

**COMPANY REGISTRATION NUMBER 08556939**

**AON US & INTERNATIONAL HOLDINGS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 7 MONTHS ENDED 31 DECEMBER 2013**

**AON US & INTERNATIONAL HOLDINGS LIMITED**

**FINANCIAL STATEMENTS**

**7 MONTHS ENDED 31 DECEMBER 2013**

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**AON US & INTERNATIONAL HOLDINGS LIMITED**

**COMPANY INFORMATION**

**7 MONTHS ENDED 31 DECEMBER 2013**

<b>Directors</b>	D Garcia P A Hogwood C M Williams
<b>Company secretary</b>	CoSec 2000 Limited
<b>Registered office</b>	8 Devonshire Square London EC2M 4PL
<b>Auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

# AON US & INTERNATIONAL HOLDINGS LIMITED

## STRATEGIC REPORT

7 MONTHS ENDED 31 DECEMBER 2013

### PRINCIPAL ACTIVITIES

Aon US & International Holdings Limited ("the Company") was incorporated on 5 June 2013. The principal activity of the Company is that of an intermediate holding company.

### PERFORMANCE IN THE PERIOD

The Company made a loss for the financial period of \$124,110,101.

On 6 September 2013, the Company acquired 60% of Aon Group, Inc. from its shareholder for a fair value consideration of \$16,451,400,000 by way of issuing promissory notes of \$7,000,000,000 as well as 10 shares of \$0.01 each for a total consideration of \$9,451,400,000. The promissory notes consist of one note due in 2021 for a principal amount of \$1,750,000,000 at an interest rate of 6.5% and one note due in 2023 with a principal amount of \$5,250,000,000 at an interest rate of 7.0%. These notes are listed on the Channel Islands Stock Exchange. As permitted under the terms of the Loan Notes, the Directors opted to defer interest payments due in January 2014.

On 13 December 2013, the Company reduced its share premium account by \$1,500,000,000.

### FUTURE DEVELOPMENTS

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

### PRINCIPAL RISKS AND UNCERTAINTIES

#### 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 promissory notes have been classified as long-term on the basis that they exclude the right for the lender, the Company's shareholder, to call on any part of the notes, whether principle or accrued interest thereon. As such, these notes do not affect the Company's ability to meet its short-term debts as they fall due.

#### Investments in subsidiary undertaking and intercompany balances

There is also a risk surrounding the recoverability of investments in subsidiary undertakings. This risk is managed both globally and locally by the Finance team. The Company carries out regular reviews of the recoverability of its investment balances. The directors are satisfied that the carrying values of investments are recoverable.

For and on behalf of the board



For and on behalf of  
CoSec 2000 Limited

Company Secretary

Date: 19 September 2014

Registered Number 08556939

# **AON US & INTERNATIONAL HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **7 MONTHS ENDED 31 DECEMBER 2013**

The directors present their annual report together with the financial statements for the period ended 31 December 2013.

#### **RESULTS AND DIVIDENDS**

The results for the period and the Company's financial position at the end of the period are shown in the attached financial statements. No dividend was paid or declared during the period.

#### **FUTURE DEVELOPMENTS**

Likely future developments in the business of the Company are discussed in the Strategic Report.

#### **DIRECTORS**

The current directors are shown on page 1. The changes to directors who served during the period and to date were:

D Garcia (appointed 10 June 2013)  
P A Hagy (appointed 5 June 2013, resigned 10 June 2013)  
P A Hogwood (appointed 5 June 2013)  
C M Williams (appointed 10 June 2013)

#### **DIRECTORS' INDEMNITIES**

The Company has qualifying third party indemnity provisions for the benefit of its directors which remained in force throughout the period and at the date of this report.

#### **FINANCIAL RISK MANAGEMENT**

Information regarding the Company's management of financial risk is discussed in the Strategic Report.

#### **GOING CONCERN**

The Company's business activities, together with the factors likely to affect its future development, its financial position and its financial risk management objectives have been described above.

After making further 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.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

# AON US & INTERNATIONAL HOLDINGS LIMITED

## DIRECTORS' REPORT *(continued)*

7 MONTHS ENDED 31 DECEMBER 2013

### STATEMENT OF DIRECTORS' RESPONSIBILITIES *(continued)*

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 United Kingdom Generally Accepted Accounting Practice (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 and 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors 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.

### DISCLOSURE OF INFORMATION TO THE AUDITOR

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

### AUDITOR

Ernst & Young LLP were appointed on 10 June 2013 and will be re-appointed as the Company's auditor in accordance with section 487 of the Companies Act 2006.

For and on behalf of the board



For and on behalf of  
CoSec 2000 Limited

Company Secretary

Date: 19<sup>th</sup> September 2014  
Registered Number 08556939

# **AON US & INTERNATIONAL HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AON US & INTERNATIONAL HOLDINGS LIMITED**

**7 MONTHS ENDED 31 DECEMBER 2013**

We have audited the financial statements of Aon US & International Holdings Limited for the 7 months ended 31 December 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss for the 7 months 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.

