

Aon Global Holdings 2 Limited

Company Number 11041195

Annual Report - 31 December 2021



Aon Global Holdings 2 Limited
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31 December 2021

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Aon Global Holdings 2 Limited
Corporate directory
31 December 2021

Directors	G Mugashu A M Vickers
Company secretary	CoSec 2000 Limited
Registered office	The Aon Centre The Leadenhall Building 122 Leadenhall Street London EC3V 4AN
Auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY United Kingdom

Aon Global Holdings 2 Limited
Strategic report
31 December 2021

The Directors present their Strategic report on Aon Global Holdings 2 Limited ("the Company") for the year ended 31 December 2021.

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

These financial statements are presented in US dollars ("USD") because that is the currency of the primary economic environment in which the Company operates.

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

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements under Section 401 of the Companies Act, because it is included in the Group financial statements of Aon plc ("the Group"). Aon plc accounts are prepared in accordance with accounting standards which are equivalent to IFRS, as determined pursuant to Commission Regulation (EC) No. 1569/2007(6) of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council. The Group financial statements are available to the public and can be obtained as set out in note 27.

Principal activities

The principal activity of the Company during the year was that of an intermediate holding company and also that of a financing company.

Review of operations

The Company made a profit after tax of \$19.6m (2020: \$40.3m). The Company's key financial and other performance indicators during the year were as follows:

	2021 \$'000	2020 \$'000	Change \$'000	Change %
Revenue	-	19,788	(19,788)	(100%)
Administrative expenses	180	889	(709)	(80%)
Interest receivable and similar income	19,509	19,036	473	2%

Revenue

During the year the Company received no dividends (2020: \$19.8m) from a subsidiary undertaking.

Administrative expenses

The administrative expenses credit decreased by \$0.7m.

Interest receivable and similar income

The interest receivable relates mainly to interest earned on the loan made to Aon Holdings (Isle of Man) Limited ("AHIML").

Other comprehensive income for the reporting period, net of tax:

	2021 \$'000	2020 \$'000	Change \$'000	Change %
(Loss)/gain on the revaluation of financial assets at fair value at through other comprehensive income ("FVOCI")	-	(2,315)	2,315	(100%)

The Company's other comprehensive loss for the period reflects a reversal of the prior year's revaluation on financial assets at FVOCI of \$2.3m. The remaining revaluation of \$0.6m was transferred from OCI and recognised through P&L on derecognition of the financial asset. Please refer to note 16.

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	2021 \$'000	2020 \$'000
Shareholder's funds	621,196	601,507
Net current assets	<u>383,097</u>	<u>3,822</u>

The Company shareholder's funds increased by \$19.7m mainly due to profit generated for the year.

The Company's net current assets increased by \$379.3m mainly due to a reclassification of an intercompany loan from long term to short term of \$383.8m and an increase in cash balances of \$3.0m offset by a decrease in Amounts owed to fellow Group undertakings of \$2.0m.

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 the Group operates generally that could adversely affect the Company's business, financial condition and results of operations and cause actual results to differ materially from those included in the forward-looking statements in this document and elsewhere.

Accounting estimates and assumptions

The Company is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of its financial statements. The Company periodically evaluates its estimates and assumptions including, but not limited to, those relating to recoverability of assets including intercompany receivables and income taxes. The Company bases its estimates on historical experience and various assumptions that it 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, or 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.

Economic and Political risks

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

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

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

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

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

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 the industry. Unforeseen circumstances may be experienced that adversely affect the value of other non-current assets. Future other non-current assets impairment charges could materially impact the financial statements.

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

COVID-19 Pandemic

The outbreak of the coronavirus, which causes COVID-19, was declared by the World Health Organization to be a pandemic in 2020 and has impacted almost all countries, in varying degrees, creating significant public health concerns, and significant volatility, uncertainty, and economic disruption in every region in which the Company operate. The COVID-19 pandemic has resulted, and may continue to result, in significant economic disruption and volatility, although in recent months progress has been made in the development and distribution of vaccines, contributing to overall improved economic conditions globally, despite recent developments as a result of the Delta and Omicron variants.

