Aon Risk Services (N.I.) Limited
(formerly Aon McMillen Limited)

Registered No. R703

Report and Financial Statements

31 December 2008

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Registered No R703

Directors

R N White
D J Egan
D J Mills
R Endersen
M Kirkwood

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers

First Trust Bank
31/35 High Street
Belfast
BT1 2AL

Solicitors

Arthur Cox
Stokes House
17-25 College Square East
Belfast
BT1 6HD

Registered Office

Victoria House
15-17 Gloucester Street
Belfast
BT1 4LS

Directors' report

Principal activity and review of the business

The principal activity of the company during the year continued to be insurance broking

The company is regulated by the Financial Services Authority (FSA) for its insurance broking activities

Results

The profit for the year after tax amounted to £407,814 (2007 - £857,760)

Directors and their interests

None of the directors had any interest in the shares of the company

The directors of the company during the year were as listed on page 1, along with P G McMillen who resigned on 1 July 2009 and B M Curtis who resigned on 30 September 2009

Business Review

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

	2008	2007	%
	£000s	£000s	Change
Turnover	3,907	4,190	7%
Current assets as % of current liabilities	1 14	1 35	

Future Developments

The company, with its new leadership team, has agreed a three year plan based around strategies to achieve its purpose of protecting and helping to grow its clients' wealth The strategies are based around the following building blocks

- Structuring the organisation according to clients' needs This includes segmentation of the business around the client and the alignment of the Northern Ireland operations and the Aon Global Network

- Focus and discipline around the revenue generation process

- Improvement in operation effectiveness through the use of technology, outsourcing, and the alignment of shared services and business support functions with these strategies

- Ensuring that employees conduct their work in accordance with the behaviours needed to achieve effective job performance, including collaborative behaviours together with a professional, moral and ethical code of conduct

Company Risks

The company has a risk committee that meets quarterly which evaluates and manages business risk The principal risks and uncertainties facing the company are competitive and people risks

Competitive Risks

Periodic competitive tender of our clients' contracts combined with the current cyclical softening of market rates, puts intense pressure on the company to differentiate and deliver distinctive client value and to provide the strategic growth necessary to its shareholders Company strategic objectives and implementation aims to minimise price risk

People Risks

Attracting and retaining the best people in the market is key to providing clients with the best skills available Pressure on staff to leave for competitors can threaten the company's ability to retain key staff

Credit risk/Liquidity risk/Cash flow risk

The company has a good history of managing and controlling such business risks Internal control systems are in place which focus on minimising our exposure to these risks

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to made himself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

Ernst & Young LLP has expressed its willingness to continue in office as auditors and a resolution proposing its reappointment will be submitted at the annual general meeting

By order of the board

Ronald White

Director

7/4/2010

RN WHITE

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable 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) The financial statements are required by law to 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 year In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986 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

Independent auditors' report to the members of Aon Risk Services (N.I.) Limited

We have audited the company's financial statements for the year ended 31 December 2008, which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses and the related notes 1 to 19 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 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 auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986 We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Independent auditors' report to the members of Aon Risk Services (N.I.) Limited

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986,

the information given in the directors report is consistent with the financial statements

Ernst & Young

Registered Auditor

Belfast

12 Apr 2010

Profit and loss account

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	1	3,906,755	4,190,250
Cost of sales		(2,892,713)	(2,799,718)
Gross profit		1,014,042	1,390,532
Administrative expenses		(577,630)	(534,673)
Operating profit	2	436,412	855,859
Exceptional item	3	-	120,621
		436,412	976,480
Interest receivable		176,195	229,490
Other finance (costs)/income		(5,000)	37,000
Profit on ordinary activities before taxation		607,607	1,242,970
Tax on profit on ordinary activities	6	(199,793)	(385,210)
Profit on ordinary activities after taxation		407,814	857,760

Statement of total recognised gains and losses

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Profit for the year		407,814	857,760
Actuarial gains recognised in respect of pension scheme	16	220,000	2,000
Deferred tax charge arising on actuarial gains		(61,600)	(1,000)
Total recognised gains for the year	14	566,214	858,760

