

Aon UK Holdings Limited

Company Registration Number 06652620

Annual Report - 31 December 2022

"AMENDED"



Aon UK Holdings Limited

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31 December 2022

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Aon UK Holdings Limited
Corporate directory
31 December 2022

Directors	E M Sergeant N J Hardman G Mugashu (resigned on 30 August 2022, re-appointed on 31 August 2022) P Katsaouni-Dodd (resigned on 30 August 2022)
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 2022

The Directors present their Strategic report on Aon UK Holdings Limited ("the Company") for the year ended 31 December 2022.

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"), which are available to the public and can be obtained as set out in note 35.

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 £354,123k (2021: £396,081k). This profit was mainly driven from the below items:

	2022 £'000	2021 £'000	Change £'000	Change %
Revenue	417,764	403,321	14,443	4%
Administrative expenses	(19,540)	266	(19,806)	(7446%)
Interest payable and similar charges	(3,036)	(3,680)	644	(18%)
Impairment of investments	(42,989)	(5,130)	(37,859)	738%

Revenue

The revenue relates to dividends received from subsidiary undertakings during the year. Refer to note 3 for details.

Impairment of investments

As part of Group reorganisations, the Company received distributions of cash and assets from its subsidiaries, and subsequently impaired the value of those subsidiaries. The details of the impairment of investments can be found in note 15.

Administrative expenses

Administration expenses increased by £19,806k largely due to an increase in net foreign exchange losses of £19,643k.

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:

	2022 £'000	2021 £'000
Shareholder's funds	2,040,039	2,603,146
Net current assets	6,015	249,789

Shareholder's funds decreased by £563,107k due to i) dividends paid of £915,969k and ii) fair value through other comprehensive income loss of £1,261k, offset by profit for the year of £354,123k.

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The Company's net current asset position decreased to £6,015k (2021: £249,789k) due to a decrease in cash balances of £249,334k and an increase in trade and other payables of £6,736k, offset by an increase in trade receivables of £12,480k.

On 2 March 2022, the Company contributed £1k in exchange for 1 ordinary share in Aon Delta NL BV ("ADNLBV"). On 9 March 2022, the Company contributed €295,000k (equivalent of £246,208k) into its subsidiary Aon Delta Spain SL ("ADSSL"). Subsequently, on 29 March 2022, the Company contributed the investment in ADSSL into ADNLBV in exchange for 100 ordinary shares. On 15 November 2022, ADSSL merged upstream with ADNLBV.

On 15 July 2022, the Company reduced its entire share premium of £2,116,643k and the proceeds were credited to the distributable reserves.

On 16 November 2022, the Company received a dividend in specie comprising of an investment in AGH2L of £504,804k and cash dividend of \$7,700k, from its subsidiary ADNLBV. The Company then subsequently received a cash dividend from its new investment, AGH2L on the same day. This transaction was accounted for as a return of investment. The investment in ADNLBV was subsequently impaired by £42,088k.

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.

Legal and Regulatory risks

Under UK law, the Company may only pay dividends and, generally, make share repurchases and redemptions from distributable profits. Distributable profits may be created through the earnings of the Company or other methods (including certain intra-group reorganisations involving the capitalisation of the Company's un-distributable profits and their subsequent reduction). While it is intended to maintain a sufficient level of distributable profits in order to pay dividends on ordinary shares, there is no assurance that the Company will maintain the necessary level of distributable profits to do so.

Since January 2022, as a holding company with UK investment subsidiaries undertaking activities within the scope of the UK Markets in Financial Instruments Directive ("MIFID"), the Company is subject to the prudential requirements of the Investment Firms Prudential Regime ("IFPR") contained in the MIFIDPRU Prudential sourcebook for MIFID investment firms of the FCA Handbook. The Company is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8 of the IFPR.

MiFIDPRU contains specific requirements in relation to own funds, concentration risk, basic liquid asset management, governance and risk management (including remuneration code and the completion of an internal capital adequacy and risk assessment (ICARA) process, through which firms identify the risk of harm in their operations and provide appropriate resources to mitigate harm, whether as a going concern or when winding down) and reporting requirements. These requirements are supplemented by the guidance set out in MIFIDPRU 8 published by the FCA. The disclosure is prepared quarterly on a solo entity (i.e. individual) basis. The disclosed information is proportionate to the company's size and organisation, and to the nature, scope and complexity of its regulated activities.

The Company is a parent of the FCA regulated entities - Aon Securities Limited and Aon Solutions UK Limited, therefore it reports consolidated returns to the FCA every quarter.

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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.

COVID-19 Pandemic

The COVID-19 global pandemic and the emergence of COVID-19 variants continues to create public health concerns and potential volatility, uncertainty, and economic disruption in regions where the Company operates.