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

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

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Implementation of our corporate strategies

In connection with the implementation of its corporate strategies, the Company faces risks associated with the acquisition or disposition of businesses, the entry into new lines of business, the integration of acquired businesses, and the growth and development of these businesses.

In pursuing its 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 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 its 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 exits certain businesses, there can be no assurance that the Company will not incur certain disposition related charges, or that it will be able to reduce overheads related to the divested assets.

Termination of business combination agreement

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

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

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

Aon Global Holdings 2 Limited
Strategic report
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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. Operations and transactions are reviewed 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 exchange risk when it earns revenues, pays expenses, or enters into monetary intercompany transfers or other transactions denominated in a currency that differs from its functional currency. The Company had no material currency exposure as at 31 December 2021.

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The maximum exposure to credit risk at the reporting date is the carrying amount of recognised financial assets, 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 undertakings. Details of the Company's receivables are disclosed in note 13.

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

The Aon plc is a company incorporated and registered in the Republic of Ireland, listed on the New York Stock Exchange ("NYSE") which had net assets of circa US \$1.2 billion (2020: US \$3.6 billion) as disclosed in its audited financial statements for the year ended 31 December 2021 and had an S&P rating of A-/Stable. The Company benefits from being part of a large group of companies (the "Group") and from certain Group undertakings that provide services in a wide range of areas including Group credit facilities detailed in note 25 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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Strategic report
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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 seeks to align the Company's strategic direction with its overall purpose and our stakeholders' views are a key component of the Board's decision making. Stakeholder matters are regularly reported to the Board. Stakeholder engagement is key to way we run our business, and details on how we engage with our key stakeholders is provided in the Directors' Report.

Through Group specialist teams, the Company has an open and cooperative relationship with relevant government departments including HMRC and the Registrar of Companies.

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.

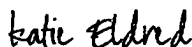
Aon Global Holdings 2 Limited is part of the Aon UK group of companies that meets the criteria of a "large company" under the scheme. For Aon UK group companies, the Directors' decision was to aggregate the reporting under SECR. The Directors have appointed Aon Global Limited as the responsible undertaking. Detailed energy and carbon disclosures can be found within the Directors' Report of Aon Global Limited (formerly Aon plc) as at 31 December 2021.

Likely future developments

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

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

On behalf of the Directors



K Eldred, for and on behalf of CoSec 2000 Limited
 Company Secretary

9 June 2022

Aon Global Holdings 2 Limited
Directors' report
31 December 2021

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

Results

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

Political donations

No political donations were made during the period.

Dividends

Dividends paid during the financial year were as follows:

	2021 \$'000	2020 \$'000
No dividends were paid during the year ended 31 December 2021 (2020: \$107.6m (\$4,530.23 per share)) to Aon Delta Spain S.L (formerly Aon Delta Bermuda Limited), the Company's immediate parent.	-	107,593

Likely future developments

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

Principal risks and uncertainties

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

Financial risk management

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

Streamlined Energy and Carbon Reporting (SECR)

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

Going concern

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

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 and in note 1.

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

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

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

Aon Global Holdings 2 Limited
Directors' report
31 December 2021

Events after the reporting period date
Russia-Ukraine Conflict

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

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Disclosure of information to the auditors

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

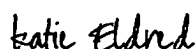
The Group has in place qualifying third party indemnity provisions for the benefit of the Company's Directors which were in place during the year and remain in force at the date of this report.