 REGISTERED NO. R 703

Balance sheet
At 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	7	504,712	35,343
Intangible asset	8	150,000	225,000
		654,712	260,343
Current assets			
Debtors	9	1,957,833	2,530,900
Cash at bank and in hand		1,651,211	2,292,126
		3,609,044	4,823,026
Creditors amounts falling due within one year	10	(3,159,844)	(3,560,671)
Net current assets		449,200	1,262,355
Total assets less current liabilities		1,103,912	1,522,698
Creditors amounts falling due after more than one year	11	(143,427)	(134,767)
Net assets excluding pension asset/(liability)		960,485	1,387,931
Pension asset/(liability)	16	164,160	(33,500)
Net assets including pension asset/(liability)		1,124,645	1,354,431
Capital and reserves			
Called up share capital	13	50,000	50,000
Profit and loss account	14	1,074,645	1,304,431
Shareholders' funds	14		
Equity		1,123,645	1,353,431
Non-equity		1,000	1,000
		1,124,645	1,354,431

Ronald White   [signature]

7/4/2010   Directors   7/4/2010

RN WHITE   M KIRKWOOD

Statement of cash flows

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Net cash inflow from operating activities	15(a)	1.124.604	547,027
Returns on investments and servicing of finance	15(b)	169,393	229,875
Taxation	15(b)	(315.366)	(331,879)
Capital expenditure and financial investment	15(b)	(509,673)	(106.994)
Acquisitions and disposals	15(b)	-	120.621
Equity dividends paid		(795.940)	(1,438.940)
Management of liquid resources	15(c)	730.028	1,566,336
Financing		(18,277)	(46,697)
Increase in cash	15(c)	384,769	539.349

Reconciliation of net cash flow to movement in net debt

	Notes	2008 £	2007 £
Increase in cash	15(c)	384.769	539.349
Cash outflow from liquid resources	15(c)	(730,028)	(1.566,336)
Movement in the period	15(c)	(345,259)	(1.026.987)
Net funds at 1 January	15(c)	1.678,258	2,705.245
Net funds at 31 December	15(c)	1.332.999	1.678.258

Notes to the financial statements

At 31 December 2008

1. Accounting policies

Basis of preparation

The financial statements of Aon Risk Services (NI) Limited were approved for issue by the Board of Directors on 7 April 2010

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Turnover

Turnover consists of commissions and fees receivable from insurance brokerage

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, or at valuation, less accumulated depreciation

Tangible fixed assets are depreciated at rates designed to write off the cost of these assets over their expected useful lives The annual rates in use are

Leasehold improvements	-	6 66% straight line
Office furniture and equipment	-	20 - 33% straight line
Motor vehicles	-	20% straight line

Depreciation rates are in line with group policy

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost

Intangible assets are amortised on a straight line basis over their useful lives which is 4 years The carrying view of intangibles assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable

Retained brokerage

The company takes credit for non-investment business brokerage income at the date when the insured is debited or at the inception date of the policy, whichever is the later Brokerage on return and additional premiums and adjustments is brought into account as and when these occur Credit on fee income deriving from claims handling is taken in accordance when the costs for providing this service are incurred For investment business brokerage income, credit is taken on a cash basis

Notes to the financial statements

At 31 December 2008

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date The timing differences arise from the different treatment for accounts and tax purposes of transactions and events recognised in the financial statements of the current year and previous years Deferred tax is not provided in respect of timing differences arising from the sale of fixed assets unless, by the balance sheet date, a binding commitment to sell the assets has been entered into and it is unlikely that any gain will be rolled over Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Pension costs

The company operates a funded pension scheme The cost of providing benefits is determined using the projected unit method, with actuarial valuations being carried out at each balance sheet date, with the surplus or deficit arising recognised in the balance sheet Changes in the actuarial valuation other than those arising from actuarial gains and losses are recognised in the profit and loss account Changes arising from actuarial gains and losses are recognised in the statement of recognised gains and losses

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised The capital element of the related rental obligations is included in creditors The interest element of the rental obligation is charged to the profit and loss account so as to produce a constant periodic rate of charge Rentals in respect of all other leases are charged to the profit and loss account as incurred

2. Operating profit

This is stated after charging	2008	2007
	£	£
Depreciation	40,304	34,573
Finance charges	2,561	3,817
Auditors remuneration		
- audit of the financial statements	17,750	17,500
- audit of the company pension scheme	2,500	2,450
- taxation services	5,405	6,400
- other services	6,503	5,200

