

WILLIS UK INVESTMENTS

(Registered Number 5146638)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Directors

Willis Corporate Director Services Limited
Willis Corporate Secretarial Services Limited
SK Bryant (appointed 22 September 2008)

Secretary

SK Bryant

Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte LLP
London

TUESDAY



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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2008.

Principal activities and review of developments

The Company's sole source of income is interest on a loan provided to a fellow subsidiary undertaking. Further details of the terms of this loan are shown in note 6 to the financial statements. The Company is a subsidiary of Willis Group Holdings Limited ('the Group'), which is one of the world's leading professional service providers of risk management solutions, risk transfer expertise through insurance and reinsurance broking, and related specialised consultancy services.

There have been no significant changes in the Company's principal activities in 2008. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Results

The profit on ordinary activities after taxation amounted to \$22 million (2007: \$15 million) as shown in the profit and loss account on page 6. The increase is a result of higher levels of interest received from Group undertakings and favourable foreign exchange movements.

No interim dividend was paid in the year (2007: \$nil). The Directors do not recommend the payment of a final dividend (2007: \$nil).

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end. Net assets have increased as a result of increased amounts owed by Group undertakings partially offset by amounts owed to Group undertakings.

The Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, which includes the Company, is discussed in the Group's financial statements which do not form part of this report.

Principal risks and uncertainties

The Company has intercompany balances with fellow Group undertakings in currencies other than US dollars, its functional currency, and is therefore exposed to movements in exchange rates. The Group's treasury function takes out contracts to manage this risk at a Group level.

Group risks, including those relating to this Company, are discussed in the Group's financial statements which do not form part of this report.

Environment

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies in the United Kingdom to reduce any damage that might be caused by the Group's activities.

Employees

The Company employed no staff during the year (2007: none).

Directors

The current Directors of the Company are shown on page 1, which forms part of this report. SK Bryant was appointed with effect from 22 September 2008. There were no other changes in Directors during the year or after the year end.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)**Statement of Directors' responsibilities in relation to the financial statements**

The Directors are responsible for preparing their annual report and the financial statements in accordance with applicable law and regulations for each financial year. 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 its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed; 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 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 Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each current Director of the Company confirms that:

- so far as he is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

Auditors

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term.

By order of the Board



S K Bryant
Secretary
17th July 2009

51 Lime Street
London EC3M 7DQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIS UK INVESTMENTS

We have audited the financial statements of Willis UK Investments for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Movement in Shareholders' Funds and the related notes 1 to 10. 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 section 235 of the Companies Act 1985. 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 law and United Kingdom 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 Act 1985. 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 therein.

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 judgments 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 WILLIS UK INVESTMENTS
(continued)

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 Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London
United Kingdom
23 July 2009

WILLIS UK INVESTMENTS

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$m	2007 \$m
Operating income – foreign exchange		1	-
Operating profit	2	1	-
Interest received from Group undertakings		26	22
Profit on ordinary activities before taxation		27	22
Tax charge on profit on ordinary activities	5	(5)	(7)
Profit on ordinary activities after taxation		22	15

All activities derive from continuing operations.

RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2008

There are no recognised gains or losses in either 2008 or 2007 other than the profit for those years.

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BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 \$m	2007 \$m
Current assets			
Debtors:			
Amounts falling due within one year	6	80	53
Amounts falling due after one year	6	421	421
		<u>501</u>	<u>474</u>
Current liabilities			
Creditors: amounts falling due within one year	7	<u>(15)</u>	<u>(10)</u>
Net assets		<u>486</u>	<u>464</u>
Capital and reserves			
Called up share capital	8	401	401
Share premium	9	40	40
Profit and loss account	9	45	23
Shareholders' funds		<u>486</u>	<u>464</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17th July 2009 and signed on its behalf by:



SK Bryant
Director

WILLIS UK INVESTMENTS**8****MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDING 31 DECEMBER 2008**

Movement in shareholders' funds	2008 \$m	2007 \$m
Profit on ordinary activities after taxation	22	15
Net movement in shareholders' funds for the year	22	15
Shareholders' funds at beginning of year	464	449
Shareholders' funds at end of year	486	464

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**1. Accounting policies****Basis of preparation**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The financial statements have been prepared:

- under the historical cost convention; and
- in accordance with applicable law and accounting standards in the United Kingdom.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts. The principal risks and uncertainties are discussed in the Directors' Report.

