McLagan (Aon) Limited

Company number 06731549

Annual Report - 31 December 2024

McLagan (Aon) Limited
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Directors	Y C Leonard A S Haslett Symonds H J Short (appointed 10 February 2025) N R Bickers (resigned 5 March 2024) M Burke (resigned 3 July 2024)
Company secretary	CoSec 2000 Limited
Registered office	The Aon Centre The Leadenhall Building 122 Leadenhall Street London EC3V 4AN
Principal place of business	The Aon Centre The Leadenhall Building 122 Leadenhall Street London EC3V 4AN
Auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY United Kingdom

McLagan (Aon) Limited
Strategic report
31 December 2024

The Directors present their Strategic report of McLagan (Aon) Limited ("the Company") for the year ended 31 December 2024.

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

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.

The Company is a wholly owned subsidiary within the group of companies for which Aon plc is the ultimate parent entity (the "Group"). The Group financial statements are available to the public and can be obtained as set out in note 23.

Principal activities

During the financial year the principal activities of the Company consisted of compensation, productivity and performance benchmarking consultancy services.

Review of operations

The Company made a profit after income tax for the financial year of £5,001k (2023: £3,301k). The Company's key financial and other performance indicators during the year were as follows:

	2024 £'000	2023 £'000	Change £'000	Change %
Revenue	28,640	29,117	(477)	(2%)
Staff costs	(17,869)	(20,113)	2,244	(11%)
Administration costs	(5,367)	(5,555)	188	(3%)

Revenue: The Company's turnover in the year decreased by £477k (2%) in comparison to 2023 due to lower consulting fees.

Staff costs: The Company's staff costs for the year decreased by £2,244k (11%) in comparison to 2023 due to lower headcount.

Administration costs: The Company's administrative expenses decreased by £188k (3%) primarily due to lower information technology and premise costs offset by increased group intercompany recharges.

	2024 £'000	2023 £'000
Shareholder's funds	18,960	20,959
Net current assets	16,721	18,681

The movement in total shareholder's funds was primarily driven by profit for the year of £5,001k less dividends paid of £7,000k. Net current assets have decreased by £1,960k primarily due to: an increase in trade and other payables by £2,351k, a decrease in trade and other receivables of £2,556k offset by an increase in cash balance by £2,501k.

The Directors are satisfied with the position of the Company at the year end.

Principal risks and uncertainties

The principal risks facing the business are set out below. These are material risks associated with the business and contain forward-looking statements. Readers should consider these risks 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 crystallise.

Legal risks
The Company's underlying business is subject to extensive legal oversight, including the UK Companies Act and mandatory government disclosures. New or evolving laws or regulations, including those relating to artificial intelligence, climate change and environmental matters, may also lead the Company's clients to include contractual requirements in their agreements with the Company and could also adversely affect the Company which may introduce additional organisation complexity. Non-compliance could lead to reputational damage. Failure to protect intellectual property rights, or allegations that the Company has infringed on the intellectual property rights of others, could harm the Company's reputation, ability to compete effectively, and financial condition.

Business risks
The Company's success and profitability with respect to client engagements is highly dependent upon its ability to provide good outcomes as well as controlling costs and improving efficiency. As the Company enters into new client engagements and acquires additional businesses, it may face challenges in managing its workforce, in controlling its costs, or improving its efficiency

The Company operates in a highly competitive UK and global market. Periodic competitive tenders for clients' contracts adds pressure on the Company to differentiate and deliver distinctive client value and to provide the strategic growth demanded by its shareholder, while acting in the best interest of the client. If the Group is unable to effectively develop and implement innovative strategies, efficiencies and new solutions for clients, the Group's reputation, ability to compete effectively and financial condition may be adversely affected.

Data quality, integrity and availability is increasingly important to the success of the Company's business strategies, operations, and the ability to leverage the Company data, both in products and as a strategic asset. If the Company is not successful in developing and maintaining expertise in process excellence, technology and data management, the business performance may be compromised.

The prices the Company is able to charge for its services are affected by a number of dimensions, including competitive factors, the extent of ongoing clients' perception of the Company's ability to add value through its services, and general economic conditions. If the Company cannot drive suitable cost efficiencies, profit margins will suffer. The profitability of the Company's operations may not meet its expectations due to unexpected costs, cost overruns, inflation, early contract terminations, unrealised assumptions used in the contract bidding process or the inability to maintain prices. Cost efficiencies may be impacted by factors such as the ability to secure new client engagements, inflationary pressures, and the need to devote time and resources towards training and professional development of the Company's employees as well as ongoing business development.

Operational risks (including supply chain disruption and change management)
The Company operates in a complex environment. It is essential to have effective processes and governance in place, as well as effective oversight of operations. The Group has established procedures and controls to mitigate known operational risks to which it believes it is exposed, including a formal operational resilience programme. These include the risk of financial crime, change management, IT systems reliability and security, the threat of cyber-attack, operational and conduct risk. In addition, the use of large-scale group services, such as Aon Business Services creates operational efficiencies and standardises the control environment across the Company and wider Aon Group. The Company may not recognise all the expected benefits from operational improvement initiatives.

The Company relies on, the Aon Group, third parties, and in some cases subcontractors, to provide services, data, and information such as technology, information security, funds transfers, data processing, administration and support functions that are critical to the operations of its business. These third parties are either engaged at the Group or Company level and may receive, or otherwise have access to confidential client, employee or company information. As the Company does not fully control the actions of third parties, it is subject to the risk that their decisions, actions, or inactions may adversely impact the Company and replacing these service providers could create a significant delay and expense.

