order to maintain the level of security, service, and reliability that its clients require, the Company may be required to make significant additional investments in its information technology systems.

## **Financial risk management**

### ***Objectives and policies***

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

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 currency risk, 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 foreign currency risk***

The Company is exposed to foreign currency risk in respect of revenue as well as assets and liabilities denominated in currencies other than Pounds Sterling. This risk is managed internally by Aon Financial Instruments & Benefits Accounting by actively monitoring the risk of foreign currency exposure.

**Aon UK Holdings Limited**  
**Strategic report**  
**31 December 2021**

***Exposure to credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The maximum exposure to credit risk at the reporting date of recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of financial position and notes to the financial statements.

The Company's and Aon Group's policies are aimed at minimising such losses. For debt instruments, the expected credit loss ("ECL") is based on the portion of lifetime ECLs ("LTECL") that would result from default events on a financial instrument that are possible within 12 months after the reporting period. However, when there has been a significant increase in credit risk since the origination or purchase of the assets, the allowance is based on the full LTECL.

The Company's principal financial assets are amounts owed by fellow Group and subsidiary undertakings. Details of the Company's primary receivables are disclosed in note 14.

***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 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**

Aon plc is a company incorporated and registered in the Republic of Ireland, listed on the New York Stock Exchange ("NYSE") which had net assets of circa US \$1.2 billion (2020: US \$3.6 billion) as disclosed in its audited financial statements for the year ended 31 December 2021 and had an S&P rating of A-/Stable. The Company benefits from being part of a large group of companies (the "Group") and from certain Group undertakings that provide services in a wide range of areas including Group credit facilities detailed in note 34 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 principal risks.

**Termination of business combination agreement**

On 9 March 2020 Aon and Willis Towers Watson ("WTW") entered into a Business Combination Agreement ("BCA") with respect to a combination of the parties (the "Combination"). The parties' respective shareholders approved the Combination on 26 August 2020.

On 16 June 2021, the United States Department of Justice ("DOJ") filed a civil antitrust lawsuit against Aon and WTW in the United States District Court for the District of Columbia seeking to prevent the Combination from going ahead. On 26 July 2021, Aon and WTW entered into an agreement to terminate the BCA, (the "Termination Agreement"). Pursuant to the Termination Agreement, the BCA was terminated and a termination fee of \$1 billion (the "Termination Fee") was paid to WTW. Following the termination, the lawsuit by the DOJ was dismissed.

Aon Corporation, a subsidiary of Aon plc, paid the Termination Fee to WTW on 27 July 2021, reflecting that U.S. business services provided by Aon Corporation and its subsidiaries were the primary focus of the DOJ's challenge to our proposed combination. The Termination Fee was paid to defend the existing U.S. business of Aon Corporation and to avoid additional remedy divestitures of critical Aon Corporation business segments in the U.S. and the continuing delay and uncertainty in completing the combination. The termination fee does not impact the Company and consequently its going concern assessment.



**Aon UK Holdings Limited**  
**Strategic report**  
**31 December 2021**

**Section 172 statement**

The Company has an established corporate governance framework to facilitate detailed review and challenge prior to Board decisions. The purpose of the framework is to ensure that the Board makes decisions for the long-term success of the Company and its stakeholders and the Board considers conclusions from the extended governance review process in determining its decisions. Throughout the course of 2021 the Board has continued to review and challenge how it engages with its key stakeholders.

For the year ended 31 December 2021, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Companies. The principles provide a framework for the Board to ensure that the Company complies with the requirements of Section 172 of the Companies Act 2006. Details of how the Board applies the Wates Principles are provided in the Corporate Governance section in the Directors' Report.

**Streamlined Energy and Carbon Reporting (SECR)**

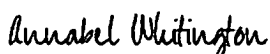
The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when "The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018" came into force. The legislation requires that large (as defined in sections 465 and 466 of the Companies Act 2006), unquoted companies report on UK energy use and associated greenhouse gas emissions relating to gas, electricity and transport fuel, as well as an intensity ratio and information relating to energy efficiency action, through its annual report.

Aon UK Holdings Limited is part of the Aon UK group of companies that meets the criteria of a "large company" under the scheme. For Aon UK group companies, the Directors' decision was to aggregate the reporting under SECR. The Directors have appointed Aon Global Limited as the responsible undertaking. Detailed energy and carbon disclosures can be found within the Directors' Report of Aon Global Limited for the year ended 31 December 2020 and will be published for the year ended 31 December 2021 later in the year.

**Likely future developments**

It is not anticipated that there will be any material change in the activity of the Company in the foreseeable future. Specific details of how management have considered the impact of the ongoing Coronavirus pandemic have been included in the Directors' Report and in note 1.

For and on behalf of the Board of Directors



A Withington, For and on behalf of CoSec 2000 Limited  
Company Secretary

21 June 2022

**Aon UK Holdings Limited**  
**Directors' report**  
**31 December 2021**

The Directors present their report, together with the financial statements of the Company for the year ended 31 December 2021.

**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**

Dividends paid during the financial year were as follows:

	2021 £'000	2020 £'000
An interim dividend of £151.0m (£1.26 per share) was paid during the year ended 31 December 2021 (2020: £655.1m (£5.45 per share)), to Aon Delta UK Limited, the Company's parent.	<u>151,000</u>	<u>655,122</u>

**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 are disclosed in the Strategic report.

**Likely future developments**

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

**Streamlined Energy and Carbon Reporting (SECR)**

Information on how the Company complies with SECR is disclosed in the Strategic report.

**Going concern**

The Directors have prepared a going concern assessment for Aon UK Holdings Limited for the financial period to June 2023 (reflecting a one-year projection from the date of the signing of the 2021 statutory accounts in June 2022).

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 and in note 1.

The Company has considerable financial resources. As a consequence, the Directors believe that the Group is well placed to manage the Company's business risks successfully despite the current uncertain economic outlook.

The Company is expected to continue to generate positive cash flows for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow Group undertakings.

Taking into account the uncertainties arising as a result of the Coronavirus pandemic, 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.