Directors

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

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

On behalf of the Directors



K Eldred, for and on behalf of CoSec 2000 Limited
Company Secretary

9 June 2022

Aon Global Holdings 2 Limited
Directors' responsibilities statement
31 December 2021

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with FRS 101 'Reduced Disclosure Framework'. 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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Aon Global Holdings 2 Limited
Independent auditor's report to the members of Aon Global Holdings 2 Limited
31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AON GLOBAL HOLDINGS 2 LIMITED

Opinion

We have audited the financial statements of Aon Global Holdings 2 Limited for the year ended 31 December 2021 which comprise of the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes¹ to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the 12 month-period to June 2022.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent auditor's report to the members of Aon Global Holdings 2 Limited
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Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework
- We understood how Aon Global Holdings 2 Limited is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the Company and UK regulatory bodies, reviewed minutes of the Board meetings and gained an understanding of the Company's approach to governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, including complex transactions and the impact

Aon Global Holdings 2 Limited

Independent auditor's report to the members of Aon Global Holdings 2 Limited

31 December 2021

these have on the control environment and their potential to influence management manage the financial position of the company or influence the perceptions of stakeholders.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved
 - Considering the effectiveness of management's controls designed to address the risk of fraud,
 - Assessing accounting estimates for evidence of management bias,
 - Evaluating the business rationale for significant and/or unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Jonathan Bell (Senior statutory auditor)

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

London

9 June 2022

Aon Global Holdings 2 Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Revenue	3	-	19,788
Expenses			
Administrative expenses	6	180	889
Operating profit		180	20,677
Interest receivable and similar income	8	19,509	19,036
Interest payable and similar charges	9	-	(18)
Net gain on financial disposal of investments	10	-	631
Profit before income tax charge		19,689	40,326
Income tax charge	11	-	-
Profit after income tax charge for the year	23	19,689	40,326
Other comprehensive losses			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
(Loss)/ gain on the revaluation of financial assets at FVOCI, net of tax		-	(2,315)
Other comprehensive losses for the year, net of tax		-	(2,315)
Total comprehensive income for the year		<u>19,689</u>	<u>38,011</u>

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

Aon Global Holdings 2 Limited
Statement of financial position
As at 31 December 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	12	12,603	9,556
Trade and other receivables	13	376,490	1,971
Total current assets		<u>389,093</u>	<u>11,527</u>
Non-current assets			
Other receivables	14	-	359,586
Investment in subsidiary	15	238,099	238,099
Total non-current assets		<u>238,099</u>	<u>597,685</u>
Total assets		<u>627,192</u>	<u>609,212</u>
Liabilities			
Current liabilities			
Trade and other payables	17	2,266	3,975
Income tax	18	3,730	3,730
Total current liabilities		<u>5,996</u>	<u>7,705</u>
Total liabilities		<u>5,996</u>	<u>7,705</u>
Net assets		<u>621,196</u>	<u>601,507</u>
Equity			
Share capital	19	-	-
Share premium account	20	125,883	125,883
Capital redemption reserve	21	6,000	6,000
Retained profits/(accumulated losses)	23	489,313	469,624
Total equity		<u>621,196</u>	<u>601,507</u>



G Mugashu
 Director

9 June 2022

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

Aon Global Holdings 2 Limited
Statement of changes in equity
For the year ended 31 December 2021

	Share capital \$'000	Share premium account \$'000	Fair value through other comprehensive income reserve \$'000	Capital redemption reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total equity \$'000
Balance at 1 January 2020	-	588,976	2,946	-	(30,648)	561,274
Profit after income tax charge for the year	-	-	-	-	40,326	40,326
Other comprehensive losses for the year, net of tax	-	-	(2,315)	-	-	(2,315)
Total comprehensive income for the year	-	-	(2,315)	-	40,326	38,011
<i>Transactions with owners in their capacity as owners:</i>						
4Transfer on reduction of share premium (note 20)	-	(588,976)	-	-	588,976	-
Transfer to capital redemption reserve (note 21)	-	-	-	6,000	(6,000)	-
Buyback of shares	-	(6,000)	-	-	(15,437)	(21,437)
Transfer of a gain on disposal of investment to P&L (note 10)	-	-	(631)	-	-	(631)
Shares issued (note 19)	-	131,883	-	-	-	131,883
Dividends paid (note 24)	-	-	-	-	(107,593)	(107,593)
Balance at 31 December 2020	-	125,883	-	6,000	469,624	601,507