A number of evolving factors related to the global pandemic and the post-pandemic recovery period may influence the duration, nature and extent of the impact on the Company's business and financial results. Such factors include worldwide macroeconomic conditions, including interest rates, employment rates, consumer confidence and spending, gross domestic product, property values, and changes in client behaviour, and foreign exchange rates in each of the markets in which the Company operates; business closures; changes in laws, regulations (including those changes that may provide for extended premium payment terms), and guidance; court decisions and litigation trends; a decline in business and the ability of counterparties to pay for the Company's services on time or at all; an increased number of E&O claims in those areas impacted by the pandemic, as well as an increase in the incidence or severity of E&O claims against the Group and the Company's market partners.

Any future epidemics or pandemics, may again create significant disruptions or volatility in the credit or financial markets, which could adversely affect the Company's ability to access capital on favourable terms or at all.

The Coronavirus (COVID-19) pandemic is still prevalent in the UK, however it has not impacted the financial position of the Company materially up to 31 December 2022. At the reporting date, the Company does not anticipate significant impact in the immediate future.

Economic and Political risks

The economic and political conditions of the countries and regions in which the Company and the wider Aon Group operates, 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

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governments and economies, and potential governmental actions affecting the flow of goods, services, and currency, such as the international risks associated with the Group's global operations, including impacts from military conflicts or political instability, such as the ongoing Russian war in Ukraine.

Economic downturns, insolvencies, volatility, or uncertainty in the broader economy or in specific markets (including as a result of endemics or pandemics, climate change, political unrest, actions by central banks, or otherwise), could adversely affect collectability of receivables and/ or recovery of investments.

The occurrence of natural or man-made disasters could result in declines in business and increases in claims that could adversely affect the Company's financial condition and results of operations. A natural or man-made disaster also could disrupt the operations of the counterparties or result in increased prices for the products and services they provide to the Company. In addition, a disaster could adversely affect the value of the Company's assets. Finally, a natural or man-made disaster could increase the incidence or severity of E&O claims. Climate change may increase the likelihood or severity of a natural or man-made disaster.

Implementation of the Aon Group corporate strategies

In connection with the implementation of the Aon Group corporate strategies, the Company faces risks associated with the acquisition or disposition of businesses, the Group's integration of acquired businesses, and the growth and development of these businesses.

In pursuing the Group's corporate strategy, the Company may acquire other businesses or dispose of or exit businesses it currently owns. The success of this strategy is dependent upon the Group's ability to identify appropriate acquisition and disposition targets, negotiate transactions on favourable terms, complete transactions and, in the case of acquisitions, successfully integrate them into the Company's existing businesses. If a proposed transaction is not consummated, the time and resources spent pursuing it could adversely result in missed opportunities to locate and acquire other businesses. If acquisitions are made, there can be no assurance that the Company will realise the anticipated benefits of such acquisitions, including, but not limited to, revenue growth, operational efficiencies, or expected synergies. If the Company disposes of or otherwise exit certain businesses, there can be no assurance that it will not incur certain disposition related charges, or that we it be able to reduce overhead related to the divested assets.

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.

The Company is at risk of attack by a growing list of market-wide adversaries through new and increasingly sophisticated methods of attack, including methods that take advantage of remote working. 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 information technology systems, ransomware incidents, 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.

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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, 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 Finance by actively monitoring the risk of foreign currency exposure.

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 liabilities of circa US \$0.4 billion (2021: net assets of US \$1.2 billion) as disclosed in its audited financial statements for the year ended 31 December 2022 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 33 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.

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Section 172 statement

During the year the directors have had due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 and have accordingly promoted the long-term success of the Company for the benefit of stakeholders as a whole. Details of how the directors have had regard to those matters, including the consideration of the interests of stakeholders, are set out below.

The Company acts as a holding company within the Aon Group of Companies and is part of a group of companies run and governed in the UK with an established corporate governance framework. The framework ensures that board decisions are made with the long-term success of the Company in mind and that its key stakeholders remain at the forefront of the decision-making process. Accordingly:

- directors are encouraged to attend training courses to ensure they are up to date with their section 172 duty;
- the information provided to board meetings is sufficiently detailed to enable directors to consider the wider impact of decision making; and
- as part of the wider Aon Group, employees working on the Company's activities are subject to group policies and processes which are centred around good conduct and working practice.

The Board has identified the key risks facing the business and which are further detailed in the 'Principal Risks' section above. Board decisions are made with these risks in mind.

In reaching decisions, the Board considers conclusions from an extended governance review across the Group which includes advice from legal, finance, treasury and tax as well as other in-house specialists, external counsel and consultants as appropriate.

As a holding entity our key stakeholders are our parent entities. Where matters presented to the Board impact the wider Aon Group, the Board considers feedback from the Group Governance Committee on the matters presented for approval to ensure that the interests of the wider group are fully understood before reaching any decision.

Streamlined Energy and Carbon Reporting (SECR)

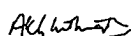
The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when "The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018" came into force. The legislation requires that large (as defined in sections 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 2022.