**Aon UK Holdings Limited**  
**Directors' report**  
**31 December 2021**

**Events after the reporting period date**

**Russia-Ukraine Conflict**

On 24 February 2022, the Russian Federation commenced a military invasion of Ukraine. Russian actions with respect to Ukraine have resulted in certain sanctions being imposed by the United Kingdom, the European Union, the United States, and other jurisdictions. The Company currently does not have significant operations in Russia or Ukraine. As of 31 March 2022, the impact of the military conflict between Russia and Ukraine has not had a significant impact on Aon Group's global operations. Aon has suspended operational activity in Russia, including putting colleagues in Russia on paid leave. Offices in Poland and other neighbouring countries are providing support to Ukrainian colleagues who have left the country to seek refuge, include providing living accommodation. The Company continues to monitor the potential impacts on the business and the ancillary impacts that the war could have on other global operations. The Company did not have any trade receivables from any Russian Federation entity as at 31 December 2021.

On 29 March 2022, the Company contributed Aon Delta Spain S.L. into Aon Delta NL B.V. in exchange for 100 ordinary shares.

No other matter or circumstance has arisen since 31 December 2021 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.

**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.

**Indemnity of Directors**

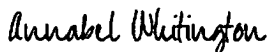
The group has qualifying third party indemnity provisions in place for the benefit of its Directors which were in place during the year and remain in force at the date of this report.

**Directors**

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

This report is made in accordance with a resolution of Directors.

For and on behalf of the Board of Directors.



A Whittington, For and on behalf of CoSec 2000 Limited  
Company Secretary

21 June 2022

**Aon UK Holdings Limited**  
**Directors' responsibilities statement**  
**31 December 2021**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 confirm they have complied with all the above requirements in preparing 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.

**Aon UK Holdings Limited**  
**Independent auditor's report to the members of Aon UK Holdings Limited**  
**31 December 2021**

**Opinion**

We have audited the financial statements of Aon UK Holdings Limited for the year ended 31 December 2021 which comprise 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 36, 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 2021 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. 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**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. 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.

**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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Aon UK Holdings Limited**  
**Independent auditor's report to the members of Aon UK Holdings Limited**  
**31 December 2021**

**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 set out on page 11, 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.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework
- We understood how Aon UK Holdings Limited is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the Company and UK regulatory bodies, reviewed minutes of the Board meetings and gained an understanding of the Company's approach to governance.

**Aon UK Holdings Limited**

**Independent auditor's report to the members of Aon UK Holdings Limited**

**31 December 2021**

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, including complex transactions and the impact these have on the control environment and their potential to influence management manage the financial position of the company or influence the perceptions of stakeholders.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Considering the effectiveness of management's controls designed to address the risk of fraud.
  - Assessing accounting estimates for evidence of management bias
  - Evaluating the business rationale for significant and/or unusual transactions.

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.

*Ernst & Young UK*

Jonathan Bell (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

23 June 2022

**Aon UK Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2021**

	<b>Note</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Revenue</b>	<b>3</b>	<b>403,321</b>	<b>646,735</b>
Total revenue		<u>403,321</u>	<u>646,735</u>
<b>Expenses</b>			
Administrative expenses	<b>4</b>	<u>(4,864)</u>	<u>(10,340)</u>
		<u>(4,864)</u>	<u>(10,340)</u>
<b>Operating profit</b>		<b>398,457</b>	<b>636,395</b>
Interest receivable and similar income	<b>8</b>	<b>259</b>	<b>531</b>
Interest payable and similar charges	<b>9</b>	<b>(3,680)</b>	<b>(4,015)</b>
Other gains and losses	<b>10</b>	<b>945</b>	<b>-</b>
Restructuring charges	<b>11</b>	<u><b>(253)</b></u>	<u><b>-</b></u>
<b>Profit before income tax (charge)/credit</b>		<b>395,728</b>	<b>632,911</b>
Income tax (charge)/credit	<b>12</b>	<u><b>353</b></u>	<u><b>(106)</b></u>
<b>Profit after income tax (charge)/credit for the year</b>	<b>32</b>	<b>396,081</b>	<b>632,805</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax	<b>17</b>	<u><b>10,244</b></u>	<u><b>113</b></u>
Other comprehensive income for the year, net of tax		<u><b>10,244</b></u>	<u><b>113</b></u>
<b>Total comprehensive income for the year</b>		<u><u><b>406,325</b></u></u>	<u><u><b>632,918</b></u></u>

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



**Aon UK Holdings Limited**  
**Statement of financial position**  
**As at 31 December 2021**

	Note	2021 £'000	2020 £'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	262,062	24,409
Trade and other receivables	14	10,499	10,844
Income tax receivable	15	-	341
Total current assets		<u>272,561</u>	<u>35,594</u>
<b>Non-current assets</b>			
Investments in subsidiaries	16	2,320,326	2,325,456
Financial assets at FVOCI	17	31,234	20,990
Other receivables	18	1,297	3,209
Tangible fixed assets	19	16,143	22,364
Right-of-use assets	20	92,528	102,639
Deferred tax asset	21	2,737	2,064
Total non-current assets		<u>2,464,265</u>	<u>2,476,722</u>
<b>Total assets</b>		<u>2,736,826</u>	<u>2,512,316</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	22	9,874	29,776
Lease liabilities	23	12,691	13,756
Provisions	24	207	-
Total current liabilities		<u>22,772</u>	<u>43,532</u>
<b>Non-current liabilities</b>			
Provisions	26	4,429	3,568
Other payables	25	583	-
Lease liabilities	27	105,896	117,395
Total non-current liabilities		<u>110,908</u>	<u>120,963</u>
<b>Total liabilities</b>		<u>133,680</u>	<u>164,495</u>
<b>Net assets</b>		<u>2,603,146</u>	<u>2,347,821</u>
<b>Equity</b>			
Share capital	28	120,306	120,306
Share premium account	29	2,116,643	2,116,643
Capital contribution reserve	30	55,665	55,665
Fair value through OCI reserve	31	31,234	20,990
Retained earnings	32	279,298	34,217
<b>Total equity</b>		<u>2,603,146</u>	<u>2,347,821</u>

The Company's registered number is 06652620.



