

WILLIS UK INVESTMENTS

(Registered Number 5146638)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Directors

SE Wood
OHW Goodinge (appointed 1 January 2012)
Willis Corporate Director Services Limited

Secretary

AC Peel (appointed 3 September 2012)

Registered Office

51 Lime Street
London EC3M 7DQ

Auditor

Deloitte LLP
London

THURSDAY



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27/06/2013
COMPANIES HOUSE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2012

Principal activities and review of developments

The Company provides financing to fellow Group undertakings and is a subsidiary of Willis Group Holdings plc ('the Group'). The Group 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

On 26 September 2012 the Company reduced its US\$ ordinary share capital from \$401 million to \$1 and subsequently cancelled the class. On the same day the Company cancelled its share premium account of \$40 million in its entirety. On 30 September 2012 the Company declared and paid a dividend in specie of US\$557 million to Willis Group Limited, its immediate parent undertaking. This was satisfied by the assignment of a receivable of US\$557 million due to the Company by TA I Limited, an indirect parent undertaking. The Company is likely to have a reduced level of activity in the foreseeable future.

Results

The profit on ordinary activities after taxation amounted to \$17 million (2011: \$22 million) as shown in the profit and loss account on page 7. The decrease in profit is attributable to the decrease in interest receivable due to the repayment of a loan including accrued interest by TA I Limited, a fellow Group undertaking, amounting to \$557 million.

Going concern

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 financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements on page 10.

Dividends

An interim dividend of \$557 million was paid on 30 September 2012 (2011: \$nil). The Directors do not recommend the payment of a final dividend (2011: \$nil).

Balance sheet

The balance sheet on page 8 of the financial statements shows the Company's financial position at the year end. Net assets have decreased by \$540 million largely due to repayment of the loan including accrued interest in 2012 by TA I Limited, a fellow Group undertaking, amounting to \$557 million. Movements in shareholders' funds are detailed above in 'Principal activities and review of developments'.

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.

This Company is also exposed to additional risks by virtue of being part of the wider Group, including those relating to the current Eurozone situation. These risks have been discussed in the Group's financial statements which do not form part of this report.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)**Environment**

The Group recognises the importance of its environmental responsibilities and its impact on the environment on a location by location basis, and designs and implements policies to reduce any damage that might be caused by the Group's activities

Employees

The Company employed no staff during the year (2011 none)

Directors

The current Directors of the Company are shown on page 1, which forms part of this report. OHW Goodinge was appointed with effect from 1 January 2012. There were no other changes in Directors during the year or after the year end.

Statement of Directors' responsibilities in relation to 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). 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 and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

By Order of the Board



SE Wood
Director
51 Lime Street
London EC3M 7DQ

25 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS UK INVESTMENTS

We have audited the financial statements of Willis UK Investments for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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

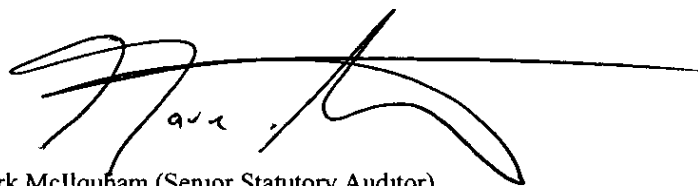
Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIS UK INVESTMENTS (continued)**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark McIlquham (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

25 June 2013

WILLIS UK INVESTMENTS

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$m	2011 \$m
Interest receivable from Group undertakings		23	30
Profit on ordinary activities before taxation		23	30
Tax charge on profit on ordinary activities	5	(6)	(8)
Profit on ordinary activities after taxation		17	22

All activities derive from continuing operations

There are no recognised gains or losses in either 2012 or 2011 other than the profit for those years

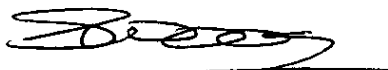
WILLIS UK INVESTMENTS

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BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 \$m	2011 \$m
Current assets			
Debtors			
Amounts falling due within one year	7	17	312
Amounts falling due after one year	7	-	246
		<u>17</u>	<u>558</u>
Current liabilities			
Creditors amounts falling due within one year	8	<u>(14)</u>	<u>(15)</u>
Net assets		3	543
Capital and reserves			
Called up share capital	9	-	401
Share premium	10	-	40
Profit and loss account	10	<u>3</u>	<u>102</u>
Shareholders' funds		3	543

The financial statements of Willis UK Investments, registered company number 5146638, were approved by the Board of Directors and authorised for issue on *25 June* 2013 and signed on its behalf by



SE Wood
Director

MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2012

Movements in shareholders' funds	Notes	2012 \$m	2011 \$m
Profit on ordinary activities after taxation		17	22
Reduction of US\$ ordinary share capital	9	(401)	-
Cancellation of share premium account	10	(40)	-
Transfer to distributable reserves	10	441	-
Dividends paid	6	(557)	-
Net movements in shareholders' funds for the year		(540)	22
Shareholders' funds at beginning of year		543	521
Shareholders' funds at end of year		3	543

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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. The expectation is based on the following reasons:

- the Company has net current assets of \$3 million (2011: \$543 million), and
- the Directors believe the Willis Group is a going concern.

