

Aon plc
Form 10-Q
April 25, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED March 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-7933

Aon plc
(Exact Name of Registrant as Specified in Its Charter)

ENGLAND AND WALES
(State or Other Jurisdiction of
Incorporation or Organization)

98-1030901
(I.R.S. Employer
Identification No.)

8 DEVONSHIRE SQUARE, LONDON, ENGLAND
(Address of Principal Executive Offices)
+44 20 7623 5500
(Registrant's Telephone Number,
Including Area Code)

EC2M 4PL
(Zip Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Number of Class A Ordinary Shares of Aon plc, \$0.01 nominal value, outstanding as of March 31, 2014: 296,483,350

PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Aon plc
Condensed Consolidated Statements of Income
(Unaudited)

(millions, except per share data)	Three Months Ended	
	March 31, 2014	March 31, 2013
Revenue		
Commissions, fees and other	\$2,941	\$2,908
Fiduciary investment income	6	7
Total revenue	2,947	2,915
Expenses		
Compensation and benefits	1,751	1,725
Other general expenses	727	780
Total operating expenses	2,478	2,505
Operating income	469	410
Interest income	2	1
Interest expense	(58) (52
Other income	1	9
Income before income taxes	414	368
Income taxes	78	96
Net income	336	272
Less: Net income attributable to noncontrolling interests	11	11
Net income attributable to Aon shareholders	\$325	\$261
Basic net income per share attributable to Aon shareholders	\$1.07	\$0.82
Diluted net income per share attributable to Aon shareholders	\$1.06	\$0.82
Cash dividends per share paid on ordinary shares	\$0.18	\$0.16
Weighted average ordinary shares outstanding - basic	303.5	316.4
Weighted average ordinary shares outstanding - diluted	307.2	320.0

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Aon plc
 Condensed Consolidated Statements of Comprehensive Income
 (Unaudited)

(millions)	Three Months Ended	
	March 31, 2014	March 31, 2013
Net income	\$336	\$272
Less: Net income attributable to noncontrolling interests	11	11
Net income attributable to Aon shareholders	325	261
Other comprehensive income (loss), net of tax:		
Change in fair value of investments	1	—
Change in fair value of derivatives	9	(14)
Foreign currency translation adjustments	16	(174)
Post-retirement benefit obligation	26	23
Total other comprehensive income (loss)	52	(165)
Less: Other comprehensive income attributable to noncontrolling interests	(2)	—
Total other comprehensive income (loss) attributable to Aon shareholders	54	(165)
Comprehensive income attributable to Aon shareholders	\$379	\$96

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Financial Position

(millions, except nominal value)	Mar 31, 2014 (Unaudited)	Dec 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$338	\$477
Short-term investments	340	523
Receivables, net	2,880	2,896
Fiduciary assets	12,038	11,871
Other current assets	577	563
Total Current Assets	16,173	16,330
Goodwill	9,030	8,997
Intangible assets, net	2,500	2,578
Fixed assets, net	785	791
Investments	143	132
Other non-current assets	1,446	1,423
TOTAL ASSETS	\$30,077	\$30,251
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Fiduciary liabilities	\$12,038	\$11,871
Short-term debt and current portion of long-term debt	1,077	703
Accounts payable and accrued liabilities	1,499	1,931
Other current liabilities	967	906
Total Current Liabilities	15,581	15,411
Long-term debt	3,669	3,686
Pension, other post-retirement and other post-employment liabilities	1,573	