G Mugashu  
 Director

21 June 2022

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Aon UK Holdings Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	Share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Fair value through OCI reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	120,306	2,116,643	55,665	20,877	56,534	2,370,025
Profit after income tax charge for the year	-	-	-	-	632,805	632,805
Other comprehensive income for the year, net of tax	-	-	-	113	-	113
Total comprehensive income for the year	-	-	-	113	632,805	632,918
<i>Transactions with Shareholders in their capacity as owners:</i>						
Dividends paid (note 33)	-	-	-	-	(655,122)	(655,122)
Balance at 31 December 2020	<u>120,306</u>	<u>2,116,643</u>	<u>55,665</u>	<u>20,990</u>	<u>34,217</u>	<u>2,347,821</u>
	Share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Fair value through OCI reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	120,306	2,116,643	55,665	20,990	34,217	2,347,821
Profit after income tax credit for the year	-	-	-	-	396,081	396,081
Other comprehensive income for the year, net of tax	-	-	-	10,244	-	10,244
Total comprehensive income for the year	-	-	-	10,244	396,081	406,325
<i>Transactions with Shareholders in their capacity as owners:</i>						
Dividends paid (note 33)	-	-	-	-	(151,000)	(151,000)
Balance at 31 December 2021	<u>120,306</u>	<u>2,116,643</u>	<u>55,665</u>	<u>31,234</u>	<u>279,298</u>	<u>2,603,146</u>

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

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**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**

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act.

Amounts in the 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 financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 Group financial statements.

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.

In preparing the going concern assessment as described in the Directors' Report, management have considered the impact that the ongoing Coronavirus pandemic might have on the worldwide economic activity and how it might impact the financial position of the Company.

The principal activity of the Company is that of an intermediate holding company. As a holding company, transactions during the year are minimal, largely consisting of the receipt and onward payment of dividends. The Company has minimal liquidity needs and the main assets of the Company are its investments in subsidiaries which are part of the Aon Group and are currently continuing to trade effectively. The Aon Group is fully operational and has deployed business continuity protocols to facilitate remote working capabilities.

**Basis of consolidation**

The Company has taken advantage of the exemption from preparation of consolidated financial statements under Section 401 of the Companies Act, because it is included in the Group financial statements of Aon plc.

The Group financial statements are available to the public and can be obtained as set out in note 36.

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including: statement of cash flows, new Accounting Standards not yet mandatory, presentation of comparative information for certain assets, impairment of assets, capital risk management, financial instruments, fair value measurement, key management personnel, related party transactions, business combinations and share-based payments.

**Revenue**

Revenue represents dividends received from subsidiary undertakings. Revenue is recognised when the right to receive payment is legally established.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**1. Significant accounting policies (continued)**

**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.

**Interest receivable and similar income**

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

**Interest payable and similar charges**

Interest payable is recognised as interest accrues using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and allocating the interest expense 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 liability to the net carrying amount of the financial liability.

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**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. In addition, a deferred tax liability is not recognised on the initial recognition of goodwill.

Deferred tax is provided on temporary differences on investments in subsidiaries, associates or joint ventures, except where the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**1. Significant accounting policies (continued)**

**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, to realise the assets and settle the liabilities simultaneously.

**Cash and cash equivalents**

Cash and cash equivalents include cash balances and deposits held on call with financial institutions. Their estimated fair value approximates their carrying values.

**Trade and other receivables**

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

**Other receivables**

Other receivables are receivables related to sublease contracts recognised by the Company as finance leases. The Company derecognises that part of right of use asset that relates to the sub-lease and recognises a finance lease receivable.

**Loans and receivables**

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

**Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition. After initial recognition, fair value movements are recognised through other comprehensive income. Cumulative gain or loss previously reported in the Fair value through other comprehensive income reserve is not recycled in profit or loss when the asset is derecognised or impaired.

**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.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**1. Significant accounting policies (continued)**

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For financial assets at fair value through profit or loss, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the Statement of financial position.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. The carrying value of investments in group undertakings is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**Tangible fixed assets**

Fixtures and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	Over the lower of the unexpired period of the lease or the useful economic life of the asset
Fixtures, fittings	Between three and ten years
Computer equipment	Between four and seven years, beginning from the date of implementation of fully developed systems

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**1. Significant accounting policies (continued)**

**Right-of-use assets**

A right-of-use asset ("ROU") is recognised at the commencement date of a lease. The ROU asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

ROU assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. ROU assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a ROU asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Sublease**

The Company is an intermediate lessor and subleases two of its leases. The Company accounts for a head lease and a sublease as two separate contracts, applying both the lessee and lessor accounting requirements. The obligations that arise from the head lease are generally not extinguished by the terms and conditions of the sublease.

As an intermediate lessor, the Company classifies the sublease by reference to the right-of-use asset arising from the head lease. The Company classifies the sublease as a finance lease.

When the Company, enters into the sublease as an intermediate lessor, it:

- (a) derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises a finance lease receivable;
- (b) recognises any difference between the right-of-use asset and the finance lease receivable as a gain or loss in profit or loss;
- (c) retains the lease liability relating to the head lease in its statement of financial position, which represents the lease payments owed to the head lessor, and
- (d) recognises interest income on the loan receivable in its capacity as finance lessor.

The Company does not offset assets and liabilities arising from a head lease and a sublease of the same underlying asset, unless the financial instruments requirements for offsetting are met.

The Company does not offset lease income and lease expenses relating to a head lease and a sublease of the same underlying asset, unless the requirements for offsetting in IAS 1 are met.

During the term of the sublease, the Company recognises both finance income on the sublease and interest expense on the head lease.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**1. Significant accounting policies (continued)**

**Impairment of tangible assets**

At each reporting period date, the Company reviews the carrying amounts of its tangible assets with a finite life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

For the tangible asset impairment review, the recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or CGU to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a CGU.

**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.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used, residual guarantee, lease term, certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Provisions**

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**1. Significant accounting policies (continued)**

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

**Issued capital**

Ordinary shares are classified as equity.