A failure by third parties to comply with service level agreements or regulatory or legal requirements in a high quality and timely manner, could result in economic and reputational harm to the Company. In addition, these third parties face their own technology, operating, business, and economic risks, and any significant failures by them, including the improper use or disclosure of the Company's confidential client, employee, or Company information, could cause harm to the Company's reputation.

An interruption in or the cessation of service by any service provider as a result of systems failures, capacity constraints, financial difficulties, or for any other reason could disrupt the Company's operations, impact its ability to offer certain products and services, and result in contractual or regulatory penalties, liability claims from clients and/or employees, damage to reputation, and harm to its business.

The control environment seeks to minimise any potential financial and service impact to the Company and its clients through its use of material outsourcers. By utilising larger, established organisations with strong financial measures and control environments it minimises the financial impact on the Company of any incidents.

The strategic approach of using established material outsourcers ensures that any reputational impact is controlled as far as possible. Contractual arrangements ensure that the Company seeks confirmation on matters important to Aon, such as adherence to the Modern Slavery Act.

The Company does not have many material outsourcers, but prior to engaging with any, management are required to seek approval. In addition, governance arrangements are in place for material outsourced arrangements and also high risk supplier / enterprise critical supplier arrangements which include reviewing operational resilience and business continuity planning, any data privacy implications, legal terms and the appointment of supplier relationship owners to assist with the ongoing risk management and oversight process.

Economic and Political risks

The Company operates in an environment where there is an increased level of global macroeconomic uncertainty, including inflation and interest rate risk, cost and wage inflation and sustained commodity price volatility. Economic downturns, volatility, or uncertainty in the broader economy or in specific markets (including because of natural or human caused disasters, health pandemics, climate related events, political unrest, actions by central banks, or otherwise), may cause reductions in technology and discretionary spending by clients. This may then result in reductions in the growth of new business or reductions in existing business.

Further to this, the Group's operations in countries undergoing political change are subject to uncertainty and risks that could materially adversely affect its 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, impacts from geopolitical conflicts, and potential governmental actions affecting the flow of goods, services, and currency. Additionally, risks associated with the Group's global operations, include impacts from trade barriers, trade wars or tariffs, military conflicts or political instability, such as the ongoing Russian war in Ukraine and the Middle East conflict.

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

The Company and the Group is actively monitoring the above risks and have contingency measures in place to manage these risks which include working with the suppliers and clients to build relationships and obtain the best possible prices. The Group has robust credit review processes to mitigate the risk of non-payment.

Technology, Cybersecurity and Data Protection (including access management) risks

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

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

In addition to reliance on third parties as mentioned above the Group is an acquisitive organisation and therefore may fail to adequately identify weaknesses in information systems of acquisition targets. This could lead to unexpected liabilities and fines or make systems more vulnerable to attack. These types of incidents affecting the Company, or its third-party vendors could result in intellectual property or other confidential information being lost or stolen, including client or employee personal information or Company data.

A security breach or a significant or extended disruption in the functioning of information technology systems could result in reputational damage, cause the Company to lose its clients, adversely impact its operations, sales, and operating results, and require the Company to incur significant expenses and divert resources to address and remediate or otherwise resolve such issues. Improper disclosure of confidential, personal, or proprietary data could result in regulatory scrutiny, legal liability, or harm to the Group's reputation.

Measures which support the Company in managing its risks related to system and network security and disruptions have been implemented at the Group and UK level, including;

- Aon UK Cyber Resilience Strategy and Risk Governance and Monitoring regime, which includes an Information Protection Governance Committee ("IPGC") that meets monthly. The IPGC was established to ensure an appropriate information protection risk posture is adopted and that the associated control frameworks are operating effectively. It provides a formal escalation point to the Aon UK Executive Committee and respective UK Boards as necessary.
- Operation of the Aon Corporate Cyber Control framework currently aligned to the US National Institute of Standards and Technology's ("NIST") Cybersecurity Framework ("CSF") version 1.1, with the ongoing transition to version 2.0 which contains six domains – Govern, Identify, Protect, Detect, Response, Recovery and 23 sub-domains. NIST's CSF is a globally recognised and adopted framework for cyber security.
- A new three-year UK Cyber Resilience Strategy programme was started in 2024 and is due to be delivered through to 2027. The strategy is designed to manage Aon UK's exposure to Cyber Risks, by enhancing UK Cyber processes, governance and risk management as well supplementing the Corporate Cyber Strategy by accelerating the adoption of Corporate Cyber controls. The strategy will improve the cyber framework maturity through UK-centric strategic objectives to support the optimal enhancement of Aon UK's cyber resilience.

Artificial Intelligence (AI)
The Group and Company continue to explore the use of Artificial Intelligence ('AI') to help with business efficiencies, as well as to potentially offer new products and services. The use and deployment of AI comes with a set of inherent risks, some of which are general risks in using new technology, and others can be considered to be unique risks to AI.

The potential impacts of implementing AI without adequate oversight and controls could be quite wide-ranging, especially from a financial penalty perspective. While there is currently no specific regulator for AI in the UK, other regulators or jurisdictions may impose a fine in the event that the use of AI breaches pre-existing laws.