Likely future developments

It is not anticipated that there will be any material change in the activity of the Company in the foreseeable future.

For and on behalf of the Board of Directors



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

5 September 2023

Aon UK Holdings Limited
Directors' report
31 December 2022

The Directors present their report, together with the financial statements of the Company for the year ended 31 December 2022.

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:

	2022 £'000	2021 £'000
An interim dividend of £916.0m (£7.61 per share) was paid during the year ended 31 December 2022 (2021: £151.0m (£1.26 per share)), to Aon UK Holdings Intermediaries Limited, the Company's parent.	<u>915,969</u>	<u>151,000</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.

Going concern

The Directors have prepared a going concern assessment for Aon UK Holdings Limited for the financial period to September 2024 (reflecting a one-year projection from the date of the signing of the 2022 statutory accounts in September 2023).

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

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.

Events after the reporting period date

On 30 June 2023, the Company received an interim dividend of £154.9m from its subsidiary, Aon UK Limited.

On 20 July 2023, The Company paid an interim dividend of £156.0m to its parent, Aon UK Holding Intermediaries Limited.

Aon UK Holdings Limited
Directors' report
31 December 2022

No other matter or circumstance has arisen since 31 December 2022 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

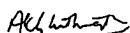
The group has qualifying third party indemnity provisions in place for the benefit of its Directors which were in place during the year and remain in force at the date of this report.

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

5 September 2023

Aon UK Holdings Limited
Directors' responsibilities statement
31 December 2022

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.

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Independent auditor's report to the members of Aon UK Holdings Limited
31 December 2022

Opinion

We have audited the financial statements of Aon UK Holdings Limited for the year ended 31 December 2022 which comprise the Statement of profit or loss and other comprehensive income, Statement of financial position and the Statement of changes in equity and the related notes¹ to 35, 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 2022 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. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included

- We confirmed our understanding of management's going concern assessment process and obtained management's assessment which covers 12 months to September 2024;
- We challenged the key assumptions used by management in determining appropriateness of the going concern assessment; and
- We assessed the appropriateness of the going concern disclosures by comparing the consistency with management's assessment and for compliance with the relevant reporting requirements.

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 12 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.

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Independent auditor's report to the members of Aon UK Holdings Limited
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If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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.

Aon UK Holdings Limited

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

31 December 2022

- We understood how Aon UK Holdings Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. In assessing the effectiveness of the control environment, we also reviewed minutes of the Board meetings and gained an understanding of the Company's approach to governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls and processes established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of manual intervention and complex transactions, performance targets, external pressures and the impact these have on the control environment and their potential to influence management to manage earnings 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 design effectiveness of management's controls designed to address the risk of fraud.
 - Testing of journal entries and other adjustments in the preparation of the financial statements.
 - 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.

DocuSigned by:

Ernst & Young LLP

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

07 September 2023

Aon UK Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022


	Note	2022 £'000	2021 £'000
Revenue	3	417,764	403,321
Total revenue		<u>417,764</u>	<u>403,321</u>
Expenses			
Administrative expenses	4	<u>(19,540)</u>	<u>266</u>
		<u>(19,540)</u>	<u>266</u>
Operating profit		398,224	403,587
Interest receivable and similar income	8	1,908	259
Interest payable and similar charges	9	(3,036)	(3,680)
Other gains and losses	10	273	945
Restructuring charges	11	(13)	(253)
Impairment of investments	15	<u>(42,989)</u>	<u>(5,130)</u>
Profit before income tax (charge)/credit		354,367	395,728
Income tax (charge)/credit	12	<u>(244)</u>	<u>353</u>
Profit after income tax (charge)/credit for the year	31	354,123	396,081
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
(Loss)/gain on the revaluation of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax	16	<u>(1,261)</u>	<u>10,244</u>
Other comprehensive income for the year, net of tax		<u>(1,261)</u>	<u>10,244</u>
Total comprehensive income for the year		<u><u>352,862</u></u>	<u><u>406,325</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 2022

	Note	2022 £'000	2021 £'000
Assets			
Current assets			
Cash and cash equivalents	13	12,728	262,062
Trade and other receivables	14	22,979	10,499
Total current assets		<u>35,707</u>	<u>272,561</u>
Non-current assets			
Investments in subsidiaries	15	2,002,546	2,320,326
Financial assets at FVOCI	16	29,973	31,234
Other receivables	17	-	1,297
Tangible fixed assets	18	13,166	16,143
Right-of-use assets	19	84,832	92,528
Deferred tax asset	20	2,852	2,737
Total non-current assets		<u>2,133,369</u>	<u>2,464,265</u>
Total assets		<u>2,169,076</u>	<u>2,736,826</u>
Liabilities			
Current liabilities			
Trade and other payables	21	16,610	9,874
Lease liabilities	22	12,888	12,691
Provisions	23	194	207
Total current liabilities		<u>29,692</u>	<u>22,772</u>
Non-current liabilities			
Provisions	25	2,656	4,429
Other payables	24	-	583
Lease liabilities	26	96,689	105,896
Total non-current liabilities		<u>99,345</u>	<u>110,908</u>
Total liabilities		<u>129,037</u>	<u>133,680</u>
Net assets		<u>2,040,039</u>	<u>2,603,146</u>
Equity			
Share capital	27	120,306	120,306
Share premium account	28	-	2,116,643
Capital contribution reserve	29	55,665	55,665
Fair value through OCI reserve	30	29,973	31,234
Retained earnings	31	1,834,095	279,298
Total equity		<u>2,040,039</u>	<u>2,603,146</u>

The Company's registered number is 06652620.