**Dividends**

Dividends are recognised when declared and paid during the financial year and no longer at the discretion of the Company.

**New or amended Accounting Standards and Interpretations adopted by the Company**

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period.

**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.

The 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 are discussed below.

*Impairment of non-financial assets*

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Fair value measurement of financial assets at fair value through other comprehensive income*

For all investments deemed to be categorised as financial assets at fair value through other comprehensive income, the Company is required to measure these assets at their fair value. Considerable judgement is required to determine the fair value of these assets using a revenue multiple model to determine a value in use to the investments.

*Provisions*

As a normal consequence of the Company's operations, a number of provisions are made which are based on estimates. This includes a provision for the present value of anticipated costs for future restoration of leased premises. The provision includes future costs associated with closure of the premises. The calculation of this provision requires assumptions such as expected future closure dates and cost estimates. The provision recognised for each location is reviewed periodically and updated based on the facts and circumstances available at that time. Changes to the estimated future costs are recognised in the Statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying value of the asset are recognised in profit or loss.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**2. Critical accounting judgements, estimates and assumptions (continued)**

A provision has also been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future costs associated with closure of the premises. The calculation of this provision requires assumptions such as expected future closure dates and cost estimates. The provision recognised for each location is reviewed periodically and updated based on the facts and circumstances available at that time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying value of the asset are recognised in profit or loss.

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**3. Revenue**

	2021 £'000	2020 £'000
Dividends received from subsidiary undertakings	<u>403,321</u>	<u>646,735</u>

**4. Administrative expenses**

Operating profit is stated after charging items disclosed in administrative expenses as noted below:

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**4. Administrative expenses (continued)**

	2021 £'000	2020 £'000
Amortization of ROU assets	11,506	11,486
Depreciation of tangible fixed assets	4,676	4,701
Impairment loss on investments	5,130	11,298
Impairment loss on tangible fixed assets	999	-
(Gains)/losses on disposal of tangible fixed assets	546	-
Professional Fees	515	543
Insurance costs	382	355
Net foreign exchange (gains)/losses	20	(184)
Information technology	36	77
Group Intercompany Recharges	(1,306)	285
Premises and Equipment	(19,857)	(25,348)
Other administrative expenses	2,217	7,127
	<u>4,864</u>	<u>10,340</u>

For details on the impairment charge refer to note 16 and for amortization of ROU assets refer to note 20.

The Company incurs expenses on behalf of other Aon Group companies. The credit on other administrative expenses relates to recharges of these expenses.

**5. Average number of employees**

The Company had no employees during the year (2020: Nil).

**6. Directors' emoluments**

	2021 £'000	2020 £'000
<b>Directors' remuneration</b>		
Aggregate remuneration in respect of qualifying services	911	823
Amounts received or receivable by Directors under long term incentive schemes (other than shares and share options) in respect of qualifying services	656	215
Aggregate of company contributions paid in respect of money purchase schemes	46	43
Total	<u>1,613</u>	<u>1,081</u>

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 (2020: £Nil).

	2021	2020
<b>The number of Directors who:</b>		
Received shares in respect of qualifying services under a long term incentive scheme	4	2
Accrued benefits under money purchase schemes	4	4
	<u>2021 £'000</u>	<u>2020 £'000</u>
<b>Remuneration of the highest paid Director:</b>		
Emoluments	1,080	589
Pension contributions	17	17
Total	<u>1,097</u>	<u>606</u>

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**6. Directors' emoluments (continued)**

The highest paid Director received 1,601 shares at an average price \$258.60 under long-term incentive schemes in 2021.

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 this amount between their services as Directors of the Company and their services as Directors or employees of other group companies, and where appropriate the disclosed amounts have been pro-rated depending on when one is appointed or resigned. Where appropriate remuneration costs are subsequently recharged under Group reallocations to the Company.

**7. Auditor's remuneration**

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

	2021 £'000	2020 £'000
Audit of the financial statements	9	9

The cost of the auditor's remuneration is borne by another Group company.

**8. Interest receivable and similar income**

	2021 £'000	2020 £'000
Bank interest receivable	160	388
Finance interest receivable on sublease	99	143
	<u>259</u>	<u>531</u>

**9. Interest payable and similar charges**

	2021 £'000	2020 £'000
Interest and finance charges payable on lease liabilities	3,680	4,015

**10. Other gains and losses**

	2021 £'000	2020 £'000
Other non-operating income	945	-

The balance represents the gain on the historical VAT amount written off during the year.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**11. Restructuring charges**

	2021 £'000	2020 £'000
Restructuring charges	<u>253</u>	<u>-</u>

In August 2021 an Aon global restructuring programme was initiated, which resulted in the recognition of additional restructuring charges of £253k in the year ended 31 December 2021. Additionally, £999k was classified as impairment of the tangible fixed assets included in the administrative expenses note. No further restructuring provisions are expected and the programme will close on 31 January 2022.

**12. Income tax charge/(credit)**

	2021 £'000	2020 £'000
<i>Income tax charge/(credit)</i>		
Deferred tax - origination and reversal of temporary differences	(264)	152
Adjustment recognised for tax of prior periods	133	(7)
Foreign tax	325	188
Impact of change in tax rates	<u>(547)</u>	<u>(227)</u>
Aggregate income tax charge/(credit)	<u>(353)</u>	<u>106</u>

*Numerical reconciliation of income tax credit and tax at the statutory rate*

The tax charge in the Statement of profit or loss for the year is lower (2020: lower) than that calculated at the standard rate of corporation tax in the UK of 19%. The differences are reconciled below:

Profit before income tax (charge)/credit	<u>395,728</u>	<u>632,911</u>
Tax at the statutory tax rate of 19%	75,188	120,253
Adjustment recognised for tax of prior periods	133	(7)
Expenses not deductible for tax purposes	1,357	2,500
Income not taxable	(76,833)	(122,879)
Group relief for £Nil consideration	24	278
Impact of change in tax rates	(547)	(227)
Foreign tax	<u>325</u>	<u>188</u>
Income tax charge/(credit)	<u>(353)</u>	<u>106</u>

The headline rate of UK corporation tax is currently 19%. Temporary differences at the balance sheet date have been measured using the enacted tax rates and reflected in these financial statements.