The Company is best served by responsible, ethical and well-considered adoption of AI in both the supply chain and in the goods and services it offers to clients and customers. A formalised global governance framework has been implemented in order to minimise risks; support development of detailed assurance plans that align to current known and future legislation; and ensure accountability for the use of AI within the management structures of the Company. The Group has added a new section on AI to its Code of Business Conduct, to which the Company subscribes establishing AI principles, and making clear to all employees, consultants and third parties on its commitment to responsible AI use and development.

People risk
The Company's success depends on its ability to attract, retain, and develop experienced and qualified personnel. The Company depends on its senior management team who have extensive knowledge and a deep understanding of its business and strategy, as well as the colleagues who are critical to developing and retaining client relationships. The unexpected loss of any of these senior leaders or experienced colleagues could have a disruptive effect, adversely impacting the Company's ability to manage the business effectively and execute the business strategy. If the Company cannot attract and retain its colleagues successfully, its business, operating results and financial condition could be adversely affected.

To mitigate these risks, the Company continues to invest in its workforce and has put in place key management succession and long-term compensation plans designed to retain key staff. The Company is also committed to equity and inclusion and the ongoing wellbeing of its colleagues and strives to maintain an equitable work environment that unlocks the full potential of all its colleagues as part of the Aon Colleague Experience.

Conduct risk
Conduct risk is the risk that the Company's decisions and behaviours lead to a detriment or poor outcome for customers. It also refers to the risk that the Company fails to maintain high standards of market behaviour and integrity. The Company depends on colleagues to work closely with clients and markets and to do so with integrity. The Aon UK Conduct Risk Framework outlines the approach to conduct risk and what this means for everyone at all levels of the UK business. The Company has a Speak Up policy (including Raising Concerns and Whistleblowing) which promotes an open and honest culture, encouraging and supporting colleagues to speak up about concerns they may have. Additional guidance is provided to People Leaders across the business in the form of Listen Up training on how to support colleagues through the Speak Up process.

The Company is committed to creating an open and transparent working environment, where good conduct, behaviour and performance is rewarded, and senior management responds decisively when the Company's expectations are not met. Oversight of Conduct Risk and the processes is delivered through the Aon UK Conduct Committee which provides a forum for the ongoing monitoring of conduct, both at an individual and at a corporate level. The composition of this committee ensures oversight and challenge on conduct matters with regular reporting and updates where matters are pertinent to the Company's business. This committee has continued to meet to review conduct related matters across the Aon UK business during 2024.

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

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

Financial risk management

Objectives and policies
The Company is exposed to financial risk through its financial assets, liabilities and future cashflows. These include the risk that proceeds from financial assets and future cashflows are not sufficient to fund the obligations arising from liabilities as they arise and fall due. The most important components of financial risk for the Company are currency risk, liquidity and cash flow risk and credit risk. Management review operations and transactions on an ongoing basis to ensure that any such exposure is managed to minimise any potential risk arising.

Exposure to foreign currency risk
The Company is exposed to foreign 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 most significant currencies to which the Company is exposed are the US Dollar and Euro. This risk is managed internally by Aon finance by actively monitoring the risk of foreign currency exposure.

Exposure to liquidity and cash flow risk
Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations when they fall due. The Company meets its day to day working capital requirements through operating cash flows, existing cash resources and ultimately if required by access to the Group's cash pooling arrangements. Liquidity is managed centrally by the Group's global treasury function to ensure there is sufficient available unutilised capacity on its committed borrowing facilities.

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, as disclosed in the Statement of financial position and notes to the financial statements.

The Company's principal financial assets are trade debtors and amounts owed by group undertakings. Details of the Company's debtors are disclosed in the "Trade and other receivables" note 13.

With the exception of the cash pooling arrangement as detailed in note 21, the Company has no significant concentration of credit risk outside of the Group, with exposure spread over a large number of counterparties and customers.

The Aon Group
Aon plc is a Company incorporated and registered in the Republic of Ireland, listed on the New York Stock Exchange which had net current assets of circa $0.4 billion (2023: $0.05 billion) and net total assets of circa $6.3 billion (2023: net total liabilities of $0.7 billion) as disclosed in its audited financial statements for the year ended 31 December 2024 and had an S&P rating of A-/Negative. The Company benefits from being part of a large group of companies and from certain Group undertakings that provide services in a wide range of areas including Group credit facilities detailed in note 21 of the financial statements, Group capital injections, and other head office services. The Company continues to benefit from the Group's support including global banking arrangements and the Directors expect this support to continue for the foreseeable future.

Section 172(1) statement
During the period 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 its members as a whole, having due regard of other stakeholders.

The Company is a wholly owned subsidiary within the Aon Group of Companies under the ultimate parent entity, Aon plc. It is 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:

- the information provided to board meetings is sufficiently detailed to enable Directors to take informed decisions and 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, processes and a code of conduct.

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

As a wholly owned subsidiary, the Company's key stakeholders are its parent entities and fellow Group undertakings. The Board decision making process is supported by both Group and UK governance forums. It is also supported by internal and external expertise, as required to ensure that the Board take informed decisions with the interests of the wider Group fully understood.

In reaching decisions the Directors have due regard to their directors' duties under the Companies Act 2006 including taking into account the interests of the ultimate shareholder, whilst taking due regard to the impact on other key stakeholders.