	Share capital \$'000	Share premium account \$'000	Fair value through other comprehensive income reserve \$'000	Capital redemption reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total equity \$'000
Balance at 1 January 2021	-	125,883	-	6,000	469,624	601,507
Profit after income tax charge for the year	-	-	-	-	19,689	19,689
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	19,689	19,689
Balance at 31 December 2021	-	125,883	-	6,000	489,313	621,196

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

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 1. Significant accounting policies

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

Basis of preparation

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

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

Amounts in the financial statements have been rounded off to the nearest thousand Dollars, or in certain cases, the nearest Dollar.

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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

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

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

The principal activity of the Company is that of an intermediate holding company and of a financing 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 investment in a subsidiary Aon Global Holdings 1 Limited, which is Aon Group company that continues to trade effectively. The Aon Group is fully operational and has deployed business continuity protocols to facilitate remote working capabilities.

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.

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. Aon plc accounts are prepared in accordance with accounting standards which are equivalent to IFRS, as determined pursuant to Commission Regulation (EC) No. 1569/2007(6) of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council.

The Group financial statements are available to the public and can be obtained as set out in note 27.

Foreign currencies

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

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 1. Significant accounting policies (continued)

Transactions in currencies other than the Company's functional currency (foreign currencies) 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 and similar income is recognised as interest accrues using the effective interest method.

This is a method of calculating the amortised cost of a financial 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.

Taxation

Current tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

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 statement of other comprehensive income, for items that are charged or credited directly in Statement of other comprehensive income.

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

Current and non-current classification

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

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

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

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 1. Significant accounting policies (continued)

Offsetting of financial assets and liabilities

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

Cash and cash equivalents

Cash and cash equivalents include cash balances and all highly liquid investments with initial maturities of three months or less. Short-term investments consist of money market funds. The estimated fair value of cash and cash equivalents and short-term investments approximates their carrying values

Trade and other receivables

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

Investments in subsidiaries

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

Dividends received or receivable from subsidiaries and associates are recognised as income as and when they are received or receivable, and are recorded as a revenue within the Statement of profit or loss:

Investments in associates

Associates are entities over which the Company has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for at cost less, where appropriate, provisions for impairment.

Dividends received or receivable from associates are recognised as income as and when they are received or receivable, and are recorded in other gains and losses within the Statement of profit or loss.

Trade and other payables

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

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.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses on financial assets is based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible 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.

Note 3. Revenue

	2021 \$'000	2020 \$'000
Dividends received from subsidiary undertakings	-	19,788

Note 4. Average number of employees

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

Note 5. Directors' remuneration

	2021 \$'000	2020 \$'000
Directors' remuneration		
Aggregate remuneration in respect of qualifying services	326	285
Amounts received or receivable by Directors under long term incentive schemes (other than shares and share options) in respect of qualifying services	9	8
Aggregate of company contributions paid in respect of money purchase schemes	49	42
Total	384	335

The aggregate emoluments in respect of qualifying services paid to Directors or past Directors as compensation for loss of office during the year was \$Nil (2020: \$Nil).

	2021	2020
Number of Directors who		
Received shares in respect of qualifying services under a long term incentive scheme	2	-
Are accruing benefits under money purchase schemes	2	2

	2021 \$'000	2020 \$'000
Remuneration of the highest paid Director:		
Emoluments	163	143
Pension contributions	40	33
Total	203	176

The highest paid Director received 81 shares at an average price of \$300.22 under long-term incentive schemes in 2021.

The Directors have chosen to present the total emoluments received for services as Directors of the Company and services to other companies in the Group. Emoluments are paid by the Director's employing company within the Group. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as Directors or employees of other group companies, and where appropriate the disclosed amounts have been pro-rated depending on when one is appointed or resigned. Where appropriate remuneration costs are subsequently recharged under Group reallocations to the Company.