During the year, the Company surrendered £24k of group relief (2020: £278k) for £Nil consideration.

In the Spring Budget 2021, the UK Government announced that it had the intention to increase the corporation tax rate to 25% from 1 April 2023. The proposal to increase the corporation tax rate was substantively enacted on 24 May 2021 and received Royal Assent on 10 June 2021. The effects of the corporate tax rate change are reflected in these financial statements.

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**12. Income tax charge/(credit) (continued)**

	2021 £'000	2020 £'000
<i>Deferred tax in the statement of profit or loss:</i>		
Decelerated capital allowances	(281)	110
General provision	(25)	-
Adjustments for IFRS 16	42	42
	<u>(264)</u>	<u>152</u>
Total deferred tax asset movement	<u>(264)</u>	<u>152</u>

**13. Current assets - Cash and cash equivalents**

	2021 £'000	2020 £'000
Cash and cash equivalents	<u>262,062</u>	<u>24,409</u>

**14. Current assets - Trade and other receivables**

	2021 £'000	2020 £'000
Prepayments and accrued income	3,132	3,733
Other receivables	3,039	2,764
Amounts owed by fellow Group undertakings	424	791
Amounts owed by subsidiary undertakings	1,672	1,048
Finance lease receivable	2,232	2,508
	<u>10,499</u>	<u>10,844</u>

**15. Current assets - Income tax receivable**

	2021 £'000	2020 £'000
Group relief receivable	<u>-</u>	<u>341</u>

**16. Non-current assets - Investments in subsidiaries**

	2021 £'000	2020 £'000
Investments in subsidiaries	<u>2,320,326</u>	<u>2,325,456</u>

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**16. Non-current assets - Investments in subsidiaries (continued)**

The Company's direct subsidiaries as at 31 December 2021 are as follows:

<b>Name</b>	<b>Address of registered office</b>	<b>Holding</b>	<b>Proportion held %</b>
Aon Benfield Group Limited	Aon House, 30 Woodbourne Avenue, Pembroke, Bermuda	Ordinary shares	100.00%
Aon Reinsurance Malaysia Limited (formerly Aon Benfield Malaysia Limited)	Level 1, Lot 7, Block F, Saguking Commercial Building, Jalan Patau-Patau, 87000 Malaysia	Ordinary shares	100.00%
Aon Reinsurance Puerto Rico Inc.	304 Ponce De Leon, Suite 1017, San Juan, PR 00918, Puerto Rico	Ordinary shares	100.00%
Aon Consulting Limited	Briarcliff House, Kingsmead, Farnborough, Hampshire, GU14 7TE, UK	Ordinary shares	100.00%
Aon DC Trustee Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%
Aon Solutions UK Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%
Aon Holdings Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%
Aon PMI International Limited	PO Box 33 Dorey Court Admiral Park St Peter Port, GY1 4AT, Guernsey	Ordinary shares	100.00%
Aon Securities Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%
Aon Treasury Ireland Limited	Metropolitan Building, James Joyce Street, Dublin 1, Ireland	Ordinary shares	100.00%
Aon UK Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%
E. W. Blanch Holdings Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%
Aon Delta Spain S.L.	Calle Rosario Pino núm. 14-16, 28020 Madrid, Spain	Ordinary shares	100.00%
Minet Inc.	700 de la Gauchetierre West, Suite 800, Montreal, QC H3B 0A5 Quebec, Canada	Ordinary shares and preference shares	100.00%
Aon Reinsurance Israel Ltd.	4 Berkovitch Street, Museum Building, 18th floor 64238 Tel Aviv, Israel	Ordinary shares	100.00%

Please refer to the appendix for all indirect subsidiary and associate undertakings of the Company as at 31 December 2021.

	<b>2021 £'000</b>	<b>2020 £'000</b>
Opening balance	2,325,456	2,336,754
Impairment charge for the year	(5,130)	(11,298)
Closing balance	<u>2,320,326</u>	<u>2,325,456</u>

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**16. Non-current assets - Investments in subsidiaries (continued)**

In 2021 the Company impaired its subsidiary undertaking, Hewitt Associates Outsourcing Limited by £5.1m (2020: E. W. Blanch Holdings Limited by £8.2m, Aon Risk Services (N.I.) Ltd by £3.1m and Rasini Vigano by £16k).

**17. Non-current assets - Financial assets at FVOCI**

	2021 £'000	2020 £'000
Investment holdings below 20%	<u>31,234</u>	<u>20,990</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	20,990	20,877
Gain on the re-measurement of equity instruments at FVOCI	<u>10,244</u>	<u>113</u>
Closing fair value	<u>31,234</u>	<u>20,990</u>

The above balance relates to a 10.6% holding in the ordinary shares of Aon Holdings Japan Limited. The investment is held at its fair value, and fair value movements are recognised in the Statement of other comprehensive income.

Additionally, the Company holds at £Nil a 1% investment in Aon Hewitt Saudi Arabia LLC and 0.01% investment in Portus Online LLP (in liquidation).