**AON US & INTERNATIONAL HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AON US & INTERNATIONAL HOLDINGS LIMITED *(continued)***

**7 MONTHS ENDED 31 DECEMBER 2013**

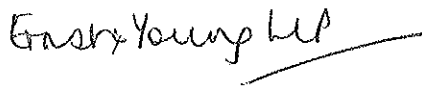
**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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.



Kevin Senior (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 23 September 2014



**AON US & INTERNATIONAL HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**7 MONTHS ENDED 31 DECEMBER 2013**

	Note	\$'m
<b>TURNOVER</b>		-
Administrative expenses		-
<b>OPERATING PROFIT</b>		-
Interest payable and similar charges	5	(154)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(154)
Tax credit on loss on ordinary activities	6	30
<b>LOSS FOR THE FINANCIAL PERIOD</b>		(124)

All of the activities of the Company are classed as continuing.

**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the loss for the 7 months ended 31 December 2013. Accordingly, a separate statement of total recognised gains and losses has not been presented.

**The notes on pages 9 to 14 form part of these financial statements.**


**AON US & INTERNATIONAL HOLDINGS LIMITED**

**BALANCE SHEET**

**31 DECEMBER 2013**

	Note	\$'m
<b>FIXED ASSETS</b>		
Investments	7	<u>16,451</u>
<b>CURRENT ASSETS</b>		
Debtors	8	30
<b>CREDITORS: Amounts falling due within one year</b>		<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>30</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		16,481
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>(7,154)</u>
<b>NET ASSETS</b>		<u><u>9,327</u></u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	11	-
Share premium account	12	7,951
Profit and loss account	12	<u>1,376</u>
<b>SHAREHOLDER'S FUNDS</b>	12	<u><u>9,327</u></u>

These financial statements of Aon US & International Holdings Limited were approved by the Board of Directors and authorised for issue on 19<sup>th</sup> September 2014. They were signed on its behalf by:

  
 P A Hogwood  
 Director  
 Date: 19th September 2014  
 Registered Number: 08556939

The notes on pages 9 to 14 form part of these financial statements.

# **AON US & INTERNATIONAL HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**7 MONTHS ENDED 31 DECEMBER 2013**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom generally accepted accounting standards. 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 on page 3.

The Company was incorporated on 5 June 2013 and has elected to report a shortened accounting period. The financial statements are presented in United States Dollars ('\$') which is the Company's functional and presentation currency.

The significant accounting policies adopted which have been consistently applied in the period are described below.

#### **Basis of consolidation**

The Company has taken advantage of the exemption from preparation of consolidated accounts under section 400 of the Companies Act 2006 as its results are included in the financial statements of Aon plc.

#### **Cash flow statement**

The Company has taken advantage of the exemption within Financial Reporting Standard No 1 (Revised) not to produce a cash flow statement as its results are included in the consolidated financial statements of Aon plc which are publicly available.

#### **Related party transactions**

The Company has taken advantage of the disclosure exemptions allowed by Financial Reporting Standard No 8, Related Party Disclosures from disclosing transactions with other wholly owned subsidiaries within the Aon plc group.

#### **Turnover**

Turnover represents dividends from investments in subsidiary undertakings, which are recognised in the period in which the dividends are declared.

#### **Foreign currencies**

Foreign currency transactions are recorded at the monthly average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the rates of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### **Interest payable**

Interest payable is recognised in the profit and loss account on an accruals basis.

**AON US & INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**7 MONTHS ENDED 31 DECEMBER 2013**

**1. ACCOUNTING POLICIES *(continued)***

**Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with FRS 19 deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax balances are not discounted.

**Fixed asset investments**

Investments held as fixed assets are stated at cost less provision for any impairment. The carrying value of fixed asset investments is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**2. AUDITORS' REMUNERATION**

Auditors' remuneration was borne by another group company in 2013. The analysis of auditors' remuneration is as follows:

	\$'m
Audit of the financial statements	<u>-</u>

The audit fee for the current period was \$37,745.

**3. PARTICULARS OF EMPLOYEES**

The Company had no employees during the period.

**4. DIRECTORS' REMUNERATION**

The directors of the Company are also directors of other group companies. The directors' remuneration for this period was paid by another group company. 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.