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 6. Administrative expenses

	2021 \$'000	2020 \$'000
Net foreign exchange (gains)/ losses	(3)	2
ECL charge/(credit) on LT receivables/loans	(177)	(891)
	<u>(180)</u>	<u>(889)</u>

Note 7. Auditor's remuneration

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

	2021 \$'000	2020 \$'000
<i>Audit services</i>		
Audit of the financial statements	16	16

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

Note 8. Interest receivable and similar income

	2021 \$'000	2020 \$'000
Bank interest receivable	70	344
Interest receivable from group undertakings	19,439	18,692
	<u>19,509</u>	<u>19,036</u>

Note 9. Interest payable and similar charges

	2021 \$'000	2020 \$'000
Bank interest payable	-	18

Note 10. Net gain on financial disposal of investments

	2021 \$'000	2020 \$'000
(Profit)/Loss on disposal of investments	-	631

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 11. Income tax charge

	2021 \$'000	2020 \$'000
<i>Numerical reconciliation of income tax charge and tax at the statutory rate</i>		
The tax charge in the statement of profit or loss for the year is lower (2020: lower) than that calculated at the standard rate of corporation tax in the UK of 19%. The differences are reconciled below:		
Profit before income tax charge	19,689	40,326
Tax at the statutory tax rate of 19%	3,741	7,662
Income not taxable	(34)	(4,049)
Group relief for \$nil consideration	(3,707)	(3,613)
Income tax charge	-	-

The headline rate of UK corporation tax is currently 19%, which is the applicable rate at the balance sheet date.

During the year, the Company received \$3,707k of group relief (2020:\$3,613k) for \$nil consideration.

Note 12. Current assets - Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash and cash equivalents	12,603	9,556

Note 13. Current assets - Trade and other receivables

	2021 \$'000	2020 \$'000
Prepayments and accrued income	7	8
Amounts owed by fellow Group undertakings	376,793	1,963
Less: Allowance for ECL on receivables/loans	(310)	-
	376,490	1,971

The amount owed by fellow Group undertaking is interest bearing and is due to be received within the next 12 months. This comprises the following loan note:

- \$383.8m issued by a fellow Group undertaking, Aon Holdings (Isle of Man) Limited with an interest rate of 1.22% (effective interest rate of 5.30%) and a maturity date of 30 July 2022. The Company recognised expected credit loss allowance of \$0.3m on the loan note as at 31 December 2021.

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 14. Non-current assets - Other receivables

	2021 \$'000	2020 \$'000
Amounts owed by fellow Group undertakings	-	360,074
Less: Allowance for ECL on receivables/loans	-	(488)
	-	359,586

The amount owed by fellow Group undertaking is interest bearing and is due to be received after the next 12 months. This comprises the following loan note:

- \$383.8m issued by a fellow Group undertaking, Aon Holdings (Isle of Man) Limited with an interest rate of 1.22% (effective interest rate of 5.30%) and a maturity date of 30 July 2022. The Company recognised expected credit loss allowance of \$0.5m on the loan note as at 31 December 2020.

For the year ended 31 December 2021 a \$383.8m loan has been classified as short term.

Note 15. Non-current assets - Investment in subsidiary

	2021 \$'000	2020 \$'000
Investment in subsidiaries	238,099	238,099
	2021 \$'000	2020 \$'000
Opening carrying amount	238,099	-
Transfer in from investment in associates	-	106,216
Additions	-	131,883
Closing carrying amount	238,099	238,099

The Company's subsidiary at 31 December 2021 is as follows:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Aon Global Holdings 1 Limited	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN	100.00%	100.00%

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Aon Insurance Managers (Barbados) Limited	"Sunrise House", Wilkey Main Road, St. Michael, Barbados	100.00%	100.00%
Aon Insurance Managers (Switzerland) AG	Baarerstrasse 14, CH 6300 Zug, Switzerland	100.00%	100.00%
Aon Insurance Managers (Liechtenstein) AG	Erlenweg 3, 9495 Triesen, Liechtenstein	100.00%	100.00%

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 16. Non-current assets - Financial assets at fair value through other comprehensive income

	2021 \$'000	2020 \$'000
<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	-	74,959
Disposals	-	(72,644)
(Reversal of)/accumulated revaluation	-	(2,315)
Closing fair value	-	-

Note 17. Current liabilities - Trade and other payables

	2021 \$'000	2020 \$'000
Amounts owed to fellow Group undertakings	2,266	3,975

The amount owed to fellow Group undertakings is not interest bearing and are due to be paid within the next 12 months.