Streamlined Energy and Carbon Reporting (SECR)

The Aon UK group of companies complies with the Streamlined Energy and Carbon Reporting (SECR) legislation which requires that large (as defined in sections 465 and 466 of the Companies Act), 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.

The Company is part of the Aon UK group of companies that meets the criteria of a "large company" under the scheme. For the Aon UK group of companies, the reporting is aggregated for SECR. Detailed energy and carbon disclosures can be found within the Directors' Report of Aon Global Limited as at 31 December 2024 which will be published in 2025.

Likely future developments

The Company maintains a strong position in its sector, providing a broad range of compensation, productivity and performance benchmarking consultancy services.

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

For and on behalf of the Board of Directors

DocuSigned by:

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Y C Leonard
Director

13 August 2025

McLagan (Aon) Limited
Directors' report
31 December 2024

The Directors present their report, together with the financial statements and strategic report, on the Company for the year ended 31 December 2024.

Results

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

Political donations

No political donations were made during the year.

Dividends

Dividends paid during the financial year were as follows:

	2024 £'000	2023 £'000
An interim dividend of £7,000k (£4.92 per share) was paid during the year ended 31 December 2024 (2023: £Nil) to Aon UK Limited, the Company's parent.	7,000	-

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 are disclosed in the Strategic report.

Financial risk management

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

Stakeholder engagement

Information on how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 is disclosed in the Strategic report. The Directors consider the need to foster the company's business relationships with suppliers, customers and others in all principal decisions taken by the Company. Details on how the Board engages with key stakeholder groups is set out below.

Shareholder and the Group - As a wholly owned entity within the Group, Board members regularly engage with Group leaders to ensure that the wider aspirations for the business are fully understood and reflect in Group strategy delivery plans.

Colleagues - Colleagues are central to the success of Aon and remuneration structures are designed to reward good performance at the individual and business level and support the Group's values. Across the Group, Aon is united in its passion to create a culture of opportunity for colleagues, driven by collaboration and innovation. This includes providing long-term career prospects for staff with opportunities to up-skill through training, providing career progression paths and study support.

Suppliers - Establishing trusted relationships with suppliers is critical to Aon's ability to deliver on the needs of clients, colleagues, and communities. The Group seeks to work with suppliers who provide the best combination of capability, capacity, quality, and price to meet the needs of the business.

The rigour applied to supplier selection and the ongoing supplier management process ensures that all involved parties' interests are taken into account. The Company has a Supplier Risk & Governance Framework which sets out minimum expectations around the selection, on-boarding and management of suppliers and which seeks to ensure consistency in process and protection. The Company remains committed to maintaining a culture of integrity, transparency and accountability and sets out clear expectations that suppliers, agents and joint ventures in relation to their businesses and supply chains comply with applicable laws.

Environmental, Social and Governance Reporting (ESG): The Aon Impact website (https://www.aon.com/about-us/impact), serves as the centralised resource for current Aon ESG information. Annual Impact Reports and other disclosure documents are available on the Aon Impact website and regulatory filings, such as the 10K and Proxy statement, are available through the Aon Investor Relations website (ir.aon.com).

The Group's Aon United strategy drives better solutions and better outcomes for clients and Aon. Aon United is designed to identify and deliver the best solutions from across the Group to clients — and Aon's comprehensive strategic advice, industry knowledge and targeted solutions can help solve clients' biggest challenges — including those related to their ESG risks. Assessments and diagnostic tools allow the Group to quantify and prioritise the most relevant risks for each client.

Streamlined Energy and Carbon Reporting (SECR)
Information on how the Company complies with SECR is disclosed in the Strategic report.

Culture
The Group's culture is driven by its values – committed as one to its purpose, united through trust and integrity as one inclusive team, and passionate about making colleagues and clients successful. Colleagues are the cornerstone of the Group's success. Collaboration and innovation drive its culture, bringing the best of Aon to clients in a holistic and seamless manner. The "Aon United" strategy defines how colleagues work together to deliver value to clients so they are better informed, better advised and make better decisions. Aon United is brought to life through the Aon Story which articulates the Group's purpose and proposition, what Aon delivers for clients, colleagues and stakeholders, operating model and Aon's values. In 2023, the Group announced the 3x3 Plan to accelerate Aon United by delivering industry defining client content, unmatched capabilities, and exceptional service over three years.

Colleague Engagement and Retention
Ensuring colleagues feel relevant, connected and valued is at the heart of Aon's colleague experience; feedback helps reach that goal. The Group use a variety of channels to facilitate open, on-going, and direct communication with colleagues. These channels include open forums, town halls with executives, surveys, and engagement through Business Resource Groups ("BRG's"). BRG's are Aon's independent and voluntary networks that provide input, take action, and help identify opportunities for Aon to further its inclusion and wellbeing agenda.

Aon's global approach to colleague engagement surveys is a comprehensive annual colleague engagement survey and more frequent, shorter 'pulse' surveys on specific topics throughout the year. The annual survey enables the understanding of how colleagues engage with their teams, the Company and clients. As well as an overall engagement score, the 2024 survey asked questions around: manager support, inclusion, wellbeing, senior leader effectiveness delivering on the Aon Story, agility and talent. Feedback from the survey enables the Company to drive colleague engagement and retention. For discussion of the risks related to the attraction and retention of colleagues, refer to People risk section.

Action planning in the UK takes place via the Executive Committee where the Company has established specific work-streams.