3. Exceptional item

	2008	*2007*
	£	£
Proceeds of disposal	-	224,415
Related costs	-	(103,794)
	-	120,621

In the prior year the company took the decision to dispose of its personal insurance broking activities

Notes to the financial statements

At 31 December 2008

4 Staff costs

	2008 £	2007 £
Wages and salaries	2,064,550	2,085,996
Social security costs	238,038	250,707
Other pension costs	324,935	337,595
	2,627,523	2,674,298

The average weekly number of employees during the year was as follows

	2008 No	2007 No
	50	56

5. Directors' emoluments

	2008 £	2007 £
Directors' emoluments (excluding pension contributions)	409,107	340,130
Members of defined benefit schemes	4	4

The amounts in respect of the highest paid director are as follows

	2008 £	2007 £
Emoluments	131,041	121,846
Accrued pension	32,352	7,379

Notes to the financial statements

At 31 December 2008

6. Tax on profit on ordinary activities

(a) The taxation charge is made up as follows

	2008 £	2007 £
Current tax		
Corporation tax on profits for the period	124,257	352,478
Adjustments in respect of previous periods	1,876	(2,842)
	126,133	349,636
Deferred tax		
Current year deferred tax	72,425	33,174
Adjustments in respect of previous periods	1,235	2,400
	199,793	385,210

In addition to the tax charge in the profit and loss account detailed above £61,600 of deferred tax has been charged to the statement of total recognised gains and losses in respect of actuarial gains recognised on the company's pension scheme (2007 – charge of £1,000)

(b) Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 28% (2007 – 30%) The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	607,607	1,242,970
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 – 30%)	170,130	372,891
Effects of		
Disallowed expenses and non-taxable income	22,159	14,660
Non-qualifying depreciation / amortisation	10,886	-
Decelerated/(accelerated) capital allowances	(32,771)	(2,543)
Short term timing differences	(32,927)	(1,030)
Profits charged at a higher rate	2,180	-
Adjustments in respect of previous periods	1,876	(2,842)
FRS 17 Adjustment	(15,400)	(31,500)
Current tax charge for the period	126,133	349,636

Notes to the financial statements

At 31 December 2008

7. Tangible fixed assets

	Leasehold improvements	*Office furniture and equipment*	*Motor vehicles*	*Total*
	£	£	£	£
At 1 January 2008	15,351	234,130	108,005	357,486
Additions	313,392	196,281	-	509,673
Disposals	(15,351)	(217,885)	-	(233,236)
At 31 December 2008	313,392	212,526	108,005	633,923
Depreciation				
At 1 January 2008	15,351	223,541	83,251	322,143
Charge for the year	3,482	18,786	18,036	40,304
Disposals	(15,351)	(217,885)	-	(233,236)
At 31 December 2008	3,482	24,442	101,287	129,211
Net book value				
At 31 December 2008	309,910	188,084	6,718	504,712
At 1 January 2008	-	10,589	24,754	35,343

Included in the amounts for motor vehicles above are the following amounts relating to leased assets and assets acquired under hire purchase contracts

	£
Cost or valuation	
At 1 January 2008 and 31 December 2008	90,182
Depreciation	
At 1 January 2008	65,428
Charge for the year	18,036
At 31 December 2008	83,464
Net book value	
At 31 December 2008	6,718
At 1 January 2008	24,754

Notes to the financial statements

At 31 December 2008

8 Intangible fixed assets

The movement on intangible fixed asset investments during the year was as follows

	2008	2007
	£	£
At 1 January	225,000	-
Additions	-	300,000
Amortisation of intangible asset	(75,000)	(75.000)
At 31 December	150.000	225.000

The above intangible fixed asset relates to a payment acquiring renewal commissions from Hanley Morton Limited, a non-connected company incorporated in Northern Ireland This intangible asset is being amortised in a straight line over 4 years in line with the period of the contract for entitlement to the income

9. Debtors

	2008	2007
	£	£
Trade debtors	1,286,299	1.627,458
Amounts owed by other group undertakings	357,075	803.075
Prepayments	52.739	49,534
Corporation Tax Receivable	261.720	-
Deferred taxation	-	50.833
	1,957.833	2.530,900

The deferred tax balance at 31 December 2007 represented an amount that was not recoverable within 12 months of the balance sheet date