For these reasons, the Directors continue to adopt the going concern basis in preparing the accounts.

Parent undertaking and controlling party

The Company's

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

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

Interest receivable from Group undertakings

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

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 the Company is a 90 per cent or more owned subsidiary undertaking and the consolidated cash flow statement that is prepared at Group level is publicly available

2 Profit on ordinary activities before taxation

Auditor's remuneration of £2,600 (\$4,120) (2011 £2,600 (\$4,170)) was borne by another Group company

3 Employee costs

The Company employed no staff during the year (2011 none)

4. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2011 \$nil)

5 Tax on profit on ordinary activities	2012	2011
	\$m	\$m
<i>(a) Analysis of charge for the year</i>		
Current tax:		
UK corporation tax on profit at 24.5% (2011 26.5%)	6	8
Total current tax (note 5(b))	6	8

(b) Factors affecting current tax for the year

The tax assessed for the year is equal to (2011 equal to) the standard rate of corporation tax in the UK (24.5% (2011 26.5%))

(c) Circumstances affecting current and future tax charges

The Government announced on 23 March 2011 that it intended to reduce the rate of UK corporation tax from 28% to 23% over four years. Consequently the Finance Act 2011, which was substantively enacted on 5 July 2011, included provisions to reduce the rate of UK corporation tax to 26% with effect from 1 April 2011 and to 25% with effect from 1 April 2012.

On 21 March 2012, the Government proposed further legislation to reduce the rate of UK corporation tax to 22% by 2014. Consequently, the Finance Act 2012 which was substantively enacted on 3 July 2012, included provisions to reduce the rate of UK corporation tax to 24% with effect from 1 April 2012 and 23% from 1 April 2013. The rate reduction to 23% had been substantively enacted prior to 31 December 2012 and therefore has been reflected in the financial statements.

The Government has subsequently proposed that from 1 April 2014 the rate will be 21% rather than the previously announced 22% and that the rate will be further reduced to 20% from 1 April 2015. These changes to the main tax rate have not been substantively enacted at the Balance Sheet date, and, therefore, are not included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

6. Dividends paid	2012 \$m	2011 \$m
First interim paid 30 September 2012 (2011 \$nil)	557	-

7 Debtors	2012 \$m	2011 \$m
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertaking	17	312
<i>Amounts falling due after more than one year:</i>		
Amounts owed by Group undertaking	-	246
	17	558

An interest bearing loan totalling \$557 million was repaid on 30 September 2012 by TA I Limited, an indirect parent undertaking

8. Creditors: amounts falling due within one year	2012 \$m	2011 \$m
Amounts owed to Group undertaking	8	7
Amounts owed to Group undertaking in respect of UK corporation tax group relief	6	8
	14	15

9. Called up share capital	2012 \$m	2011 \$m
Allotted, called up and fully paid		
0 (2011 401,000,000) ordinary share of \$1	-	401
1 (2011 1) ordinary share of £1	-	-
	-	401

On 26 September 2012 the Company reduced its US\$ share capital from \$401 million to \$1 and subsequently cancelled that class of share

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

10 Reserves and shareholders' funds	Share capital \$m	Share premium \$m	Profit and loss account \$m	Total \$m
1 January 2012	401	40	102	543
Profit on ordinary activities after taxation	-	-	17	17
Reduction of US\$ ordinary share capital	(401)	-	401	-
Cancellation of share premium account	-	(40)	40	-
Dividends paid	-	-	(557)	(557)
31 December 2012	-	-	3	3

On 26 September 2012 the Company reduced its US\$ share capital from \$401 million to \$1 and subsequently cancelled that class of share. On the same day the Company cancelled its share premium account in its entirety.

11. Related party transactions

FRS8 (paragraph 3(c)) exempts the reporting of transactions between group companies in the financial statements of companies that are wholly owned within the group. The Company has taken advantage of this exemption. There are no other transactions requiring disclosure.