Rewards and Recognitions
In addition to focusing on Aon's purpose and culture, the Company is proud to offer its colleagues a total rewards programme that combines competitive pay, incentive opportunities, and benefits. The Company's compensation programmes, including salary, recognition, cash, and equity incentives are connected to the formal performance management and talent management processes. These programmes serve to reward colleagues for their impact both in what they accomplish for clients, colleagues, and shareholders and how they achieve those results. The Group maintains a global commitment to colleagues' well-being and puts in place processes and tools to support colleagues in their physical, emotional, financial, and social wellbeing. The Company's comprehensive benefit programme is competitive in the external marketplace and is aligned with Aon's values and culture.

The Company's compensation philosophy aligns with the Group's Aon United strategy and delivering long-term shareholder value creation. The Company's executive incentives are based on driving results, delivery of strategic initiatives, and leadership.

Recognising and celebrating colleagues is one way it helps them feel more valued by the Company. The Living our Values Awards recognise outstanding colleagues who shape decisions for the better by living Aon United Values of being committed, united and passionate every day. Regional award recipients are granted awards on a quarterly basis and each year an Aon United selection committee selects the top 100 global award recipients to be honoured at a prestigious event.

Aon also celebrates a colleague's career journey at the Company, with milestone recognitions celebrated every five years to recognise the contribution individuals are making to the firm.

Inclusion

We recognise that inclusive teams produce better insights and, solutions, deliver differentiated and distinctive outcomes for clients and advance our long-term success.

The Company is committed to promoting an inclusive culture and building a sense of belonging where colleagues can bring their authentic selves to work, where opportunity and success are driven by their capability and behaviour, and where our operations reflect the clients, colleagues and communities we serve around the world

The Company's commitment to inclusion starts from the top with Aon Group's Board of Directors and the Inclusion and Wellbeing Sub-Committee. The Group's Global Inclusive Leadership Council is sponsored by the Group's Chief Executive Officer and Chief Administrative Officer and focuses on the key pillars of Recruitment, Education, Promotion and Representation. The BRG's support execution and provide additional opportunities for colleagues to lead the Company in having an inclusive environment.

As of 31 December 2024, Aon's global workforce was 54% women and 46% men, and the Aon Executive Committee which leads the firm was 53% women and 47% men. At the manager level, 28% of senior leaders and 44% of managers with one or more direct report are women. New colleague hires for the year were 53% women and 47% men.

Social impact

Aon is dedicated to creating a sustainable impact on its communities. Aon is committed to supporting and collaborating with highly skilled partners as well as prioritising charitable activities. The Aon Social Impact proposition consists of six key elements to encourage colleagues to make a difference. To improve colleague experience Aon provides opportunities for employees to connect to its purpose, whilst also reflecting their personal purpose through colleague led social impact initiatives such as donations and matched funding, volunteering and payroll giving initiatives.

The Group launched the Work Insights Programme in 2023, providing work experience opportunities for 1,400 students across the UK since its launch. This is an important part of Aon's commitment to broaden its talent pool and support the communities in which it works. The programme seeks to enhance social mobility and career opportunities for college students from lower socio-economic backgrounds. Each year, the programme will provide one-week work experience to students on a virtual and hybrid basis. The programme comprises interactive learning sessions, speakers, panels, group projects, skills sessions, and networking.

Aon is a UK apprenticeship levy payer with a mature utilisation strategy which reinvests in the professional development of up to 15% of the UK colleagues annually. In addition, the Company has extended the positive impact of funded apprenticeship programmes outside of the Group. In 2023, a commitment was made to gift £1.5m of levy funds to Small and Medium Sized Enterprises and charity partners who were not able to fund the development of their own employees within the next 3 years.

Colleague Development
Aon invests significant resources in personal and professional development programmes for colleagues, to help the Company to remain at the forefront of innovation in the industry. Colleagues are invited to complete a variety of curricula to meet their development needs and career goals. The Company provides its colleagues with what they need to learn, grow, and to be the best-in-class client leaders that clients need. From self-guided learning courses to advanced leadership programmes, the curriculum is aligned to the Aon United Strategy and Inclusive People Leader strategy. Aon's investment in technology and use of virtual based and in person learning and development programmes allows the Company to deliver targeted offerings designed to advance all colleagues' development. Over 1500 colleagues attended skills development programmes in 2024.

The purposeful definition of the Colleague Experience in the Aon Story has refocussed teams in supporting colleagues to achieve their full professional potential.

Going concern
The Directors have prepared a going concern assessment for the Company for the financial period to 31 August 2026 (reflecting a twelve month period from the date of the signing of the 2024 statutory accounts in August 2025).

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

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. 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 Board expects the Company will continue to generate positive cash flows for the foreseeable future as it remains a market leader in the compensation, productivity and performance benchmarking consultancy services. The Company also participates in the Group's centralised treasury arrangements and therefore its liquidity benefits from banking arrangements with its parent and fellow Group undertakings.

Taking account of the uncertainties arising as a result of the macroeconomic environment, the Directors of the Company are not aware of nor 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, the Board continues to adopt the going concern basis in preparing the annual report and financial statements.

Events after the reporting period date
No matter or circumstance has arisen since 31 December 2024 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, as authorised and approved by the Board of Directors and signed on behalf of the Board.

Business relationships
Information in respect of how the Company fosters its business relationships with its stakeholders, including clients and suppliers, is disclosed in the Stakeholder engagement section.