10. Creditors: amounts falling due within one year

	Note	2008	2007
		£	£
Trade creditors		1,787.820	2.040,664
Bank overdraft		318,212	613,869
Amounts owed to other group undertakings		253.182	17.488
Corporation tax		-	174.330
Other taxes and social security costs		164,997	135,519
Accruals and deferred income		565,346	508.637
Obligations under finance leases and hire purchase contracts		808	17,065
Provision for future payments in respect of intangible asset	12	69,479	53.099
		3.159.844	3.560.671

Notes to the financial statements

At 31 December 2008

11. Creditors: amounts falling due after more than one year

	Note	2008 £	2007 £
Obligations under finance leases and hire purchase contracts		-	2,020
Provision for future payments in respect of intangible asset	12	-	132,747
Provision for potential claims		136,000	-
Deferred taxation		7,427	-
		143,427	134,767

Analysis of the deferred tax balance

	Note	2008 £	2007 £
Opening balance		(50,833)	(54,907)
Profit and loss account – charge for the year	6	73,660	35,574
Less relating to the FRS 17 adjustments		(15,400)	(31,500)
Closing balance		7,427	(50,833)
Accelerated/(decelerated) capital allowances		13,027	(16,779)
Short term timing differences		(5,600)	(34,054)
Closing balance		7,427	(50,833)

12. Provision for future payments in respect of intangible asset

	Note	2008 £	2007 £
At 1 January		-	-
Provision for costs of acquiring intangible asset		185,846	300,000
Payments made		(116,367)	(114,154)
At 31 December		69,479	185,846
Amounts falling due within one year	10	69,479	53,099
Amounts falling due after more than one year	11	-	132,747
		69,479	185,846

Notes to the financial statements

At 31 December 2008

13. Share capital

		Authorised		*Allotted, called up and fully paid*
	2008	*2007*	*2008*	*2007*
	£	*£*	*£*	*£*
Ordinary shares of £1 each	49,000	49,000	49,000	49,000
6% Cumulative preference shares	1,000	1,000	1,000	1,000
	50,000	50,000	50,000	50,000

14. Reconciliation of shareholders' funds and movements on reserves

	Share capital	*Profit and loss account*	*Total*
	£	*£*	*£*
At 31 December 2006	50,000	1,884,671	1,934,671
Total recognised gains and losses in the year	-	858,760	858,760
Dividend paid	-	(1,439,000)	(1,439,000)
At 31 December 2007	50,000	1,304,431	1,354,431
Total recognised gains and losses in the year	-	566,214	566,214
Dividend paid	-	(796,000)	(796,000)
At 31 December 2008	50,000	1,074,645	1,124,645

Notes to the financial statements

At 31 December 2008

15. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	436,412	855.859
Depreciation of tangible fixed assets	40.304	34,573
Loss on sale of tangible fixed assets	-	3.361
Decrease/(increase) in operating debtors and prepayments	544.281	(26,765)
Increase/(decrease) in operating creditors and accruals	88.607	(327.001)
Amortisation of intangible asset	75,000	75.000
FRS 17 adjustments	(60.000)	(68,000)
Net cash inflow from operating activities	1,124.604	547,027

(b) Analysis of cash flows for headings netted in the statement of cash flows

	Note	2008	2007
		£	£
Returns on investments and servicing of finance			
Interest received		169.453	229.935
Preference dividend paid		(60)	(60)
		169,393	229.875
Taxation			
Corporation Tax Paid		315.366	331,879
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(509.673)	(7.640)
Receipts from sales of tangible fixed assets		-	14.800
Investment in intangible asset		-	(114.154)
		(509,673)	(106.994)
Acquisitions and disposals			
Net proceeds on sale of business	3	-	120.621

(c) Analysis of changes in net funds

	At 1 January 2008	Cash flow	At 31 December 2008
	£	£	£
Cash at bank and in hand	172.554	89.112	261.666
Bank overdrafts	(613.869)	295,657	(318,212)
	(441.315)	384,769	(56,546)
Short term deposits *	2,119.573	(730,028)	1,389.545
	1.678,258	(345.259)	1,332,999

* Short term deposits are included within cash at bank and in hand in the balance sheet

Notes to the financial statements

At 31 December 2008

16. Pension commitments

The company's pension scheme is a defined benefit scheme. which is funded by the payment of contributions to a separately administered fund Contributions to the scheme are determined with the advice of an independent qualified actuary on the basis of regular actuarial valuations using the projected unit method