**18. Non-current assets - Other receivables**

	2021 £'000	2020 £'000
Finance lease receivable	<u>1,297</u>	<u>3,209</u>

**19. Non-current assets - Tangible fixed assets**

	2021 £'000	2020 £'000
Leasehold improvements - at cost	35,957	39,450
Less: Accumulated depreciation	<u>(23,894)</u>	<u>(22,823)</u>
	<u>12,063</u>	<u>16,627</u>
Fixtures and fittings - at cost	13,764	14,950
Less: Accumulated depreciation	<u>(9,694)</u>	<u>(9,231)</u>
	<u>4,070</u>	<u>5,719</u>
Computer equipment - at cost	40	40
Less: Accumulated depreciation	<u>(30)</u>	<u>(22)</u>
	<u>10</u>	<u>18</u>
	<u>16,143</u>	<u>22,364</u>



**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**19. Non-current assets - Tangible fixed assets (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below, net of the disposal of fully depreciated assets:

	Leasehold improvement £'000	Fixtures & fittings £'000	Computer equipment £'000	Capital in progress £'000	Total £'000
Balance at 1 January 2020	17,687	6,173	39	390	24,289
Additions	1,973	816	-	-	2,789
Disposals	-	-	(13)	-	(13)
Recategorisation of assets	390	-	-	(390)	-
Depreciation expense	(3,423)	(1,270)	(8)	-	(4,701)
Balance at 31 December 2020	16,627	5,719	18	-	22,364
Disposals	(371)	(175)	-	-	(546)
Impairment of assets	(764)	(235)	-	-	(999)
Depreciation expense	(3,429)	(1,239)	(8)	-	(4,676)
Balance at 31 December 2021	12,063	4,070	10	-	16,143

**20. Non-current assets - Right-of-use assets**

	2021 £'000	2020 £'000
Buildings - right-of-use	92,528	102,639
	Right of use Property £'000	Total £'000
Balance at 1 January 2020	110,730	110,730
Additions to ROU assets	3,395	3,395
Depreciation charge for ROU assets	(11,486)	(11,486)
Balance at 31 December 2020	102,639	102,639
Additions to ROU assets	1,395	1,395
Depreciation charge for ROU assets	(11,506)	(11,506)
Balance at 31 December 2021	92,528	92,528

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**21. Non-current assets - Deferred tax asset**

	2021 £'000	2020 £'000
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Decelerated capital allowances	2,310	1,715
General provisions	39	-
Adoption of IFRS 16	388	349
Deferred tax asset	<u>2,737</u>	<u>2,064</u>
<i>Movements:</i>		
Opening balance	2,064	1,984
Credited/(charged) to profit or loss (note 12)	264	(152)
Adjustment recognised for tax of prior periods	(138)	5
Impact of change in tax rates to the statement of profit and loss	547	227
Closing balance	<u>2,737</u>	<u>2,064</u>

**22. Current liabilities - Trade and other payables**

	2021 £'000	2020 £'000
Accruals	2,433	2,923
Amounts owed to fellow Group undertakings	1,733	21,428
Amounts owed to subsidiary undertakings	5,708	4,772
Other taxes and social security payables	-	653
	<u>9,874</u>	<u>29,776</u>

**23. Current liabilities - Lease liabilities**

	2021 £'000	2020 £'000
Lease liability	<u>12,691</u>	<u>13,756</u>

**24. Current liabilities - Provisions**

	2021 £'000	2020 £'000
Restructuring provision	<u>207</u>	<u>-</u>

Please refer to the note 26 below for the overall movement of each provision class.

**25. Non-current liabilities - Other payables**

	2021 £'000	2020 £'000
Accruals	<u>583</u>	<u>-</u>

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**26. Non-current liabilities - Provisions**

	2021 £'000	2020 £'000
Dilapidation provision	<u>4,429</u>	<u>3,568</u>

*Restructuring provision*

In August 2021 an Aon global restructuring programme was initiated, which resulted in the recognition of additional restructuring provisions of £207k in the year ended 31 December 2021. No further provision is expected and the programme will close on 31 January 2022.

*Dilapidation provisions*

The dilapidation provision relates to contractual obligations of the Company on surrender of the property lease to reinstate the premises to the same state and condition as before occupancy including making good all damage caused by the removal.

*Movements in provisions*

Movements in each class of provision during the current financial year are set out below:

	Dilapidation provision £'000	Restructuring provision £'000
<b>2021</b>		
Carrying amount at the start of the year	3,568	-
Additional provisions recognised	880	253
Utilised in the year	<u>(19)</u>	<u>(46)</u>
Carrying amount at the end of the year	<u>4,429</u>	<u>207</u>

**27. Non-current liabilities - Lease liabilities**

	2021 £'000	2020 £'000
Lease liability	<u>105,896</u>	<u>117,395</u>
Maturity analysis of lease liabilities is as follows:		
	2021 £'000	2020 £'000
Within 1 year	16,153	18,069
1-2 years	15,467	16,327
2-3 years	12,548	15,099
3-4 years	12,418	12,546
4-5 years	12,285	12,382
Thereafter	<u>80,504</u>	<u>92,647</u>
	<u>149,375</u>	<u>167,070</u>
Less: Imputed interest	<u>(30,788)</u>	<u>(35,919)</u>
Present value of lease liabilities	<u>118,587</u>	<u>131,151</u>
of which:		
Current	12,691	13,756
Non-current	<u>105,896</u>	<u>117,395</u>
	<u>118,587</u>	<u>131,151</u>

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**28. Equity - Share capital**

	<b>2021 Shares</b>	<b>2020 Shares</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Ordinary shares - fully paid	<u>120,305,930</u>	<u>120,305,930</u>	<u>120,306</u>	<u>120,306</u>

All shares are allotted, issued and fully paid. The Company has only one class of ordinary shares of £1 each.

**29. Equity - Share premium account**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Share premium account	<u>2,116,643</u>	<u>2,116,643</u>

**30. Equity - Capital contribution reserve**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Capital contribution reserve	<u>55,665</u>	<u>55,665</u>

**31. Equity - Fair value through OCI reserve**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Fair value through other comprehensive income reserve	<u>31,234</u>	<u>20,990</u>

*Fair value through other comprehensive income reserve*

The fair value through other comprehensive income reserve ("FVOCI reserve") is used to recognise increments and decrements in the fair value of financial assets carried at fair value through other comprehensive income.