Substantial shareholding
Substantial shareholders in the company as at 31 December 2024 are set out below:

	Ordinary Number held	shares % of total share issued
Aon UK Limited	1,422,076	100%

Controlling shareholder
The company's controlling parties are disclosed in note 23.

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 in the Corporate directory.

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

For and on behalf of the Board of Directors
DocuSigned by:
F13F52B18035454...
Y C Leonard
Director

13 August 2025

McLagan (Aon) Limited
Directors' responsibilities statement
31 December 2024

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 of the Company for that period.

In preparing these financial statements, the Directors are required to:
- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures if compliance with the specific requirements in FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and Directors' report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAGAN (AON) LIMITED

Opinion

We have audited the financial statements of McLagan (Aon) Limited for the year ended 31 December 2024 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 23, 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 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of management's going concern assessment process and obtained management's assessment which covers 12 months to the end of August 2026;
- We challenged the key assumptions used by management in determining appropriateness of the going concern assessment; and
- We assessed the appropriateness of the going concern disclosures by comparing the consistency with management's assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months to end of August 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 15, 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 McLagan (Aon) Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. In assessing the effectiveness of the control environment, we also reviewed minutes of the Board meetings and gained an understanding of the company's approach to governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls and processes established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved; considering the extent of compliance with such laws and regulations during our audit procedures, making enquiries of those charged with governance and their senior management of their awareness of any non-compliance of laws and regulations and enquiring of policies put in place to prevent non-compliance with laws and regulations by officers and employees and for the monitoring of these policies.

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.

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Ernst & Young LLP
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Jonathan Bell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 18 August 2025

McLagan (Aon) Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue	3	28,640	29,117
Expenses			
Staff costs	4	(17,869)	(20,113)
Administrative expenses	6	(5,367)	(5,555)
		(23,236)	(25,668)
Operating profit		5,404	3,449
Interest receivable and similar income	9	850	328
Interest payable and similar charges		-	(17)
Restructuring charges	10	(1,215)	(420)
Profit before income tax charge		5,039	3,340
Income tax charge	11	(38)	(39)
Profit after income tax charge for the year	19	5,001	3,301
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		5,001	3,301

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

McLagan (Aon) Limited
Statement of financial position
As at 31 December 2024

	Note	2024 £'000	2023 £'000
Assets			
Current assets			
Cash and cash equivalents	12	11,812	9,311
Trade and other receivables	13	13,383	15,939
Total current assets		25,195	25,250
Non-current assets			
Intangibles	14	2,068	2,070
Deferred tax asset	15	171	208
Total non-current assets		2,239	2,278
Total assets		27,434	27,528
Liabilities			
Current liabilities			
Trade and other payables	16	8,468	6,117
Provisions	17	-	420
Deferred revenue		6	32
Total current liabilities		8,474	6,569
Total liabilities		8,474	6,569
Net assets		18,960	20,959
Equity			
Share capital	18	1,422	1,422
Retained profits	19	17,538	19,537
Total equity		18,960	20,959

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Y C Leonard
Director

13 August 2025

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

McLagan (Aon) Limited
Statement of changes in equity
For the year ended 31 December 2024

	Issued capital £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2023	1,422	16,236	17,658
Profit after income tax charge for the year	-	3,301	3,301
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,301	3,301
Balance at 31 December 2023	1,422	19,537	20,959

	Issued capital £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2024	1,422	19,537	20,959
Profit after income tax charge for the year	-	5,001	5,001
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	5,001	5,001
Transactions with shareholders in their capacity as owners:			
Dividends paid (note 20)	-	(7,000)	(7,000)
Balance at 31 December 2024	1,422	17,538	18,960

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

1. Material accounting policy information

The material 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.

The Company has used a true and fair view override in respect of the non-amortisation of goodwill (see note 14).

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, except for those mentioned below. 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 23.

The following exemption was not taken:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 118(e) of IAS 38 Intangible Assets;

The Company adopted the relevant presentation requirements of IAS 1 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.

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

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 and financial assets and liabilities at fair value through profit or loss.

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.

1. Material accounting policy information (continued)

The Directors have prepared a going concern assessment for the Company for the financial period to 31 August 2026 (reflecting a twelve month period from the date of the signing of the 2024 statutory accounts in August 2025).

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

The Company has considerable financial resources together with long-term relationships with a number of customers and suppliers across different geographic areas and industries. 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 Board expects the Company will continue to generate positive cash flows for the foreseeable future as it remains a market leader in the provision of broking services, advice and solutions to clients focused on risk capital and human capital. The Company also participates in the Group's centralised treasury arrangements and therefore its liquidity benefits from banking arrangements with its parent and fellow Group undertakings.

Taking account of the uncertainties arising as a result of the macroeconomic environment, the Directors of the Company are not aware of nor 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, the Board continues to adopt the going concern basis in preparing the annual report and financial statements.

Revenue recognition

Revenues primarily include fees related to the provision of consultancy services presented net of value added tax ("VAT").

The Company recognises revenue when control of the promised services are transferred to the customer in the amount that best reflects the consideration to which the Company expects to be entitled in exchange for those services. For arrangements where control is transferred over time, an input or output method is applied that represents a faithful depiction of the progress towards completion of the performance obligation. For arrangements that include variable consideration, the Company assesses whether any amounts should be constrained. For arrangements that include multiple performance obligations, the Company allocates consideration based on their relative fair values.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Foreign currencies

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

Transactions in currencies other than the Company's functional currency are recognised at the rates of exchange at the date of the transactions. At each reporting period date, monetary assets and liabilities that are denominated in non-functional currencies are retranslated at the rate ruling at the reporting period date. Non-monetary items remain at the rates of exchange at the date of the transaction.

Exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the Statement of profit or loss and other comprehensive income.

Interest receivable and similar income

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

1. Material accounting policy information (continued)

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, no deferred tax liability is 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 profit or loss and other comprehensive income, for items that are charged or credited directly in the Statement of profit or loss and 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..

Pillar Two global minimum tax

On 11 July 2023, the UK enacted Pillar Two rules in Finance (No.2) Act 2023. On 23 May 2023 and 27 June 2023, respectively, the IASB and AASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which a company is not required to recognise or disclose information about deferred tax assets and liabilities related to Pillar Two model rules. The Company applied the temporary exception at 31 December 2024.

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.

Offsetting of financial instruments

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. The estimated fair value of cash and cash equivalents approximates their carrying values.

1. Material accounting policy information (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

Work in progress represents revenue that has been earned but not yet billed to a client. Other receivables are recognised at amortised cost, less any provision for impairment.

Other financial assets and liabilities
Other financial assets and liabilities are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets and liabilities measured 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. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Other financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit or loss.

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

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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

Intangible assets
Intangible assets include data access rights and software assets. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period. Interim impairment testing may be performed when events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable.

1. Material accounting policy information (continued)

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

The Company has used a true and fair view override in respect of the non amortisation of goodwill as permitted by paragraph 10(2) of Schedule 1 of the Regulations to overcome the prohibition in paragraph 22 of Schedule 1 of the Regulations.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit (lesser of the life of an associated licence or four to seven years).

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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.

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.

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

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

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

1. Material accounting policy information (continued)

Dividends

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

2. Critical accounting judgements, estimates and assumptions

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

The judgements, estimates and assumptions that pose significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the foreseeable future are discussed below - refer to the respective notes for balance details.

Goodwill and other indefinite life intangible assets

The Company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated revenue multiples as described in the accounting policy in note 1.

3. Revenue

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

	2024 £'000	2023 £'000
Fees	28,640	29,117

The table below analyses revenue by the location of the client from whom the business is derived.

	2024 £'000	2023 £'000
United Kingdom	22,895	22,368
Europe	4,807	5,596
Rest of the World	938	1,153
	28,640	29,117

4. Staff costs

Salaries include base salary, overtime and performance related payments in respect of all staff including Directors.

	2024 £'000	2023 £'000
Salaries	11,391	13,216
Pension	888	976
Bonuses, incentives and benefits	3,470	3,349
Social Security Cost	2,120	2,572
	17,869	20,113

All contracts of employment and the remuneration of employees and Directors are paid by Aon UK Limited and Aon Solutions UK Limited, fellow group companies. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf. The appropriate disclosures regarding these costs are included in the financial statements of Aon UK Limited and Aon Solutions UK Limited.

Details of the pension scheme are to be found in the financial statements of Aon UK Limited.

5. Average number of employees

The average number of staff (including Directors) employed on behalf of the Company during the year was:

	2024	2023
Operations	107	127
Administration	29	23
Average number of employees	136	150

6. Administrative expenses

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

	2024 £'000	2023 £'000
Group intercompany recharges	3,160	1,416
Premises and equipment	945	1,333
Information technology	938	1,671
Other administrative expenses	362	463
Amortization of intangible assets	2	22
Insurance costs	96	96
Audit remuneration	35	35
Net foreign exchange (gains)/ losses	(171)	519
	5,367	5,555

7. Directors' remuneration

	2024 £'000	2023 £'000
Directors' remuneration		
Aggregate remuneration in respect of qualifying services	661	909
Amounts received or receivable by Directors under long term incentive schemes in respect of qualifying services	1,349	2,498
Aggregate of company contributions paid in respect of money purchase schemes	36	45
Total	2,046	3,452

The aggregate remuneration in respect of qualifying services paid to Directors or past Directors as compensation for loss of office during the year was £Nil (2023: £Nil).

	2024	2023
The number of Directors who:		
Received shares in respect of qualifying services under a long-term incentive scheme	3	3
Accrued benefits under money purchase schemes	4	4

	2024 £'000	2023 £'000
Remuneration of the highest paid Director:		
Emoluments	1,504	2,803
Pension contributions	10	19
Total	1,514	2,822

The highest paid Director received 242 shares at an average price of $359.16 under long-term incentive schemes in 2024.

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.

8. 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:

	2024 £'000	2023 £'000
Audit services		
Audit of the financial statements	35	35

Auditor's remuneration was borne by another group company.