The valuation used for FRS17 disclosures has been based on the most recent actuarial valuation at 1 January 2007 and updated by the scheme's actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 December 2008 Scheme assets are stated at their market value at 31 December 2008

Main assumptions

	2008	*2007*
Rate of salary increases	2 5%	3 0%
Rate of increase of pensions in payment	2 8%	2 8%
Discount rate	6 6%	5 8%
Inflation assumption	2 8%	2 8%

Assuming retirement at age 65. life expectancies in years are as follows		
For a male aged 65 now	21 7	20 2
At 65 for a male member aged 45 now	23 6	21 4
For a female aged 65 now	25 0	23 1
At 65 for a female member aged 45 now	27 0	24 2

The assets and liabilities of the scheme and the expected rate of return at 31 December 2008 are

		2008		*2007*
	Long-term rate of return expected %	*Value £'000*	*Long-term rate of return expected %*	*Value £'000*
Equities	9 10	1,582	7 10	467
Bonds	4 00	1,553	5 20	850
Other	2 00	960	5 50	2,947
Total market value of assets		4,095		4,264
Present value of scheme liabilities		(3,867)		(4,311)
Surplus/(deficit) in the scheme		228		(47)
Related deferred tax (liability)/asset		(64)		14
Net pension asset/(liability)		164		(33)

Notes to the financial statements

At 31 December 2008

16. Pension commitments (continued)

The amounts recognised in the Profit and Loss Account and in the Statement of Total Recognised Gains and Losses are analysed as follows

Recognised in the Profit and Loss Account

	2008 £'000	2007 £'000
Current service cost	(247)	(258)
Past service cost	-	-
Total operating charge	(247)	(258)
Expected return on pension scheme assets	245	234
Interest on pension scheme liabilities	(250)	(197)
Total other finance (costs)/income	(5)	37

Taken to the Statement of Total Recognised Gains and Losses

Actual return less expected return on pension scheme assets	(631)	(56)
Experience gains/(losses) on the liabilities	26	(22)
Change in assumptions	825	80
Actuarial gain recognised	220	2

Changes in the present value of the defined benefit obligations are analysed as follows

	2008	2007
At 1 January	4,311	3,948
Current service cost	247	258
Interest on obligation	250	197
Benefits paid	(90)	(34)
Actuarial losses	(851)	(58)
At 31 December	(3,867)	4,311

Changes in the fair value of scheme assets are analysed as follows

	2008 £'000	2007 £'000
At 1 January	4,264	3,794
Expected return on assets	245	234
Contributions	307	326
Benefits paid	(90)	(34)
Actuarial losses	(631)	(56)
At 31 December	4,095	4,264

Notes to the financial statements

At 31 December 2008

16. Pension commitments (continued)

As a result of the full actuarial valuation at 1 January 2007, the employer has agreed contributions to meet new benefits of 19 6% of pensionable pay, plus levies and the premiums for the insurance policies covering the death-in-service benefits Employee contributions are in addition The employer also pays a contribution of £5,250 each month in order to eliminate the deficiency in the UK scheme found at the 2007 actuarial valuation This contribution is expected to be paid until 2018, to recover the deficit by 25 March 2018

History of experience gains and losses

	2008	*2007*	*2006*	*2005*	*2004*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Difference between the actual and expected return on assets	(631)	(56)	19	225	87
As % of scheme assets	15%	1%	0%	7%	3%
Experience losses on liabilities	26	(22)	71	(2)	(50)
As % of scheme liabilities	1%	1%	2%	0%	1%
Total amount recognised in Statement of Total Recognised Gains and Losses	220	2	205	433	(512)
As % of scheme liabilities	6%	0%	5%	11%	15%

17. Other financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below

		Land and buildings
	2008	*2007*
	£	*£*
Operating leases which expire		
Within one year	83,000	56,000
Within two to five years	332,000	-
Outside 5 years	-	-

18 Ultimate parent undertaking

The company's immediate parent is Pinerich Limited, a company incorporated in Northern Ireland The company's ultimate parent undertaking is Aon Corporation incorporated in the United States of America

19. Related party transactions

The company has transacted arms length personal insurance business with four of its directors during the year ended 31 December 2008 to the value of £nil (2007 - £1,251)