# Alexander Clay

**Company Number SC146017**

# Annual Report - 31 December 2017

**Alexander Clay**
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| | |
|---|---|
| Directors | C Asher (appointed on 5 April 2017, resigned on 21 September 2018)<br>N J Hardman<br>P A Hogwood<br>C M Williams (resigned on 5 April 2017) |
| Company secretary | CoSec 2000 Limited |
| Registered office | 103 Waterloo Street<br>Glasgow<br>Scotland<br>G2 7BW |
| Auditor | Ernst & Young LLP<br>25 Churchill Place<br>London<br>United Kingdom<br>E14 5EY |

**Alexander Clay**
**Strategic report**
**31 December 2017**

The directors present their strategic report of Alexander Clay (the Company) for the year ended 31 December 2017.

The Company is a private unlimited liability company incorporated in the Scotland under the Companies Act and registered in Scotland. The address of the registered office is given on page 2.

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

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

## Principal activities

The principal activity of the Company was provision of consultancy services and trustee services. The activity was performed on behalf of the Company by Aon Consulting Limited ("ACL"), a fellow Aon group undertaking, under the terms of a management agreement that was put in place in 1997, this agreement has now been terminated.

## Review of operations

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

The loss for the Company after providing for income tax amounted to £24k (2016: loss of £76k). This (loss) was mainly driven from the below items.

| | 2017 £'000 | 2016 £'000 | Change £'000 | Change % |
|---|---|---|---|---|
| Revenue | - | 287 | (287) | (100%) |
| Operating profit | - | 287 | (287) | (100%) |
| Income Tax (charge)/credit | (25) | (362) | 337 | (93%) |

The Company had no employees (2016: nil).

The Company has been classed as dormant from 1 January 2017.

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| Shareholder's funds | 154 | 178 |
| Net current assets/ (liabilities) | 154 | 153 |

## 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 our business, financial condition or results of operations could be adversely affected if any of these risks were to actually occur.

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

### *External risks*

As from 1 January 2017 the Company ceased trading, therefore there are no perceived external risks.

## Financial risk management

***Objectives and policies***
The Company's activities up to the 31st December 2016 expose it to a variety of financial risks. The Company's overall risk management programme focused on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

***Exposure to liquidity and credit risk***
The Company faces risks in the recoverability of inter-company balances. These risks are managed both globally and locally by the Finance team. The Company carries out regular reviews of the recoverability of the inter-company balances. The directors are satisfied that obligations under the inter-company balances will be met in full.

**The Aon Group**
The Company is an indirect subsidiary of Aon plc, a company listed on the New York Stock Exchange which had net assets of circa. US $4.6 billion (2016: US $5.7 billion) as disclosed in its audited financial statements for the year ended 31 December 2017 and had an S&P rating of A-/Stable. The Company benefits from Aon plc and certain fellow Group undertakings for services provided in a wide range of areas including Group credit facilities detailed in note 18 of the financial statements, Group capital injections, and other head office services. The Company continues to benefit from the Group's support and the directors expect this support to continue for the foreseeable future. Availability of this support provides additional mitigation to many of the Company's principle risks.

**Significant Events**
The Management Agreement between the Company and ACL was terminated effective 31 December 2016. In addition post year end the Company's capital was reduced through the cancellation of the entire share premium reserve with the proceeds from such reduction being credited to distributable reserves, leaving a share capital balance of £171. The Company ceased trading from 1 January 2017 and is currently inactive.

For and on behalf of the Board of Directors

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

28th September 2018

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

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

**Political donations**
No political donations were made during the year.

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

**Likely future developments**
Information on likely future developments of the Company 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**

The company effectively ceased trading from 1 January 2017, therefore there has been no exposure to financial risk.

**Going concern**
The Company's business activities, together with the factors likely to affect its future development, its financial position, and its principal risk management objectives are described in the Strategic report.

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

The directors agreed to terminate the Management Agreement with ACL with effect from 31 December 2016. The company has not traded since this date.

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 31 August 2018, the Company reduced its capital through the cancellation of its entire share premium account with the proceeds from such reduction being credited to distributable reserves, leaving a share capital balance of £171. No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Disclosure of information to the auditor**

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

**Auditor**

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

**Indemnity of directors**

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

**Directors**

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

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

28th September 2018

**Alexander Clay**
**Directors' responsibilities statement**
**31 December 2017**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK GAAP (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

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

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

## Opinion

We have audited the financial statements of Alexander Clay for the year ended 31 December 2017 which comprise the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 20, 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 FRS 101 including "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its loss for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.
Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

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

**Alexander Clay**
**Independent auditor's report to the members of Alexander Clay**
**31 December 2017**

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's responsibilities for the audit of the financial statements***