Parent undertaking and controlling party

The Company's:

- immediate parent company and controlling undertaking is Willis Group Limited; and
- ultimate parent and controlling company is Willis Group Holdings Limited, a company incorporated in Bermuda.

In accordance with Section 228A of the Companies Act 1985 (as amended), the Company is exempt from the requirement to produce group financial statements.

The largest and smallest group in which the results of the Company are consolidated is Willis Group Holdings Limited, whose financial statements are available to members of the public from the Company Secretary, 51 Lime Street, London EC3M 7DQ.

Income recognition

Interest receivable is accounted for on an accruals basis.

Foreign currency translation

These financial statements are presented in US dollars which is the currency of the primary economic environment in which the Company operates ('the functional currency').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Taxation

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

1. Accounting policies (continued)

Cash flow statement

Under FRS1 'Cash flow statements' the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a consolidated cash flow statement is prepared at Group level.

2. Operating profit

Auditors' remuneration of £2,600 (\$4,815) (2007: £2,600 (\$5,148)) was borne by another Group company.

3. Employee costs

The Company employed no staff during the year (2007: none).

4. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2007: \$nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

5. Tax charge on profit on ordinary activities	2008	2007
	\$m	\$m
<i>(a) Analysis of charge for the year</i>		
Current tax:		
UK corporation tax on profit at 28.5% (2007: 30%)	4	7
Adjustment in respect of prior periods	1	-
Current tax charge on profit on ordinary activities (note 5(b))	<u>5</u>	<u>7</u>
<i>(b) Factors affecting tax charge for the year</i>		
The tax assessed for the year is lower than (2007: equal to) the standard rate of corporation tax in the UK (28.5%) (2007: 30%). The differences are explained below:		
Profit on ordinary activities before tax	<u>27</u>	<u>22</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	7	7
Effects of:		
Adjustment to tax charge in respect of prior periods	1	-
Other including effect of exchange rates	<u>(3)</u>	<u>-</u>
Current tax charge for the year (note 5(a))	<u>5</u>	<u>7</u>

(c) Circumstances affecting current and future tax charges.

Following the Finance Act 2007, the UK corporation tax rate changed from 30% to 28% on 1 April 2008.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

6. Debtors	2008 \$m	2007 \$m
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertaking	80	53
<i>Amounts falling due after more than one year:</i>		
Amounts owed by Group undertaking	421	421
	501	474

On 7 September 2007 the Company was assigned a loan note for the sum of \$421 million due from Trinity Acquisition plc for repayment of a deferred subscription agreement from Willis North America Inc. On the same day, TA I Limited purchased this loan note by issuing to the Company an interest-bearing loan note for the sum of \$421 million. Under the terms of the loan interest is payable at LIBOR plus a margin of between 1.10% and 1.55% per annum. The loan is repayable in two instalments; \$175 million is repayable on 15 July 2010 and \$246 million is repayable on 15 July 2015. The amount due after more than one year at 31 December 2008 represents the debt obligation of TA I Limited under the terms of this interest-bearing loan.

7. Creditors: amounts falling due within one year	2008 \$m	2007 \$m
Amounts owed to Group undertaking	9	4
Corporation tax	6	6
	15	10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

8. Called up share capital	2008 Number (million)	2007 Number (million)
Authorised share capital		
Ordinary shares of \$1 each	500	500
1 ordinary share of £1	-	-
	500	500
	2008 \$m	2007 \$m
Allotted, called up and fully paid		
401,000,000 (2007: 401,000,000) ordinary shares of \$1 each	401	401
1 (2007: 1) ordinary share of £1	-	-
	401	401

9. Reserves and shareholders' capital	Share capital \$m	Share premium \$m	Profit and loss account \$m	Total \$m
1 January 2008	401	40	23	464
Profit on ordinary activities after taxation	-	-	22	22
31 December 2008	401	40	45	486

10. Related party transactions

FRS8 (paragraph 3(c)) exempts the reporting of transactions between Group companies in the financial statements of companies 90% or more of whose voting rights are controlled within the Group. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.