 G Mugashu
 Director

5 September 2023

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 2022

	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 32)	-	-	-	-	(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>
	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 2022	120,306	2,116,643	55,665	31,234	279,298	2,603,146
Profit after income tax charge for the year	-	-	-	-	354,123	354,123
Other comprehensive loss for the year, net of tax	-	-	-	(1,261)	-	(1,261)
Total comprehensive income for the year	-	-	-	(1,261)	354,123	352,862
<i>Transactions with Shareholders in their capacity as owners:</i>						
Capital reduction	-	(2,116,643)	-	-	2,116,643	-
Dividends paid (note 32)	-	-	-	-	(915,969)	(915,969)
Balance at 31 December 2022	<u>120,306</u>	<u>-</u>	<u>55,665</u>	<u>29,973</u>	<u>1,834,095</u>	<u>2,040,039</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 2022

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 2006.

Amounts in the financial statements have been rounded off to the nearest thousand Pounds sterling, or in certain cases, the nearest Pound sterling.

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, certain classes of property, plant and equipment and derivative financial instruments.

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 for the financial period to September 2024 (reflecting a one-year projection from the date of the signing of the 2022 statutory accounts in September 2023).

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 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.

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

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"), which are available to the public and can be obtained as set out in note 35.

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 2022

1. Significant accounting policies (continued)

Foreign currencies

The financial statements are presented in Pounds Sterling, which is the currency of the primary economic environment in which the Company operates (its functional and presentation 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 foreign 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 2022

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

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

Investments and Other financial assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Investments in subsidiaries are subsequently accounted for at cost less, where appropriate, provisions for impairment.

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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 recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial

Aon UK Holdings Limited
Notes to the financial statements
31 December 2022

1. Significant accounting policies (continued)

instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability-weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. 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 non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 2022

1. Significant accounting policies (continued)

Right-of-use assets

A right-of-use ("ROU") asset 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.

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

Aon UK Holdings Limited
Notes to the financial statements
31 December 2022

1. Significant accounting policies (continued)

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.

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.

Aon UK Holdings Limited
Notes to the financial statements
31 December 2022

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 - refer to the respective notes for balance details.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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.

Income tax

The Company is subject to income taxes in the jurisdictions in which it operates. If tax matters are uncertain and it is considered probable that there will be a future outflow of funds to a tax authority, an adjustment is made to the tax balance. This adjustment is measured based on the best estimate of the amount expected to become payable and is based on the Company's current understanding of the tax law.

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.

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.

Aon UK Holdings Limited
Notes to the financial statements
31 December 2022

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

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

	2022 £'000	2021 £'000
Dividends received from subsidiary undertakings	<u>417,764</u>	<u>403,321</u>

During 2022 the Company received interim dividends from the following subsidiaries: £298.3m from Aon UK Limited, £66.0m from Aon Solutions UK limited, £32.8m from AGH2L, £9.1m from E.W. Blanch Holdings Limited, £7.2m from Minet Inc., £1.9m from Aon Treasury Ireland Limited, £1.6m from Aon Holdings Japan Ltd and £0.9m from Aon Reinsurance Malaysia Limited.

4. Administrative expenses

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

Aon UK Holdings Limited
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4. Administrative expenses (continued)

	2022 £'000	2021 £'000
Depreciation of ROU assets	14,245	11,506
Net foreign exchange losses	19,663	20
Depreciation of tangible fixed assets	3,803	4,676
Professional fees	594	515
Losses on disposal of tangible fixed assets	496	546
Insurance costs	470	382
Information technology	26	36
Impairment loss on tangible fixed assets	-	999
Premises and equipment	(20,301)	(19,857)
Other administrative expenses	544	911
	<u>19,540</u>	<u>(266)</u>

For details on the depreciation of ROU assets refer to note 19.

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

5. Average number of employees

The Company had no employees during the year (2021: Nil).

6. Directors' emoluments

	2022 £'000	2021 £'000
Directors' remuneration		
Aggregate remuneration in respect of qualifying services	861	911
Amounts received or receivable by Directors under long term incentive schemes (other than shares and share options) in respect of qualifying services	771	656
Aggregate of company contributions paid in respect of money purchase schemes	43	46
Total	<u>1,675</u>	<u>1,613</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 (2021: £Nil).