9. Interest receivable and similar income

	2024 £'000	2023 £'000
Bank interest receivable	850	328

10. Restructuring charges

	2024 £'000	2023 £'000
Restructuring charges	1,215	420

11. Income tax charge

	2024 £'000	2023 £'000
Income tax charge		
Deferred tax - origination and reversal of temporary differences	38	43
Foreign tax	-	3
Impact of change in tax rates	-	(7)
Aggregate income tax charge	38	39

Numerical reconciliation of income tax charge and tax at the statutory rate

The tax charge in the statement of profit or loss for the year is lower (2023: lower) than that calculated at the blended rate of corporation tax in the UK of 25%. The differences are reconciled below:

	2024	2023
Profit before income tax charge	5,039	3,340
Tax at the statutory tax rate of 25% (2023: 23.52%)	1,260	786
Expenses not deductible for tax purposes	3	7
Transfer pricing adjustments	-	(28)
Foreign tax	-	2
Group relief for £nil consideration	(1,225)	(721)
Impact of change in tax rates	-	(7)
Income tax charge	38	39

11. Income tax charge (continued)

As of 1 April 2023, the headline rate of UK corporation tax increased from 19% to 25%. In the current year, the headline rate of UK corporation tax is 25%. Temporary differences at the balance sheet date have been measured using the enacted tax rates and reflected in these financial statements.

During the year, the Company received £1,225k of group relief (2023: £721k) for £nil consideration.

On 11 July 2023, the UK enacted Pillar Two rules in Finance (No.2) Act 2023. The legislation is effective for the Company's financial year beginning 1 January 2024. The ultimate parent undertaking and controlling party is in Ireland, a jurisdiction that has also enacted Pillar Two rules and therefore the scope of the rules applying to the Company is restricted to the UK Domestic Minimum Tax. The Group has performed an assessment of its exposure to UK Pillar Two income taxes and no current tax charge arises as a result of these provisions.

	2024 £'000	2023 £'000
Deferred tax in the statement of profit or loss:		
Decelerated capital allowances	38	43
Total deferred tax movement	38	43

12. Current assets - Cash and cash equivalents

	2024 £'000	2023 £'000
Cash and cash equivalents	11,812	9,311

13. Current assets - Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	4,321	4,577
Less: Allowance for expected credit losses on trade receivables	(13)	(10)
	4,308	4,567
Prepayments and accrued income	59	34
Work in progress	529	1,006
Amounts owed by fellow Group undertakings	8,487	10,332
	13,383	15,939

The amount owed by fellow group and parent undertakings are not interest bearing and are due to be received within the next 12 months.

Work in progress relates to revenue not yet billed to clients.

14. Non-current assets - Intangibles

	2024 £'000	2023 £'000
Goodwill - at cost	2,068	2,068
Software - at cost	3,177	3,283
Software accumulated amortisation	(3,177)	(3,281)
	-	2
	2,068	2,070

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill £'000	Software £'000	Total £'000
Balance as at 1 January 2023	2,068	24	2,092
Amortisation expense	-	(22)	(22)
Balance as at 31 December 2023	2,068	2	2,070
Amortisation expense	-	(2)	(2)
Balance at 31 December 2024	2,068	-	2,068

Goodwill is not amortised but is tested annually for impairment as required by IFRS 3. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The Directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. Had the Company amortised goodwill, a period of 10 years would have been chosen as the useful life from date of acquisition and consequently the profit before tax for the year would have been £0.2 million lower as a result.

The recoverable amount of a cash generated unit ("CGU") is determined based on value-in-use calculations as described in note 1.

Goodwill is attributable to the Talent operating segment.

15. Non-current assets - Deferred tax asset

	2024 £'000	2023 £'000
Deferred tax asset comprises temporary differences attributable to:		
Decelerated capital allowances	171	208
Deferred tax asset	171	208
Movements:		
Opening balance	208	244
Charged to profit or loss (note 11)	(38)	(43)
Impact of change in tax rates to the statement of profit or loss	-	7
Other	1	-
Closing balance	171	208

16. Current liabilities - Trade and other payables

	2024 £'000	2023 £'000
Accruals	3,330	2,662
Amounts owed to fellow Group undertakings	2,481	1,839
Amounts owed to parent undertaking	1,187	62
Other taxes and social security payables	1,470	1,554
	8,468	6,117

17. Current liabilities - Provisions

	2024 £'000	2023 £'000
Restructuring provision	-	420

Restructuring provisions
Costs incurred in 2024 of £1,215k (2023: £420k) related to the Accelerating Aon United Severance Programme ("AAU").

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2024	Restructuring provisions £'000
Carrying amount at the start of the year	420
Additional provisions recognised	1,215
Utilised in the year	(1,635)
Carrying amount at the end of the year	-

18. Equity - Share capital

	2024 Shares	2023 Shares	2024 £'000	2023 £'000
Ordinary shares of £1.00 each	1,422,076	1,422,076	1,422	1,422

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

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

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

19. Equity - Retained profits

	2024 £'000	2023 £'000
Retained profits at the beginning of the financial year	19,537	16,236
Profit after income tax charge for the year	5,001	3,301
Dividends paid (note 20)	(7,000)	-
Retained profits at the end of the financial year	17,538	19,537

20. Equity - Dividends paid

Dividends paid during the financial year were as follows:

	2024 £'000	2023 £'000
An interim dividend of £7,000k (£4.92 per share) was paid during the year ended 31 December 2024 (2023: £Nil) to Aon UK Limited, the Company's parent.	7,000	-

21. 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 2024 include cash pool deposits of £11,802k (2023: £9,301k), 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.

22. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 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.

23. Controlling party

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

The ultimate parent undertaking and controlling party as at 31 December 2024 was Aon plc, a company incorporated and registered in the Republic of Ireland. The ultimate parent is a leading global professional services firm providing a broad range of risk capital and human capital solutions.

Copies of the Group financial statements of Aon plc are available from the Company's registered office at: 15 George's Quay, Dublin 2, Ireland.