

WILLIS CORROON (FR) LIMITED
(Registered Number 329931)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Directors

MP Chitty
SK Bryant

Secretary

SK Bryant

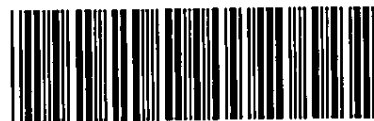
Registered Office

51 Lime Street
London EC3M 7DQ

Auditors

Deloitte & Touche LLP
London

THURSDAY



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03/07/2008
COMPANIES HOUSE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2007

Principal activities and review of developments

The Company's principal activity is to provide United Kingdom insurance premium tax fiscal representation services to overseas insurers

The profit on ordinary activities after taxation amounted to £6,700 (2006 £7,447)

The Directors do not anticipate any changes in the Company's position for the foreseeable future

No interim dividend was paid during the year (2006 £nil) The Directors do not recommend the payment of a final dividend (2006 £nil)

Enhanced Business Review

The Directors' Report is not required to include an enhanced business review Advantage has been taken of the provisions of s246 of the Companies Act 1985 (as amended)

Directors

The current Directors of the Company are shown on page 1, which forms part of this report There were no 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 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

WILLIS CORROON (FR) LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

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 s234ZA of the Companies Act 1985

Auditors

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

By order of the Board



SK Bryant
Secretary

27 June 2008

51 Lime Street
London EC3M 7DQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLIS CORROON (FR) LIMITED

We have audited the financial statements of Willis Corroon (FR) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Movement in Shareholders' Funds and the related notes 1 to 11. 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 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 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 CORROON (FR) LIMITED
(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 2007 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 & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

1 July

2008

WILLIS CORROON (FR) LIMITED**6****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
Turnover	2	47,769	45,687
Operating expenses		(45,266)	(40,097)
Operating profit	3	2,503	5,590
Interest receivable		7,068	5,049
Profit on ordinary activities before taxation		9,571	10,639
Tax charge on profit on ordinary activities	6	(2,871)	(3,192)
Profit on ordinary activities after taxation		6,700	7,447

All activities derive from continuing operations

RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007

There are no recognised gains or losses in either 2007 or 2006 other than the profit for those years

WILLIS CORROON (FR) LIMITED

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BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 £	2006 £
Current assets			
Debtors amounts falling due within one year	7	2,550	10,203
Deposits and cash		45,777	33,792
		48,327	43,995
Current liabilities			
Creditors amounts falling due within one year	8	(15,306)	(17,674)
Net assets		33,021	26,321
Capital and reserves			
Called up share capital	10	101	101
Capital redemption reserve	10	200	200
Profit and loss account	10	32,720	26,020
Equity shareholders' funds		33,021	26,321

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2008 and signed on its behalf by



SK Bryant
Director

WILLIS CORROON (FR) LIMITED**8****MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDING 31 DECEMBER 2007**

Movement in shareholders' funds	2007 £	2006 £
Profit on ordinary activities after taxation	6,700	7,447
Net movement in shareholders' funds for the year	6,700	7,447
Shareholders' funds at beginning of year	26,321	18,874
Shareholders' funds at end of year	33,021	26,321

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**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

Parent undertaking and controlling party

The Company's

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

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.

Foreign currency translation

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

Revenue recognition

The Company takes credit for fee income on an as earned basis. Interest receivable is accounted for on an accruals basis.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

2. Turnover

The table below analyses the Company's fees by the accounting address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business. Fees are attributable to continuing operations.

Fees	2007 £	2006 £
United Kingdom	30,802	29,034
Rest of the world	16,967	16,653
	<u>47,769</u>	<u>45,687</u>

3. Operating profit

Auditors' remuneration of £ 2,700 (2006 £5,000) was borne by another Group company.

4. Employee costs

The Company employed no staff during the year (2006 none).

5. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the year (2006 £nil).

6. Tax charge on profit on ordinary activities	2007 £	2006 £
<i>(a) Analysis of charge for the year</i>		
Current tax		
UK corporation tax on profit at 30% (2006 30%)	<u>2,871</u>	<u>3,192</u>
Current tax charge on profit on ordinary activities (note 6(b))	<u>2,871</u>	<u>3,192</u>
<i>(b) Factors affecting tax charge for the year</i>		
The tax assessed for the year is equal to the standard rate of corporation tax in the UK (30%), as shown below		
Profit on ordinary activities before tax	<u>9,571</u>	<u>10,639</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	<u>2,871</u>	<u>3,192</u>
Current tax charge for the year (note 6(a))	<u>2,871</u>	<u>3,192</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

6. Tax charge on profit on ordinary activities (continued)

(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

	2007	2006
	£	£
7. Debtors		

Amounts falling due within one year.

Trade debtors	2,550	10,203
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	2007	2006
	£	£
8. Creditors: amounts falling due within one year		

Amounts owed to Group undertakings	-	1,813
Corporation tax	2,871	3,192
Other creditors	2,871	1,685
Accruals and deferred income	9,564	10,984
	15,306	17,674

	2007	2006
	Number	Number
9. Called up share capital		

Authorised share capital

Ordinary shares of £1 each	1,000	1,000
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	2007	2006
	£	£
Allotted, issued and fully paid		

101 (2006 101) ordinary shares of £1 each	101	101
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	Share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
10. Reserves and shareholders' capital				
1 January 2007	101	200	26,020	26,321
Profit on ordinary activities after taxation	-	-	6,700	6,700
31 December 2007	101	200	32,720	33,021

11. 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.