	2022	2021
The number of Directors who:		
Received shares in respect of qualifying services under a long term incentive scheme	2	4
Accrued benefits under money purchase schemes	4	4
	2022 £'000	2021 £'000
Remuneration of the highest paid Director:		
Emoluments	1,162	1,080
Pension contributions	19	17
Total	<u>1,181</u>	<u>1,097</u>

Aon UK Holdings Limited
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6. Directors' emoluments (continued)

The highest paid Director received 1,013 shares in Aon plc at an average price of \$310.86 under long-term incentive schemes in 2022.

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:

	2022 £'000	2021 £'000
Audit of the financial statements	10	9

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

8. Interest receivable and similar income

	2022 £'000	2021 £'000
Bank interest receivable	1,853	160
Finance interest receivable on sublease	55	99
	<u>1,908</u>	<u>259</u>

9. Interest payable and similar charges

	2022 £'000	2021 £'000
Interest and finance charges payable on lease liabilities	3,036	3,680

10. Other gains and losses

	2022 £'000	2021 £'000
Other non-operating income	273	945

The 2022 balance represents the gain on the balances on the closed bank accounts of the liquidated company Benfield Limited. The 2021 balance represents the gain on the historical VAT amount written off during the year.

Aon UK Holdings Limited
Notes to the financial statements
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11. Restructuring charges

	2022 £'000	2021 £'000
Restructuring charges	<u>13</u>	<u>253</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. No further restructuring provisions are expected.

12. Income tax charge/(credit)

	2022 £'000	2021 £'000
<i>Income tax charge/(credit)</i>		
Deferred tax - origination and reversal of temporary differences	(53)	(264)
Adjustment recognised for tax of prior periods	-	133
Foreign tax	358	325
Impact of change in tax rates	<u>(61)</u>	<u>(547)</u>
Aggregate income tax charge/(credit)	<u>244</u>	<u>(353)</u>

Numerical reconciliation of income tax charge/(credit) and tax at the statutory rate

The tax in the Statement of profit or loss for the year is lower (2021: 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>354,367</u>	<u>395,728</u>
Tax at the statutory tax rate of 19%	67,330	75,188
Adjustment recognised for tax of prior periods	-	133
Expenses not deductible for tax purposes	206,886	1,357
Income not taxable	(274,293)	(76,833)
Group relief for £Nil consideration	24	24
Impact of change in tax rates	(61)	(547)
Foreign tax	<u>358</u>	<u>325</u>
Income tax charge/(credit)	<u>244</u>	<u>(353)</u>

The headline rate of UK corporation tax for the 2022 financial year was 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 (2021: £24k) 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
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12. Income tax charge/(credit) (continued)

	2022 £'000	2021 £'000
<i>Deferred tax in the statement of profit or loss:</i>		
Decelerated capital allowances	(112)	(281)
General provision	3	(25)
Adjustments for IFRS 16	56	42
	<u>(53)</u>	<u>(264)</u>
Total deferred tax asset movement	<u>(53)</u>	<u>(264)</u>

13. Current assets - Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and cash equivalents	<u>12,728</u>	<u>262,062</u>

14. Current assets - Trade and other receivables

	2022 £'000	2021 £'000
Prepayments and accrued income	4,306	3,132
Other receivables	2,729	3,039
Amounts owed by fellow Group undertakings	855	424
Amounts owed by subsidiary undertakings	4,655	1,672
Amounts owed by parent undertaking	9,137	-
Finance lease receivable	1,297	2,232
	<u>22,979</u>	<u>10,499</u>

15. Non-current assets - Investments in subsidiaries

	2022 £'000	2021 £'000
Investments in subsidiaries	<u>2,002,546</u>	<u>2,320,326</u>

15. Non-current assets - Investments in subsidiaries (continued)

The Company's direct subsidiaries as at 31 December 2022 are as follows:

Name	Address of registered office	Holding	Proportion held %
Aon DC Trustee Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%
Aon Delta Netherlands B.V.	Admiralteitskade 62, 3063 ED Rotterdam, The Netherlands	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 Minet Pension Trustees Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	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 Reinsurance Israel Ltd.	4 Berkovitch Street, Museum Building, 18th floor 64238 Tel Aviv, Israel	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 Securities 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 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 (in liquidation)	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	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 Global Holdings 2 Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, UK	Ordinary shares	100.00%

Please refer to the appendix for all indirect subsidiary and associate undertakings of the Company as at 31 December 2022.

	2022 £'000	2021 £'000
Opening balance	2,320,326	2,325,456
Additions	246,208	-
Return of investment	(520,999)	-
Impairment charge for the year	(42,989)	(5,130)
Closing balance	<u>2,002,546</u>	<u>2,320,326</u>

15. Non-current assets - Investments in subsidiaries (continued)

In 2022 the Company impaired its subsidiary undertaking, EW Blanch Holdings by £901k (2021: Hewitt Associates Outsourcing Limited by £5,130k).