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

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

**Use of our report**

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

Ernst & Young LLP

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

Date: 28|09|2018

**Alexander Clay**
**Statement of profit or loss and other comprehensive income**
**For the year ended 31 December 2017**

| | Note | 2017 £'000 | 2016 £'000 |
|---|---|---|---|
| **Revenue** | 3 | - | 287 |
| **Operating profit** | | - | 287 |
| Interest receivable and similar income | 7 | 1 | - |
| Interest payable and similar charges | 8 | - | (1) |
| **Profit before income tax charge** | | 1 | 286 |
| Income tax charge | 9 | (25) | (362) |
| **Loss after income tax charge for the year attributable to the owners of Alexander Clay** | 16 | (24) | (76) |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive income for the year attributable to the owners of Alexander Clay** | | (24) | (76) |

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

**Alexander Clay**
**Statement of financial position**
**As at 31 December 2017**

| | Note | 2017 £'000 | 2016 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Trade and other receivables | 10 | 154 | 71 |
| Cash and cash equivalents | 11 | - | 83 |
| Total current assets | | 154 | 154 |
| **Non-current assets** | | | |
| Deferred tax asset | 12 | - | 25 |
| Total non-current assets | | - | 25 |
| **Total assets** | | 154 | 179 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Income tax | 13 | - | 1 |
| Total current liabilities | | - | 1 |
| **Total liabilities** | | - | 1 |
| **Net assets** | | 154 | 178 |
| **Equity** | | | |
| Share premium account | 15 | 4,450 | 4,450 |
| Accumulated losses | 16 | (4,296) | (4,272) |
| **Total equity** | | 154 | 178 |

Paul Hogwood
Director (Company registration number SC146017)

28th September 2018

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

**Alexander Clay**
**Statement of changes in equity**
**For the year ended 31 December 2017**

| | Share premium £'000 | Accumulated losses £'000 | Total equity £'000 |
|---|---|---|---|
| Balance at 1 January 2016 | 4,450 | (4,196) | 254 |
| Loss after income tax charge for the year | - | (76) | (76) |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | (76) | (76) |
| Balance at 31 December 2016 | 4,450 | (4,272) | 178 |

| | Share premium £'000 | Accumulated losses £'000 | Total equity £'000 |
|---|---|---|---|
| Balance at 1 January 2017 | 4,450 | (4,272) | 178 |
| Loss after income tax charge for the year | - | (24) | (24) |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | (24) | (24) |
| Balance at 31 December 2017 | 4,450 | (4,296) | 154 |

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

## 1. Significant accounting policies

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

### Basis of preparation

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

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

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

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available under this standard where applicable to the Company. Where relevant, equivalent disclosures have been given in the Group financial statements. The Group financial statements are available to the public and can be obtained as set out in note 20.

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

### Going concern

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.

### Revenue
Fee income relates to a management commission sharing agreement with a Group undertaking and is accrued when earned in line with the commission sharing agreement.

### 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 currency).

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 re-translated 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

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

**Interest payable and similar charges**
Interest payable and similar charges are 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.

**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 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.

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.

**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 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 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.

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

## 1. Significant accounting policies (continued)

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

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

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

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

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

### Value-Added Tax ("VAT") and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

### Issued capital
Ordinary shares are classified as equity.

## 2. Critical accounting judgements, estimates and assumptions

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

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.

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

*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

An analysis of the Company's revenue is as follows:

| | 2017<br>£'000 | 2016<br>£'000 |
|---|---|---|
| Fees | - | 287 |

The table below analyses revenue by the location of the client from whom the business is derived. Revenue is derived from activities in the United Kingdom.

## 4. Average number of employees

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

## 5. Auditor's remuneration

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

| | 2017<br>£'000 | 2016<br>£'000 |
|---|---|---|
| *Audit services* | | |
| Audit of the financial statements | 6 | 7 |

Auditor's remuneration is borne by another Group undertaking.

## 6. Directors' remuneration

| | 2017<br>£'000 | 2016<br>£'000 |
|---|---|---|
| **Directors' remuneration** | | |
| Emoluments | | |
| Aggregate remuneration in respect of qualifying services | 637 | 483 |
| Amounts received or receivable by directors under long term incentive schemes (other than shares and share options) in respect of qualifying services | 587 | 308 |
| Aggregate of company contributions paid in respect of money purchase schemes | 24 | 47 |
| Total | 1,248 | 838 |

## 6. Directors' remuneration (continued)

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

| | 2017 | 2016 |
|---|---|---|
| **The number of directors who:** | | |
| Received shares in respect of qualifying services under a long term incentive scheme | 2 | 1 |
| Exercised options over shares in the parent company | 3 | 1 |
| Are accruing benefits under money purchase schemes | 4 | 2 |

| | 2017<br>£'000 | 2016<br>£'000 |
|---|---|---|
| **Remuneration of the highest paid director:** | | |
| Emoluments | 884 | 396 |
| Pension contributions | 12 | 8 |
| Total | 896 | 404 |

The highest paid director exercised share options of 5,984 shares at an average price of $118.25 in the year and received 1,948 shares at an average price of $112.31 under long-term incentive schemes in 2017.