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	£'m
Interest payable to group undertakings	<u>154</u>

**AON US & INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**7 MONTHS ENDED 31 DECEMBER 2013**

**6. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of credit in the period**

	\$'m
Current tax:	
UK Corporation tax based on the results for the period	
Total current tax credit (note 6(b))	-
Deferred tax (note 6(c))	(30)
Total tax credit	<u>(30)</u>

**(b) Factors affecting current tax credit**

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 23%. The differences are reconciled below:

	\$'m
Loss on ordinary activities before taxation	<u>(154)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23%	(35)
Interest deferred	30
Expenses not deductible for tax purposes	1
Rate change for interest deferred	4
Total current tax credit (note 6(a))	<u>-</u>

**(c) Deferred taxation**

The movements in the deferred tax asset are as follows:

	\$'m
At 5 June 2013	-
Credit for the period	(30)
At 31 December 2013	<u>(30)</u>

The deferred tax asset balance as at 31 December represents:

	\$'m
Interest deferred	<u>30</u>

# AON US & INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

7 MONTHS ENDED 31 DECEMBER 2013

### 6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (d) Factors affecting current and future tax charges

A gradual reduction in the UK tax rate from 28% to 24% was announced in June 2010. The Finance Act 2011 included reductions in the corporation tax rate to 26% from 1 April 2011 and 25% from 1 April 2012 and received Royal Assent on 19 July 2011.

Further rate changes were announced in the 2012 Budget with the effect that the corporation tax rate would decrease to 24% from 1 April 2012 and then by 1% each year down to 22% in April 2014. The corporation tax rate decreases to 24% (applicable from 1 April 2012) and to 23% (applicable from 1 April 2013) were included in the Finance Act 2012 which received Royal Assent on 17 July 2012.

The proposed decrease in the corporation tax rate to 22% was not included in the Finance Act 2012. Further rate changes were announced in the 2013 Budget with the effect that the corporation tax rate would decrease to 21% from 1 April 2014 and to 20% from 1 April 2015. These corporation tax rate decreases were included in the Finance Act 2013 which received Royal Assent on 17 July 2013. These changes were therefore enacted at 31 December 2013 and have been reflected in the amounts recognised as at that date.

### 7. INVESTMENTS

	\$'m
<b>COST</b>	
At 5 June 2013	-
Additions	<u>16,451</u>
At 31 December 2013	<u><u>16,451</u></u>
 <b>PROVISIONS FOR IMPAIRMENT</b>	
At 5 June and 31 December 2013	<u>-</u>
 <b>NET BOOK VALUE</b>	
At 31 December 2013	<u><u>16,451</u></u>

On 6 September 2013, the Company acquired 60% of Aon Group, Inc. from its shareholder for a fair value consideration of \$16,451,400,000 by way of issuing promissory notes of \$7,000,000,000 and issuing 10 shares of \$0.01 each at a premium of \$9,451,400,000.

The principal direct subsidiary undertaking of the Company is listed below:

Name of company	Country of incorporation	Holdings	Proportion of voting rights and shares held	Nature of business
Aon Group, Inc.	United States of America	Ordinary shares	60%	Intermediate holding company

**AON US & INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**7 MONTHS ENDED 31 DECEMBER 2013**

**8. DEBTORS**

	<b>\$'m</b>
Deferred tax asset (note 6(c))	<u><b>30</b></u>

**9. CREDITORS: Amounts falling due after more than one year**

	<b>\$'m</b>
Loan notes owed to fellow group undertaking	<u><b>7,154</b></u>

The loan notes consist of one note due in 2021 for a principal amount of \$1,750,000,000 at an interest rate of 6.5% and one note due in 2023 with a principal amount of \$5,250,000,000 at an interest rate of 7.0%. These notes are listed on the Channel Islands Stock Exchange. As permitted under the terms of the Loan Notes, the Directors opted to defer interest payments due in January 2014.

**10. GUARANTEES**

The Company has signed an agreement to participate in a cash pooling agreement with Bank Mendes Gans (BMG) as part of Aon plc's global banking arrangements. Under the terms of the BMG bank cash pool arrangements, participants such as the Company can become liable to BMG for any insolvent borrower's debt (limited to the level of the depositor's own credit balances with BMG) via pledge and set-off clauses in the BMG agreement. The Company has negative cash pool deposits of \$7,703 at 31 December 2013. In such circumstances, Aon plc is contractually bound under the BMG agreement to indemnify the depositor for the amount paid by them to BMG under the pledge and set-off clauses.

**11. SHARE CAPITAL**

**Allotted and called up:**

	<b>\$'m</b>
11 Ordinary shares	<u><b>-</b></u>

On 5 June 2013, the Company allotted one subscriber share of \$1.

On 6 September 2013, the Company issued ten shares of \$0.01 each for a total consideration of \$9,451,400,000.

On 13 December 2013, the Company reduced its share premium account by \$1,500,000,000.

**AON US & INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**7 MONTHS ENDED 31 DECEMBER 2013**

**12. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES**

	<b>Share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total shareholder's funds</b>
	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
At 5 June 2013	-	-	-	-
Ordinary share issuance	-	9,451	-	9,451
Cancellation of share premium account	-	(1,500)	1,500	-
Loss for the financial period	-	-	(124)	(124)
At 31 December 2013	<u>-</u>	<u>7,951</u>	<u>1,376</u>	<u>9,327</u>

**13. PARENT UNDERTAKINGS AND CONTROLLING PARTY**

The immediate parent undertaking is Aon Bermuda Holding Company Limited, a company incorporated and registered in Bermuda.

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.

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, 8 Devonshire Square, London, EC2M 4PL.