On 2 March 2022, the Company contributed £1k in exchange for 1 ordinary share in ADNLBV. On 9 March 2022, the Company contributed €295,000k (equivalent of £246,208k) into its subsidiary ADSSL. Subsequently, on 29 March 2022, the Company contributed the investment in ADSSL into ADNLBV in exchange for 100 ordinary shares. On 15 November 2022, ADSSL merged upstream with ADNLBV.

On 16 November 2022, the Company received a dividend in specie comprising of an investment in AGH2L of £504,804k and cash dividend of \$7,700k, from its subsidiary ADNLBV. The Company then subsequently received a cash dividend from its new investment, AGH2L on the same day. This transaction was accounted for as a return of investment. The investment in ADNLBV was subsequently impaired by £42,088k.

16. Non-current assets - Financial assets at FVOCI

	2022 £'000	2021 £'000
Investment holdings below 20%	<u>29,973</u>	<u>31,234</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	31,234	20,990
(Loss)/gain on the re-measurement of equity instruments at FVOCI	<u>(1,261)</u>	<u>10,244</u>
Closing fair value	<u>29,973</u>	<u>31,234</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).

17. Non-current assets - Other receivables

	2022 £'000	2021 £'000
Finance lease receivable	<u>-</u>	<u>1,297</u>

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18. Non-current assets - Tangible fixed assets

	2022 £'000	2021 £'000
Leasehold improvements - at cost	36,253	35,957
Less: Accumulated depreciation	<u>(26,316)</u>	<u>(23,894)</u>
	9,937	12,063
Fixtures and fittings - at cost	13,795	13,764
Less: Accumulated depreciation	<u>(10,569)</u>	<u>(9,694)</u>
	3,226	4,070
Computer equipment - at cost	42	40
Less: Accumulated depreciation	<u>(39)</u>	<u>(30)</u>
	3	10
	<u>13,166</u>	<u>16,143</u>

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	Total £'000
Balance at 1 January 2021	16,627	5,719	18	22,364
Disposals	(371)	(175)	-	(546)
Impairment of assets	(764)	(235)	-	(999)
Depreciation expense	<u>(3,429)</u>	<u>(1,239)</u>	<u>(8)</u>	<u>(4,676)</u>
Balance at 31 December 2021	12,063	4,070	10	16,143
Additions	1,033	287	2	1,322
Disposals	(370)	(126)	-	(496)
Depreciation expense	<u>(2,789)</u>	<u>(1,005)</u>	<u>(9)</u>	<u>(3,803)</u>
Balance at 31 December 2022	<u>9,937</u>	<u>3,226</u>	<u>3</u>	<u>13,166</u>

19. Non-current assets - Right-of-use assets

	2022 £'000	2021 £'000
Buildings - right-of-use	<u>84,832</u>	<u>92,528</u>
		Right of use Property £'000
Balance at 1 January 2021		102,639
Additions to ROU assets		1,395
Depreciation charge for ROU assets		<u>(11,506)</u>
Balance at 31 December 2021		92,528
Additions to ROU assets		6,549
Depreciation charge for ROU assets		<u>(14,245)</u>
Balance at 31 December 2022		<u>84,832</u>

Aon UK Holdings Limited
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20. Non-current assets - Deferred tax asset

	2022 £'000	2021 £'000
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Decelerated capital allowances	2,486	2,310
General provisions	19	39
Adoption of IFRS 16	347	388
	<u>2,852</u>	<u>2,737</u>
Deferred tax asset	<u>2,852</u>	<u>2,737</u>
<i>Movements:</i>		
Opening balance	2,737	2,064
Credited to profit or loss (note 12)	53	264
Adjustment recognised for tax of prior periods	-	(138)
Impact of change in tax rates to the statement of profit and loss	61	547
Other	1	-
	<u>2,852</u>	<u>2,737</u>
Closing balance	<u>2,852</u>	<u>2,737</u>

21. Current liabilities - Trade and other payables

	2022 £'000	2021 £'000
Accruals	3,408	2,433
Amounts owed to fellow Group undertakings	4,614	1,733
Amounts owed to subsidiary undertakings	8,588	5,708
	<u>16,610</u>	<u>9,874</u>

22. Current liabilities - Lease liabilities

	2022 £'000	2021 £'000
Lease liability	<u>12,888</u>	<u>12,691</u>

23. Current liabilities - Provisions

	2022 £'000	2021 £'000
Restructuring provision	<u>194</u>	<u>207</u>

Please refer to the note 25 below for the overall movement of each provision class.

24. Non-current liabilities - Other payables

	2022 £'000	2021 £'000
Accruals	<u>-</u>	<u>583</u>

Aon UK Holdings Limited
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25. Non-current liabilities - Provisions

	2022 £'000	2021 £'000
Dilapidation provision	<u>2,656</u>	<u>4,429</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.