Note 18. Current liabilities - Income tax

	2021 \$'000	2020 \$'000
Group relief payable	3,730	3,730

Note 19. Equity - Share capital

	2021 Shares	2020 Shares	2021 \$'000	2020 \$'000
Ordinary shares - fully paid	23,720	23,720	-	-

Note 20. Equity - Share premium account

	2021 \$'000	2020 \$'000
Share premium account	125,883	125,883

Note 21. Equity - Capital redemption reserve

	2021 \$'000	2020 \$'000
Capital redemption reserve	6,000	6,000

As a result of the re-purchase of the Company's own shares on 24 February 2020, the Company was required to set aside a capital redemption reserve of \$6,000,101 transferred from retained earnings in accordance with section 733 of the Companies Act.

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 22. Equity - Fair value reserve of financial assets at FVOCI

Fair value through other comprehensive income reserve

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

Movements in reserves

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

	Revaluation reserve \$'000	Total \$'000
Balance at 1 January 2020	2,946	2,946
Transfer to profit on disposal	(631)	(631)
Reversal of revaluation surplus on disposal of investment	(2,315)	(2,315)
	<hr/>	<hr/>
Balance at 31 December 2020	-	-
	<hr/>	<hr/>
Balance at 31 December 2021	-	-
	<hr/> <hr/>	<hr/> <hr/>

Note 23. Equity - Retained profits/(accumulated losses)

	2021 \$'000	2020 \$'000
Retained profits/(accumulated losses) at the beginning of the financial year	469,624	(30,648)
Profit after income tax charge for the year	19,689	40,326
Dividends paid (note 24)	-	(107,593)
Share premium reduction	-	588,976
Buyback of shares	-	(15,437)
Transfer to capital redemption reserve (note 21)	-	(6,000)
	<hr/>	<hr/>
Retained profits at the end of the financial year	489,313	469,624
	<hr/> <hr/>	<hr/> <hr/>

Note 24. Equity - Dividends

Dividends paid during the financial year were as follows:

	2021 \$'000	2020 \$'000
No dividends were paid during the year ended 31 December 2021 (2020: \$107.6m (\$4,530.23 per share)) to Aon Delta Spain S.L (formerly Aon Delta Bermuda Limited), the Company's immediate parent.	<hr/>	<hr/>
	-	107,593
	<hr/> <hr/>	<hr/> <hr/>

Note 25. Guarantees

The Group maintains multi-currency cash pools with third-party banks in which various Aon entities participate. As part of the Group's global banking arrangements, individual Aon entities are permitted to overdraw on their individual accounts provided the overall balance does not fall below zero. Under the terms of the cash pool arrangements, participants, such as the Company whose cash at bank balances at 31 December 2021 include cash pool balance of \$12.6m (2020: \$9.6m), can become liable for any insolvent borrower's debt (limited to the level of the depositor's own credit balances with individual third party banks) via the pledge and set-off clauses in the arrangements. In such circumstances, Aon plc is contractually bound to indemnify the depositor for the amount paid by them to third party banks under the pledge and set-off arrangement.

Aon Global Holdings 2 Limited
Notes to the financial statements
31 December 2021

Note 26. Events after the reporting period

Russia-Ukraine Conflict

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

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 27. Controlling party

At the end of the reporting period date the Company's immediate parent undertaking was Aon Delta Spain S.L (formerly: Aon Delta Bermuda Limited), a company registered in Spain.

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

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