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

	<b>Fair value through OCI £'000</b>	<b>Total £'000</b>
Balance at 1 January 2020	20,877	20,877
Fair value gain	<u>113</u>	<u>113</u>
Balance at 31 December 2020	20,990	20,990
Fair value gain	<u>10,244</u>	<u>10,244</u>
Balance at 31 December 2021	<u>31,234</u>	<u>31,234</u>

**Aon UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**32. Equity - Retained earnings**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Retained earnings at the beginning of the financial year	34,217	56,534
Profit after income tax (charge)/credit for the year	396,081	632,805
Dividends paid (note 33)	<u>(151,000)</u>	<u>(655,122)</u>
Retained earnings at the end of the financial year	<u><u>279,298</u></u>	<u><u>34,217</u></u>

**33. Equity - Dividends paid**

Dividends paid during the financial year were as follows:

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
An interim dividend of £151.0m (£1.26 per share) was paid during the year ended 31 December 2021 (2020: £655.1m (£5.45 per share)), to Aon Delta UK Limited, the Company's parent.	<u><u>151,000</u></u>	<u><u>655,122</u></u>

**34. Guarantees**

The Group maintains multi-currency cash pools with third-party banks in which various Aon entities participate. As part of the Group'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 2021 include cash pool deposits of £262.1m (2020: £24.4m), 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.

**35. Events after the reporting period**

**Russia-Ukraine Conflict**

On 24 February 2022, the Russian Federation commenced a military invasion of Ukraine. Russian actions with respect to Ukraine have resulted in certain sanctions being imposed by the United Kingdom, the European Union, the United States, and other jurisdictions. The Company currently does not have significant operations in Russia or Ukraine. As of 31 March 2022, the impact of the military conflict between Russia and Ukraine has not had a significant impact on Aon Group's global operations. Aon has suspended operational activity in Russia, including putting colleagues in Russia on paid leave. Offices in Poland and other neighbouring countries are providing support to Ukrainian colleagues who have left the country to seek refuge, include providing living accommodation. The Company continues to monitor the potential impacts on the business and the ancillary impacts that the war could have on other global operations. The Company did not have any trade receivables from any Russian Federation entity as at 31 December 2021.

On 29 March 2022, the Company contributed Aon Delta Spain S.L. into Aon Delta NL B.V. in exchange for 100 ordinary shares.

No other matter or circumstance has arisen since 31 December 2021 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 UK Holdings Limited**  
**Notes to the financial statements**  
**31 December 2021**

**36. Controlling party**

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

The ultimate parent undertaking and controlling party as at 31 December 2021 was Aon plc a company incorporated and registered in the Republic of Ireland.

Copies of the Group financial statements of Aon plc are available from the company's registered office at: Metropolitan Building, James Joyce Street, Dublin 1, D01 K0Y8, Ireland.

**Aon UK Holdings Limited**  
**Appendix**  
**31 December 2021**

The indirect subsidiary and associates undertakings of the Company as at 31 December 2021 are as follows:

<b>Name of Company</b>	<b>Address of registered office</b>	<b>Holding</b>	<b>Proportion held %</b>
A.B. Insurances Limited	119 Henry Street, Port-of-Spain, Trinidad, WI, Trinidad and Tobago	Ordinary shares	45%
Aon Delta UK Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	Ordinary shares	100%
Acumen Credit Insurances Brokers Limited	Trueman House, Capitol Park Tingley, Leeds, West Yorkshire, LS27 0TS, UK	Ordinary shares	100%
Agostini Insurance Brokers Limited	119 Henry Street, Port of Spain, Trinidad and Tobago	Ordinary shares	45%
Agostini Insurance Brokers St Lucia Limited	J.E. Bergasse Building, 1st Floor, Vide Boutielle, Saint Lucia	Ordinary shares	11%
Agostini Insurance Brokers Grenada Limited	Scott Street, St. George's, Grenada	Ordinary shares	22%
AIB Services Limited	119 Henry Street, Port-of-Spain, Trinidad, WI, Trinidad and Tobago	Ordinary shares	45%
Alexander Clay (in liquidation)	9th Floor Capella Building, 60 York Street, Glasgow, Glasgow, Scotland, G2 8JX	Ordinary shares	42%
Allen Insurance Associates, Inc.	200 E. Randolph St., Chicago, IL 60601, USA	Ordinary shares	100%
Aon Brasil Corretora de Resseguros Ltda.	Rua Sao Bento, 18, sala 1302, Centro, CEP 20090-010, Rio de Janeiro/RJ, Brasil	Ordinary shares	100%
Aon Reinsurance Colombia Limitada Corredores de Reaseguros	Avenida Carrera 9 #113-52 Of. 505, Bogotá, Colombia	Ordinary shares	100%
Aon Mexico Intermediario de Reaseguro S.A. de C.V.	Rio Lerma 232 Piso 28 Suite B, 29 y 30 Suite A, Col. Cuauhtemoc, Del. Cuauhtemoc, C.P. 06500, Mexico City	Ordinary shares	29%
Aon Benfield Panama, S.A. (in liquidation)	Ave. Samuel Lewis y Callie, 54 Olbarrio Torre Generali, Piso #27, Bella Vista, Panama	Ordinary shares	56%
Aon Peru Corredores de Reaseguros S.A.	Calle Andres Reyes Nro 437 Int. 701 (Edificio Platinum Plaza Torre ii) San Isidro.	Ordinary shares	100%
Aon Hewitt Saudi Arabia LLC	The Business Gate, Building 16, Zone B P. O. Box 61192, Riyadh 11565, Kingdom of Saudi Arabia	Ordinary shares	1%
Aon Broking Services S.A. (in liquidation)	Swiss Bank Building, 16th Floor, 53rd Street, urbanizacion Obarrio- World Trade Center, Panama	Ordinary shares	100%
Aon Consulting Kazakhstan LLP	25, Samal-3, Almaty, Kazakhstan	Ordinary shares	55%
Aon Global Holdings 2 Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	Ordinary shares	100%
Aon Global Holdings 1 Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	Ordinary shares	100%
Aon Insurance Managers (Barbados) Ltd.	Sunrise House, Wildey Main Road, St. Michael	Ordinary shares	100%