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
2022		
Carrying amount at the start of the year	4,429	207
Additional provisions recognised	166	-
Utilised in the year	<u>(1,939)</u>	<u>(13)</u>
Carrying amount at the end of the year	<u>2,656</u>	<u>194</u>

26. Non-current liabilities - Lease liabilities

	2022 £'000	2021 £'000
Lease liability	<u>96,689</u>	<u>105,896</u>
Maturity analysis of lease liabilities is as follows:	2022 £'000	2021 £'000
Within 1 year	15,735	16,153
1-2 years	13,333	15,467
2-3 years	13,204	12,548
3-4 years	12,579	12,418
4-5 years	12,370	12,285
Thereafter	<u>68,561</u>	<u>80,504</u>
	<u>135,782</u>	<u>149,375</u>
Less: Imputed interest	<u>(26,205)</u>	<u>(30,788)</u>
Present value of lease liabilities	<u>109,577</u>	<u>118,587</u>
of which:		
Current	12,888	12,691
Non-current	<u>96,689</u>	<u>105,896</u>
	<u>109,577</u>	<u>118,587</u>

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27. Equity - Share capital

	2022 Shares	2021 Shares	2022 £'000	2021 £'000
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.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

28. Equity - Share premium account

	2022 £'000	2021 £'000
Share premium account	<u>-</u>	<u>2,116,643</u>

On 15 July 2022 the Company reduced its entire share premium of £2,116,643k and the proceeds were credited to the distributable reserves.

29. Equity - Capital contribution reserve

	2022 £'000	2021 £'000
Capital contribution reserve	<u>55,665</u>	<u>55,665</u>

Capital Contribution Reserve is a non-returnable gift received in circumstances where no consideration is given by the company from the parent company, in the form of cash or any other type of asset/group of assets.

30. Equity - Fair value through OCI reserve

	2022 £'000	2021 £'000
Fair value through other comprehensive income reserve	<u>29,973</u>	<u>31,234</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.

Aon UK Holdings Limited
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30. Equity - Fair value through OCI reserve (continued)

Movements in reserves

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

	Fair value through OCI £'000	Total £'000
Balance at 1 January 2021	20,990	20,990
Fair value gain	10,244	10,244
Balance at 31 December 2021	31,234	31,234
Fair value loss	(1,261)	(1,261)
Balance at 31 December 2022	29,973	29,973

31. Equity - Retained earnings

	2022 £'000	2021 £'000
Retained earnings at the beginning of the financial year	279,298	34,217
Profit after income tax (charge)/credit for the year	354,123	396,081
Dividends paid (note 32)	(915,969)	(151,000)
Transfer from share premium	2,116,643	-
Retained earnings at the end of the financial year	1,834,095	279,298

32. Equity - Dividends paid

Dividends paid during the financial year were as follows:

	2022 £'000	2021 £'000
An interim dividend of £916.0m (£7.61 per share) was paid during the year ended 31 December 2022 (2021: £151.0m (£1.26 per share)), to Aon UK Holdings Intermediaries Limited, the Company's parent.	915,969	151,000

33. 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 2022 include cash pool deposits of £12.7m (2021: £262.1m) can become liable for an 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.

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34. Events after the reporting period

On 30 June 2023, the Company received an interim dividend of £154.9m from its subsidiary, Aon UK Limited.

On 20 July 2023, The Company paid an interim dividend of £156.0m to its parent, Aon UK Holding Intermediaries Limited.

No other matter or circumstance has arisen since 31 December 2022 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.

35. Controlling party

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

On 23 June 2022, Aon Delta UK Limited ceased to be the Company's immediate parent.

The ultimate parent undertaking and controlling party as at 31 December 2022 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
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The indirect subsidiary and associates undertakings of the Company as at 31 December 2022 are as follows:

Name of Company	Address of registered office	Holding	Proportion held %
Acumen Credit Insurance Brokers Limited (in liquidation)	Trueman House, Capitol Park Tingley, Leeds, West Yorkshire, LS27 0TS, United Kingdom	Ordinary	100
Aon Benfield Panama S.A.	Ave. Samuel Lewis y Calle, 54 Olbarrio Torre Generali, Piso #27, Bella Vista, Panama	Ordinary	100
Aon Brasil Corretora de Resseguros Ltda.	Rua Sao Bento, 18, sala 1302, Centro, CEP 20090-010, Rio de Janeiro/RJ, Brazil	Ordinary	100
Aon Broking Services S.A.	Swiss Bank Building, 16th Floor, 53rd Street, urbanizacion Obarrio- World Trade Center, Panama	Ordinary	100
Aon Consulting Kazakhstan LLP	25, Samal-3, Almaty, Kazakhstan	Ordinary	100
Aon Consulting Limited	Briarcliff House, Kingsmead, Farnborough, Hampshire, GU14 7TE, United Kingdom	Ordinary	100
Aon Group Japan Limited	Tokyu Capitol Tower 11F, 2-10-3, Nagatacho, Chiyoda-ku, Tokyo, Japan	Ordinary	100
Aon Group Venezuela, Corretaje de Reaseguros, C.A.	Avenida Principal del Bosque, Edificio Pichincha, Pent House, Chacaito, Caracas 1080, Venezuela	Ordinary	100
Aon Hewitt Saudi Arabia LLC	The BusinessGate, Building 16, Zone, P. O. Box 61192 Riyadh 11565, Kingdom of Saudi Arabia	Ordinary	100
Aon Insurance Managers (Barbados) Ltd.	"Sunrise House", Wildey Main Road, St. Michael, Barbados	Ordinary	100
Aon Insurance Managers (Liechtenstein) AG	Industriering 14, 9491 Ruggell, Liechtenstein	Ordinary	100
Aon Insurance Managers (Switzerland) AG	Bahnhofstrasse 28, CH 6300 Zug, Switzerland	Ordinary	100
Aon Investments Europe Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street London EC3V 4AN, United Kingdom	Ordinary	100
Aon Investments Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, United Kingdom	Ordinary	100
Aon Japan Ltd.	Tokyu Capitol Tower 11F, 2-10-3, Nagatacho, Chiyoda-ku, Tokyo, Japan	Ordinary	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, Mexico	Ordinary	20.96
Aon Peru Corredores de Reaseguros S.A.	Calle Andres Reyes Nro 437 Int. 701 (Edificio Platinum Plaza Torre ii) San Isidro., Peru	Ordinary	100
Aon Reinsurance Colombia Limitada Corredores de Reaseguros	Carrera 11 # 86-53, Bogotá, Colombia 110221	Ordinary	43.5
Aon Risk Services (NI) Limited	1st Floor, 65-67 Chichester Street, Belfast, BT1 4JD, United Kingdom	Ordinary + preference	100
Aon Solutions Cyprus Limited	13 Atho Street, 1087 Nicosia, Cyprus	Ordinary	35

Aon UK Holdings Limited
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31 December 2022

Name of Company	Address of registered office	Holding	Proportion held %
Aon Solutions Greece S.A.	2 Mesogion St, 115 27 Athens, Greece	Ordinary	35
Aon Solutions Ireland Limited	5th Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland	Ordinary	100
Aon Solutions Japan Ltd.	Tokyu Capitol Tower 11F, 2-10-3, Nagatacho, Chiyoda-ku, Tokyo, Japan	Ordinary	100
Aon Solutions Ltd	1st Floor The Pod, Vivéa Business Park, Moka, 81406, Mauritius	Ordinary	33.33
Aon Solutions Turkey Danismanlik A.S.	Feneryolu MAH. Bagdat CAD. Korur, Apt No. 155, 14 Kadikoy, Istanbul, Turkey	Ordinary	35
Aon UK Trustees Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN, United Kingdom	Ordinary	100
Bacon & Woodrow Partnerships (Ireland) Limited	5th Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland	Ordinary	100
Bacon & Woodrow Partnerships Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN, United Kingdom	Ordinary	100
Becketts (Trustees) Limited	Hibernian House, Building 5200, Cork Airport Business Park, Co Cork, Ireland	Ordinary	100
Contractsure Limited (in liquidation)	Trueman House, Capitol Park Tingley, Leeds, West Yorkshire, LS27 0TS, United Kingdom	Ordinary	100
Doveland Services Limited (in liquidation)	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street London EC3V 4AN, United Kingdom	Ordinary	100
Henderson Insurance Brokers Limited	Trueman House, Capitol Park Tingley, Leeds, West Yorkshire, LS27 0TS, United Kingdom	Ordinary	100
Henderson Risk Management Limited	Trueman House, Capitol Park Tingley, Leeds, West Yorkshire, LS27 0TS, United Kingdom	Ordinary	100
Insurance Broker Aon Kazakhstan LLP	25, Samal-3, Almaty, Kazakhstan	Ordinary	55
McLagan (Aon) Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, United Kingdom	Ordinary	100
Minet Inc.	1100 René-Lévesque Blvd. West, Suite 2400, Montréal, H3B 4N4, Canada	Ordinary + preference	100
PayPay Insurance Service Corporation	Midtown Tower 20F, 9-7-1, Akasaka, Minato-ku, Tokyo, Japan	Ordinary	40
Portus Consulting Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, United Kingdom	Ordinary	100
Portus Online LLP	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, United Kingdom	Membership interests	100
Ronnie Elementary Insurance Agency Ltd.	4 Berkovitch Street, Museum Building, 18th floor 64238 Tel Aviv	Ordinary	100
The Aon Ireland MasterTrustee DAC	5th Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland	Ordinary	100

Aon UK Holdings Limited
Appendix
31 December 2022

Name of Company	Address of registered office	Holding	Proportion held %
The Aon MasterTrustee Limited	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN, United Kingdom	Ordinary	100