The directors have chosen to present the total emoluments received for services as directors of the Company and services to other companies in the Group. Emoluments are paid by the director's employing company within the Group. The directors do not believe that it is practicable to apportion these amounts between their services as directors of the company and their services to other Group companies. Where appropriate remuneration costs are subsequently recharged under group reallocations to the Company. The comparative amounts have been presented on the same basis as the current year.

## 7. Interest receivable and similar income

| | 2017<br>£'000 | 2016<br>£'000 |
|---|---|---|
| Bank Interest receivable | 1 | - |

## 8. Interest payable and similar charges

| | 2017<br>£'000 | 2016<br>£'000 |
|---|---|---|
| Bank interest payable | - | 1 |

## 9. Income tax charge

The tax charge is made up as follows:

## 9. Income tax charge (continued)

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| *Income tax charge* | | |
| Deferred tax - origination and reversal of temporary differences | - | 57 |
| Deferred tax written off | 29 | 303 |
| Impact of change in tax rates | (4) | 2 |
| Aggregate income tax charge | 25 | 362 |

*Numerical reconciliation of income tax charge and tax at the statutory rate*
The tax charge in the statement of profit and loss is higher (2016: higher) than the standard rate of corporation tax rate used in the UK of 19.25% (2016: 20%). The differences are reconciled below:

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| Profit before income tax charge | 1 | 286 |
| Tax at the statutory tax rate of 19.25% (2016: 20%) | - | 57 |
| Deferred tax written off | 29 | 303 |
| Impact of change in tax rates | (4) | 2 |
| Income tax charge | 25 | 362 |

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

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| *Deferred tax in the income statement:* | | |
| Decelerated capital allowances | 29 | - |
| Trading losses | - | 362 |
| Total deferred tax movement | 29 | 362 |

## 10. Trade and other receivables

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| Amounts owed by group undertakings | 154 | 71 |

## 11. Cash and cash equivalents

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| Cash and cash equivalents | - | 83 |

## 12. Deferred tax asset

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| *Deferred tax asset comprises of:* | | |
| Amounts recognised in statement of profit and loss: | | |
| Decelerated capital allowances | - | 25 |
| Deferred tax asset | - | 25 |
| *Movements:* | | |
| Opening balance | 25 | 387 |
| Charged to profit or loss (note 9) | - | (57) |
| Deferred tax written off | (29) | (303) |
| Impact of change in tax rates | 4 | (2) |
| Closing balance | - | 25 |

The Company has £5,566,000 (2016: £3,854,000) of unrecognised tax trading losses carried forward at 31 December 2017.

From 1 April 2017 the UK Government introduced changes to the loss utilisation rules, with a restriction on annual offset of brought forward losses against profits arising on or after 1 April 2017 to 50%. Greater flexibility has also been introduced with losses arising on or after 1 April 2017 to be offset against profits from other group companies, and other income types.

Following the termination of the Management Agreement with ACL with effect from 31 December 2016, the directors consider it unlikely that sufficient taxable profits will arise in the foreseeable future against which those losses could be utilised.

## 13. Income tax

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| Group relief payable | - | 1 |

## 14. Share capital

| | 2017 Shares | 2016 Shares | 2017 £'000 | 2016 £'000 |
|---|---|---|---|---|
| Ordinary shares - fully paid | 171 | 171 | - | - |

The Company has allotted and issued its entire authorised share capital of £171 which comprises of 171 ordinary shares of £1 each.

### 15. Share premium account

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| Share premium account | 4,450 | 4,450 |

On 31 August 2018, the Company reduced its capital through the cancellation of its entire share premium account with the proceeds from such reduction being credited to distributable reserves, leaving a share capital balance of £171.

### 16. Accumulated losses

| | 2017 £'000 | 2016 £'000 |
|---|---|---|
| Accumulated losses at the beginning of the financial year | (4,272) | (4,196) |
| Loss after income tax charge for the year | (24) | (76) |
| Accumulated losses at the end of the financial year | (4,296) | (4,272) |

### 17. Dividends paid

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

### 18. Guarantees

The Company maintains multi-currency cash pools with third-party banks in which various Aon entities participate. As part of Aon plc's global banking arrangements, individual Aon entities are permitted to overdraw on their individual accounts provided the overall balance does not fall below zero. Under the terms of the cash pool arrangements, participants, such as the Company whose cash at bank balances at 31 December 2017 include cash pool deposits of £0k (2016: £83k), 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.

### 19. E&O considerations

Following the business transfer, all liabilities including exposure to those relating to errors & omissions past, present and future are assumed within Aon Hewitt Limited, a fellow subsidiary understanding.

### 20. Controlling party

At the end of the reporting period date the Company's immediate parent undertaking was Aon Group, Inc., a company incorporated in the United States.

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

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

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