**Aon UK Holdings Limited**  
**Appendix**  
**31 December 2021**

<b>Name of Company</b>	<b>Address of registered office</b>	<b>Holding</b>	<b>Proportion held %</b>
Aon Insurance Managers (Switzerland) AG	Baarerstrasse 14, CH 6300 Zug	Ordinary shares	100%
Aon Insurance Managers (Liechtenstein) AG	Industriering 14, 9491 Ruggell	Ordinary shares	100%
Aon Group Venezuela, Corretaje de Reaseguro C.A.	Avenida Principal de El Bosque, Edificio Pichincha, piso PH, apartamento PH2, Chacaíto, Caracas, Venezuela	Ordinary shares	100%
Aon Group Japan Ltd.	Tokyu Capitol Tower 11F, 2-10-3, Nagatacho, Chiyoda-ku, Tokyo	Ordinary shares	11%
Aon Holdings Japan Ltd.	Tokyu Capitol Tower 11F, 2-10-3, Nagatacho, Chiyoda-ku, Tokyo	Ordinary shares	11%
Aon Investments Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	Ordinary shares	100%
Aon Japan Ltd.	Tokyu Capitol Tower 11F, 2-10-3, Nagatacho, Chiyoda-ku, Tokyo	Ordinary shares	11%
Aon Minet Pension Trustees Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	Ordinary shares	100%
Aon Solutions (Cyprus) Limited	8 Kennedy Ave, 1087 Nicosia, Cyprus	Ordinary shares	35%
Aon Solutions (Ireland) Limited	5th Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland	Ordinary shares	100%
Aon Solutions Japan Ltd.	Tokyu Capitol Tower 11F, 2-10-3, Nagatacho, Chiyoda-ku, Tokyo	Ordinary shares	11%
Aon Solutions Turkey Danismanlik A.S.	Feneryolu MAH. Bagdat CAD. Korur, Turkey	Ordinary shares	35%
Aon Solutions Ltd	4th floor Dias Pier, Le Caudan Waterfront, Port Louis, Mauritius	Ordinary shares	33%
Aon Hewitt Management Company Limited (in liquidation)	33 Sir John Rogerson's Quay, Dublin 2, Ireland, Ireland	Ordinary shares	100%
Aon Solutions Greece SA	2 Mesogion St, 115 27 Athens, Greece	Ordinary shares	35%
Aon (Isle of Man) Limited	Third Floor, St George's Court, Upper Church Street, Douglas, Isle of Man	Ordinary shares	100%
Aon Risk Services (NI) Limited	8th Floor Victoria House, 15 - 17 Gloucester Street, Belfast, BT1 4LS, UK	Ordinary shares and preference shares	100%
Aon UK Trustees Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100%
Asian Reinsurance Underwriters Limited	33/F & 34/F One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong	Ordinary shares	100%
Bacon & Woodrow Partnerships Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100%
Bacon & Woodrow Partnerships (Ireland) Limited	5th Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland, Ireland	Ordinary shares	100%



**Aon UK Holdings Limited**  
**Appendix**  
**31 December 2021**

<b>Name of Company</b>	<b>Address of registered office</b>	<b>Holding</b>	<b>Proportion held %</b>
Becketts (Trustees) Limited	Hibernian House, Building 5200, Cork Airport Business Park, Co Cork, Ireland	Ordinary shares	100%
Bowes & Company, Inc., of New York	200 E. Randolph St., Chicago, IL 60601, U.S.	Ordinary shares	100%
Cardea Health Solutions Limited	119 Henry Street, Trinidad and Tobago	Ordinary shares	45%
Contingency Insurance Brokers Limited	33/F & 34/F One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong	Ordinary shares	51%
Contractsure Limited	Trueman House, Capitol Boulevard Tingley, Leeds, West Yorkshire, LS27 0TS, UK	Ordinary shares	100%
Delany Bacon & Woodrow Partnership	Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland, Ireland	Ordinary shares	100%
Doveland Services Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN, UK	Ordinary shares	100%
Aon Investments Europe Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, UK, EC3V 4AN, UK	Ordinary shares	100%
Eurotempest Limited	C/o Ucl Business Plc, Network Building, 97 Tottenham Court Road, London, W1T 4TP, UK	Ordinary shares	33%
E.W. Blanch Limited	33/F & 34/F One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong	Ordinary shares	100%
Henderson Insurance Brokers Limited	Trueman House, Capitol Park Tingley, Leeds, West Yorkshire, LS27 0TS, UK	Ordinary shares	100%
Henderson Risk Management Limited (in liquidation)	Trueman House, Capitol Park Tingley, Leeds, West Yorkshire, LS27 0TS, UK	Ordinary shares	100%
Aon North America, Inc.	200 E. Randolph St., Chicago, IL 60601, U.S.	Ordinary shares	100%
Insurance Broker Aon Kazakhstan LLP	25, Samal-3, Almaty, Kazakhstan	Ordinary shares	55%
Insurance Company of the Bahamas Limited	33 Collins Avenue P. O. Box N-8320. Nassau, Bahamas	Ordinary shares	16%
J.S. Johnson & Company Limited	33 Collins Avenue P. O. Box N-8320. Nassau, Bahamas	Ordinary shares	40%
J.S. Johnson & Company (Turks & Caicos) Ltd	Graceway Plaza, Leeward Highway, Providenciales, Turks & Caicos	Ordinary shares	32%
McLagan (Aon) Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, UK, EC3V 4AN	Ordinary shares	100%
NBS Nominees Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, UK, EC3V 4AN	Ordinary shares	100%
PayPay Insurance Service Corporation	Midtown Tower 20F, 9-7-1, Akasaka, Minato-ku, Tokyo	Ordinary shares	4%
Portus Consulting Limited (in liquidation)	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, UK, EC3V 4AN	Ordinary shares	100%

**Aon UK Holdings Limited**  
**Appendix**  
**31 December 2021**

<b>Name of Company</b>	<b>Address of registered office</b>	<b>Holding</b>	<b>Proportion held %</b>
Portus Online LLP (in liquidation)	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, UK, EC3V 4AN	Limited Liability Partnership	100%
Ronnie Elementary Insurance Agency Ltd.	4 Berkovitch Street, Museum Building, 18th floor 64238 Tel Aviv, Israel	Ordinary shares	100%
The Aon Ireland Mastertrustee Limited	5th Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland	Ordinary shares	100%
The Aon MasterTrustee Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, UK, EC3V 4AN	Ordinary shares	100%